

LEASE

1. PARTIES

This lease is entered into by Stealth Properties LLC the owner of the premises described in Paragraph 2 (LANDLORD), and the State of North Dakota, Attorney General Office (STATE).

2. SCOPE OF LEASE

The LANDLORD, in consideration of the rent to be paid and the covenants to be performed by STATE, hereby leases to STATE the following described premises situated in the city of Bismarck, county of Burleigh and State of North Dakota:

Building located at 1720 Burlington Avenue.

3. TERM OF LEASE

The term of this lease shall be for a period of 120 months, commencing on the 1st day of July 2021, and terminating on the 30th day of June, 2031. The STATE shall have the right but not the obligation to extend the term of this lease for one (1) ten (10)- year term following the initial lease ending June 30, 2041.

4. HOLDING OVER

If STATE remains in possession of the premises after this Lease expires, and LANDLORD accepts from STATE, this Lease shall be deemed renewed on a month-to-month basis with all other terms and conditions of this Lease remaining in effect until otherwise agreed in writing.

5. RENTAL PAYMENT

STATE will pay rent for the premises, consisting of 33,000 square feet, a base rate of \$9.50 per square foot per annum or \$313,5000.00 per annum in years one through five. Rent will be paid in advance by the 10th day of each month in a monthly amount of \$26,125.00 which is 1/12 of the annual amount, commencing on the 1st day of July, 2021, and continuing monthly thereafter until the 31st day of June, 2026.

Commencing the 1st day of July, 2026 the base rate for the premises, consisting of 33,000 square feet at \$10.00 per square foot per annum or \$330,000.00 per annum. Rent will be paid in advance by the 10th day of each month in a monthly amount of \$27,500.00 which is 1/12 of the annual amount, and continuing monthly thereafter until the 31st day of June, 2031.

Commencing the 1st day of July, 2031 the base rate for the premises, consisting of 33,000 square feet at \$10.50 per square foot per annum or \$346,500.00 per annum. Rent will be paid in advance by the 10th day of each month in a monthly amount of \$28,875.00 which is 1/12 of the annual amount, and continuing monthly thereafter until the 31st day of June, 2036.

Commencing the 1st day of July, 2036 the base rate for the premises, consisting of 33,000 square feet at \$11.00 per square foot per annum or \$363,000.00 per annum. Rent will be paid in advance by the 10th day of each month in a monthly amount of \$30,250.00 which is 1/12 of the annual amount, and continuing monthly thereafter until the 31st day of June, 2041.

Rent is payable at the address of LANDLORD which is Parkway Property Management 218 S 1st Street., Bismarck, North Dakota 58501, unless STATE is notified otherwise in writing by LANDLORD or payable by ACH to bank account designated by LANDLORD.

State shall be responsible for additional rent associated with the operating expenses of the building and grounds commonly known as CAM expenses, which will be prorated based on the tenant's main floor occupied space estimated at 33,000 sf to the building main floor space estimated at 33,000 sf. Additional Rent shall be paid Monthly based on estimated annual CAM costs. The estimated CAM rate will be \$5.70 per foot. The STATE will contract out the janitorial services internally. The rate will be adjusted annually by one percent. Due to unforeseen circumstances it could be adjusted up to four percent annually.

6. **LANDLORD'S OBLIGATION** For the term of this lease, and any extensions or renewals, LANDLORD agrees:

a. To perform all required maintenance associated with maintaining the property including but not limited to building insurance, roof, exterior wall maintenance and building structural components. All pass through expenses including, but not limited to, snow removal, parking lot maintenance and yard maintenance, real estate taxes and special assessments should be included in the CAM.

b. To perform all maintenance and repairs requested by STATE which are related to use and habitability of the premises.

c. That STATE may install items that it deems necessary for maximum and optimum utilization of the leased premises. STATE may, at any time, remove from the premises all fixtures and other equipment owned by STATE, provided that the removal must be completed by termination of this lease or any renewal or extension. STATE agrees to repair any damages that may be done to the leased premises resulting from the removal of the items, if any.

d. That if other portions of the building are leased to other parties, LANDLORD shall not permit any activity to be conducted in other portions of the building or grounds that will materially interfere with STATE'S use and enjoyment of the premises.

e. That STATE may place decorations, wall hangings, signs and directories upon entrance doors, in hallways leading to its leased premises, or doors and walls within the leased premises.

f. That STATE may install items that it deems necessary for maximum and optimum use of the premises. STATE may at anytime remove from the premises all fixtures and other equipment owned by STATE; provided the removal is completed before termination of this lease or any renewal or extension. STATE agrees to repair any damages that may be done to the premises resulting from the removal of the items, if any.

g. To comply at its own expense with all federal, state, county, and city laws and ordinances and all lawful rules regulations or orders of any duly constituted authority, present or future affecting the leased premises.

7. STATE'S OBLIGATION

For the term of this lease, and any renewals or extensions, STATE agrees:

a. To pay the rent when due.

b. To pay for its own telephone service, internet and cable service along with all costs associated with improvements lighting maintenance electrical and gas cost associated within the demised space, general liability insurance and all janitorial services within the demised space. To provide janitorial to common areas in coordination with other tenant. The LANDLORD shall divide the electrical and gas billing equally between the two occupants for the building.

c. To keep the leased premises in reasonable condition the same as at the commencement of the term or as it may be put by the LANDLORD, except for reasonable use and wear, and damage by fire and unavoidable casualty.

d. Not to make any unlawful, improper or offensive use of the premises, and to observe all the laws of the state of North Dakota and the ordinances of the city of Bismarck in force from time to time relating to the leased premises.

e. To permit the LANDLORD at all reasonable times to enter and examine the premises and to make necessary repairs for the protection of the premises.

f. To surrender the premises to LANDLORD at the end of the term; and, in default of the payment of rent due or failure to perform its obligations under this lease, to surrender the premises upon demand made by LANDLORD.

g. To maintain at its own expense and assume responsibility for all of office equipment, furniture, and fixtures installed by STATE or provided by LANDLORD.

8. TERMINATION OF LEASE

STATE has no obligation under this Lease for the initial or succeeding terms if the North Dakota Legislature fails to appropriate STATE sufficient funds to defray the full rental costs. STATE, without any liability may terminate this Lease by providing thirty (30) days written notice, if its legislative appropriations are reduced or if its authority to spend its appropriation is reduced or limited by law or by reduction in federal or other grant funds to a point STATE, in its sole discretion, deem insufficient to pay the full rental cost for the remainder of the term of this Lease. During the term of this Lease or any renewal or extension STATE

may terminate this Lease by providing thirty (30) days written notice to LANDLORD, if LANDLORD fails to comply with any of its obligations under this Lease, or if STATE determines it must relocate to comply with the

Americans With Disabilities Act of 1990 or any rules adopted under the act or with any other state or federal law or rule.

9. **TERMINATION OF LEASE IN THE EVENT OF DESTRUCTION OF PREMISES**

If the leased premise are destroyed or damaged by fire or the elements to the extent they become untenable this Lease will terminate immediately unless LANDLORD within twenty (20) day of the happening of the event gives written notice of intention to restore the building and fully restores the premises within a reasonable time. During the term between destruction and restoration of the premises rent will not be due, and if rent has already been paid LANDLORD shall refund to STATE all that portion of the prepaid rent attributable to the time during which STATE was unable to use the premises for its intended use.

10. **MERGER & MODIFICATION**

This Lease constitutes the entire agreement between the parties. There are no understandings agreements or representations oral or written not specified within this Lease. This Lease may not be modified supplemented or amended in any manner, except by written agreement signed by both parties.

11. **SEVERABILITY**

If any term of this Lease is declared to be illegal or unenforceable by a court having competent jurisdiction, the validity of the remaining term is unaffected and, if possible, the rights and obligations of the parties are to be construed and enforced as if this Lease did not contain that term.

12. **ASSIGNMENT-SALE OF PREMISES**

This Lease must not be assigned or subleased by STATE without LANDLORD'S written consent which shall not be unreasonably withheld. The STATE shall remain primarily responsible for all the STATE responsibilities in the event the STATE is granted permission to assign its interest. This Lease does not terminate if the premises are sold but continues throughout the entire term.

13. **NOTICE**

All notices or other communications required under this Lease must be given by registered or certified mail and are complete on the date postmarked when addressed to the parties at the following address:

STATE-ATTORNEY GENERAL	
Name:	
Title:	
Address:	600 E Boulevard Ave
City, State, Zip:	Bismarck, ND 58505-0200

Name:	Stealth Properties
Title:	Registered Agent: Marie Brown
Address:	1113 E Lasalle Drive Apt. 5
City, State, Zip:	Bismarck, ND 58503-5621

14. APPLICABLE LAW

This Lease is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this Lease must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. Each party consents to the exclusive jurisdiction of such court and waive any claim of lack of jurisdiction or forum non conveniens.

15. ALTERNATIVE DISPUTE RESOLUTION - JURY TRIAL

STATE does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. STATE does not waive any right to a jury trial.

16. SPOILIATION-NOTICE OF POTENTIAL CLAIMS

LANDLORD shall promptly notify STATE of all potential claims that arise from or result from this Lease. LANDLORD shall also take all reasonable steps to preserve all physical evidence and information that may be relevant to the circumstances 5 (December 2015 Version), surrounding a potential claim, while maintaining public safety, and grants to STATE the opportunity to review and inspect the evidence, including the scene of an accident.

17. **INDEMNITY**

LANDLORD agrees to defend indemnify and hold harmless the State of North Dakota its agencies officers and employees (STATE), from and against claim based on the vicarious liability of the STATE or its agents, but not against claims based on the STATE's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct.

The legal defense provided by LANDLORD to the STATE under this provision must be free of any conflicts of interest even if retention of separate legal counsel for the STATE is necessary.

LANDLORD also agrees to defend indemnify and hold the STATE harmless for all costs, expenses and attorney fees incurred if the STATE prevails in an action against LANDLORD in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.

18. **INSURANCE**

a. LANDLORD shall secure and keep in force during the term of this Lease, from an insurance company, authorized to do business in North Dakota property insurance covering the building but not covering the fixtures or personal property of the STATE. STATE insofar as it deems advisable, shall procure property insurance coverage for all of its equipment, fixtures or other personal property it may have located on the Leased Premises.

b. STATE shall secure and keep in force during the term of this Lease, from an insurance company authorized to operate in North Dakota government self-insurance pool or government self-retention fund, general liability coverage for claims arising out of its operations under this Lease with minimum limits of liability of \$500,000 per person and \$1,000,000 per occurrence. STATE shall furnish annually to LANDLORD a certificate of insurance to evidence the coverage is in effect.

19. **CONFIDENTIALITY**

LANDLORD shall not use or disclose any information it receives from STATE under this Lease that STATE has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this Lease or as authorized in advance by STATE. STATE shall not disclose any information it receives from LANDLORD that LANDLORD has previously identified as confidential and that STATE determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota public records law N.D.C.C. ch. 44-04. The duty of STATE and LANDLORD to maintain confidentiality of information under this section continues beyond the term of this Lease.

LANDLORD acknowledges that STATE possesses substantial amounts of information at the leased premises that is confidential pursuant to state law. LANDLORD, if it views, comes into possession of or otherwise become knowledgeable of confidential information located at the leased premises shall maintain the confidentiality of that information and shall refrain from re-disclosing that information to any third party. LANDLORD shall require by contract, any agent it retains to fulfill its obligations otherwise set out in this Lease to similarly maintain the confidentiality of any information it views comes into possession of or of which otherwise becomes knowledgeable. Those indemnity provisions otherwise set out in the Lease agreement specifically apply to this confidentiality requirement.

20. COMPLIANCE WITH PUBLIC RECORDS LAWS

LANDLORD understands that, in accordance with this Lease's Confidentiality clause, STATE must disclose to the public upon request any records it receives from LANDLORD. LANDLORD further understands that any records obtained or generated by LANDLORD under this Lease except for records that are confidential under this Lease may, under certain circumstances, be open to the public upon request under the North Dakota public records law. LANDLORD agrees to contact STATE immediately upon receiving a request for information under the public records law and to comply with STATE's instructions on how to respond to the request.

21. STATE AUDIT

All records regardless of physical form and the accounting practices and procedures of LANDLORD relevant to this Lease are subject to examination by the North Dakota State Auditor, the Auditor designee or Federal auditors if required. LANDLORD shall maintain all records for at least three (3) years following completion of this Lease and be able to provide them at any reasonable time. STATE, State Auditor, or Auditor's designee shall provide reasonable notice to LANDLORD prior to conducting examination.

22. EFFECTIVENESS OF LEASE

This Lease is not binding on STATE until it is reviewed and executed by the Office of Attorney General and approved and executed by the Director of Facility Management Division, OMB, as required in N.D.C.C. § 54-21-24.1.

23. USE

STATE shall use the Premises as it has been using during the sub-lease term.

24. ADDITIONAL SPACE

Any additional space leased by the STATE, at any time during the Lease, shall be identical to the Base Rental rate being paid at the time the addition space is acquired.

25. SIGNAGE

STATE needs LANDLORD approval.

26. IMPROVEMENTS

- a. Landlord Improvements
See Attachment A.
- b. STATE Improvements

STATE responsible for the additional cost above \$220.00 per square foot on the new construction. Construction. STATE is responsible for the additional costs above \$50.00 per square foot for the remodel of the current structure.
Any modifications must be approved by Landlord.

27. FLOORPLAN

See Attachment A.

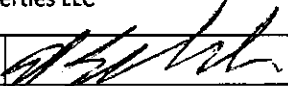
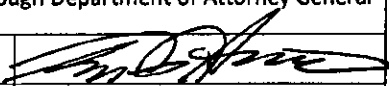
28. WAIVERS

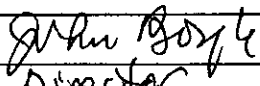
No waiver by any party of a breach of any provision of this lease and no failure by any party to exercise any right or remedy relating to a breach of any provision of this Lease, shall constitute a waiver or relinquishment for the future of such provision constitute a waiver of or consent to any subsequent breach of such provision, or bar any right or remedy of such party relating to any such subsequent breach. The exercise by any party of any right or election under this Lease shall not preclude such party from exercising any other right or election that it may have under this Lease.

subsequent breach. The exercise by any party of any right or election under this Lease shall not preclude such party from exercising any other right or election that it may have under this Lease.

29. CONDITIONS OF USE PREMISES

STATE agrees to accept the Premises in "AS IS" condition, and agrees that it has inspected the Premises and acknowledges that no representations, express or implied, of any kind, with respect to the condition thereof have been made to the STATE by the LANDLORD.

Landlord		STATE OF NORTH DAKOTA	
Stealth Properties LLC		Acting through Department of Attorney General	
By:		By:	
Title:	mm	Title:	Chief Deputy Attorney General
Date:	4/24/2020	Date:	4/24/20

REVIEWED BY		APPROVED BY	
ATTORNEY GENERAL		OMB FACILITY MANAGEMENT	
By:		By:	
Title:		Title:	Director
Date:		Date:	4/24/2020