

## TERM SHEET

### Lease Termination Agreement

By and between  
CITY OF MINNEAPOLIS (the “City”) and TRANSFORM OPERATING STORES LLC (“Transform”)  
regarding the property at 10 West Lake Street, Minneapolis, MN 55408

Property            10 West Lake Street (PID: 34-029-24-43-0141)

Termination Fee   \$9,100,000

#### Leases

- Operating Lease – Lease (June 4, 1976); Memorandum of Lease (June 4, 1976)
- Ground Lease - Agreement of Lease (February 23, 1978); Short Form Lease (February 23, 1978)

#### Termination Date

Date of payment of the Termination Fee on or before June 30, 2020.

#### Outside Date

If the Conditions Precedent have not been satisfied on or before June 30, 2020, then the parties shall thereafter have no further obligations or liabilities under this Agreement.

#### City Conditions Precedent to Payment of the Termination Fee

- Title - Transform shall obtain releases of all mortgages, liens, and encumbrances.
- Taxes - Transform shall pay all real estate taxes and special assessments that have accrued on or before the termination date.
- Lease Obligations - Transform shall perform all other obligations under the Leases.
- Agreements - Transform shall disclose to the City all agreements, leases, licenses, and permits to which Transform is a party, a licensee, or permittee and terminated any not accepted by and assigned to the City.

#### Surrender

On the Termination Date, Transform shall surrender and deliver possession of the property to the City “as-is,” except that Transform shall have removed all personal property, trade fixtures, and equipment.

#### Suspension of Rent

No rent shall accrue under the Leases from the date of the Termination Agreement until the earlier of the Termination Date or the Outside Date.

#### Relocation

Transform acknowledges and agrees: (1) it is **not** a “displaced person,” (2) the transaction in this Agreement is **not** a project for which relocation assistance, services, and benefits are available under the Relocation Act; and (3) it is **not** eligible for relocation assistance, services, and benefits under the Relocation Act.

#### Exhibits

- A. Relocation Brochure
- B. Form of Affidavit
- C. Form of Memorandum of Lease Termination