CONFIDENTIAL OFFERING MEMORANDUM

LAKEVILLE OFFICE CONDO

10567 165TH STREET W | LAKEVILLE, MN

CHAD ANVARY | RYAN GEIGER

TRANSWESTERN

CONFIDENTIALITY & CONDITIONS

Equity Transwestern LLC, dba Transwestern (the "Agent") has been engaged as the exclusive agent for the sale of 10567 165th Street West ("Lakeville Twon Office Park I") in Lakeville, Minnesota (the "Property"), by the Owner (the "Seller").

The Property is being offered for sale in an "as-is, where-is" condition and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this information package. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective Purchasers of the interest described herein. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with Transwestern as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor". The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by the Agent prior to delivery of this information package.

The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Agent or the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners or directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent or the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein, or any other written or oral communications, or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property. Interested parties are to make their investigations, projections and conclusions without reliance upon the material contained herein.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. The Seller and the Agent each expressly reserve the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, corrections or errors, change of price or other terms and prior sale or withdrawal from the market without notice.

The Agent is not authorized to make any representations or agreements on behalf of the Seller.

The Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered and approved by the Seller and any conditions to the Seller's obligations there under have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to the Agent or the Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Properties directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or the Agent; and

(c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Transwestern.

The Seller will be responsible for any commission due the Agent in connection with a sale of the Properties. Each prospective purchaser will be responsible for any claims for commissions by any other broker or agent in connection with a sale of the Properties if such claims arise from acts of such prospective purchaser or its broker/agent. Any Buyer's Agent must provide a registration signed by the prospective investor acknowledging said agent's authority to act on its behalf.

Environmental Matters

All parties to real estate transactions should be aware of the health liability and economic impact of environmental factors on real estate. Agent does not conduct investigations or analysis of environmental matters, and accordingly, urges its clients to retain qualified environmental professionals to determine whether hazardous or toxic wastes or substances (such as asbestos, PCBs and other contaminant or petrol-chemical products stored in underground tanks) or other undesirable materials or conditions are present in the Property, and if so, whether any health danger or other liability exists. Such substances may have been used in the construction or operation of the buildings or may be present as a result of the previous activities at a Property. Depending upon past, current and proposed uses of the Property, it may be prudent to retain an environmental expert to conduct a site investigation and/or building inspection.

Various federal, state and local authorities have enacted laws and regulations dealing with the use, storage, handling, removal, transport and disposal of toxic or hazardous wastes and substances. If hazardous or toxic substances exist or are contemplated to be used at a Property, special governmental approvals or permits may be required. In addition, the cost of removal and disposal of such materials may be substantial. Consequently, legal counsel and technical experts should be consulted where these substances are or may be present. Agent makes no representation and assumes no obligation regarding the presence or absence of toxic or hazardous waste or substances or other undersirable mateial on or about the Property ultimately sold. It is solely the responsibility of the potential investor to conduct investigations to determine the presence of such materials.

Radon Gas

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Additional information regarding radon and radon testing may be obtained from your county public health unit.

The Americans with Disability Act

The Americans with Disabilities Act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real Property may be required. State and local laws also may mandate changes. Agent is not qualified to advise you as to what, if any, changes may be required now, or in the future. Prospective investors should consult their attorneys and qualified design professionals for information regarding these matters.

Legal & Tax Matters

With respect to legal or tax issues pertaining to the acquisition and/or ownership of the Property, Agent is not qualified to provide advice on such matters. Prospective purchasers should consult with their advisors on these and other related matters. The recipient of this Offering Memorandum shall not rely on any information contained herein with respect to these or any other matters. The Seller and the Agent make no representation or warranties on any such matters.

EXECUTIVE SUMMARY

Investment Summary

Transwestern ("Broker"), on behalf of the Owner, is pleased to present the opportunity to acquire the 100% fee-simple interest in 10567 165th Street West. The property is a 6,684 square foot, three-story office condo located in Lakeville, Minnesota. The Property is a well-maintained, three-story office condo consisting of 6,684 square feet.

10567 165th Street is a great owner/user sale opportunity and can be either single or multi-tenant. The Property features a convenient location close to area amenities and freeway access.

Highlights

- Well maintained three story office condo
- Ample parking
- Convenient location with easy access to I-35
- Near retail amenities
- Office park has historically high occupancy

PROPERTY DETAILS

Property Type:	3-Story Class B Office Condo
Address:	10567 165th Street W Lakeville, MN 55044
Site Size:	0.10 Acres (4,356 SF)
Building Size:	6,684 SF
Year Built:	2004
PID:	22.44460.01.031
County:	Dakota
Submarket:	Southeast
2016 RE Taxes:	$20,633.52

FOR SALE

Asking Price:	$862,236 ($129 psf)

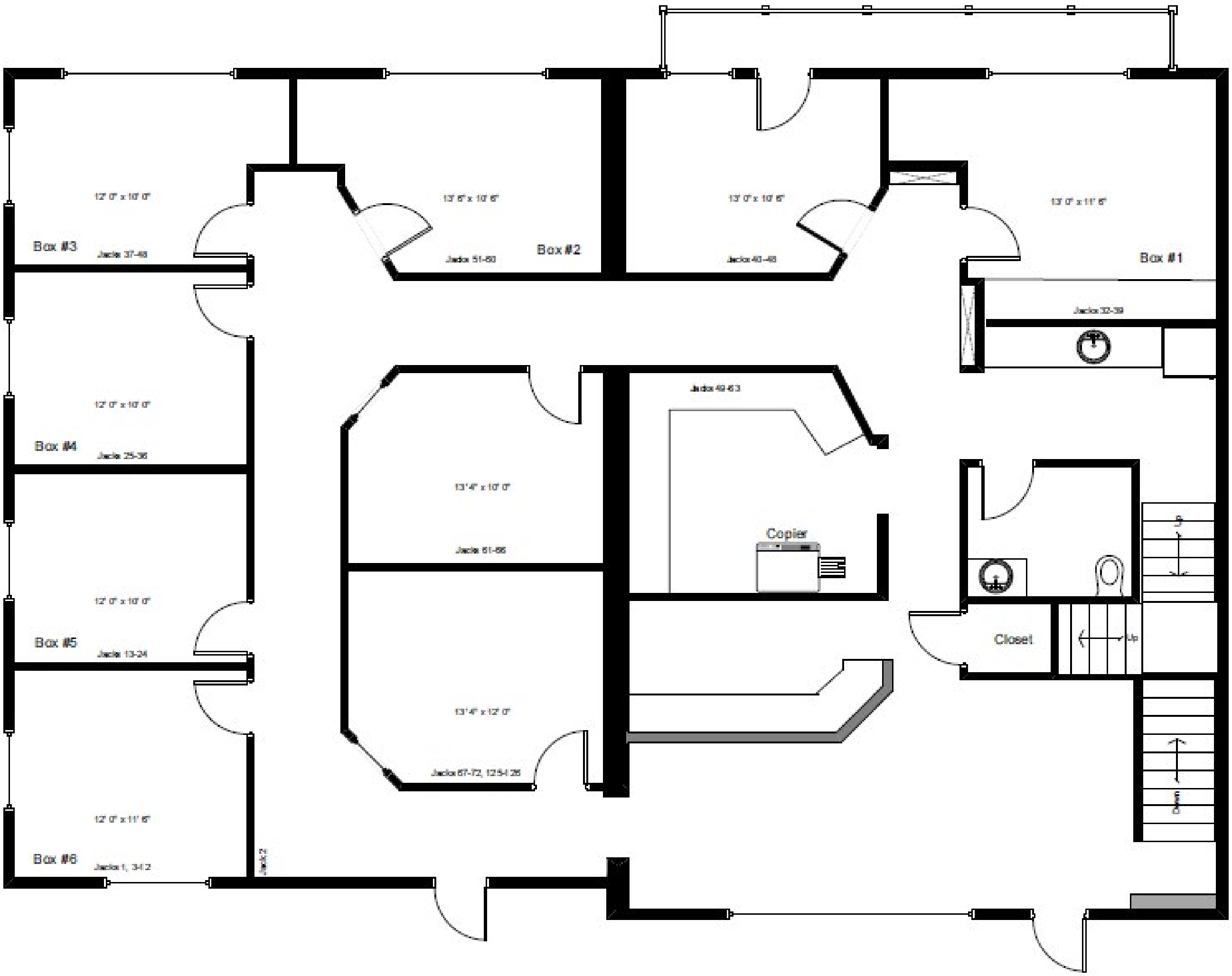
FOR LEASE

Gross Rent:	$22.00 psf

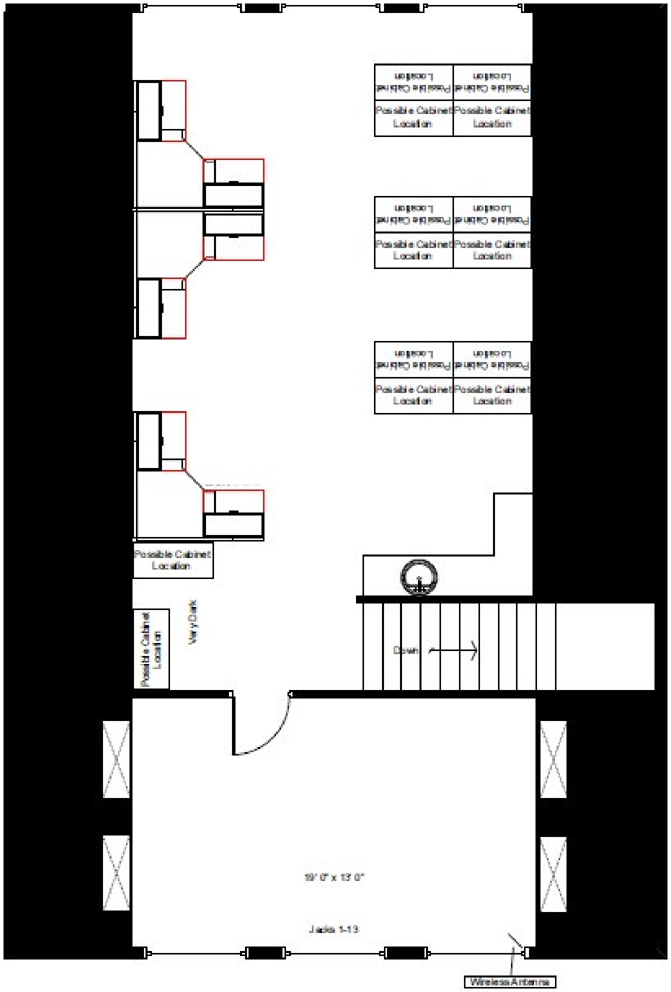

RHS Realty

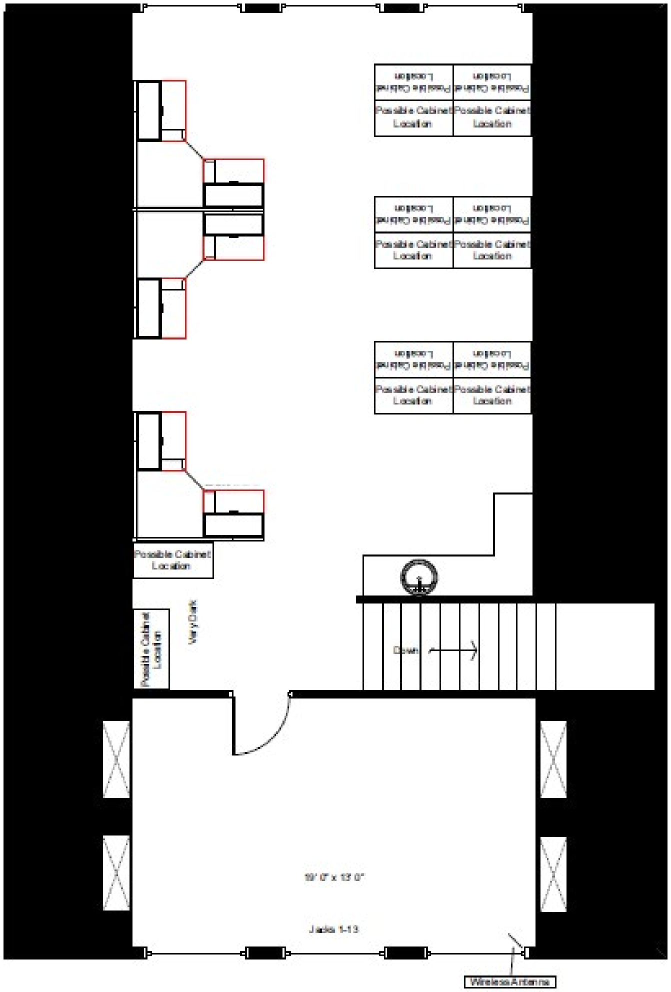
EXECUTIVE SUMMARY

Main Level Floor Plan

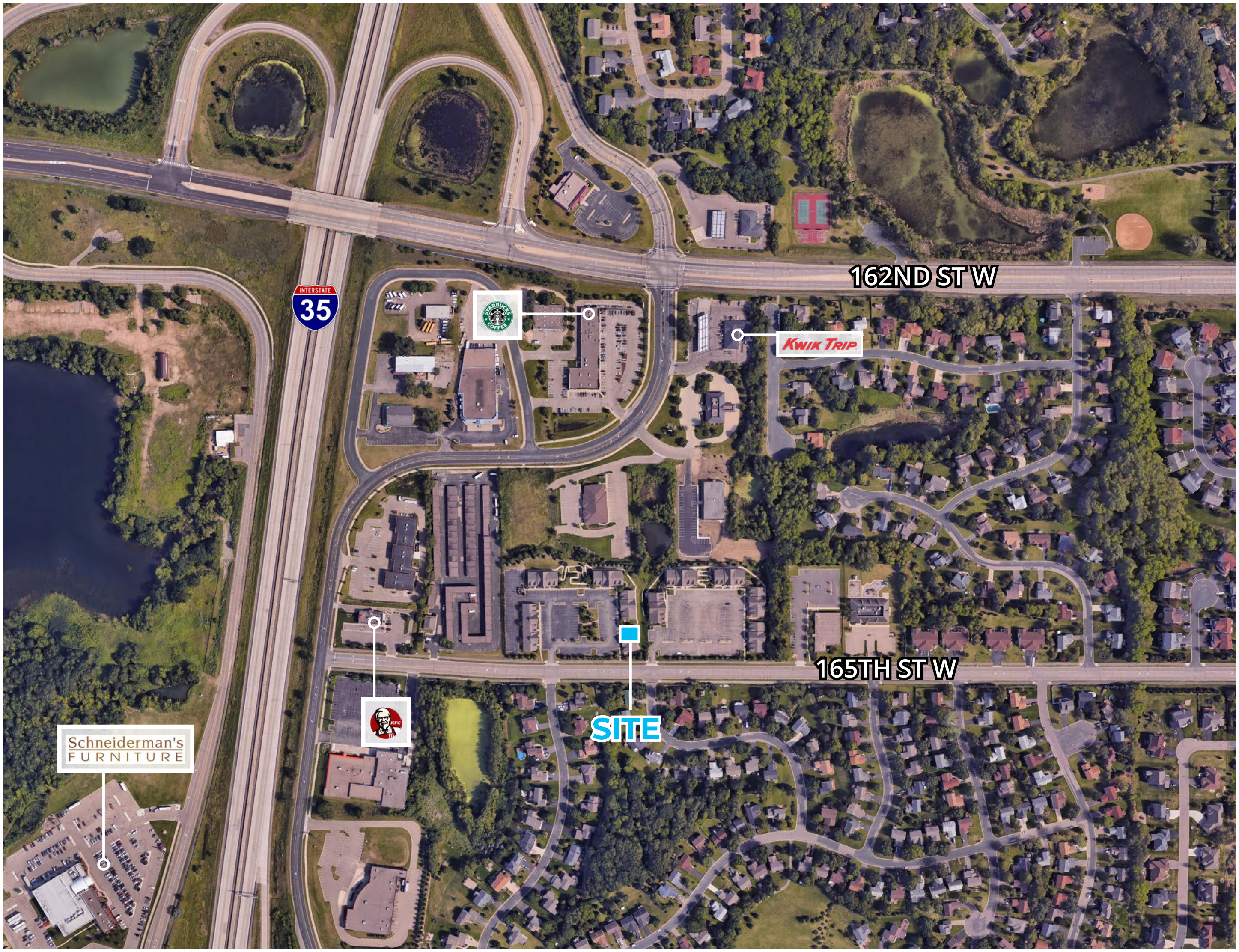


Upper Level Floor Plans





LOCATION OVERVIEW



ABOUT LAKEVILLE

Lakeville is the largest city in Dakota County, Minnesota. It is a suburb of Minneapolis-St. Paul and approximately 20 miles south of both downtown Minneapolis and downtown St. Paul. The City of Lakeville is a family-oriented community that serves as the southern gateway to the Twin Cities metropolitan area. Encompassing 38-square miles, the community offers a well-balanced atmosphere of planned development and managed growth.

Lakeville combines a peaceful and safe small-town atmosphere with the convenience of easy access to the metropolitan area. Excellent schools, an arts center, and a wide variety of recreational opportunities add to the community spirit and quality of life enjoyed by residents.

With a population of 67,692 Lakeville has an active and growing business community, with over 1,200 businesses. Opportunities abound for commercial development to provide goods and services for the growing population. Lakeville provides businesses with easy access to Twin Cities amenities, as well as ideal access to southern Minnesota and points south, including Rochester, La Crosse, Des Moines and Chicago.

DEMOGRAPHICS	
Population	67,692
Daytime Population	59,344
Households	22,743
Average Household Size	3.0
Median Age	35.9
Median Household Income	$110,075
Average Household Income	$133,639

Trends: 2020 - 2025 Annual Rate	
Population	1.5%
Households	1.5%

Sources: Esri, U.S. Census

TOP EMPLOYERS	# OF EMPLOYEES	TYPE
ISD #194	1,211	Government/Public
Hearthside Food Solutions	556	Food Manufacturing
TreeHouse Private Brands	550	Food Manufacturing
Schmitty & Sons	454	Transportation
Post Consumer Brands	450	Headquarters
BTD Manufacturing	375	Fabricated Metal
Menasha Corporation	306	Packaging Materials

MARKET OVERVIEW

Q3 2020 | MSP Office Report

Market Overview

Slow leasing in Minneapolis-St. Paul's office market remains a concern, but by most measures—especially for the nation's top secondary locales—the Twin Cities were healthy entering 2020. Minneapolis offers great talent, solid yields, and a high concentration of Fortune 500 tenants in one of the strongest economies in the nation. How well this buoys the market will be tested by the economic fallout from the coronavirus pandemic. Slow leasing in office space may turn to rent and tenant losses as businesses either close their doors and send their employees home to telework or just send them home indefinitely.

Asking rent growth has slowed and expected to do so further as businesses request help with rent payments or forbearance. This is a juxtaposition to the strong positive growth from 2012 to early 2020. Losses are expected to be bifurcated, with Class C offices seeing the greatest reductions, followed by Class A space and, finally, Class B properties. Competition for tenants in Class A offices and recently renovated Class B office space had been intensifying already and concession packages were on the rise, not only in the Minneapolis CBD, but in well-located suburban submarkets also.

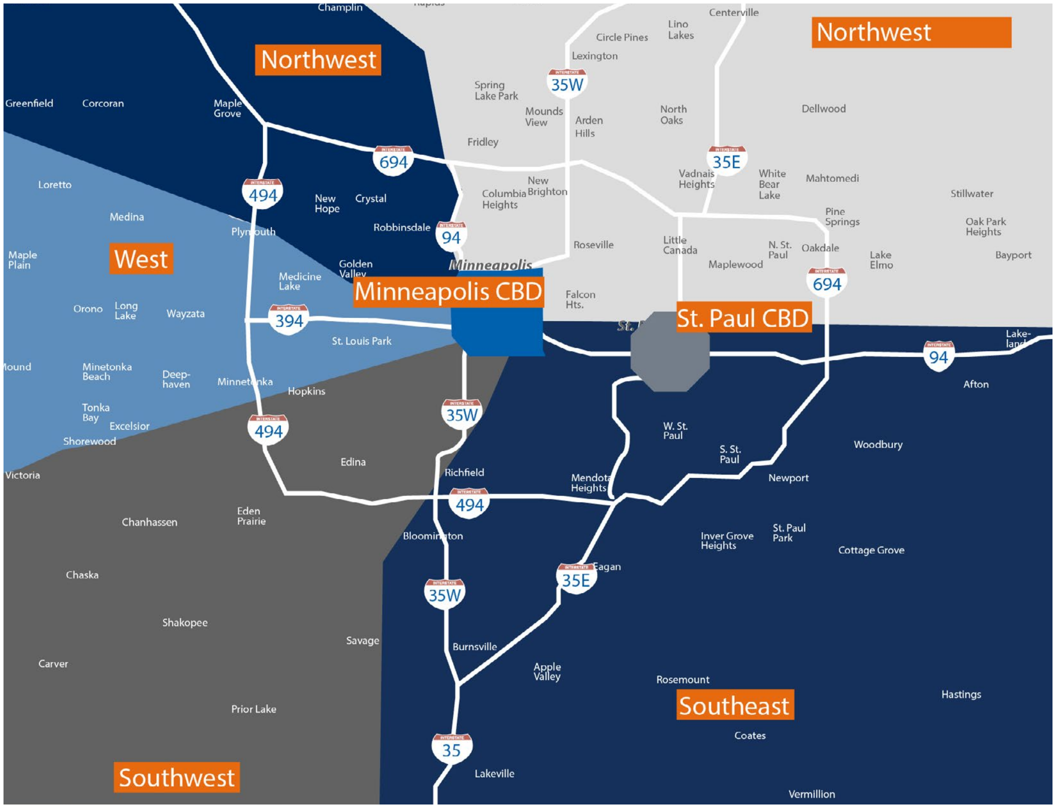
Pricing for capital transactions has changed significantly across the market, following an eight-year streak of annual volume above $1 billion. Investors have been drawn to this market for its yields that remain well above those for assets in primary gateway markets.

Notable Q3 Lease Transactions

BUILDING	CITY	SUBMARKET	SQ. FT.	TENANT
801 Marquette	Minneapolis	Minneapolis CBD	94,000	Deluxe Corporation
Wells Fargo Plaza	Bloomington	Southwest	80,000	Wells Fargo
First National Bank Building	St. Paul	St. Paul CBD	80,000	US Army Corps
3701 Wayzata Boulevard	Minneapolis	West	55,000	Tactile
10 West End	St. Louis Park	West	48,000	HDR
Two22	Minneapolis	Minneapolis CBD	45,480	Principal

Sources: Costar, REDIComps, & Transwestern

Market	Bldg Class	# of Bldgs	Inventory	Total Available	Total Vacant	Q3 Absorption	YTD Total Absorption	Vacancy Rate
Southeast	A	10	1,365,403	348,531	357,197	(52,254)	(14,127)	26.2%
	B	110	6,451,489	1,612,607	1,072,001	43,104	(104,642)	16.6%
	C	30	1,193,904	105,454	81,555	7,045	10,376	6.8%
	Subtotal	**150**	**9,010,796**	**2,066,592**	**1,510,753**	**(2,105)**	**(108,393)**	**16.8%**
Suburban	A	57	12,230,657	2,355,106	1,510,449	23,812	123,365	12.3%
	B	486	32,357,742	6,670,223	5,000,140	(30,487)	(65,941)	15.5%
	C	110	5,757,134	658,329	838,164	(44,267)	2,105	14.6%
	Subtotal	**653**	**50,345,533**	**9,683,658**	**7,348,753**	**(50,942)**	**59,529**	**14.6%**
Total Market	A	98	33,460,058	6,314,398	5,007,314	50,991	123,749	15.0%
	B	604	49,540,665	10,487,861	8,725,370	(55,159)	(39,852)	17.6%
	C	140	8,371,409	1,139,720	1,251,953	(60,559)	(28,481)	15.0%
	Total	**842**	**91,372,132**	**17,941,979**	**14,984,637**	**(64,727)**	**55,416**	**16.4%**



YTD ABSORPTION 55,416 SF

CLASS B Q3 VACANCY 17.6%

Q3 VACANCY 16.4%

TRANSWESTERN

CHAD ANVARY
Vice President
612.359.1642
chad.anvary@transwestern.com

RYAN GEIGER
Associate
612.359.1624
ryan.geiger@transwestern.com