

**Northwest Missouri State University**  
**Board of Regents**  
**Date of Meeting: December 18, 2009**

Cabinet Member: Douglas Dunham  
CIE Lease

Agenda Item: Hero Teams, LLC,

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**Background:**

HeroTeams, LLC is seeking a rural community within 100 miles of the Kansas City metropolitan area to establish this new company. The owners of HeroTeams also own a 12 year old 75 employee rapidly growing IT company in the Kansas City area. The estimate would be to produce 15-20 jobs within the first full year of operations, with a potential of 45 – 50 full-time positions at the end of the third year. These positions are computer technology positions such as system administration, network administration, and project management. The average estimated compensation for these positions is \$24 - \$30k for first year associates (while they invest heavily in the formal training and on the job skill building for new associates), and an average compensation level of \$36-50k for non-managerial staff with experience and demonstrated skills.

HeroTeams, LLC is an offshoot company of the parent corporation, and will seek cooperation from the host community leadership in establishing not only physical presence (commercial real estate leasing), but also quantification of local employee demographics, establishment of telecommunications and utilities relationships, and certainly establishment of any economic development incentives that may accompany the job creation that is anticipated. Hero Teams, LLC will also use student interns from business and computer science right away.

The substance of this lease is the same as the lease for our three current tenants. The only difference is the initial term of this lease is six months and the tenant has the option to request additional space. This accommodates the tenant's business plan of starting with one office and one employee and expanding to approximately 15 employees in 3 to 6 months. These new positions will be starting at a wage this is above the average wage for Nodaway County. We will prepare a press release after the Board approves the lease

This MOA has been reviewed by Board Counsel.

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**Issue:**

I recommend approval

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**President's Recommendation:**

I recommend approval.

**NORTHWEST MISSOURI STATE UNIVERSITY  
LEASE AGREEMENT FOR OCCUPANCY IN THE  
CENTER FOR INNOVATION AND ENTREPRENEURSHIP**

This Lease Agreement (the “**Lease**”) is entered into as of December 14, 2009 (the “**Effective Date**”) between Northwest Missouri State University (“**Northwest**”), a public institution of higher education located in Maryville, MO, and **Hero Teams, LLC** a Missouri Limited Liability Company; (the “**Client**”).

**RECITALS**

A. Northwest owns and operates a Center for Innovation and Entrepreneurship (“**Northwest CIE**”) to foster ties to the community and to promote learning opportunities for faculty and students.

B. The Client has applied for, and has been granted, acceptance as a tenant in the Northwest CIE on the basis of the suitability of the Client to take advantage of the resources and services of the Northwest CIE in contributing to the fulfillment of the Northwest CIE’s purpose.

C. In furtherance of these purposes, the Client wishes to lease from Northwest and Northwest wishes to lease to the Client, space located in the Northwest CIE facility, on the terms and conditions set forth in this Lease.

NOW, THEREFORE, in consideration of the premises and the mutual promises made herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

**1.1 Leased Premises.**

1.1 Northwest, in consideration of the rents to be paid and the agreements to be performed by the Client, hereby leases to the Client and the Client hereby leases from the Northwest the space located in the Northwest CIE, which space is described on **Exhibit 1.1** attached hereto. As the needs of the Client changes, the Client may request additional space to lease in the CIE. This request should be made in writing to the dean of the College of Arts and Sciences or to the dean of the Booth College of Business and Professional Studies at Northwest. The request should be made thirty (30) days prior to the need or intent to occupy the additional space. Additional space will be provided as available. **Exhibit 1.1** will be revised to reflect the additional space and rental fee without impacting other terms of this agreement. The building in which the space is leased to the Client is referred to in this Agreement as the “**Building**” and the space in the Building leased to the Client is referred to as the “**Leased Premises.**” Any special provisions concerning improvements to be made to the Leased Premises are specified in **Exhibit 1.1**. Northwest reserves the rights to relocate the Client to comparable space within the Building during the Lease Term so long as the number of square feet and the nature of the installed utilities so substituted equals or exceeds the number of square feet and the

nature of the installed utilities in the Leased Premises and so long as the comparable space is acceptable in the reasonable discretion of Client.

1.2 The Client shall also have a nonexclusive right to access such common areas the Northwest CIE may provide for the use of its tenants.

1.3 This Lease is subject to all easements, mortgages, zoning and governmental restrictions, and encumbrances and restrictions of record, applicable to the Building.

1.4 The Client acknowledges that neither Northwest nor anyone on its behalf has made any representations, warranties or promises with respect to the Leased Premises or this Lease, except as expressly set forth in this Lease and the exhibits attached hereto.

## **2. Lease Term.**

2.1 Unless terminated earlier as provided in the Lease, the “**Lease Term**” shall consist of the Initial Term and any Renewal Terms.

2.2 The “**Initial Term**” of this Lease shall begin on the Effective Date specified above, and shall expire at midnight May 13, 2010 (**6 months**).

2.3 Upon the expiration of the Initial Term, this Lease may be renewed for successive Renewal Terms. This first renewal term is eighteen (18) months, followed by one year each, on the following conditions:

- (a) The Client shall have given Northwest written notice of the Client’s desire to renew this Lease at least 60 days prior to the scheduled expiration of the Initial Term or the then current Renewal Term; and
- (b) The Client is current in the payments due to Northwest under this Lease and under the Analysis and Testing Agreement; and
- (c) No event shall have occurred and be continuing which is a default of the Client under this Lease which would be such a default upon the giving of notice or the passage of time, or both if such default is such that it could not be cured within the cure period and Client has commenced to remedy such default and been proceeding diligently to remedy such default; and
- (d) Northwest shall have determined in its reasonable discretion that continued tenancy of the Client would be consistent with the purpose of the Northwest CIE; and
- (e) Northwest may specify a reasonable increase in rent for such Renewal Term.

2.4 The Client may terminate this Lease at any time without incurring any additional liability by giving the Northwest CIE written notice at least 90 days prior to the effective

date of such termination. Such termination shall not affect the obligations of the Client under this Lease arising through the date of such termination.

**3. Use of the Leased Premises.**

3.1. The Leased Premises shall be used and occupied only as office and laboratory space for research and commercial development.

3.2 Northwest reserves the right from time to time in its reasonable discretion to make, modify and revoke rules and regulations applicable to the Building in which the Leased Premises are located. The Client agrees to comply with such rules and regulations within a reasonable amount of time after the Client has received written notice of them from Northwest. The making, modification or revocation of such rules and regulations will not be deemed an amendment of the Lease, but the Client's failure to materially comply with such rules and regulations will be a default under this Lease. The initial rules and regulations are, and any changes to the rules and regulations will be, posted in the Northwest CIE and such posting shall constitute written notice to the Client.

**4. Possession and Quiet Enjoyment.**

4.1. Possession of the Leased Premises shall be given to the Client on the Effective Date specified above.

4.2 So long as the Client fully and promptly pays rent provided for in this Lease and performs all of the other terms of this Lease, the Client shall at all times during the Lease Term peacefully and quietly enjoy the Leased Premises without any disturbance from Northwest or from any other person claiming through the Northwest CIE.

4.3 The Client agrees to prevent, correct or abate, within a reasonable time after receiving notice from Northwest, any excessive noise, fumes, vibrations, or other nuisances that materially interfere with the operations of one or more other tenants of the Northwest CIE.

4.4 The Northwest CIE shall have at all reasonable times, and on reasonable written notice, access to the Leased Premises for the purposes of examining the Leased Premises. Without the consent of Northwest CIE, the Client shall not install security systems or devices that impede Northwest's right of access to the Leased Premises.

**5. Rent.**

5.1. Rent shall be paid by the Client to Northwest at the Northwest address, unless Northwest designates another place. The rent for the Leased Premises shall be as provided in this Section 5 and shall be paid without abatement, deduction or set off for any reason except as specifically provided in this Lease.

5.2 For the Initial Term of this Lease (six months), the Client shall pay \$869 as per **Exhibits 1.1 and 5.2**. Payments are due in 6 equal installments on the fifteenth day of each month. In addition, Client shall pay Northwest an adjusted portion of any single month's rent if and when the Client occupies the Leased Premises for a portion of time less than one month. The adjusted portion of any single month's rent due to Northwest shall be the prorated amount of a single month's rent that corresponds to the portion of time less than one month that the Client occupied the Leased Premises.

5.2. If the Client fails to pay any monthly rental payment on or before the tenth day after the date on which it is due, the Client shall pay interest as specified in Section 20.9 of this Lease.

5.3 The Client shall, prior to occupying the Leased Premises, post a security deposit with Northwest equal to one month's rent. Northwest shall return the deposit to the Client at the expiration of the Lease Term provided that the Client has vacated the Leased Premises promptly, has left the Leased Premises in substantially the same condition in which the Leased Premises were received by the Client at the beginning of the Lease Term, ordinary wear and tear and modifications approved by Northwest excepted, and has returned all keys and is current in all of its obligations under this Lease. Without in any way limiting Northwest's remedies, Northwest may apply all or any part of the security deposit to repair or replace any missing or damaged fixtures or to perform any unfulfilled obligations of the Client under this Lease.

## **6. Maintenance.**

6.1 Northwest shall perform or cause to be performed all necessary or reasonably requested repairs, replacements, and required or reasonably requested maintenance with respect to the Building, including all plumbing, wiring, roofing, supporting structural members, locks, heating, ventilation and air conditioning, and shall provide or cause to be provided routine cleaning and janitorial services and exterior maintenance, including snow removal and outside lighting. Northwest shall have at all reasonable times, and on reasonable notice, access to the Leased Premises for the purposes of performing any such repairs, replacements or maintenance. Northwest shall have no other repair, replacement or maintenance obligations.

6.2 The Client agrees to maintain the Leased Premises, as well as all of the Client's fixtures and the Client's improvements, in good condition and repair, ordinary wear and tear accepted, during the Lease Term, to the reasonable satisfaction of Northwest. If the Client fails to perform such maintenance and after Client fails to take action upon request by Northwest, Northwest shall have the right to enter the Leased Premises and to perform such maintenance, and the Client shall reimburse Northwest for the reasonable cost of such maintenance.

## **7. Utilities and Services.**

7.1 Northwest agrees that all utilities and municipal services (including electricity, gas, water, sewer, and nonhazardous waste disposal) shall be available to the Leased Premises and in operating condition at the beginning of the Lease Term. Except for telephone services, internet access and cable or satellite television services, such utilities and municipal services shall be included in the Client's rent at the outset of the Initial Term. The Client shall pay for any special fixtures, connection charges and equipment required for its use of utilities in the Leased Premises.

7.2 Northwest shall have the right to grant easements in areas of the Leased Premises for the installation of utilities provided the use of such easement areas for such purposes does not interfere substantially with the Client's use of the Leased Premises in the reasonable judgment of Client. The Client shall not be entitled to any compensation or abatement of rent for the use of such easement areas.

7.3 Client may use the Northwest intra-campus mail system but may not receive external mail through the Northwest mail system. Instead, Client must arrange for a post office box with the U.S. Postal Service.

7.4 Parking is available adjacent to the Leased Premises, but Client and its employees must obtain permits for parking on the same terms as apply to Northwest's employees.

7.5 Lost keys or fobs will be replaced at a fee according to then applicable rates published by Northwest.

7.6 Client may use on a fee-per-use basis Northwest services, either at the Northwest CIE or elsewhere on the Northwest campus, including, but not limited to, scientific equipment, copying and facsimile machines, the Copy Center, and ITV facilities.

7.7 Client may have access to Owens Library and use of the materials and services therein consistent with existing licenses for said materials and services.

## **8. Client's Assistance.**

The Client shall permit Northwest and any party designated by Northwest to erect, use, maintain, and repair pipes, cables, conduits, plumbing, vents and wires in, to and through the Leased Premises, to whatever extent Northwest may deem reasonably necessary or appropriate for the proper operation, maintenance or repair of the Building or in connection with easements granted under this Lease so long as this does not result in the substantial interference with the use of the Leased Premises. All such work will be done in such practicable manner as to avoid interference with the Client's use of the Lease Premises. The Client agrees to report immediately to Northwest any defective condition in or about the Leased Premises.

**9. Alteration by the Client.**

9.1. The Client shall make no alterations in or additions to the Leased Premises without the prior written consent of Northwest, which Northwest may withhold in its sole discretion. Northwest may consent to alterations to the Leased Premises on the condition that Northwest perform the work or arrange for such work to be performed, in either case at the Client's expense.

9.2 At the termination of the Lease Term, and with the prior written consent of Northwest, the Client may remove any alterations or additions which it has made pursuant to this section, so long as such removal is done without damaging the Leased Premises or the Building. Any alterations or additions left after termination of the Lease Term shall become the property of Northwest without cost to Northwest.

**10. Renovation by Northwest.**

If Northwest determines that it is necessary to effect renovations of the Building in which the Leased Premises are located, or of the improvements of which the Building is a part, such action shall be made at Northwest's expense under this Lease. Renovation shall be done as far as is practicable in such a manner as to avoid substantial interference with the Client's use of the Leased Premises.

**11. Property of the Client.**

11.1 So long as the Client is not in default under this Lease, the Client may, prior to the expiration of this Lease, remove all fixtures and equipment that it has placed in the Leased Premises, but the Client shall repair all damage to the Leased Premises caused by such removal.

11.2 If the Client fails to remove all of its effects from the Leased Premises upon the termination of this Lease for any cause whatsoever, Northwest may, at its option, remove the same in any manner that Northwest shall choose and may store such effects without liability to the Client for the loss thereof. The Client agrees to pay Northwest all reasonable expenses incurred in such removal and storage, including court costs, attorney's fees and storage charges for any length of time such effects are in Northwest's possession. Northwest may, at its option, without notice, sell all or any part of such effects at a private sale and without legal process for such price as Northwest may obtain, and may apply the proceeds of such sale to the amounts due under this Lease from the Client and to the expenses incident to the removal, storage and sale of such effects.

**12. Damage or Theft of Property.**

The Client agrees that all fixtures, equipment and personal property brought into the Leased Premises shall be at the risk of the Client only, and that Northwest shall not be liable for the theft thereof or for any damage thereto occasioned from any act of other occupants of the Building or any other person. The Client understands and agrees that Northwest has no obligations to provide security services for the Leased Premises or the Building. The Client agrees that provision by Northwest of any security services for the

Leased Premises or the Building shall not be deemed to imply a duty to provide security or continue to provide security and that Northwest shall not be responsible for the Client's failure to properly use securing systems or devices provided by Northwest.

**13. Holding Over.**

In the event of holding over by the Client subsequent to the expiration or other termination of this Lease, and without regard to Northwest's acquiescence or consent, the Client shall pay for such holding over, as liquidated damages and not as a penalty, a monthly rent double the monthly rent payable immediately prior to such period.

**14. Governmental Requirements and Environmental Law Compliance.**

14.1 The Client agrees to promptly comply, at its own expense, with all requirements of any legally constituted public authority applicable to the Client made necessary by reason of the Client's occupancy of the Leased Premises, including, but not limited to, all health, safety and fire codes and regulations of the State of Missouri, Nodaway County, and the City of Maryville. Under the terms of this lease, the Client is renting only Office space and not lab space. Accordingly, Client shall not use the Premises for scientific research, laboratory work or cause or permit any Hazardous or toxic Materials to be brought upon, kept or used in or about the Premises. For the purposes of this lease, the terms Hazardous or Toxic Materials include, but are not limited to, (i) any material or substance that is: "hazardous," and/or "toxic," or any other word, phrase or term intended to denote materials and/or substances that are considered to be health risks, that are not to be released into the environment or the use, storage and disposal of which are regulated by any Federal, State and Local laws and regulations or Governmental Agency, (ii) petroleum, (iii) asbestos, (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C Section 1317), (v) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et. seq. (42 U.S.C. Section 6903), or (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et. seq.

14.2 The Client shall obtain, at its own expense, all required licenses or permits for the conduct of its business within the terms of this Lease. The Client shall, on Northwest's request, provide proof that all required licenses and permits have been obtained.

14.3 Northwest and the Client acknowledge that there are certain federal, state and local laws, regulations and guidelines now in effect, and that additional laws, regulations and guidelines may hereafter be enacted, relating to or affecting the Leased Premises, the Building and the larger parcel of land of which the Building is a part, concerning the impact of the environment of construction, land use, maintenance and operation of structures, and the conduct of activities.



14.4 The Client will not cause or permit any act or practice, by negligence, omission or otherwise, that would adversely affect the environment or do anything or permit anything to be done that would violate any of such laws, regulations or guidelines.

14.5 Northwest reserves the right to enter and inspect the Leased Premises from time to time to ensure the Client's compliance with these covenants. Any violation of these covenants shall be an event of default under this Lease. The Client shall have no claim against Northwest by reason of any changes that Northwest may make in the Leased Premises, the Building and the larger parcel of land of which the Building is a part, pursuant to federal, state or local laws, regulations or guidelines.

#### **15. Destruction of or Damage to Leased Premises.**

15.1. If the Leased Premises are totally destroyed (or so substantially damaged as to be untenantable or not usable for the occupancy and uses permitted under this Lease) by storm, fire, tornado, earthquake, or other casualty, this Lease shall be terminated as of the date of such destruction or damage, and rent shall be prorated between Northwest and the Client as of that date.

15.2. If the Leased Premises are damaged but are not subject to Section 15.1, rent shall abate in such proportion as the Leased Premises have been destroyed until Northwest has restored the Leased Premises to substantially the same condition as before such damage, whereupon full rent shall resume, Nothing in the Lease shall require Northwest to make such restoration if, in its sole discretion, Northwest deems such restoration not to be advisable. Northwest shall make known to the Client in writing within 90 days of such occurrence whether or not Northwest intends to restore the Leased Premises to substantially the same conditions as before such damage. If Northwest decides against such restoration or fails to provide such notice within the 90-day period, then the Client may, at its options, terminate this Lease as of the date of the event causing such damage.

#### **16. Indemnification and Insurance.**

16.1 The Client agrees to be liable to Northwest for any damage to the Leased Premises or to other areas of the Northwest CIE or furnishings or equipment included therein to the extent caused by the actions or inactions of Client's employees. The Client also agrees to defend, indemnify and hold harmless Northwest its regents, officers, employees, agents, representatives and contractors, from all costs, expenses (including reasonable attorney's fees), liabilities, obligations, damages and claims (including but not limited to any claims for injury to the person or property of any other tenant of the Building and claims by any governmental authority) to the extent caused by the actions or inactions of Client's employees or breach of any provision of this Agreement by Client or any other person participating in or using Northwest's programs or services by the express or implied invitation of the Client.

16.2 Northwest shall at all times during the Lease Term maintain or cause to be maintained, for its benefit, a policy or policies of insurance (which may include self-

insurance by Northwest) insuring the Building against loss or damage by fire, explosion or other hazards and contingencies, but Northwest shall not be obligated to insure any furniture, equipment, machinery, goods or supplies not covered by this Lease that the Client may bring upon the Leased Premises, or any additional improvements that the Client may construct on the Leased Premises. If the premiums payable for such casualty insurance exceed the standard rates due to actions or additional hazards created as a result of the Client's occupancy of the Leased Premises, then Northwest shall notify Client in writing of such increase in premium and Client shall either, at its option, terminate this Lease without any further obligation for rental payments under the lease or shall, upon receipt of appropriate premium invoices, reimburse Northwest for such increase in premiums.

16.3. The Client shall, at its own expense, at all times during the term of this Lease, maintain in force a policy or policies of insurance, written by one or more responsible insurance carriers subject to the reasonable approval of Northwest, that will insure Northwest, its regents, officers, employees, agents, representatives and contractors, against liability for injury to or death of persons or loss or damage to property occurring as the result of the Client's use of the Leased Premises, the Building or the larger parcel of land of which the Building is a part. The liability under such insurance shall not be less than \$1,000,000 combined single limit. Client shall use commercially reasonable efforts to cause all liability insurance obtained by the Client under this Lease to contain a provision by which the insurance company waives any right of subrogation it may have against Northwest, its regents, officers, employees, agents, representatives and contractors.

16.4. The Client shall maintain and keep in force all workers' compensation insurance required under the laws of the State of Missouri, and such other insurance as may be reasonably necessary to protect Northwest against any other liability of person or property arising hereunder by operation of law, whether such law is now in force or is adopted subsequent to the execution hereof, as the result of the Client's use of the Leased Premises, the Building or the larger parcel of land of which the Building is a part.

16.5 Client shall use commercially reasonable efforts to cause the policies of insurance carried pursuant to this Lease to provide that at least 30 days' (or to the extent 30 days is not reasonably available, at least 15 days') prior written notice shall be given to Northwest by the underwriters of any proposed termination, cancellation, lapse or modification of such insurance. If the Client receives any notice referred to in the preceding sentence, the Client shall promptly deliver a copy of such notice to Northwest.

16.6 Should the Client fail to keep in effect and pay for such insurance as it is required to maintain under this Lease, Northwest may do so, in which event the Client shall be required to reimburse Northwest for the insurance premiums paid by Northwest. If Northwest receives notice of termination, cancellation, or lapse of such insurance, it may elect to notify the Client to cease operations in the Leased Premises immediately and not to resume operations in the Leased Premises until Northwest receives copies of policies evidencing that the insurance required under this Lease is in full force and effect.

16.7 All policies of insurance to be kept and maintained in force by the respective parties hereto shall be obtained from good and solvent insurance companies licensed under the laws of the State of Missouri.

16.8 The Client shall provide to Northwest a copy of the insurance policies required under this Lease.

**17. Signs.**

Northwest will provide all signs and signage and no others will be used.

**18. No Assignment or Sublease.**

Without the prior written consent of Northwest, which Northwest may withhold in its sole discretion, the Client may not assign this Lease or any interest in this Lease, or sublet the Leased Premises or any part thereof, or permit the use of the Leased Premises by any party other than the Client. Consent by Northwest to one assignment or sublease will not waive this provision with respect to any other assignments or subleases, and all other assignments and subleases shall be made only with the prior written consent of Northwest, which Northwest may withhold in its sole discretion. Assignees or subtenants shall become liable to Northwest for all of the obligations of the Client under this Lease, without relieving the Client of any of its liabilities or obligations under this Lease.

**19. Default of the Client.**

19.1. In the event that:

- (A) The rent specified herein is not paid at the time and place when and where due;
- (B) The Leased Premises shall be deserted or vacated by the Client prior to the expiration or termination of the Lease Term in accordance with the terms of this Lease;
- (C) The Client shall fail to comply with any provision of this Lease other than the payment of rent, or any of the rules and regulations now or hereafter established by Northwest for the use of the Building;
- (D) Any event occurs that is a default of the Client under the Analysis and Testing Agreement, or that would become such a default with the giving of notice or the passage of time, or both;
- (E) Any petition is filed by or against the Client under any federal or state bankruptcy or insolvency law, or the Client shall become insolvent, or the Client shall make a general assignment of its assets for the benefit of creditors, or a receiver is appointed for a substantial part of the Client's assets.

19.2. If the Client shall not cure such default event within 30 days after receiving written notice thereof from Northwest or if the default is such that it could not be cured within said 30 days and client has not commenced to remedy such default and has not proceeded diligently to remedy such default, then Northwest shall have the option to proceed

according to any one or more of the following courses of action in addition to any other remedies at law or in equity:

(A) Northwest may terminate this Lease, in which event the Client shall immediately surrender the Leased Premises to Northwest, but if the Client shall fail to do so, Northwest may, without further notice and without prejudice to any other remedy that Northwest may have for possession or arrearages in rent, enter upon the Leased Premises and remove the Client and its effects, without being liable for any claim for damages, other than claims and damages resulting from recklessness or willful misconduct, and the Client agrees to indemnify Northwest for all loss and damages that Northwest may suffer by reason of such termination, whether through inability to re-let the Leased Premises, decrease in rent, or otherwise after Northwest has used commercially reasonable efforts to mitigate any such loss and damage.

(B) Northwest may declare the entire amount of rent that would become due and payable during the remainder of the Lease Term to be due and payable immediately, in which event the Client agrees to pay the same at once, together with all rents due, at the Northwest address as provided in this Lease. Such payment shall not constitute a penalty or forfeiture or liquidated damages, but shall merely constitute payment in advance of rent for the remainder of the Lease Term. The acceptance by Northwest shall not constitute a waiver of any subsequent failure of the Client to comply with any provision of this Lease.

(C) Northwest may enter the Leased Premises as the agent of the Client without being liable for any claim for damages, and re-let the Leased Premises as the agent of the Client, and receive the rent for such re-letting, and the Client shall pay Northwest any deficiency that may arise by reason of such re-letting.

(D) As agent of the Client, Northwest may do whatever the Client is obligated to do by the provisions of the Lease and may enter the Leased Premises, without being liable for any claim for damages, in order to accomplish this purpose. The Client agrees to reimburse Northwest for any expense that Northwest may incur in obtaining compliance with this Lease on behalf of the Client. **NORTHWEST SHALL NOT BE LIABLE FOR ANY DAMAGES RESULTING TO THE CLIENT FROM SUCH ACTION, WHETHER CAUSED BY THE NEGLIGENCE OF NORTHWEST OR OTHERWISE.**

(E) Pursuit of any of the above remedies shall not preclude Northwest from pursuing any of the other remedies provided in this Lease or any other remedies provided by law.

19.3. Nothing done by Northwest or its agents during the Lease Term shall be deemed an acceptance or surrender of the Leased Premises and no agreement to accept a surrender of the Leased Premises shall be valid unless it is made in writing and signed by Northwest.

Neither the mention in this Lease of any particular remedy that Northwest might have, either at law or in equity, nor the waiver of, or redress for, any violation of any provision of this Lease or of any of the rules and regulations set forth in this Lease or subsequently adopted by Northwest, shall prevent a subsequent act that would have originally constituted a violation from having all of the force and effect of an original violation. In case it should be necessary for Northwest to bring any action for the enforcement of Northwest's rights under this Lease and it is judicially determined Northwest was legally entitled to such right, then the Client shall be liable for the reasonable attorneys' fees incurred by Northwest in connection with such action. The receipt by Northwest of rent with the knowledge of the breach of any provision of this Lease will not be deemed a waiver of such breach.

19.4 No termination of this Lease before the scheduled expiration of the Lease Term shall affect Northwest's right to collect rent for the period prior to the termination of this Lease.

19.5 The Client hereby appoints as its agent to receive the service of all legal papers concerning possession of the Leased Premises, legal notices and notices required under the Lease, the person in charge of the Leased Premises at the time, or occupying the Leased Premises. If there is no person in charge of, or occupying, the Leased Premises, then such service or notice may be made by attaching the same on the main entrance of the Leased Premises.

## **20. General Provisions.**

20.1. If any provision of the Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then it is the intention of the parties that the remainder of this Lease shall not be affected, and it is also the intention of the parties that, in place of each provision of this Lease that is illegal, invalid or unenforceable, there be added a part of this Lease a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable. If such illegal, invalid, or unenforceable provision is, in the sole determination of Northwest, essential to the rights of both parties, then Northwest has the right to terminate the Lease on written notice to the Client.

20.2 All rights, powers and privileges conferred under this Lease on the parties shall be cumulative and not restricted to those given by law.

20.3 This Lease and the Analysis and Testing Agreement together contain the entire agreement of the parties with respect to the subject matter of such agreements. No representations, inducements, promises or agreements, oral or otherwise, between the parties shall be of any force or effect if not set forth in such agreements.

20.4. No failure of either party to exercise any right of such party under the Lease, or to insist upon strict compliance by the other party of any obligation under this Lease, and no custom or practice or the parties at variance with the terms of this Lease, shall constitute

a waiver of such party's right to demand exact compliance with the provision of this Lease.

20.5. Time is of the essence of this Lease.

20.6. The relationship of the parties under this Lease is solely that of landlord and tenant, and no partnership or joint venture between Northwest and the Client shall arise as the result of this Lease.

20.7. The headings of each section are added as a matter of convenience only and shall not be considered in the construction of any provision of this Lease.

20.8. Any notice, demand, request or other communication provided for in this Lease shall be in writing and shall be effective when delivered personally or three business days after being deposited in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to the address listed in this Lease or to such other address as may from time to time be designated by notice given to the other party in accordance with this section.

20.9. Any amount due to Northwest from the Client under the provisions of this Lease that is not paid when due, shall bear interest, at Northwest's option, at the rate of 18% per annum from the date due until paid in full.

20.10. The Lease shall be governed by, and construed in accordance with, the laws of the State of Missouri, with regard to the principles thereof concerning the choice of law. Any action in regard to the consent or arising out of the terms and conditions shall be instituted and litigated in the courts of the State of Missouri, County of Nodaway and in no other. Client is validly registered to do business in Missouri. In accordance, the parties submit to the jurisdiction of the courts of the State of Missouri and to venue in Nodaway County.

20.11. In order for Northwest to measure the success of this endeavor, Client will annually report to Northwest the number of employees who have worked at the Northwest CIE for or on behalf of the Client or in furtherance of the Client's projects.

20.22. This Lease may be executed in two or more counterparts, each of which shall be an original but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the day and year first written above.

NORTHWEST MISSOURI STATE UNIVERSITY

By: \_\_\_\_\_

Name: Bill Loch

Title: President, Board of Regents

CLIENT, Hero Teams, LLC

By: \_\_\_\_\_

Name: Robin Greenhagen

Title: CEO

**Exhibit 1.1 to Lease Agreement**  
**Description of Leased Premises**

**Office Space for Hero Teams, LLC**

| <b><u>Room #</u></b> | <b><u>Square Ft.</u></b> | <b><u>Type of Space</u></b> | <b><u>Annual Lease Rate (Per sq. ft.)</u></b> | <b><u>Annual Amount</u></b> |
|----------------------|--------------------------|-----------------------------|---|-----------------------------|
| 1353                 | 158                      | Office                      | \$11  | \$ 1,738                    |
| <b>Total</b>         | <b>158</b>               |                             |   | <b>Initial term: \$ 869</b> |

Monthly lease rate is \$144.83



**Exhibit 5.2 to Lease Agreement**  
**LEASE RATES**

1. Lessee, starting December 14, 2009, will lease all the above rooms at the monthly rate of \$144.83.
2. Seven months through Year 2 of Lease Term (Renewal Term)
  - a. Lease rates for Office Rooms # shall remain at \$11.00 per square foot;
3. Year 3 of Lease Term (Renewal Term)
  - a. Lease rates for Office Rooms # shall increase to \$12.00 per square foot;
4. Year 4 of Lease Term (Renewal Term)
  - a. Lease rates for Office Rooms # shall increase to \$13.00 per square foot;
5. Year 5 of Lease Term (Renewal Term)
  - a. Lease rates for Office Rooms # shall increase to \$14.00 per square foot;
6. In each year of the Lease Term [a renewal term(s)] thereafter, the lease rate per square foot shall be determined by adjusting the lease rates applicable to the year immediately preceding the extension period in the proportion that the Consumer Price Index for All Urban Consumers, U.S. City Average, all items, as published by the United States Department of Labor, Bureau of Labor Statistics ("CPI"), in effect on the commencement date of the extension term, bears to the CPI in effect on the Commencement Date of the preceding term of this Lease; provided, however, that the lease rate during any option term shall not be less than the immediately preceding term.