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CONFIDENTIAL OFFERING MEMORANDUM
MINNESOTA GEOLOGICAL SURVEY BUILDING
2642 UNIVERSITY AVENUE WEST, ST. PAUL, MN 55114



Prepared by:

Dan Russ - Vice President, Investment Services

June 2, 2015



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 - Property Tax Card
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 - Demographics



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SECTION I

EXECUTIVE SUMMARY

- Confidentiality and Conditions
- Property Description and Salient Facts
- Offering Guidelines



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Confidentiality and Conditions

This Offering Memorandum (“Memorandum”) is furnished to prospective purchasers solely to facilitate the purchaser’s consideration of 2642 University Avenue West (“Property”). The selling entity is Regents of the University of Minnesota (“Owner”). The Memorandum contains proprietary information and was prepared by Transwestern (“TW”) using information compiled from sources we consider to be reliable. By receipt of this Memorandum, you agree that: (a) the Memorandum and its contents are of a confidential nature and that you will and treat it in strictest confidence in full compliance with the separate Confidentiality Agreement (“CA”) you have executed; (b) you will not reproduce, transmit, or disseminate the information contained in this Memorandum through any means, or disclose this Memorandum or any of its contents to any other entity without the prior written authorization of TW, nor will you use this Memorandum or any of its contents in any fashion or manner detrimental to the interests of TW or the Owner; and (c) upon request you will return the Memorandum without retaining any copy or extract of any portion thereof. This Memorandum does not purport to be all-inclusive or to contain all the information which prospective purchasers may desire; it is a summary upon which prospective purchasers are not entitled to rely. Certain documents and materials are described herein in summary form.

The summaries are not complete descriptions of the documents and materials. Interested parties are expected to review all such documents and materials independently. Market financial projections are provided for reference purposes only and are based on assumptions relating to the general economy, competition and other factors beyond the control of TW and are, therefore subject to material variation. Additional information and an opportunity to inspect the Property will be made available to qualified prospective purchasers upon request. Each purchase offer is to be based strictly and entirely upon the purchaser’s independent investigation, analysis, appraisal and evaluation of facts and circumstances deemed relevant by the purchaser. Neither Owner, TW, nor any of their respective directors, officers or affiliates have made any representation or warranty, express or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of this Memorandum or its contents. This Memorandum is submitted and received with the understanding that all negotiations for the acquisition of the herein described property will be conducted through TW. The Owner and TW expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice.



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PROPERTY DESCRIPTION AND SALIENT FACTS

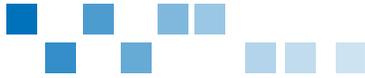
PROPERTY ADDRESS	2642 University Ave W, St. Paul, MN
RENTABLE BUILDING AREA	42,035 Square Feet (approximately)
OFFICE AREA (39%)	16,524 Square Feet (approximately)
WAREHOUSE AREA (17%)	7,324 Square Feet (approximately)
BASEMENT (43%)	18,187 Square Feet (approximately)
LEASED	0 Square Feet (0%)
VACANT	42,035 Square Feet (100%)
LAND AREA	0.68 Acres (approximately)
STRUCTURAL FRAME	Reinforced Concrete and Steel
EXTERIOR WALLS	Masonry/Concrete Block
ROOF	Built-up/Replaced 2012 Warranty - 11-17
HVAC	Gas fired steam boiler with radiator distribution system; chilled water air conditioning system with ceiling mounted duct work
ELECTRICITY/POWER	120/208 Volt, 1,200 Amp Services
FIRE PROTECTION	Building is not sprinklered except for basement; fire extinguishers and emergency lighting throughout
CLEAR HEIGHT	17' whse.
YEAR BUILT	1930
LOADING	Two (2) Docks
PARKING	7 Stalls on-site, 37 stalls in adjacent 808 Berry building with lease through 2032
RAMSEY COUNTY TAX ID:	29.29.23.32.0035
RAMSEY COUNTY TAX VALUE	\$2,296,100
CAM/INSURANCE (2015 Est.)	\$3.83 per square foot
REAL ESTATE TAX (2015 Est.)	<u>N/A (Tax Exempt)</u>
TOTAL CAM/TAX (2015 Est.)	\$3.83

For further information please visit: <http://www.realestate.umn.edu/Land/LandforSale.htm>

Confidential Offering Memorandum — 2642 University Ave W

Executive Summary

Section I



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Offering Guidelines

Inquiries	All inquiries should be directed to Transwestern.
Offering Price	\$2,480,000
Offers	All offers should be submitted to Transwestern at the address identified in this memorandum.
Terms	Cash at closing.
New Debt Terms	A new loan has been quoted by Venture Mortgage under the following projected terms: 70% Loan-to-Value, requiring 30% down payment and financed for a 25-year term at a 4.00% interest rate with a 5 - 7 year call provision, subject to credit information of the borrower.
Property Tours	Registered prospective purchasers are encouraged to visit the Property by contacting Dan Russ at 612.343.4200 to arrange a guided tour of the Property.
Due Diligence Period	A formal Due Diligence period shall commence upon the execution of a Letter of Intent by Purchaser and Seller. During such period, the parties shall negotiate and execute a Purchase and Sale Agreement. All costs and expenses incurred by the Purchaser in conducting inspections will be the sole responsibility of the Purchaser. Both parties will agree to fully cooperate with each other in their respective efforts during the Due Diligence period. Seller will look favorably on shorter Due Diligence periods.
Closing	Within 15 days of completion of the Due Diligence period.



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SECTION II

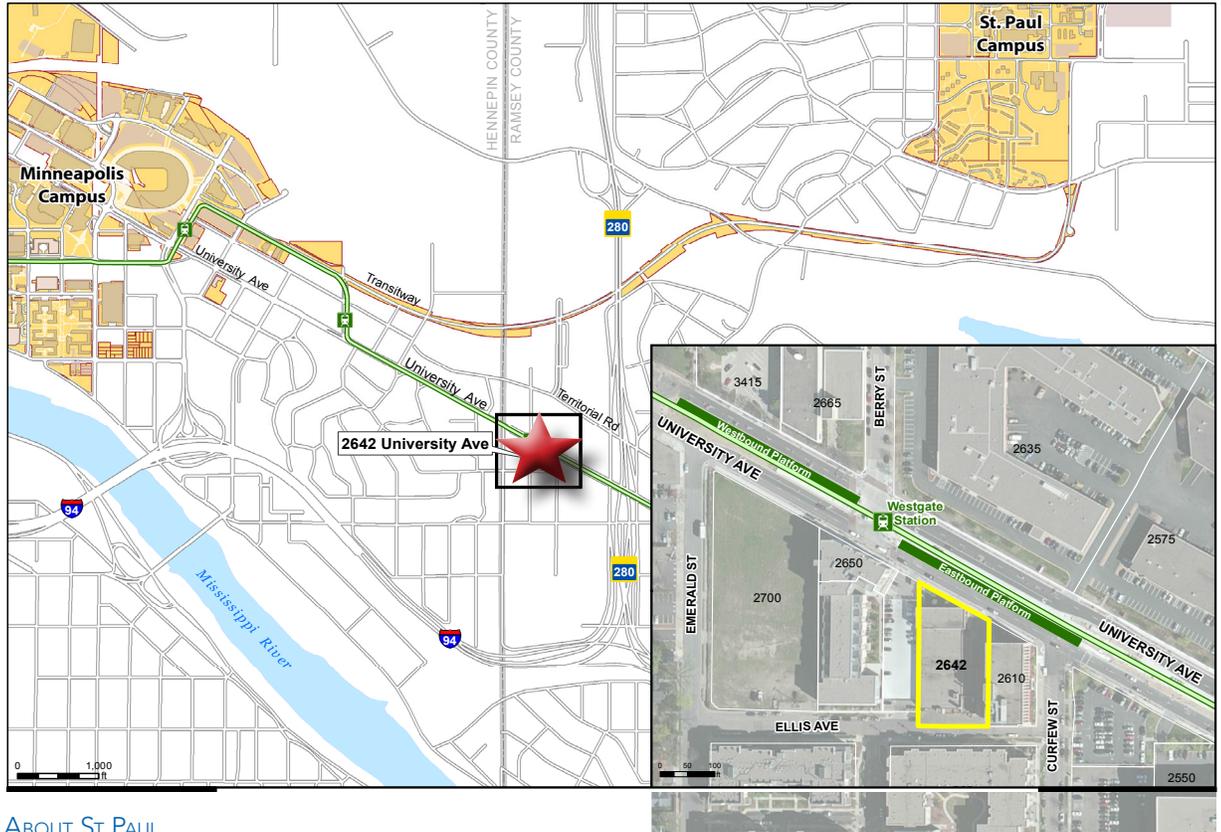
PROPERTY OVERVIEW

- Location Map and Area Overview
- Aerial and Bird's Eye View Photos
- Property Photos
- Floor Plans
- Proposed Property Taxes
- Traffic Counts
- Demographics



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LOCATION MAP - ST. PAUL



ABOUT ST PAUL

St. Paul is the capital of Minnesota and the county seat of Ramsey County. Therefore, state and county workers make up a good portion of the downtown work force. It is a community of rolling, wooded hills, lakes, rivers, and open spaces. The city is bordered to the north by the cities of Roseville and Maplewood, to the east by the cities of Oakdale and Woodbury, to the south by the cities of West St. Paul, South St. Paul, and Mendota Heights, and to the west by the cities of Falcon Heights and Minneapolis.

JOBS - MINNEAPOLIS MSA

Minneapolis is home to many industries from commerce, finance and healthcare to food processing, publishing and insurance. Six of the Fortune 500 companies are headquartered in Minneapolis (and its suburbs) including Target Corporation, Xcel Energy, Ameriprise Financial, USBancorp, Thrivent Financial for Lutherans and PepsiAmericas. Target Corporation is Minnesota's largest employer.

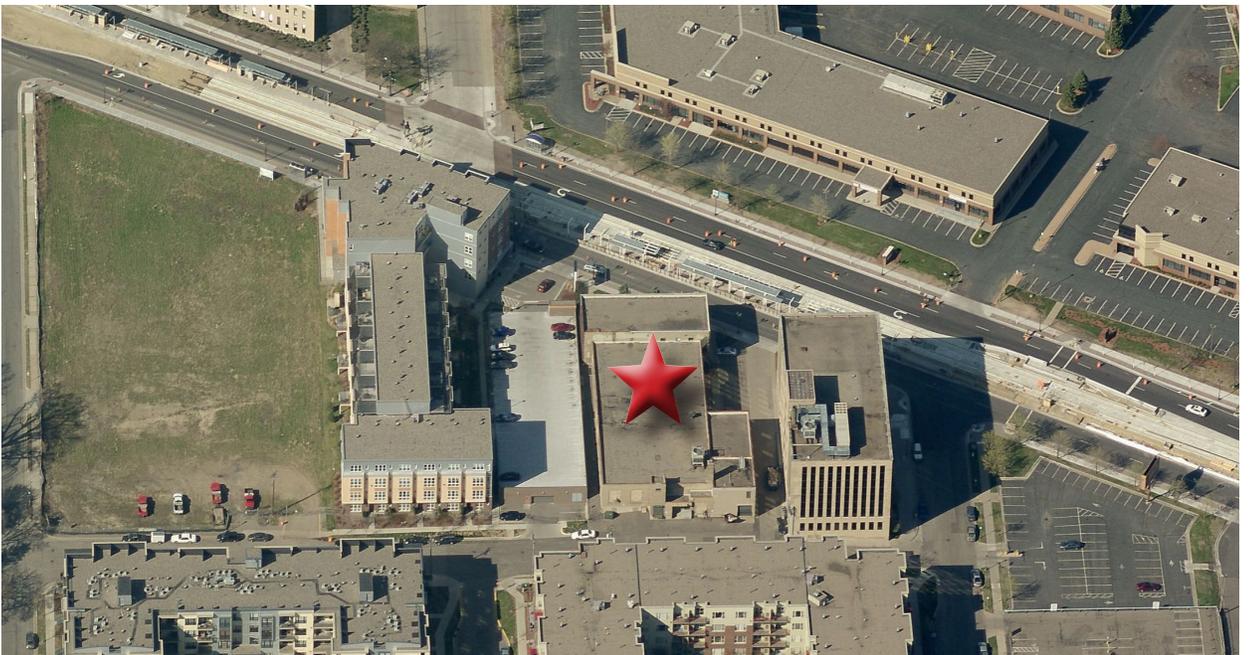
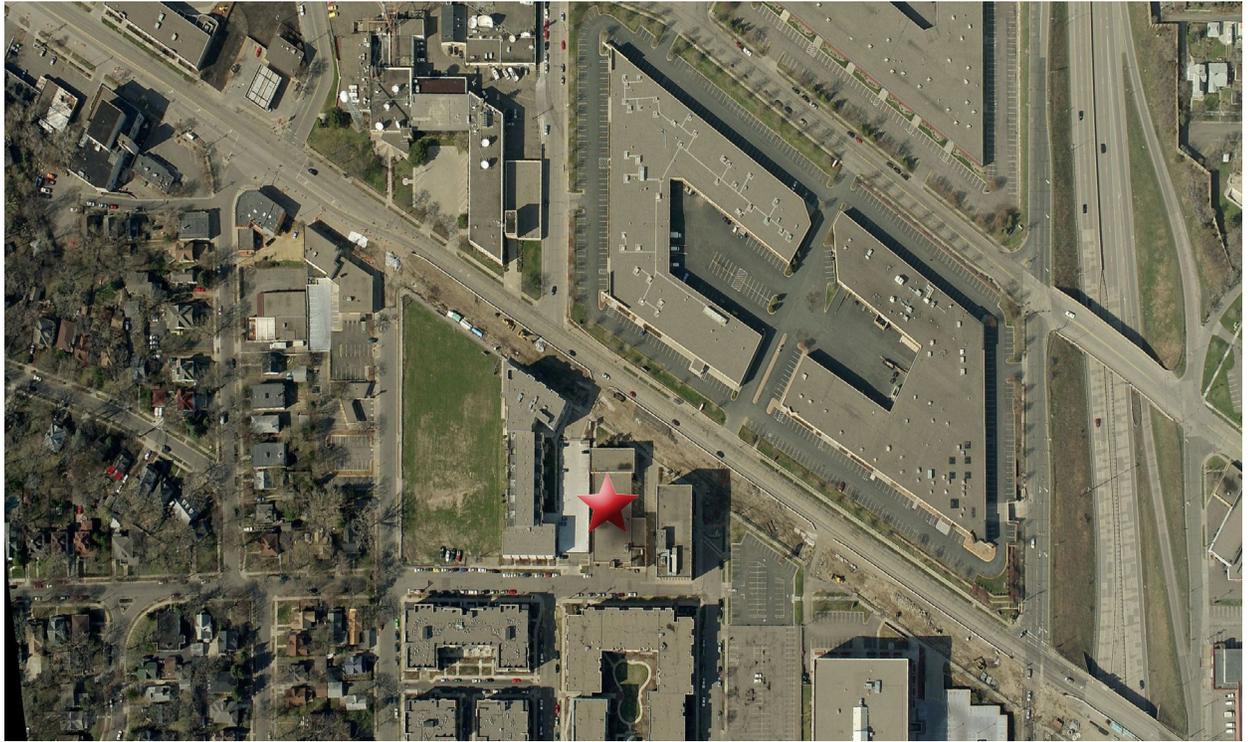
POPULATION

St. Paul has a population of 285,068 as of the 2010 Census. The entire MSA has an approximate population of 3.3 million residents.



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AERIAL AND BIRD'S EYE VIEW PHOTOS



Confidential Offering Memorandum — 2642 University Ave W

Property Overview

Section II



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PROPERTY PHOTOS



Confidential Offering Memorandum — 2642 University Ave W

Property Overview

Section II



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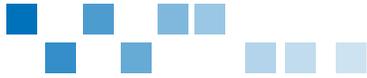
PROPERTY PHOTOS



Confidential Offering Memorandum — 2642 University Ave W

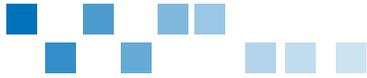
Property Overview

Section II



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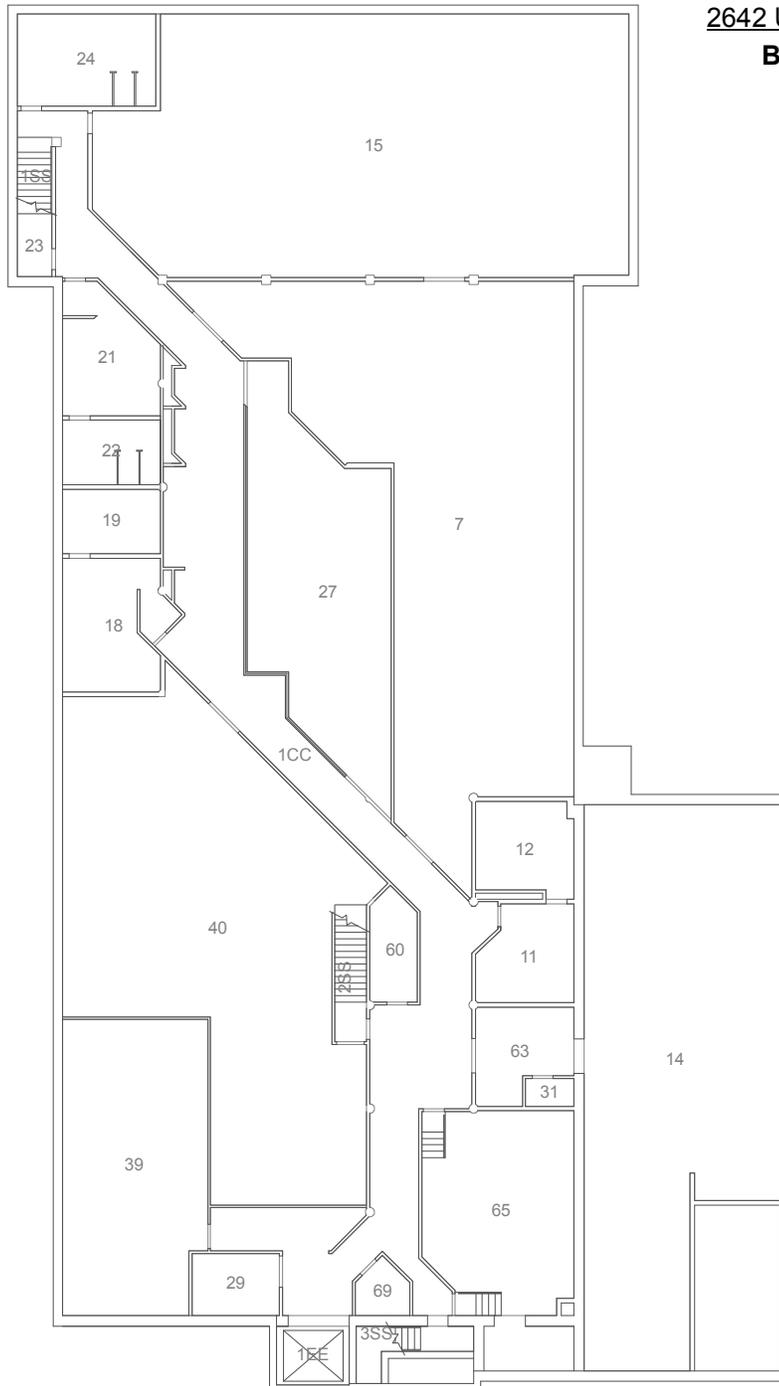
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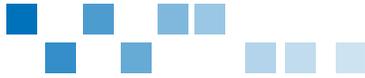


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FLOOR PLANS



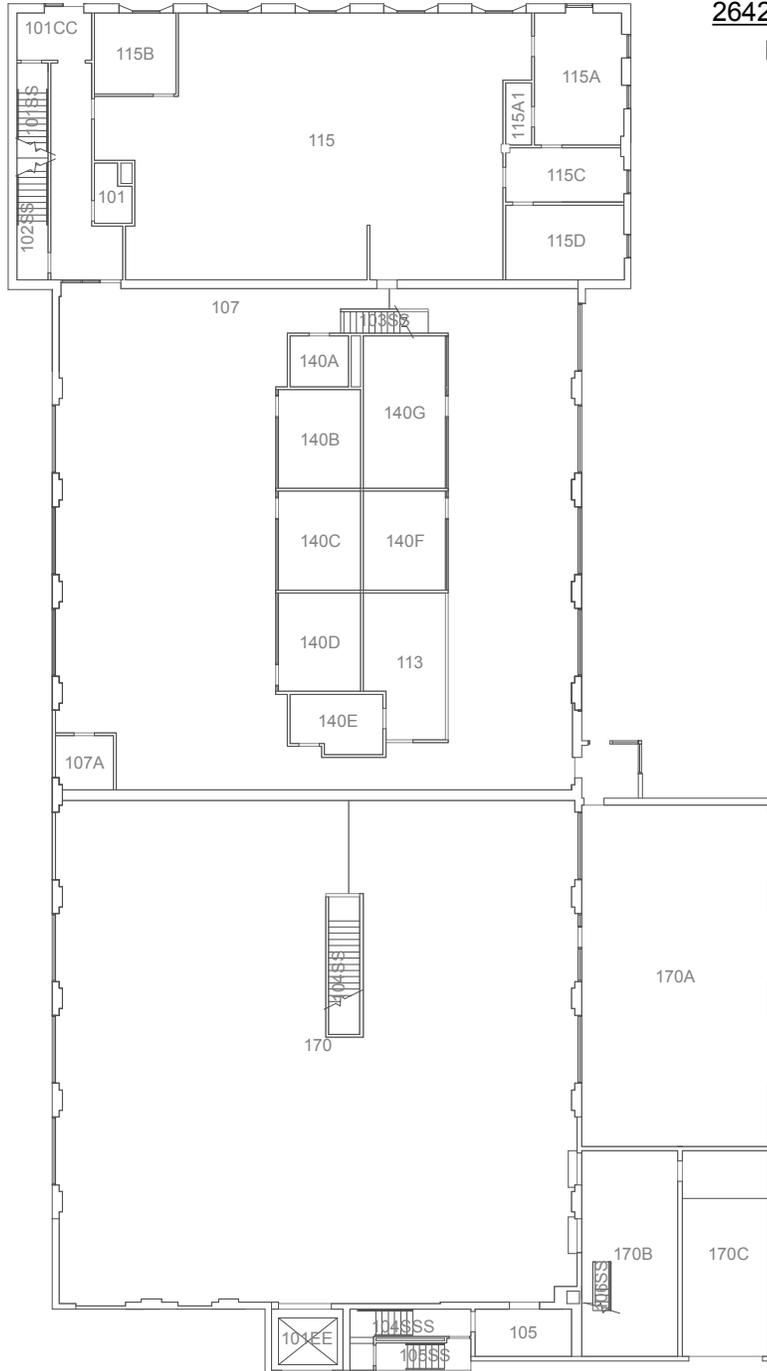
2642 University Ave
Basement

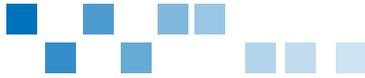


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FLOOR PLANS

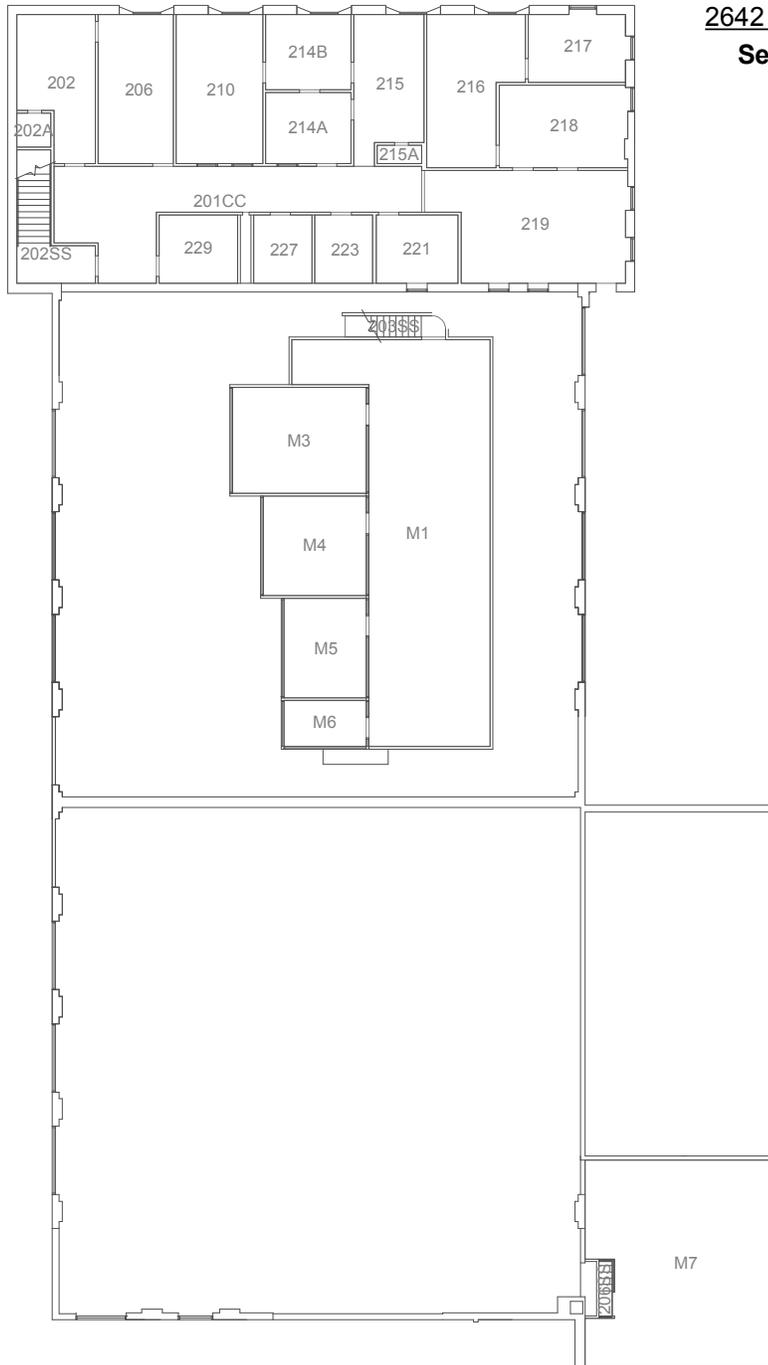
2642 University Ave
First Floor





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FLOOR PLANS



2642 University Ave
Second Floor



PROPERTY TAX CARD

6/2/2015

Tax and Property Look Up Information - Quick Info

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[Taxpayer Name and Address](#)

[Value Information](#)

[Value History](#)

[Structure Description](#)

[Sale Information](#)

[Special Assessments](#)

[Property Tax Payment Information](#)

[Property Tax Payment History](#)

[2015 Value Notice](#)

[2015 Property Tax Statement](#)

[2015 Payment Stubs](#)

[2014 Value Notice](#)

[2014 Property Tax Statement](#)

[2013 Value Notice](#)

[2013 Property Tax Statement](#)

[2012 Value Notice](#)

[2012 Property Tax Statement](#)

[2011 Value Notice](#)

[2011 Property Tax Statement](#)

[Minnesota State Form M1PR](#)

Property Identification Number (PIN)	29.29.23.32.0035	
Property Address	2642 University Ave W	
Municipality	St. Paul	
Watershed	Capital Region W/S	
School District Number	625	
Assessment Date	01-02-2014	01-02-2015
Tax Payable Year	2015	2016
Total Estimated Market Value	\$2,296,100	\$2,211,600
Total Taxable Market Value		
Total Estimated Land Value	\$739,100	\$739,100
Total Estimated Building Value	\$1,557,000	\$1,472,500
Property Tax	\$0.00	
Special Assessments	\$272.16	
Total Property Tax + Special Assessments	\$272.16	
Property Class Description	Exempt	Exempt

Year Built 1930
of Stories 4.00
Residential Finished SQ Feet/Comm, Ind, Apt Bldg Area Foundation Size 39224

The Plat or Section / Township / Range and Legal Description listed below may be an abbreviated legal description - Do not use to prepare legal documents

Section / Township / Range 29-29-23
Plat Auditor's Subdivision No. 9
Legal Description Subj To Esmt Over E 1o Ft The Fol Ex E 55 Ft The E 1/2 Of Lot 25
 To determine whether your property is Abstract or Torrens, call (651)266-2050

http://rrinfo.co.ramsey.mn.us/public/characteristic/Parcel.aspx?scrn=Quick&pin=292923320035&cnt=0

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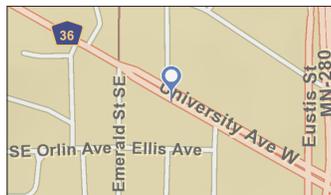
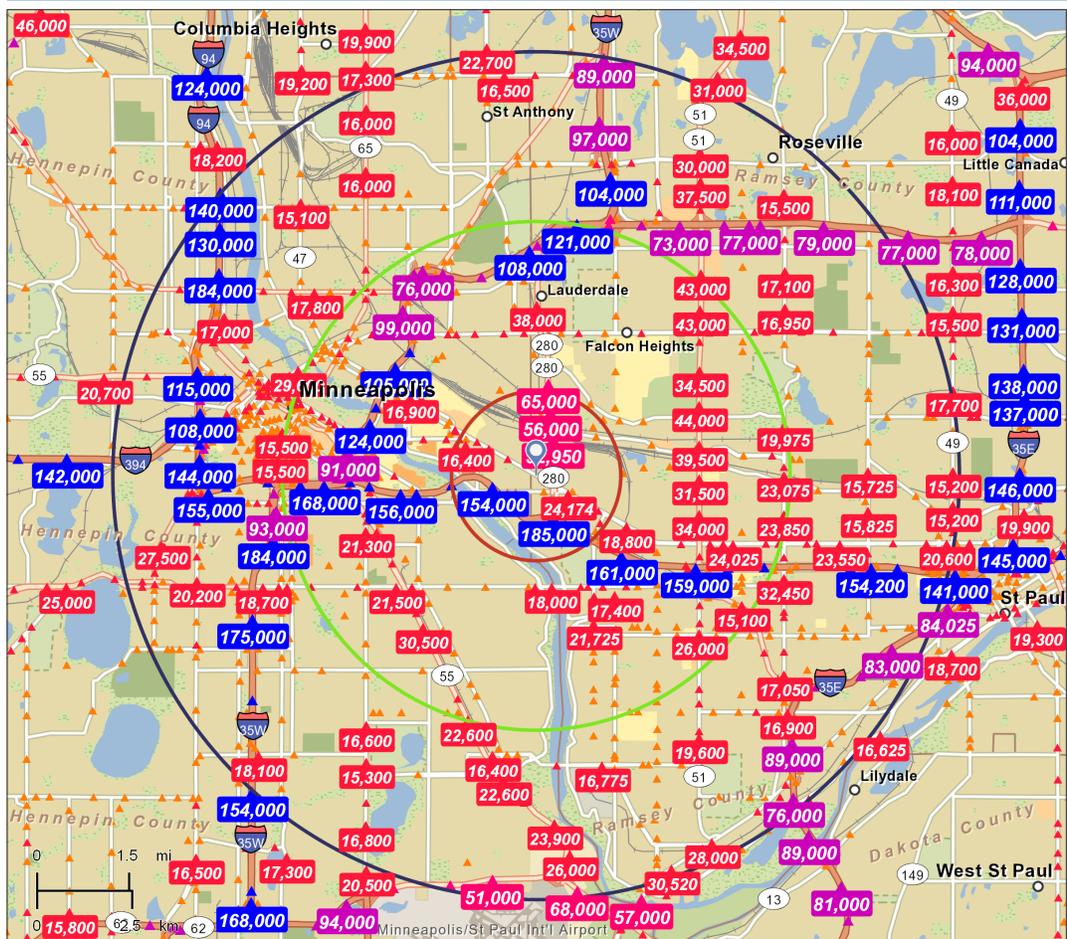
TRAFFIC COUNTS



Traffic Count Map

2642 University Ave W, Saint Paul, Minnesota, 55114
 2642 University Ave W, Saint Paul, Minnesota, 55114
 Ring: 1, 3, 5 Miles

Latitude: 44.96729
 Longitude: -93.20633



- Average Daily Traffic Volume**
- ▲ Up to 6,000 vehicles per day
 - ▲ 6,001 - 15,000
 - ▲ 15,001 - 30,000
 - ▲ 30,001 - 50,000
 - ▲ 50,001 - 100,000
 - ▲ More than 100,000 per day



Source: ©2012 Market Planning Solutions, Inc.

June 02, 2015

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DEMOGRAPHICS CONT.

[Print](#)

2642 University Ave W Building

Demographics



2642 University Ave
Saint Paul, MN 55114-1032
Property Type: Special Use
Specific Use: Other
Building Size: 16,000 SF
Year Built: 1930

Population	2015 Projection			2016 Projection		
	< 1 Mile	< 3 Miles	< 5 Miles	< 1 Mile	< 3 Miles	< 5 Miles
Total Estimated Population	7,953	164,604	474,568	7,951	165,464	471,914
Total Census 2010 Population	8,581	161,190	464,938	8,581	161,190	464,938
Population Change %	-9.3%	1%	.8%	-10.7%	.8%	-.1%
Population Density (People/SQ Mile)	5,711	9,511	9,504	5,684	9,595	9,514
Median Age	39	39	40	42	41	42
Total Males	4,078	83,079	238,162	4,072	83,758	237,557
Total Females	3,875	81,525	236,406	3,879	81,706	234,357

Population By Age Group	2015 Projection			2016 Projection		
	< 1 Mile	< 3 Miles	< 5 Miles	< 1 Mile	< 3 Miles	< 5 Miles
4 Years Old and Younger	610	12,428	34,117	582	12,000	32,299
5 - 9 Years Old	551	12,442	35,496	618	13,003	35,726
10 - 14 Years Old	388	9,973	30,092	505	11,393	32,446
15 - 19 Years Old	374	9,755	28,188	419	10,414	30,253
20 - 24 Years Old	697	13,552	33,030	474	10,823	29,535
25 - 29 Years Old	1,025	16,548	39,072	675	12,829	32,013
30 - 34 Years Old	987	16,068	41,535	811	13,988	34,627
35 - 39 Years Old	748	13,922	40,255	814	14,066	37,048
40 - 44 Years Old	557	12,474	38,978	731	13,662	38,950
45 - 49 Years Old	424	10,817	34,534	543	11,779	35,901
50 - 54 Years Old	386	9,484	29,853	429	10,067	31,634
55 - 59 Years Old	343	7,906	24,712	353	8,665	27,264
60 - 64 Years Old	244	5,503	17,367	276	6,600	20,690



DEMOGRAPHICS CONT.

6/2/2015

Demographics

65 - 69 Years Old	182	3,923	12,715	222	5,016	15,832
70 - 74 Years Old	127	2,830	9,571	161	3,627	11,709
75 - 79 Years Old	105	2,240	7,981	122	2,587	8,574
80 - 84 Years Old	80	1,782	6,605	88	1,885	6,543
85 Years Old and Older	125	2,957	10,467	128	3,060	10,870

Population By Ethnicity	2015 Projection			2016 Projection		
	< 1 Mile	< 3 Miles	< 5 Miles	< 1 Mile	< 3 Miles	< 5 Miles
White	6,022	116,320	335,530	5,889	113,581	323,467
Black	851	27,155	82,699	952	30,198	91,730
Native American	75	4,879	8,977	76	4,938	8,957
Asian	827	11,035	32,494	848	10,968	31,425
Pacific Islander	10	134	320	17	184	439
2 or More Races	168	5,081	14,548	169	5,595	15,896
Hispanic	311	17,169	50,700	300	16,953	49,688
White Non-Hispanic	5,756	102,109	292,897	5,594	99,985	282,911

Housing	2015 Projection			2016 Projection		
	< 1 Mile	< 3 Miles	< 5 Miles	< 1 Mile	< 3 Miles	< 5 Miles
Total Estimated Households	3,269	65,822	204,871	3,243	65,132	201,408
Total Census 2010 Households	3,463	64,125	199,047	3,463	64,125	199,047
Average Household Size	2.2	2.3	2.3	.4	1.1	.4
Total Housing Units	3,335	67,994	216,979	3,335	69,064	221,563
Owner	1,010	29,427	100,672	1,010	29,769	102,163
Renter	2,285	36,385	108,604	2,285	37,049	111,432
Vacant Housing Units	40	2,182	7,701	40	2,243	7,960

Income	2015 Projection			2016 Projection		
	< 1 Mile	< 3 Miles	< 5 Miles	< 1 Mile	< 3 Miles	< 5 Miles
Under \$10,000	400	9,096	22,234	406	9,189	22,306
\$10,000 - \$14,999	321	5,376	15,273	322	5,384	15,160
\$15,000 - \$19,999	226	4,943	14,452	226	4,920	14,277
\$20,000 - \$24,999	255	5,196	15,552	254	5,148	15,370
\$25,000 - \$29,999	178	4,567	15,088	179	4,526	14,881
\$30,000 - \$34,999	175	4,536	14,788	174	4,489	14,569
\$35,000 - \$39,999	189	3,607	12,337	190	3,570	12,113
\$40,000 - \$44,999	156	3,653	11,266	156	3,592	11,012
\$45,000 - \$49,999	164	2,595	9,624	161	2,554	9,434
\$50,000 - \$59,999	300	5,045	17,470	293	4,945	17,041

<http://cdx.xceligent.com/Demographics/Demographics/1749762/print>

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DEMOGRAPHICS CONT.

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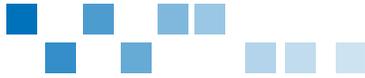
Demographics

\$60,000 - \$74,999	283	5,675	18,552	278	5,562	18,066
\$75,000 - \$99,999	159	4,977	17,276	151	4,848	16,772
\$100,000 - \$124,999	137	2,367	7,980	132	2,316	7,748
\$125,000 - \$149,999	87	1,119	3,616	85	1,097	3,528
\$150,000 - \$199,999	107	1,080	3,061	104	1,047	2,953
Over \$200,000	77	944	3,219	75	923	3,124
Median Household Income	\$40,738	\$40,709	\$43,097	\$40,511	\$40,687	\$43,038
Aggregate Household Income	\$164,697,727	\$3,044,143,422	\$9,996,701,405	\$160,811,340	\$2,984,257,095	\$9,746,467,060
Average Household Income	\$51,095	\$50,345	\$52,594	\$50,773	\$50,333	\$52,537
Per Capita Household Income	\$21,959	\$20,399	\$22,702	\$21,828	\$20,270	\$22,554

Household Expenditures	2015 Projection			2016 Projection		
	< 1 Mile	< 3 Miles	< 5 Miles	< 1 Mile	< 3 Miles	< 5 Miles
Total Annual Household	\$127,688,448	\$2,501,979,447	\$8,087,935,700	\$126,235,386	\$2,478,134,670	\$7,963,966,858
Average Annual Household	\$40,056	\$39,718	\$41,013	\$40,075	\$39,942	\$41,246
Food	\$5,267	\$5,231	\$5,353	\$5,203	\$5,195	\$5,319
Cereals & Bakery Products	\$400	\$397	\$402	\$393	\$392	\$397
Cereals & Cereal Products	\$144	\$144	\$145	\$144	\$144	\$145
Bakery Products	\$283	\$282	\$287	\$273	\$273	\$278
Meats, Poultry, Fish & Eggs	\$845	\$836	\$852	\$856	\$845	\$862
Dairy ProductseFMisc	\$337	\$335	\$341	\$342	\$341	\$347
Housing	\$13,179	\$13,125	\$13,485	\$13,234	\$13,255	\$13,619
Owned Dwellings	\$4,937	\$4,889	\$5,107	\$4,975	\$4,955	\$5,177
Mortgage Interest & Charges	\$2,508	\$2,474	\$2,597	\$2,378	\$2,352	\$2,467
Property Taxes	\$1,422	\$1,410	\$1,466	\$1,385	\$1,381	\$1,433
Rented Dwellings	\$2,433	\$2,448	\$2,409	\$2,356	\$2,372	\$2,332
Utilities, Fuels & Public Services	\$3,012	\$2,994	\$3,065	\$3,028	\$3,023	\$3,094
Natural Gas	\$449	\$448	\$459	\$430	\$430	\$439
Electricity	\$1,102	\$1,098	\$1,120	\$1,110	\$1,109	\$1,131
Fuel Oil or Other Fuels	\$115	\$114	\$117	\$115	\$115	\$118
Telephone Services	\$999	\$990	\$1,014	\$1,032	\$1,027	\$1,053
Water & Other Public Services	\$319	\$317	\$326	\$328	\$326	\$336
Household Operations	\$650	\$648	\$672	\$639	\$639	\$663
Personal Services	\$247	\$245	\$254	\$248	\$247	\$256
Other Household Expenses	\$442	\$437	\$455	\$447	\$445	\$464
Housekeeping Supplies	\$558	\$555	\$568	\$537	\$539	\$551

<http://cdx.xceligent.com/Demographics/Demographics/1749762/print>

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DEMOGRAPHICS CONT.

6/2/2015

Demographics

Household Furnishings & Equipment	\$1,356	\$1,349	\$1,403	\$1,299	\$1,298	\$1,348
Furniture	\$358	\$353	\$369	\$348	\$343	\$359
Floor Coverings	\$37	\$36	\$37	\$36	\$35	\$37
Major Appliances	\$195	\$196	\$204	\$193	\$195	\$203
Sm. Appliances & Misc Housewares	\$90	\$91	\$94	\$90	\$91	\$94
Apparel & Services	\$1,465	\$1,452	\$1,490	\$1,474	\$1,469	\$1,507
Transportation	\$7,288	\$7,164	\$7,440	\$7,423	\$7,321	\$7,608
Maintenance & Repairs	\$566	\$562	\$579	\$562	\$562	\$578
Vehicle Insurance	\$1,025	\$1,020	\$1,055	\$1,038	\$1,038	\$1,072
Public Transportation	\$355	\$352	\$366	\$351	\$349	\$363
Health Care	\$2,746	\$2,735	\$2,809	\$2,690	\$2,695	\$2,763
Entertainment	\$2,090	\$2,074	\$2,154	\$2,127	\$2,122	\$2,205
Tobacco & Smoking Related	\$267	\$268	\$271	\$275	\$277	\$280
Cash Contributions	\$1,274	\$1,266	\$1,321	\$1,262	\$1,263	\$1,317
Personal Insurance & Pensions	\$3,995	\$3,938	\$4,164	\$3,906	\$3,873	\$4,091
Life & Other Personal Insurance	\$323	\$321	\$334	\$325	\$324	\$337
Pensions & Social Security	\$3,686	\$3,630	\$3,841	\$3,598	\$3,565	\$3,770