



# APPLICATION FOR APPEAL

## Saint Paul City Council – Legislative Hearings

310 City Hall, 15 W. Kellogg Blvd.

Saint Paul, Minnesota 55102

Telephone: (651) 266-8585

RECEIVED

SEP 29 2014

CITY CLERK

### We need the following to process your appeal:

- \$25 filing fee (non-refundable) (payable to the City of Saint Paul) (if cash: receipt number check 1014)
  - Copy of the City-issued orders/letter being appealed
  - Attachments you may wish to include
  - This appeal form completed
  - Walk-In OR  Mail-In
- for abatement orders only:  Email OR  Fax

<b>HEARING DATE &amp; TIME</b> (provided by Legislative Hearing Office) Tuesday, <u>Oct. 7, 2014</u>  Time <u>2:30 PM</u> Location of Hearing: <u>Room 330 City Hall/Courthouse</u>
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### Address Being Appealed:

Number & Street: 705 3rd St. E City: St. Paul State: MN Zip: 55106

Appellant/Applicant: Leaetta Hough, LLC Email leaetta@msn.com

Phone Numbers: Business 651-227-4888 Residence 651-227-4888 Cell 612-805-8230

Signature: Leaetta Hough Date: 9/29/14

Name of Owner (if other than Appellant): \_\_\_\_\_

Mailing Address if Not Appellant's: 370 Summit Ave St. Paul, MN 55102

Phone Numbers: Business same as above Residence \_\_\_\_\_ Cell \_\_\_\_\_

### What Is Being Appealed and Why? Attachments Are Acceptable

- Vacate Order/Condemnation/
  - Revocation of Fire C of O
  - Summary/Vehicle Abatement
  - Fire C of O Deficiency List/Correction
  - Code Enforcement Correction Notice
  - Vacant Building Registration
  - Other (Fence Variance, Code Compliance, etc.)
- See attached explanation.

## Application for Appeal – Vacant Building Registration

St. Paul City Council – Legislative Hearings  
310 City Hall  
15 W. Kellogg Blvd  
St. Paul, MN 55102

Department of Safety and Inspections  
375 Jackson Street, Suite 220  
St. Paul, MN 55101

**Applicant:** Hough, LLC  
705 3<sup>rd</sup> St. E.  
St. Paul, MN 55106

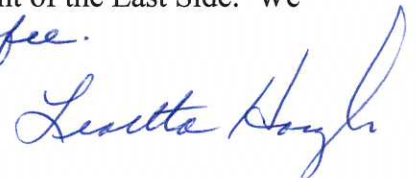
Leaetta Hough  
651-227-4888  
612-805-8230 (cell)  
[leaetta@msn.com](mailto:leaetta@msn.com)

### What Is Being Appealed and Why?

We are working with the Latino Economic Development Center to develop the space at 705 3<sup>rd</sup> St. E. St. Paul for the Urban Oasis project to house their food center with a commercial kitchen. Their objective is to cultivate a healthy prosperous community on the East Side of St. Paul. (A recent StarTribune news article is attached. A copy of the lease with the Latino Economic Development Center is also attached.)

They have developed a design that involves significant renovation of the space, and they have been gathering bids. They have encountered delays in the planning process enhance delaying the renovation and occupancy of the building. They have told us that they expect to begin the renovation process in a few weeks.

The building is not truly vacant, and its development is expected to be an important part of a prosperous East Side. If the building is declared “vacant”, it will delay the process even more, an outcome that increases the cost of the project and hinders development of the East Side. We therefore appeal the “Vacant Building Registration” designation. *and fee.*





CITY OF SAINT PAUL

Christopher B. Coleman, Mayor

Nuisance Building Code Enforcement

375 Jackson Street, Suite 220

Saint Paul, MN 55101-1806

651-266-8989

651-266-1919

[www.stpaul.gov/dsi](http://www.stpaul.gov/dsi)

September 17, 2014

Hough Llc  
370 Summit Ave  
St Paul MN 55102-2124

## VACANT BUILDING REGISTRATION NOTICE

The premises at **705 3RD ST E**

has been inspected and found to meet the legal definition of a Vacant Building as described in Saint Paul Legislative Code, Chapter 43. You are required to register this building with the Department of Safety and Inspections, Vacant Buildings Division, by filling out and returning the registration form provided with this letter. You are also required to pay the annual Vacant Building Registration Fee of **\$1,440.00**. The fee is due upon receipt of this letter and must be paid no later than thirty (30) days from the date of this letter, as required in Saint Paul Legislative Code Chapter 43. If this building is vacant due to a fire, complete the enclosed registration form and return it to this office within 30 days.

**Please return the enclosed registration form along with your payment by October 17, 2014.**

### **Do not mail cash.**

If you wish to pay in person, you may do so from 8:00 a.m. to 4:00 p.m. Monday through Friday at:

DEPARTMENT OF SAFETY AND INSPECTIONS  
375 Jackson Street, Suite 220  
Saint Paul, MN 55101-1806

You may file an appeal to this fee or registration requirements by contacting the Office of the City Clerk at (651) 266-8688. Any appeal of this fee must be made within ten (10) days of the date of this notice.

**If the registration fee is not received in this office within 45 days of the date of this letter the full amount owed will be assessed to, and collected with, the taxes for this property as permitted by Saint Paul Legislative Code Chapter 43.**

The Code Enforcement Officer has notified the Building Inspection And Design Section that this property meets the legal definition of a registered vacant building and in accordance with Legislative Code Chapter 33, no permits (except demolition, wrecking and removal permits) will be issued until the requirements of all applicable ordinances are fulfilled.

All category 2 and category 3 vacant buildings must be winterized with gas and water services shut off or, alternately, an excess flow gas valve must be installed in the dwelling, within sixty (60) days of the date of this Notice.

**WRITTEN PERMISSION FROM THE CITY OF SAINT PAUL IS REQUIRED BEFORE A CATEGORY 2 OR CATEGORY 3 VACANT BUILDING CAN BE OCCUPIED OR SOLD.**

**Category 2:** Requirements include: 1. register/re-register the building, 2. pay outstanding fee(s), 3. obtain a code compliance report, 4. submit for approval a rehab cost estimate from a licensed contractor and a schedule for completion of all code compliance work, 5. submit proof of financial responsibility acceptable to the City, and 6. obtain Zoning approval of the proposed use.

**Category 3:** All requirements listed for Category 2 vacant buildings, AND obtain a **Certificate of Occupancy OR Certificate of Code Compliance** prior to the sale of the building.

If the use of this building meets the definition of a nonconforming use by the Zoning Code then the use will lose its nonconforming status 365 days from the date the building was declared vacant.

**You must contact the Enforcement officer, Tom Friel,  
at 651-266-1906 to find out what must be done before this  
building can be legally reoccupied.**

The Enforcement Officer may declare this building(s) to constitute a Nuisance Building subject to demolition and issue an Order to Abate under authority of Legislative Code Chapter 45. In the event this building is declared a Nuisance Building subject to demolition, the Enforcement Officer will notify all owners and interested parties of the Order to Abate, as provided in the Legislative Code Chapter 45.

If you have questions about this annual registration fee or other vacant building requirements, please contact the Enforcement Officer, Tom Friel, at 651-266-1906.

This registration form and fee is required by law. Your prompt attention to this matter is appreciated.

Thank You,

Steve Magner  
Vacant Buildings Program Manager  
Department of Safety and Inspections

Enclosures: Regulations Requirements Information  
Vacant Building Registration Form

SM: tf  
vb\_registration\_notice 9/2013

**City of Saint Paul**  
 Department of Safety and Inspections  
**VACANT BUILDING REGISTRATION FORM**

Date: \_\_\_\_\_

Address of Property: \_\_\_\_\_

**Planned disposition of this building (please check one):**

I plan to rehabilitate this structure commencing (date): \_\_\_\_\_

I plan to demolish (wreck and remove) this building by (date): \_\_\_\_\_

I am willing to authorize the City of Saint Paul to demolish and remove this building(s).

This building is **vacant as a result of fire damage**. The fire occurred on (date) \_\_\_\_\_. I, as the property owner, want to claim registration and fee exemption status for ninety (90) days from the date of the fire. I intend to repair and reoccupy the building.

Other: \_\_\_\_\_

**Responsible Party:** Persons/organizations who will ensure compliance with the ordinance:

NAME	ADDRESS	PRIMARY PHONE	ALTERNATE PHONE

Persons, lien holders, mortgagees, mortgagors and other interested parties known to me:

NAME	ADDRESS	PRIMARY PHONE	ALTERNATE PHONE

All persons listed here will receive letters for the annual fee renewal. *Also use this form to de-register your interest.*

<p>_____</p> <p><b><u>Print Your Name (legibly)</u></b></p> <p>_____</p> <p><b>Signature</b> <span style="float: right;"><b>Date of Birth</b></span></p> <p>_____</p> <p><b>Address</b></p> <p>_____</p> <p><b>City</b> <span style="margin-left: 100px;"><b>State</b></span> <span style="float: right;"><b>Zip</b></span></p> <p>_____</p> <p><b>main contact telephone</b> <span style="margin-left: 100px;"><b>alternate phone</b></span></p> <p>_____</p> <p><b>Email address (print legibly)</b></p> <p>_____</p>	<p><b>\$1,440 Annual Registration Fee</b></p> <p><b>INSTRUCTIONS:</b></p> <p><i>Complete and return this form. Include the <b>\$1,440.00</b> registration fee, <b>ONLY</b> if it is now due. For questions, call 651-266-8989.</i></p> <p><b>Make checks payable to: <u>City of Saint Paul</u></b></p> <p><i>Make Payment at, or mail payment to:</i></p> <p style="text-align: center;"><b>City of Saint Paul</b>  <b>Department of Safety and Inspections</b>  <b>Code Enforcement – Vacant Buildings</b>  <b>375 Jackson Street, Suite 220</b>  <b>St. Paul, MN 55101-1806</b></p> <p style="text-align: center;"><i>Credit Card payment accepted in person, or by FAX, only. <b>Fax to: 651-266-9124</b></i></p> <p style="text-align: center;"><b>Thank you for your cooperation</b></p>
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**City of Saint Paul**  
**Department of Safety and Inspections**  
**Vacant Buildings Program**  
**Requirements, Regulations and Information**

The Council of the City of Saint Paul has adopted ordinances regulating vacant and unoccupied structures.

You must register this building with St. Paul Department of Safety and Inspections, Vacant/Nuisance Buildings Code Enforcement Unit if the building is unoccupied and:

1. Unsecured, or
2. Secured by other than normal means (boarded), or
3. A dangerous structure, or
4. Condemned as uninhabitable, or
5. Condemned or Vacated by Fire Marshal Certificate of Occupancy Program, or
6. Has multiple housing or Building Code violations, or
7. Is condemned and illegally occupied, or
8. Has been unoccupied for a period of time longer than one year during which time the Enforcement Officer has issued an order to correct nuisance conditions.

**Registration Requirements**

1. Submit the enclosed Vacant Building Registration Form within 30 days, describing plans for rehabilitating and reoccupying or demolishing the building.
2. Disclose all pertinent ownership information.
3. Disclose all pertinent lien-holders.
4. Disclose any current Truth-in-Sale of Housing Disclosure Reports.
5. Pay the \$1,440.00 annual Vacant Building Registration fee within 30 days of receiving this letter. **If the registration fee is not received within 45 days of the due date the full amount owed will be assessed to, and collected with, the taxes for this property as permitted by Saint Paul Legislative Code Chapter 43.**

**NOTE: If the building is vacant due to a fire, you may have a 90 day exemption from the registration fee. You must still submit the enclosed Vacant Building Registration Form within 30 days informing us of your plans for the building to qualify for this exemption. At the end of 90 days your rehabilitation must be complete OR you must pay the \$1,440.00 registration fee.**

6. Provide unencumbered access to all portions of the premises of the buildings to permit the Enforcement Officer to make a complete inspection.

Owners, agents, assignees and all responsible parties are required to comply with the following requirements of the Saint Paul Legislative Code:

1. Keep all buildings secure.
2. Keep all porches, stairs, and exterior premises free of refuse, junk and debris.
3. Cut grass and weeds.
4. Remove snow and ice from sidewalks.

**Sale Requirements – Contact the Vacant Buildings section, 651-266-8989, for full details. There is a fee of \$275.00 for the Sale Review Process.**

**VB1 – Current registration and fees; notify the City; restore utilities.**

**VB2 – No sale without City approval. Requirements include: current registration and fee payments, code compliance report, cost estimate for all repairs, a schedule for completion of the repairs, and proof of financial capability to complete all repairs.**

**VB3 – No sale without a Certificate of Code Compliance or Certificate of Occupancy.**



# \$1M grant winner's project still urban, but seeking an oasis

Tracy Sides is working on a local-food hub in St. Paul.

By KEVIN DUCHSCHURE  
kevin.duchschure@startribune.com

Tracy Sides dreamed of converting an abandoned rail warehouse on St. Paul's East Side into an all-purpose food hub that prepared and distributed local produce, meat and fish.

But a year after winning \$1 million to make her idea a reality, her Urban Oasis is still more a project than a place.

It has sponsored a movie night about urban agriculture, and a "Food Fest" that featured tomato-canning and local food vendors. In the works are a class teaching people how to cook healthy food at home, and catering programs showcasing

local farmers.

But Sides' bigger plans, tied to the restoration of the old warehouse in the heart of the Bruce Vento Nature Sanctuary, have had to be tabled because of problems that make the building too impractical and expensive to use.

"The living part of that idea is about the magic that happens with food," Sides said last week.

"That's what the million dollars is going toward, cultivating a healthy prosperous community on the East Side.

"We hope to accomplish that, and we're doing that through some other containers for now."

Nevertheless, Sides — energetic by nature and an epidemiologist by trade — is confident that she'll secure a home for  
See **URBAN OASIS** on A9 ▶



Star Tribune file  
Urban Oasis Founder and  
Executive Director Tracy Sides.

to Minnesota. All day, every day.  
Call 612-673-4343 or go to [startribune.com/subscribe](http://startribune.com/subscribe)

ONLINE  
[startribune.com](http://startribune.com)

NEWS TIPS  
612-673-4414

COMMENTS  
612-673-4000

STAR TRIBUNE Minneapolis, St. Paul  
Volume XXXIII • No. 178 • September 29, 2014



B

## Project is still urban, but seeking an oasis

• **URBAN OASIS** from A1  
her sustainable food venture, now camping out in the offices of an East Side non-profit. This fall she expects to announce a move into commercial kitchen space in the Dayton's Bluff neighborhood.

And her dream may eventually lead back to the warehouse site itself, in the form of a new interpretive center planned there.

"We'd like to work with Tracy on that project," said Dan McGuinness, executive director of the Lower Phalen Creek Project, which is spearheading planning for the center and also administers most of the prize money that launched Urban Oasis.

### A win for all of us'

Nearly 1,000 ideas to revitalize the capital city were submitted last year to the Forever St. Paul Challenge, a contest sponsored by the St. Paul Foundation and the Minnesota Idea Open, with funds donated by the local committee that ran the 2008 Republican National Convention in the Twin Cities.

After the field of ideas was narrowed to three, Sides' Urban Oasis collected more than half the votes cast by the public and was declared winner of the \$1 million grant.

"We won!" she yelled when learning of the news at the Swede Hollow Cafe.

**"Some things have changed. But ... our seed is a seedling on its way to becoming a healthy tree." Tracy Sides**

Sides, who has a doctorate in public health, planned to transform the city-owned, graffiti-smearred warehouse into a food center, complete with a commercial kitchen, classrooms to teach cooking and canning, a worker-owned food processing co-op, food truck and a cafe.

Locally grown foods could be prepared there for sale to schools, hospitals, restaurants and stores.

"The community has been committed to restoring this land for years and [has had] a vision to transform that building into a community asset," Sides said at the time.

But only a few weeks later, Sides learned that prospects for food businesses setting up shop at the warehouse, called Lowertown Depot, were more limited than she knew. The terms of the Metropolitan Council funding that the city had used to buy the warehouse prohibited commercial uses not tied to the nature sanctuary.

Then efforts led by the Lower Phalen Creek Project to get \$3.5 million in state bonding to partly fund redevelopment of the warehouse — estimated to cost around \$10 million in all — fell short at the Legislature.

City officials and East Siders began to warm to the idea of razing the structure and building in its place a 10,000-square-foot, \$5 million interpretive and community center featuring exhibits and programs.

That's now the focus of Lower Phalen Creek, a community-based nonprofit that hopes to get \$2.5 million in state funding for a new center in the next legislative session. If everything falls into place, McGuinness estimates it could open in 2017.

"Everyone feels much more comfortable with this approach, which isn't to say there aren't some people who wish we could save the old building," he said.

In the meantime, Lower Phalen Creek became one of two fiscal agents administering Urban Oasis' \$1 million grant. It handles two-thirds of the money, with the balance managed by another community development nonprofit, Local Initiatives Support Corp.

Sides and three others contract with Lower Phalen

Creek to run Urban Oasis, which McGuinness said could wind up operating a cafe and catering service at the new center.

"We view any success that Urban Oasis has on the East Side as a win for all of us," he said.

"If there's an interpretive center, we'd love to be part of the programming," Sides said. "We'll stay part of the conversation as that unfolds."

In the meantime, she said, Urban Oasis will continue to build on the initial grant that got it started. Eventually, she said, it will have to be sustained through fundraising and generation of its own revenue.

"Some things have changed," Sides said. "But with a very big idea, a thousand-mile journey starts with a single step. Our seed is a seedling on its way to becoming a healthy tree."

Kevin Duchscherer • 651-925-6035



## St. Paul Incubator Kitchen Lease

THIS LEASE (the "Lease"), dated as of the May 7, 2014, is between, Hough LLC, a Minnesota Limited Liability Company ("Landlord"), and Latino Economic Development Center, a Minnesota Non-profit Corporation ("Tenant").

### RECITALS

Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the Property located at 705 E. 3<sup>rd</sup> Street, St. Paul, MN 55106 upon the terms and conditions described herein.

### AGREEMENTS

In consideration of the mutual promises of the parties set forth in the Lease and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

#### 1. Premises

Landlord hereby leases to Tenant the property at 1705 E. Third Street, St. Paul, Mn. 55106 as shown on the attached site plan as Exhibit A-1 hereto and made a part hereof (the "Premises"). Tenant will pay Base Rent in the amount of \$1250 per month for the use of the building beginning on October 1, 2014 and monthly thereafter with annual increases as described below. The term of the lease for the event space will be one year, expiring on the 30<sup>th</sup> of September, 2015.

The Premises shall be deemed to consist of approximately 2,880 square feet of usable space.

Landlord shall provide the Tenant with demising walls removed as marked on the exhibit, with the understanding that it meets City and State code requirements to qualify for an occupancy certificate and appropriate license for operating a commercial kitchen.

#### 2. Term

The Lease shall be for a term (the "Term") of one (1) year, beginning on October 1, 2014.

Tenant shall have the option to extend the Term up to two (2) times for successive periods of three (3) years under terms and conditions described in this Lease. Tenant shall give Landlord written notice of Tenant's intent to extend the Term at least 90 days before the end of the Term or extended Term, as applicable. This option shall not be available to Tenant if Tenant is in default under the Lease, either at the time of the exercise of its extension option or the beginning of the extension Term.

#### 3. Use

Tenant shall occupy and use the Premises only for the operation of a commercial kitchen and bakery with the intended use of the space as a "kitchen incubator" to provide services to small food service or manufacturing business; and services related to these uses included possible retail sales of product produced on site. Tenant may sublease the space to sub-tenants providing services related to the described uses.

#### 4. Rent

Tenant shall pay to Landlord the following during the Term (collectively, "Rent"):

- (a) Base Rent. Base rent ("Base Rent") in the amount of \$1250 per month beginning on October 1, 2014 and monthly thereafter for the first 12 months. Lease rate per month under the option proposed would be in the amount of \$1,400 per month for the 1st year with a 2% increase over the first year and for each following year of the Term. Base Rent shall be paid on the first day of the month at Landlord's address set forth in Section 20, or such other place as Landlord designates. Base Rent for any partial month during the Term shall be apportioned on a per diem basis.

Base rent – Year One      \$1,250.00

If Tenant exercises its option to extend the lease, base rent will be charged according to the following schedule:

Base rent – Year Two	\$1,400.00
Base rent – Year Three	\$1,428.00
Base rent – Year Four	\$1,456.56

- (b) Operating Expenses. Tenant shall be responsible for maintenance and operating expenses incurred in the building, including all costs of interior repairs and maintenance, insurance, costs of heat, cooling and other operating expenses.
- (c) Real estate taxes. Tenant will be responsible for payment of the real estate taxes on the property and right of way maintenance assessment and storm sewer charges.
- (d) Utilities. Tenant shall be responsible for all costs of the following utilities serving the Premises: electric, gas and water. Tenant shall also be responsible for garbage and recycling expenses. Landlord shall not be responsible or liable if any utility or other service to the Premises is interrupted or impaired by any cause reasonably beyond Landlord's control; provided, however, if such utilities or services are interrupted for more than 3 consecutive days due to Landlord's acts or omissions and Tenant is unable to conduct operations from the Premises, then beginning on the 4th consecutive day of such interruption and inability of Tenant to operate, Base Rent shall abate until the utilities and services are restored.

6. **Improvements to the Premises.**

Improvements will be the responsibility of Tenant. Any improvements must be approved by Landlord prior to their installation. All portions of the Tenant's Work that are permanently affixed to the Premises shall become the property of the Landlord, provided that removable trade fixtures, furniture and equipment owned and installed by Tenant shall remain the property of the Tenant.

7. **Signage**

All exterior signage for the tenant must be approved by the Landlord.

8. **Repairs and Maintenance; Right of Entry**

Tenant, at its expense, shall keep the Premises and the fixtures, equipment, and portions of utility systems exclusively serving the Premises in a neat, orderly and sanitary condition and in good condition and repair. Tenant shall not permit rubbish or waste to accumulate on the Premises. Tenant shall also be responsible for the repair of any equipment in the Premises supplied by Landlord, including the hood systems.

Landlord will be responsible for repair and maintenance of mechanical systems that service the building or systems that provide service to the entire building including heating and cooling system, drainage system, roof, and exterior walls of the building. If major mechanical systems cease to operate the landlord will have the responsibility to replace them.

Landlord, its agents, representatives and employees shall have the right to enter the Premises during business hours (or such other hours upon reasonable advance notice to Tenant, provided that no notice shall be required in an emergency) to inspect the Premises, to make any repairs required by Landlord pursuant to this Lease, or to show the Premises for leasing to prospective tenants.

9. **Alterations**

Tenant shall not make any alterations, additions or improvements to the Premises ("Alterations") without obtaining Landlord's prior written consent. Prior to commencing any Alteration, Tenant shall deliver to Landlord the plans, specifications, proof of contractor insurance, and necessary permits for the Alteration and shall obtain Landlord's prior written approval of any contractor or subcontractor performing the Alterations. Tenant shall also provide Landlord with evidence satisfactory to Landlord of adequate builder's risk and casualty liability insurance coverage for the Alterations naming Landlord, as loss payees. Any Alterations to the Premises completed by or on behalf of Tenant shall become the property of Landlord upon the completion or installation thereof, provided that all removable trade fixtures, furniture and equipment owned and installed by Tenant shall remain the property of Tenant.

**10. Mechanics' Liens**

Tenant shall promptly pay for any labor, services, materials, supplies or equipment furnished to Tenant in or about the Premises. Tenant shall keep the Premises and the Property free from any liens arising out of any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to Tenant. Tenant shall take all steps permitted by law in order to avoid the imposition of any such lien. Should any such lien or notice of such lien be filed against the Premises or the Property, Tenant shall discharge the same by bonding or otherwise within 30 days after Tenant has notice that the lien or claim is filed and shall hold Landlord harmless from and indemnified against any loss or damage related thereto.

**11. Insurance**

Tenant shall maintain throughout the term at its expense the following insurance:

(a) Commercial general liability insurance with such coverages and limits of liability as Landlord may reasonably require, but not less than \$1,000,000 per occurrence and \$2,000,000 aggregate;

(b) "All-risk" property insurance covering Tenant's personal property, trade fixtures, and all improvements made pursuant to Tenant's Work and Alterations made by Tenant located in the Premises at their full replacement cost; and

The policies shall name Landlord as additional insured. The policies shall provide that they shall not be cancelled or reduced without at least 30 days prior notice to Landlord and issued by an insurer reasonably acceptable to Landlord. Tenant shall provide Landlord with evidence of such insurance prior to the commencement of Tenant's Work.

Landlord shall carry such insurance for the Property as is required by the Declaration and any other insurance deemed reasonably necessary by Landlord.

**12. Indemnification**

Landlord, its members and representatives, shall not be liable to Tenant, or Tenant's agents, servants, employees, customers, or invitees for any damage to person or property caused by an act, omission or neglect of Tenant or its employees, and Tenant agrees to hold Landlord harmless from all claims for any such damage. Tenant shall not be liable to Landlord, or to Landlord's agents, servants, employees, or invitees for any damage to person or property caused by any act, omission or neglect of Landlord or its employees and Landlord will indemnify and hold Tenant harmless from the negligence of the Landlord and its agents, servants, and employees from all claims for such damage.

**13. Waiver of Subrogation**

Anything in this lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause-of-action against the other, its agents, officers, directors, members, shareholders or employees, for any loss or damage that may occur to the Premises, or any improvements thereto, or to the Property of which the Premises are a part, or any improvements thereto, or any property of such party therein, by reason of fire, the elements or any other cause which could be insured against under the terms of an "all-risk" casualty insurance policy, regardless of cause or origin, including negligence of the other party hereto, its agents, officers or employees, and covenants that no insurer shall hold any right of subrogation against such other party. In addition, Tenant hereby waives all rights of recovery with respect to property damage against all other tenants of the Property that have, prior to any loss by Tenant, executed a reciprocal waiver of recovery rights for the benefit of Tenant.

**14. Damage to the Premises or Building**

In the event of partial or total damages or destruction of the Property during the Term from any cause, Landlord may terminate this Lease by 15 days' written notice to Tenant. If the Lease is not so terminated, Landlord shall promptly commence restoration of Landlord's Work, and any other improvements or changes made to the Property by Landlord. Tenant shall be responsible for the prompt restoration of Tenant's Work and any Alterations performed by Tenant. In the event of partial or total damages or destruction of the Property during the Term from any cause, tenant shall be entitled to an abatement of Rent during any period of time that the Premises is untenantable and the Property is not open to the public for business.

15. Condemnation

If the entire Property or the entire Premises is taken by eminent domain, this Lease shall automatically terminate as of the date possession shall be taken in such proceeding, and all Rent shall be paid up to that date. If a portion of the Property is taken by eminent domain, then this Lease shall terminate as of the date possession shall be taken by the condemning authority and Rent shall be paid to the date of such termination. If this Lease is not so terminated, Landlord shall restore the improvements or other changes made to the Property by Landlord, including Landlord's Work, and Tenant shall restore improvements and other changes made to the Premises, including Tenant's Work, as soon as is reasonably possible. Rent shall abate during such period of time as the Premises is untenable and the Market is not open to the public for business. A proportionate adjustment shall be made in Rent if the size of the Premises is reduced by the taking. Landlord shall be entitled to receive the entire amount of any condemnation award, provided that Tenant shall have the right to separately pursue claims of relocation awards against the condemning authority.

16. Default

Each of the following shall be considered an "Event of Default" by Tenant hereunder:

- a. Failure to make any payment required under this Lease after 10 days written notice by Landlord (provided that Landlord shall not be required to give said notice more than twice ~~more~~ during any 12-month period; thereafter, Landlord may declare an Event of Default without providing said notice and cure right).
- b. Failure by Tenant to use the Premises for the specified use set forth in Section 3 herein.
- c. Failure by Tenant to comply with any of the other provisions of this Lease, which failure continues after 10 days' written notice by Landlord, provided that if the failure is of such type to require more than 10 days to cure, Tenant shall have such additional time as is reasonably necessary to cure the failure (not to exceed 30 days) if Tenant, after the receipt of said notice, proceeds to cure such failure with due diligence.

If an Event of Default shall occur and be continuing, Landlord shall have the following rights: (i) To terminate this Lease and enter into and take possession of the Premises and remove all persons and their property therefrom without being liable for prosecution or damages; (ii) to enter and repossess the Premises, remove all persons and all property without being liable for prosecution or damages, make such Alterations and repairs in order to relet the Premises (provided that in the event of reletting without termination of this Lease, Landlord may at any time thereafter elect to terminate this Lease for such previous breach); or (iii) to cure the Default on behalf of Tenant, in which event Tenant shall reimburse Landlord on demand for any sums paid or costs incurred by Landlord (together with an administrative fee of 10%) in curing the Default.

All rights and remedies enumerated in this Lease shall be cumulative and none shall exclude any other right or remedy allowed by law or in equity. No delay or omission by Landlord to exercise any right or power accruing upon any Event of Default shall be construed to be a waiver of any such Event of Default.

17. Late Payment Fee

If Tenant fails to make any payment on the date due under this Lease within ten (10) days of the due date, Landlord may charge Tenant a penalty of 5% of the amount due to reimburse Landlord for administrative costs, which shall be payable to Landlord upon demand.

18. Assignment

Tenant shall have the right to sublease space or charge a fee for hourly use of the facility by clients of the Tenant in pursuing its use of the space as a "kitchen incubator" facility. Otherwise, Tenant shall not sublease any portion of the Premises or assign or transfer, voluntarily or by operation of law or otherwise, any of its rights or obligations under this Lease for other uses without the prior written consent of Landlord. Any Change in Control of Prospective Tenant shall be considered an assignment and transfer. As used herein, "Change of Control" shall mean each issue, sale or other disposition of the equity interests of Tenant which results in a change of ownership, directly or indirectly, of more than 50% of the then outstanding equity interests of Tenant. In no event shall any assignment or sublease relieve Tenant from any obligation under this Lease.

Landlord agrees to not unreasonably withhold its consent to an assignment or subletting of the Premises pursuant to a sale of all or a portion of Tenant's business. Without limiting the criteria upon which Landlord's withholding of consent shall be considered reasonable, Landlord's withholding of consent in this situation shall be deemed reasonable if Landlord reasonably determines that (1) the business reputation, operating history or credit worthiness of the proposed assignee or sublessee is unacceptable to Landlord; (2) the proposed assignee or sublessee is not compatible with the Landlord's mission or other occupants or the mix of occupants; or (3) Tenant is in default under this Lease, or any act or omission has occurred which would constitute a default with the giving of notice and/or the passage of time. Tenant acknowledges and agrees that it has no ownership rights in the improvements made pursuant to Landlord's Work or other improvements designated as the property of Landlord pursuant to Sections 6 and 9 of the Lease and that all such improvements shall remain the property of Landlord following a sale of all or a portion of Tenant's business.

If Tenant requests Landlord's consent to an assignment, sublease or other transfer, Tenant shall provide Landlord, at least thirty (30) days prior to the proposed transfer, current financial statements of the transferee certified to by an executive officer of the transferee, a complete copy of the proposed transfer documents, and any other information Landlord reasonably requests. If the requested transfer is pursuant to the sale of Tenant's business, Tenant will provide to Landlord current financial statements of Tenant certified to by an executive officer of Tenant.

**19. Surrender of the Premises**

Upon termination of this Lease by lapse of time or otherwise, Tenant will surrender the Premises to Landlord in as good a condition as received except for ordinary wear and tear and casualty damage or other conditions that Tenant is not required to remedy under this Lease.

Prior to the expiration or termination of this Lease, Tenant shall remove from the Premises all equipment, removable trade fixtures and other personal property installed by or on behalf of the Tenant (except for any equipment owned by Landlord or other equipment or trade fixtures for which Landlord has consented to remain thereon, which shall then be the property of Landlord), and any Alterations made by on or behalf of Tenant which Landlord directs Tenant to remove by written notice. Tenant shall repair any damage resulting from such removal. Any of Tenant's personal property not removed as required shall be deemed abandoned, and Landlord, at Tenant's expense, may remove, store, sell, or otherwise dispose of such property as Landlord may see fit. Notwithstanding the foregoing, Tenant may request that certain of its personal property, trade fixtures or equipment remain on the Premises upon the expiration or termination of this Lease pursuant to a sale of all or a portion of Tenant's business to a third party to which Landlord has agreed to lease the Premises pursuant to a new lease. Provided that Tenant obtains Landlord's prior written approval, such personal property, trade fixtures or equipment shall then be deemed the property of the new tenant following the consummation of the sale. Tenant acknowledges and agrees that it has no ownership rights in the improvements made pursuant to Landlord's Work or other improvements designated as the property of Landlord pursuant to Sections 6 and 9 of the Lease and that all such improvements shall remain the property of Landlord following a sale of all or a portion of Tenant's business.

**20. Notices**

All notices given hereunder shall be in writing and shall be deemed duly given: (i) on the date of personal delivery; (ii) one day following dispatch by Federal Express, Express Mail or equivalent; or (iii) two days following mailing certified or registered mail, postage prepaid to the respective addresses of the parties set out below:

<b>Landlord</b>	Hough LLC 370 Summit Avenue St. Paul, Minnesota
<b>Tenant</b>	Latino Economic Development Center 1501 East lake Street, Minneapolis, MN 55407

Either party may change its notice address by providing notice as set forth in this Section 21. If Tenant remains in possession of the Premises after the expiration or termination of this Lease, Tenant's occupancy of the Premises shall be that of a tenancy at will. Tenant's occupancy during any holdover period shall otherwise be subject to the provisions of this Lease (unless clearly inapplicable), except that



the monthly Base Rent shall be 150% of the monthly Base Rent payable for the last full month immediately preceding the holdover. Tenant shall be liable for all damages that Landlord suffers as a result of the holdover.

**21. Estoppel**

Tenant agrees, within seven (7) calendar days after request therefore by Landlord, to execute and to deliver to Landlord a written statement in recordable form, certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications), (b) the date of commencement of the Term of this Lease, (c) that Rent is paid currently without any set-off or defense thereto, (d) the amount of Rent, if any, paid in advance, and (e) that there are no uncured defaults by Landlord or stating those claimed by Tenant. If the Tenant fails to do so, the Landlord shall have the right, as attorney-in-fact for the Tenant, to make such a statement, certificate or both. Landlord and/or purchasers of Landlord's leasehold interest in the Property shall be entitled to rely upon any document executed pursuant to this Paragraph.

**22. Subordination**

This Lease shall be subordinated to any mortgages that may now exist or that may hereafter be placed upon the Property, to any and all advances made thereunder, to all interest and other charges relating to the indebtedness evidenced by such mortgages, and to all renewals, replacements, and extensions thereof. Tenant agrees that upon the request of Landlord, any mortgagee, or any trustee, it shall execute whatever instruments may be reasonably required to carry out the intent of this Section. If Tenant fails to provide the documentation required in this Section within 10 business days of the request therefore, Landlord shall have the right, as attorney-in-fact for the Tenant, to make such a statement, certificate or both. Landlord, and/or purchasers of Landlord's leasehold interest in the Property, shall be entitled to rely upon any such documentation executed pursuant to this Section.

**23. Compliance with Legal Requirements, Declaration, and Rules**

Tenant shall conduct all of its activities and operations on the Premises in compliance with all applicable laws, statutes, ordinances, orders, rules, regulations and requirements of any governmental authority, agency or instrumentality applicable to the Property, including environmental laws and regulations.

**24. Security Deposit**

No deposit required.

**25. Contingency Agreement** Both parties agree that this lease will be null and void if Latino Economic Development Center (Tenant) is unable to secure financing for improvements proposed by the Tenant in the kitchen facility.

**26. Governing Law**

The laws of the State of Minnesota shall govern the validity, performance and enforcement of this Lease.

**27. Entire Agreement – Modification**

This Lease contains the entire agreement between the parties hereto and shall merge all express or implied representations, agreements and conditions heretofore made by either party. This Lease shall not be binding upon either party until it has been executed and delivered by each of the parties hereto. Any alterations, changes or modifications of this Lease shall be effective only when made in writing and executed and delivered by each of the parties hereto.

**28. Counterparts**

This Lease may be signed in counterparts which, when taken together, shall constitute one and the same instrument. For purposes of the execution of this Lease only, facsimile signatures shall be deemed originals as long as the originals follow promptly by U.S. Mail.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

**Landlord**

**Hough LLC**

By: *Lissette Hough*

Its: *President*

Date: *May 7, 2014*

**Tenant**

**Latino Economic Development Center**

By: *John K. Flory*

Its: *Special Projects Director*

Date: *May 7, 2014*

<p><u>Date:</u> April 7, 2014 April 18, 2014</p> <p><u>HRI Consulting</u> <u>Scale: 1/8"=1'-0" Reference Only</u></p>	<p><u>Client:</u> LATINO ECONOMIC DEVELOPMENT CENTER</p> <p>John Flory 612-730-4453</p>	<p><u>Project:</u> A TOAST TO BREAD</p> <p>705 East Third St. St. Paul, MN</p> <p>1'-0" 3'-0" 8'-0"</p>
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