

**CITY OF SAINT PAUL
AGREEMENT FOR SALE AND PURCHASE OF REAL PROPERTY**

1. Date: _____ August 2, 2011
2. Location of the Real Estate (the "Property"): 1190 Payne Avenue / 1194 Payne Avenue

Saint Paul, Minnesota 55106
3. Legal Description of the Property: See Exhibit A attached hereto.
4. a) Name and address of Buyer: _____ **City of Saint Paul**

Office of Financial Services – Real Estate Section

1000 City Hall Annex - 25 West Fourth Street

Saint Paul, Minnesota 55102
- b) Name and address of Seller: _____ **Kendall Hardware, Inc. (for 1190 Payne)**

Kendall Crosby (for 1194 Payne)

1090 Colette Place

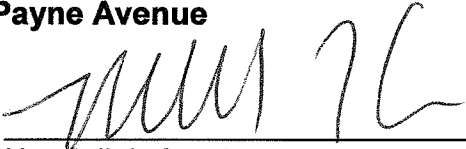
Saint Paul, Minnesota 55116-2553
5. **Agreed Sale Price:** _____ **\$1,210,000.00**
- | | | |
|------------------------|------------------------------------|--------------|
| Calculated as follows: | Land and Improvements | \$720,000.00 |
| | Trade Fixtures | \$20,100.00 |
| | Minimum compensation consideration | \$160,000.00 |
| | Relocation Benefits | \$309,900.00 |
6. **Real Estate Taxes and Assessments:** Property taxes payable in 2011 shall be pro-rated to the day of closing. Seller shall pay levied assessments, delinquent taxes and liens on the property; any outstanding amount shall be withheld from the purchase price. Buyer shall pay all future property taxes.
7. Conveyance: Seller shall convey marketable fee title to Buyer by Warranty Deed.
8. Seller shall provide Buyer, within seven (7) days of signing this Purchase Agreement, an Abstract of Title and/or an Owner's Duplicate Certificate of Title to the Property if in Seller's possession, and copy of any title insurance policy in existence. Seller agrees, at Seller's cost and expense, to correct or remove any exception or "clouds" on the title as shown on the Buyer's "Commitment to Insure" title examination report.

9. Closing shall occur on or before October 10, 2011, at which time the title to the premises shall be conveyed to Buyer and the purchase price shall be paid to the Seller, in full, in cash. The closing date may be postponed and rescheduled by mutual agreement of the parties hereto. Buyer shall pay all closing costs.
10. Seller agrees that the portion of the sale price identified as Relocation Benefits reflects complete satisfaction of Buyer's obligation to provide such benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Seller shall not claim additional compensation from Buyer for relocation benefits.
11. Subsequent to closing, Buyer agrees to lease back to Seller the Property, excluding 1190 Payne Avenue, to permit Seller's continued occupancy and use for a period of six (6) months. The proposed lease, attached hereto as Exhibit B, shall be executed by both parties at closing.
12. Seller is granted the right, at Seller's sole discretion, to (1) remove any or all of the items scheduled in Exhibit C attached hereto and (2) leave remaining in the premises any other such items of personalty or fixtures as Seller deems appropriate.
13. Seller shall provide an affidavit on the date of closing indicating that Seller has not used or permitted the use of the subject property as a hazardous waste disposal facility as defined in section 115A.03 Subd. 10 of Chapter 121 of the Laws of Minnesota of 1983, and that there is no basis to conclude that this property has been subject to or contaminated by the release of any hazardous substance, hazardous waste, pollutants or contaminants as defined in Section 115B.02 of the Minnesota Statutes.
14. All warranties and representations made in this Purchase Agreement shall survive the closing and the conveyance of title to the Property. This Purchase Agreement and all obligations provided shall, to the extent not fully satisfied and performed by or through the closing, survive the closing and the conveyance of title to the Property.
15. This Agreement is subject to approval by the Saint Paul City Council.

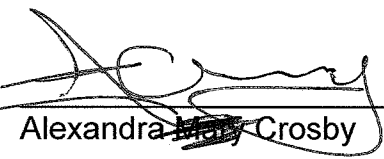
IN WITNESS WHEREOF, the undersigned have caused this Agreement to be made as of the day and year first above written.

SELLER(s):

1194 Payne Avenue

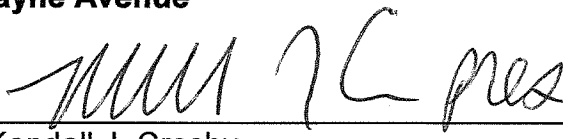
By: 
Kendall J. Crosby

Date: 8/3/11

By: 
Alexandra Crosby

Date: 8/3/11

1190 Payne Avenue

By:  pres.
Kendall J. Crosby
President, Kendall Hardware, Inc.

Date: 8/3/11

BUYER:

By: _____
Mayor or Deputy Mayor

Date: _____

By: _____
Director, Office of Financial Services

Date: _____

By: _____
City Clerk

Date: _____

By: _____
City Attorney
Approved as to form

Exhibit A – Purchase Agreement

Legal Description of the Property

1190 Payne Avenue – Parcel ID No. 29-29-22-12-0005

Lot 4, Block 1, Holterhoff and Mead's Addition to the City of St. Paul, Ramsey County, Minnesota

AND

The North 1 foot of Lot 4, Block 1, Holterhoff and Mead's Addition to the City of St. Paul, Ramsey County, Minnesota, together with an easement over the South 4 feet of the North 5 feet of the West 50 feet of Lot 5, Block 1, Holterhoff and Mead's Addition to the City of St. Paul, Ramsey County, Minnesota.

Abstract Property

11 94 Payne Avenue – Parcel ID No. 29-29-22-12-0004

All that part of the North 25 feet of Lot 13, Block 1, Evans Addition, Ramsey County, Minnesota, except the East 2.4 feet thereof, and all that part of the North 25 feet of Lots 14 and 15 in Block 1, Evans Addition, lying north of Holterhoff and Mead's Addition, more particularly described as follows: Commencing at the present southeast corner of Payne Avenue and Maryland Street; thence easterly along the southerly line of Maryland Street 103.674 feet to the westerly line of Lot 12, Block 1, Evans Addition; thence southerly along the said westerly line of Lot 12, 25 feet; thence westerly on a line parallel with the south line of Maryland Street to Payne Avenue, as now opened and used; thence northerly along the said easterly line of Payne Avenue 25 feet to the place of beginning, except the East 2.4 feet of the North 25 feet of Lot 13.

Lots 2 and 3, Block 1, Holterhoff and Mead's Addition, Ramsey County, Minnesota.

(Torrens Property/Certificate No. 551018)

Exhibit B – Purchase Agreement

CITY OF SAINT PAUL STANDARD LEASE AGREEMENT

Date: _____ September XX, 2011

Lease No: _____

a) Name and address of LESSOR: _____ **City of Saint Paul**

_____ Office of Financial Services – Real Estate Section

_____ 1000 City Hall Annex - 25 West Fourth Street

_____ Saint Paul, Minnesota 55102

b) Name and address of LESSEE: _____ **Kendall Hardware, Inc.**

_____ 1194 Payne Avenue

_____ Saint Paul, Minnesota 55130-3643

- 1) **Leased Premises.** LESSOR, in consideration of the payment of the Basic Rent and Additional Rent hereinafter specified to be paid by LESSEE, and the covenants and agreements herein contained, does hereby lease, demise and let unto LESSEE the premises hereinafter referred to as the "Leased Premises", whose address is: 1194 Payne Avenue, Saint Paul, Minnesota,

and which is legally described as:

All that part of the North 25 feet of Lot 13, Block 1, Evans Addition, Ramsey County, Minnesota, except the East 2.4 feet thereof, and all that part of the North 25 feet of Lots 14 and 15 in Block 1, Evans Addition, lying north of Holterhoff and Mead's Addition, more particularly described as follows: Commencing at the present southeast corner of Payne Avenue and Maryland Street; thence easterly along the southerly line of Maryland Street 103.674 feet to the westerly line of Lot 12, Block 1, Evans Addition; thence southerly along the said westerly line of Lot 12, 25 feet; thence westerly on a line parallel with the south line of Maryland Street to Payne Avenue, as now opened and used; thence northerly along the said easterly line of Payne Avenue 25 feet to the place of beginning, except the East 2.4 feet of the North 25 feet of Lot 13,

AND

Lots 2 and 3, Block 1, Holterhoff and Mead's Addition, Ramsey County, Minnesota,

together with ten (10) parking stalls located on LESSOR's property immediately to the south of 1190 Payne Avenue.

A map of the Leased Premises is attached hereto as Exhibit A and incorporated herein by this reference.

- 2) **Term of Lease.** This Lease shall be in effect for a term commencing and ending on the dates indicated below, unless terminated earlier by LESSOR as provided herein.

Term (Monthly/Yearly)	Commencing Date	Ending Date
Monthly	October 10, 2011	April 15, 2012

- 3) **Use of Premises.** LESSEE shall use and occupy the Leased Premises for the following purpose: hardware store business.

Space may be used for this purpose and for no other purpose without the prior written consent of LESSOR.

Lessee agrees that the apartment space on the second level of the building shall be vacant at commencement of the Lease and remain vacant throughout the term of the Lease.

- 4) **Rent.** Rent shall consist of Basic Rent and such Additional Rent as may apply. LESSEE shall pay all rent in advance, on the first day of the term of the lease and on the first day of each payment period thereafter as indicated in the Payment Schedule below:

a) **Basic Rent**

Total Basic Rent During Lease Term	Payment Schedule		
	(Payment Period)	Commencing Date	\$ per Period)
\$4,500	Monthly	October 10, 2011	\$750

- b) **Additional Rent.** Additional Rent means all amounts, other than Basic Rent provided for in paragraph (4-a) above, that LESSEE shall be obligated to pay under this paragraph or other provisions of this Lease. Additional Rent shall include, but is not limited to, the following fees, costs and expenses:

- i) all utilities, including water, electric, gas, telephone, sewage and garbage collection and disposal;

- ii) costs for the repairs, improvements or alterations required to be made by the LESSEE in paragraph 11 of this Lease;
- iii) all taxes on realty or personality, general or special; all public rates, dues, charges and assessments, general or special, of any kind upon the Leased Premises; and
- iv) property insurance premium and/or uninsured losses as set forth in paragraph (7) of this Lease.

In the event that LESSEE does not make such payments (or any payments required to be paid as Additional Rent), LESSOR may make the payments at its option, and the payments so paid become Additional Rent, and are due and payable by LESSEE with the payment of Basic Rent next required after written notice of same to LESSEE by LESSOR.

LESSEE shall make all payments of Basic Rent and Additional Rent to LESSOR at the following address:

Financial Services/Real Estate, City of Saint Paul, 1000 City Hall Annex, 25 W. 4th St., Saint Paul, MN 55102

The applicable account number for City Finance Accounting Code is:
to be determined by LESSOR

All Basic and Additional Rent shall be payable on the date certain provided herein, or if no date certain is provided, within 30 days of the billing date. LESSOR shall charge interest of 1.5% per month on any Basic or Additional Rent remaining unpaid beyond the due date as here provided.

- 5) **Taxes.** LESSEE shall be responsible for and pay all taxes and assessments against the Leased Premises, except that LESSEE may at its own expense contest and challenge the imposition or amount of any such tax or assessment as prescribed by law; provided, however, that in the event this Lease is terminated by either party, LESSOR may at its option require LESSEE to pay such contested taxes pending appeal, to place in escrow a sum sufficient to pay said taxes, or take other action that will remove said contested taxes as an encumbrance to title or as an exception to the transferability of marketable title to the Leased Premises.
- 6) **Right of Entry.** At all times during the term of this lease, LESSOR shall have the right, by itself, its agents and employees, to enter into and upon the Leased Premises during reasonable business hours or, in the event of an emergency, at any time for any legitimate purpose.
- 7) **Insurance.**
 - a) **LESSOR'S Insurance.** LESSOR shall acquire and keep in effect during the

term of this agreement the following coverage:

- i) FIRE AND ALL RISK INSURANCE, on the lease premises shall be purchased by LESSOR; LESSEE shall pay, as Additional Rent, the premium for said insurance in the amount of \$100 per month (12,000 sq ft X \$.10/sq ft /12 months), due on the commencing date of this lease along with the Basic Rent. ~~and on the anniversary date of the lease each subsequent year and in the event of a claim, any deductible.~~ Said insurance shall name the City of Saint Paul as the insured. With respect to any loss of LESSOR'S property not covered by insurance, it shall be the responsibility of LESSEE, within a reasonable time, to pay all costs to repair or replace the damaged property with like kind, such reasonable time to be determined by LESSOR. LESSEE shall be responsible for insurance of its own property.

- b) LESSEE'S Insurance. LESSEE shall acquire during the term of this lease the following coverage:
 - i) LESSEE shall be responsible for the self insurance of, or the acquisition of Commercial Property Insurance on its personal property.

 - ii) COMMERCIAL GENERAL LIABILITY INSURANCE including blanket contractual liability coverage, personal injury liability coverage and broad form property damage liability endorsement with a combined single limit of not less than \$1,500,000 per occurrence, \$3,000,000 aggregate, shall be purchased by LESSEE. Such insurance shall: (a) name the City of Saint Paul as additional insured; (b) be primary with respect to LESSOR'S insurance or self-insurance; (c) not exclude explosion, collapse and underground property damage; (d) be written on an "Occurrence Form" policy basis; and (e) not contain an "aggregate" policy limit unless specifically approved in writing by LESSOR.

 - iii) AUTOMOBILE LIABILITY INSURANCE with minimum limits of \$1,000,000 combined single limit and \$2,000,000 aggregate, covering hired, non-owned and owned automobiles.

 - iv) WORKERS' COMPENSATION INSURANCE with not less than statutory minimum limits; and EMPLOYERS' LIABILITY INSURANCE with minimum limits of at least \$100,000 per accident and with an all states endorsement.

 - v) LESSEE shall supply to LESSOR current insurance certificates for policies required in Paragraph (7). The said certificates shall certify whether or not the agent has errors and omissions insurance coverage.

- vi) The limits cited under each insurance requirement above establish minimums; and it is the sole responsibility of LESSEE to purchase and maintain additional insurance that may be necessary in relation to this lease.
 - vii) Nothing in this contract shall constitute a waiver by LESSOR of any statutory limits or exceptions on liability.
 - viii) LESSEE shall place the insurance with responsible insurance companies authorized and licensed to do business in the State of Minnesota and approved by LESSOR, and shall deliver copies of the policies to LESSOR on the date of LESSEE'S execution of this agreement. The policies required in paragraph (7) shall be endorsed to indicate that the insurer shall give LESSOR notice of any changes or cancellation per the terms of the policy.
 - ix) Insurance limits shall be subject to the tort claims liability limits as set forth in chapter 466 of Minnesota Statutes.
- c) Waiver of Subrogation. LESSOR waives its right of subrogation for damage to the Building, contents therein, loss of use thereof, and/or loss of income, up to the amount of insurance proceeds collected. LESSEE waives its right of subrogation for damage to property in the Leased Premises, loss of use thereof, loss of income and/or accounts receivable, up to the amount of their respective insurance proceeds collected. The parties shall notify their respective insurance companies, in writing, of the provisions of this paragraph; and, if either cannot waive its subrogation rights, such party shall immediately notify the other party, in writing.
- 8) **Cancellation or Termination.** This Lease shall be subject to cancellation and termination by LESSOR with reasonable cause at any time during the term hereof by giving LESSEE notice in writing at ninety (90) days, or thirty (30) days for leases with a term of one (1) year or less, or any month-to-month tenancies, prior to the date when such termination shall become effective. In the event of such termination, and on the effective date of such termination, LESSOR shall return any unearned rental paid by LESSEE without interest.
- 9) **Notice.** All notices herein provided to be given, or that may be given by either party to the other, shall be deemed to have been fully given when served personally on LESSOR or LESSEE, or when made in writing and deposited in the United States Mail, certified and postage prepaid, and addressed to LESSEE at the address stated on page (1) and to LESSOR at Financial Services/Real Estate, City of Saint Paul, 25 W. 4th St., Saint Paul, Minnesota, 55102. The address to which the notice shall be mailed may be changed by written notice given by either party to the other. Nothing herein shall preclude the giving of such address change notice by personal service.
- 10) **Assignment and Subletting.** LESSEE shall not assign or sublet this Lease ~~without the written consent of LESSOR, which consent must be obtained prior to~~

~~the execution of any agreement to sublease the Leased Premises.~~

- 11) **Maintenance and Repairs.** LESSEE shall, at its own cost and expense, be responsible for all repairs, maintenance and upkeep of the Leased Premises, including but not limited to emergency repairs of any kind; routine maintenance and repair to keep the Leased Premises in good repair, safe and in compliance with applicable fire, health, building and other life-safety codes; and all repairs and maintenance needed to keep the buildings or structures on the Leased Premises in good condition, including (a) the exterior (including windows and doors) and interior structure of the buildings or structures, (b) the roof or roofs, (c) the heating, ventilating and air conditioning systems therein, (d) all electrical, plumbing, lighting, mechanical systems, fire suppression equipment, i.e. fire sprinkler system; and (e) all grounds, fences and roads within the Leased Premises. The foregoing obligations shall bind LESSEE regardless of the cause of the damage or condition necessitating the repair or maintenance. Should a repair not be cost effective based on the term of the lease, LESSOR and LESSEE shall have the right to terminate the Lease.
- 12) **Payments in Case of Default.** LESSEE shall pay LESSOR all costs and expenses, including reasonable attorney's fees in any action brought by LESSOR to recover any rent due and unpaid hereunder, or for the breach or default of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.
- 13) **Surrender of Premises.** LESSEE, at the expiration of said term, or any sooner termination of the Lease, shall quit peacefully and surrender possession of said property and its tenant buildouts and trade fixtures to LESSOR in as good order and condition as the property was delivered to LESSEE. LESSOR reserves the right to accept tenant buildouts and trade fixtures, or LESSEE must remove them. Upon termination of the Lease, Seller may remove items listed on Exhibit B attached hereto and incorporated herein by this reference.
- 14) **Indemnity.** LESSEE agrees to indemnify, defend, save and hold harmless the City of Saint Paul and any agents, officers and employees thereof from all claims, demands, actions or causes of action of whatsoever nature or character, arising out of or by reason of the Lease of the herein described Leased Premises by LESSOR to LESSEE, or the use or condition of the Leased Premises or as a result of the operations or business activities taking place on the Leased Premises. It is fully understood and agreed that LESSEE is aware of the conditions of the Leased Premises and leases the same "as is."
- 15) **Holdover.** Any holdover after the expiration of the term of this Lease shall be allowed only after receiving the written consent of LESSOR. Said tenancy shall be deemed to be a tenancy only from month-to-month. All other terms and conditions of this Lease shall be applicable.
- 16) **Pollution and Contaminants.** LESSEE agrees to comply with all ordinances, laws, rules and regulations enacted by any governmental body or agency relating to the control, abatement or emission of air and water contaminants and the

disposal of refuse, solid wastes or liquid wastes.

LESSEE shall bear all costs and expenses arising from compliance with said ordinances, laws, rules, or regulations and shall indemnify, defend, save and hold harmless LESSOR from all liability, including without limitation, fines, forfeitures, and penalties arising from the failure by LESSEE to comply with such ordinances, laws, rules or regulations. LESSOR has the right to perform cleanup and charge LESSEE as Additional Rent for such costs should LESSEE fail to comply.

17) **Controlling Lease.** In the event there is any prior existing lease or rental agreement between LESSEE and LESSOR (or its predecessor in interest) covering the subject property, it is agreed and understood that this Lease shall cancel and terminate any prior leases or rental agreements as of the effective date of this lease.

18) **Destruction.** In the event of damage to or destruction of the Leased Premises or in the event the premises becomes untenable or unfit for occupancy due to such damage during the term of this Lease, LESSOR may at its option:

- a) terminate the lease upon fifteen (15) days' written notice to LESSEE; or
- b) within fifteen (15) days agree to restore the premises within a reasonable time period following the casualty, charging the costs in excess of the insurance proceeds, if any, to LESSEE as Additional Rent; or
- c) ~~may direct that LESSEE promptly restore the Leased Premises to substantially the condition existing immediately prior to such damage or destruction, and for that purpose, if such damage or destruction was caused by perils insured against LESSOR shall make available to LESSEE pro rata, as work progresses, the net proceeds of such insurance. If such proceeds are insufficient to pay the entire cost thereof, LESSEE agrees to pay as Additional Rent, a lump sum payment (or in a form agreed upon by LESSOR) equal to the remainder of such cost.~~

The Basic Rents to be paid during the restoration period shall be abated in proportion to the percentage of loss and impairment of the use of the Leased Premises as determined by LESSOR, times the number of days of loss or impairment.

19) **Events of Default.** The occurrence of any of the following events during the term of this Lease shall constitute an event of default by LESSEE:

- a) the filing of a petition to have LESSEE adjudicated bankrupt or a petition for reorganization or arrangement under any laws of the United States relating to bankruptcy filed by LESSEE;
- b) in the event a petition to have LESSEE adjudicated bankrupt is filed against LESSEE, the failure to dismiss such petition within ninety (90)

days from the date of such filing;

- c) the assets of LESSEE or of the business conducted by LESSEE on the Leased Premises be assumed by any trustee or other person pursuant to any judicial proceedings;
- d) LESSEE makes any assignment for the benefit of creditors;
- e) the failure by LESSEE to timely pay Basic Rent or Additional Rent as required by this Lease;
- f) the failure by LESSEE to observe and perform any covenant, condition or agreement on its part to be observed or performed as required by this Lease; or
- g) the failure by LESSEE or its surety to discharge, satisfy or release any lien or lien statement filed or recorded against the Leased Premises within sixty days after the date of such filing or recording, whichever date is earlier.

It is an express covenant and agreement of LESSOR and LESSEE that LESSOR may, at its election, terminate this Lease in the event of the occurrence of any of the events described in this paragraph or in paragraph (22) relating to liens by giving not less than ten days' written notice to LESSEE; and when so terminated, LESSOR may reenter the Leased Premises. This Lease and its Leased Premises shall not be treated as an asset of LESSEE'S estate. It is further expressly understood and agreed that LESSOR shall be entitled upon such reentry, notwithstanding any other provision of this Lease, to exercise such rights and remedies as are provided in Paragraph (24) of this Lease.

20) Compliance with Laws. The property described herein may be used for only the purposes stated herein. It is the sole and exclusive responsibility of LESSEE in the use of the property to comply with all laws, rules, regulations or ordinances imposed by any jurisdiction affecting the use to which the property is proposed to be put. Inability or failure by LESSEE to comply with any of said laws, rules, regulations or ordinances will not relieve LESSEE of the obligation to pay the rental provided herein.

21) Non-Discrimination. LESSEE for himself, his personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that

- a) no person, on the ground of race, sex, color, creed, religion, age, disability, marital status, familial status, status with respect to public assistance, national origin, sexual or affectional orientation or ancestry shall be excluded from participating in, be denied the benefits of or be otherwise subjected to discrimination in the use of said facilities; sexual or affectional orientation;

- b) that in connection with the construction of any improvements on said lands and the furnishing of services thereon, no discrimination shall be practiced in the selection of employees and contractors, by contractors in the selection and retention of first tier subcontractors, and by first-tier subcontractors in the selection and retention of second-tier subcontractors;
- c) that such discrimination shall not be practiced against the public in its access in and use of the facilities and services provided for public accommodations (such as eating, sleeping, rest and recreation) constructed or operated on the Leased Premises; and
- d) that LESSEE shall use the premises in compliance with all other requirements imposed pursuant to the Saint Paul Legislative Code Chapter 183.

22) **Liens.** LESSEE shall not permit mechanic's liens or other liens to be filed or established or to remain against the Leased Premises for labor, materials or services furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements made to the Leased Premises, or for any other reason; provided that if LESSEE shall first notify LESSOR of its intention to do so and shall deposit in escrow with LESSOR a sum of money or a bond or irrevocable letter of credit acceptable to LESSOR equal to the amount of the claim of lien, LESSEE may in good faith contest any such claims or mechanic's or other liens filed or established and in such event may permit the items contested to remain undischarged and unsatisfied during the period of such contest. If, in the opinion of LESSOR, the nonpayment of any such items subjects the Leased Premises to any loss or forfeiture, LESSOR may require LESSEE to use the escrow account to promptly pay all such unpaid items and if LESSEE fails to pay from the escrow account, LESSOR may pay and charge LESSEE as Additional Rent.

23) **Eminent Domain.** ~~In the event the entire Leased Premises are taken by eminent domain, or such portion thereof is so taken that in LESSEE'S reasonable judgment it is uneconomic thereafter to restore the Leased Premises and proceed under the terms and provisions of this Lease, LESSEE may terminate this Lease by giving to LESSOR thirty days' written notice of termination, effective as of the date on which the condemning authority acquires legal title or physical possession of the Leased Premises. LESSEE hereby waives and releases any claim to or share in the Award of Compensation for the taking, notwithstanding any other provision of law, this Lease or any other agreement. LESSEE may to the extent otherwise permitted in the eminent domain proceeding, remove its own trade fixtures at its own expense.~~

24) **Default Remedies.** In the event an Event of Default occurs under paragraph (19) of this Lease, LESSOR may exercise any one or more of the following remedies:

- a) reenter and take possession of the Premises without termination of this Lease, and use its best efforts to ease the Premises to or enter into an

agreement with another person for the account of LESSEE;

- b) terminate this lease, exclude LESSEE from possession of the Premises, and use its best efforts to lease the Premises to or enter into an agreement with another in accordance with applicable law;
- c) exclude LESSEE from possession of the Premises, with or without terminating this Lease and operate the Premises itself;
- d) terminate the Lease, exclude LESSEE from possession of the Leased Premises, sell all or any part of the Premises at the best price obtainable (provided such sale is permitted by applicable law,) such sale to be on such terms and conditions as LESSOR, in its sole discretion, shall determine and apply the proceeds of such sale less any expenses thereof for the account of LESSEE.
- e) exercise any remedies available to it under the Minnesota Uniform Commercial Code;
- f) take whatever action at law or in equity may appear necessary or appropriate to collect the Basic Rent and Additional Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of LESSEE under this Lease.
- g) in exercising any of its remedies set forth in this Section, LESSOR may, whether or not the Lease is then in effect, hold LESSEE liable for the difference between the payments and other costs for which LESSEE is responsible under this Lease.

No remedy herein conferred upon or reserved to LESSOR is intended to be exclusive of any other available remedy or remedies, but each such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or thereafter existing at law or in equity by statute. No delay or omission to exercise any such right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle LESSOR to exercise any remedy reserved to it in this Provision, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

- 25) **Default of Payment.** LESSEE agrees that, should it default on any payment owing and due to be paid to LESSOR as provided in this agreement, including but not limited to Basic Rent and Additional Rent, then the remaining unpaid balance shall, at the option of LESSOR, immediately become due. LESSEE further agrees that LESSOR may, at its option and without notice to LESSEE, enter judgment against LESSEE in Ramsey County District Court for the amount of the unpaid balance. And LESSEE does hereby confess judgment in the amount of the unpaid balance due upon default, and does authorize LESSOR to enter judgment as provided above. LESSEE does hereby agree that LESSOR, at

its option, may enter a judgment, at any time within one year of the time the last payment shall have come due, for the full amount of the unpaid balance due pursuant to the confession of judgment provided herein.

- 26) **Alterations.** LESSEE will not make any alterations to the premises without the written consent of LESSOR, such consent not to be unreasonably withheld. If LESSEE desires to make any such alterations, an accurate description shall first be submitted to and approved by LESSOR and such alterations shall be done by LESSEE at its own expense. All such work shall be performed under LESSOR'S supervision and any improvements made to the Leased Premises at LESSEE'S expense shall become the property of LESSOR at the end of the Lease period. LESSEE agrees that all alterations will be done in a workmanlike manner and in conformance with applicable building codes, that the structural integrity and building systems of the building will not be impaired, and that no liens will attach to the premises by reason thereof.
- 27) **Amended.** Anything herein contained to the contrary notwithstanding, this Lease may be terminated, and the provisions of this Lease may be, in writing, amended by mutual consent of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year in this Lease first above-written.

LESSOR:

Director, Department of Public Works

Director, Office of Financial Services

N/A

City Clerk

N/A

Mayor or Designee

City Attorney (Form Approval)

LESSEE:

Its

Its

Exhibit A - Lease Agreement

Licensed Premises - 1194 Payne Avenue



DISCLAIMER: This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only.
SOURCES: Ramsey County (July 5, 2011), The Lawrence Group; July 5, 2011 for County parcel and property records data; July 2011 for commercial and residential

Exhibit B – Lease Agreement

Fixtures to be removed from 1194 Payne Avenue by Kendall Hardware, Inc.

Building Exterior:

- 2 antique light sconces (Maryland Ave side)
- 2 multi-colored awnings (back door Maryland Avenue windows)
- Tie-dye banner: "We're dying for your business"
- Black wrought-iron fence
- All exterior signage

Building Interior:

- Wrought-iron railing (apartment stairway)
- Radiators
- 4 interior doors (all master-keyed)
- Basement fire-door w/ hardware
- Antique safe - door

Exhibit C – Purchase Agreement

Fixtures to be removed from 1194 Payne Avenue by Kendall Hardware, Inc.

Building Exterior:

2 antique light sconces (Maryland Ave side)
2 multi-colored awnings (back door Maryland Avenue windows)
Tie-dye banner: "We're dying for your business"
Black wrought-iron fence
All exterior signage

Building Interior:

Wrought-iron railing (apartment stairway)
Radiators
4 interior doors (all master-keyed)
Basement fire-door w/ hardware
Antique safe - door