

(File Name: _____)

Revised

Authority (C.F. or A.O.)

LEASE NO. _____ LIB/06

DATE: _____ March 12, 2014

LESSOR: _____ CITY OF SAINT PAUL

Saint Paul Public Libraries

90 West Fourth Street, Saint Paul, Minnesota, 55102

LESSEE: _____ East Side Freedom Library

835 Sixth Street East, Saint Paul, Minnesota, 55106

CITY OF SAINT PAUL



STANDARD

LEASE AGREEMENT

- 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 1105 Greenbrier Avenue, Saint Paul, Minnesota, 55106, and which is legally described as:

Lots 1, 2 and Lot 3, Block 4, Evans Addition, Ramsey County, Minnesota.

The Leased Premises is the Arlington Hills Branch Library, consisting of the historic “Carnegie Library” building, with 7,350 square feet of interior space (the “Building”), the surrounding grounds on a 120-foot X 125-foot lot (15,000 square feet), and one off-street parking stall, as depicted on Exhibit A attached hereto 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 the LESSOR as provided herein. The LESSEE has the right to terminate this Lease during the first nine (9) months of the Lease upon giving written notice of termination to the LESSOR and such termination shall be effective ninety (90) days after such notice is given to LESSOR.

Term (Months/Years)	Commencing Date	Ending Date
<u>15 years</u>	<u>May 1, 2014</u>	<u>April 30, 2029</u>

There shall be no option to renew the lease.

- 3) **Use of Leased Premises.** LESSEE shall use and occupy the Leased Premises for the following and related purposes:

To preserve and promote knowledge about Saint Paul's East Side -- its history, residents, and institutions -- through educational materials and programs. To create and maintain non-circulating research collections and books which focus on labor, immigration, African American, Asian American, and Latino history. To organize and present programs which provide participants with a larger historical context through which to understand their own and their neighbors' experiences, and the skills to express and share their stories with each other. Through these materials and programs to build bridges among the many groups who call the East Side home.

LESSEE may use the Leased Premises for these purposes and for no other purpose without the prior written consent of LESSOR.

- 4) **Possession of Leased Premises.** Possession of the Leased Premises shall occur immediately following vacation of LESSOR'S Arlington Hill Branch Library staff, materials and programs and in any event no later than June 1, 2014.
- 5) **Condition of Leased Premises.** LESSEE shall take possession of the Leased Premises in its "as is" condition. LESSOR will not make any improvements or repairs to the Leased Premises prior to, on or subsequent to commencement of this lease.
- 6) **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)
\$15.00	Annual	May 1, 2014	\$1.00

- b) **Deposit.** A \$1.00 damage deposit made by LESSEE shall be held by LESSOR for damages caused to the Premises by LESSEE during the term of this Lease.
- c) **Additional Rent.** Additional Rent means all amounts, other than Basic Rent provided for in Paragraph (6-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, cable, sewage and garbage collection and disposal;
 - ii) costs for the repairs, improvements or alterations required to be made by the

LESSEE in Paragraph (9) 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 (14) of this Lease.

In the event that LESSEE does not make such payments, LESSOR may make the payments at its option, and the payments so paid become Additional Rent. Additional Rent means all amounts, other than Basic Rent provided for in Paragraph 6 (a) above, that LESSEE shall be obligated to pay under this paragraph or other provisions of this Lease. Any payments required to be paid as Additional Rent are due and payable by LESSEE to LESSOR at the same time the Basic Rent is next required to be deposited, following written notice of same to the LESSEE by LESSOR.

LESSEE shall make all payments of Additional Rent to LESSOR at the following address:
Financial Services – Real Estate Section - 25 W. 4th St., Rm 1000, 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. The LESSOR shall charge interest of 1.5% per month on any Basic or Additional Rent remaining unpaid beyond the due date as here provided.

LESSEE shall provide LESSOR with financials that support the LESSEE's ability to perform under the Lease.

No brokerage fees shall be paid by LESSOR.

7) **Special Conditions.** LESSEE agrees to satisfy the following special conditions of the lease:

- a) Within the first six (6) months following possession, LESSEE shall replace the existing roof according to LESSOR-approved plans.
- b) Within the first two (2) years following possession, LESSEE shall:
 - i Establish a cyclical maintenance reserve account of at least \$50,000 to ensure adequate maintenance of the Leased Premises; LESSEE shall grant to LESSOR a security interest in this account to secure LESSEE's obligations under this Lease;
 - ii Establish an operating costs reserve account of at least \$50,000 to ensure sufficient operating funds for LESSEE'S programs, and
 - iii Open the doors to the public and begin its programming.

- c) Beginning the third (3rd) year of the Lease and continuing during the balance of the term, LESSEE shall keep the lights on and doors open to the public during LESSEE's regular business hours for programming except for any limited period of time necessary to make repairs or improvements to the Premises.
- 8) **Option to Purchase.** At any time during the term of the Lease, provided LESSEE is not then in default, LESSEE may exercise the option to purchase the Leased Premises for \$300,000.00 in cash. The conveyance shall be subject to a declaration of restrictive uses that ensures continued use of the Leased Premises for the permitted uses and prohibits certain uses.
- 9) **Tenant Improvements.** LESSEE shall not make any alterations to the Leased Premises for roof replacement, Phase I preservation and renovation or any subsequent improvement phase without the prior written consent of the LESSOR, such consent not to be unreasonably withheld or delayed. If the LESSEE desires to make any such alterations, an accurate description (including all plans, specifications, finishes and construction schedule) shall first be submitted to and approved by the LESSOR and such alterations shall be done by the LESSEE at its own expense. All such work shall be performed under the LESSOR'S supervision and any improvements made to the Leased Premises at the LESSEE'S expense shall become the property of the LESSOR at the end of the Lease term. LESSEE shall use its own architecture and construction firms to complete improvements and repairs to the Leased Premises so long as they are licensed, bonded and insured. LESSEE agrees that all alterations will be done in a workmanlike manner and in conformance with applicable building and zoning codes, permit requirements and historic preservation requirements, and 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. Signage shall comply with all city and Historic Preservation Commission requirements.
- 10) **Security.** The LESSEE shall possess separate keys for the Building rooms and for the Building exterior access. LESSOR and LESSEE shall determine the number of keys. In the event a key is lost or stolen LESSEE shall pay LESSOR the cost of replacement.
- 11) **Furnishings.** The Leased Premises is leased unfurnished unless otherwise noted.
- 12) **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 the 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.
- 13) **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 with 24 hours notice or, in the event of an emergency, at any time for any legitimate purpose.

14) Insurance.

- a) LESSEE'S Insurance. The LESSEE shall acquire during the term of this lease the following coverage:
- 1) The LESSEE shall be responsible for the self-insurance of, or the acquisition of Commercial Property Insurance on its personal property.
 - 2) FIRE AND ALL RISK INSURANCE on the Leased Premises for no less than full replacement value shall be purchased by the LESSEE. Said insurance shall name the City of Saint Paul as an additional insured. With respect to any loss of the 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.
 - 3) 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 the 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.
 - 4) 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.
 - 5) WORKERS' COMPENSATION INSURANCE with not less than statutory minimum limits; and EMPLOYERS' LIABILITY INSURANCE with minimum limits of at least \$500,000 per accident and with an all states endorsement.
 - 6) The LESSEE shall supply to LESSOR current insurance certificates for policies required in Paragraph (14). The said certificates shall certify whether or not the agent has errors and omissions insurance coverage.
 - 7) The limits cited under each insurance requirement above establish minimums; and it is the sole responsibility of the LESSEE to purchase and maintain additional insurance that may be necessary in relation to this lease.

- 8) Nothing in this contract shall constitute a waiver by the LESSOR of any statutory limits or exceptions on liability.
- 9) 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 (14) shall be endorsed to indicate that the insurer shall give the LESSOR notice of any changes or cancellation per the terms of the policy.
- b) 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.
- 15) **Cancellation or Termination.** This lease may not be cancelled or terminated for cause without LESSOR'S written notice of a breach of the terms of the lease to LESSEE and a reasonable opportunity given to LESSEE to cure said breach. Unless otherwise stated in the notice of cancellation or termination, or in a specific provision of this lease, a reasonable time to cure shall be thirty (30) days.
- 16) **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 the Real Estate Division, 25 W. 4th St., Room 1000, 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.
- 17) **Assignment and Subletting.** LESSEE shall not assign or sublet this Lease without prior written consent of LESSOR.
- 18) **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 the LESSEE regardless of the cause of the damage or condition necessitating the repair or maintenance.

- 19) **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.
- 20) **Surrender of Premises.** The LESSEE, at the expiration of said term, or any sooner termination of this lease, shall quit peacefully and surrender possession of said property and its tenant build outs and trade fixtures to LESSOR in as good order and condition as the property was delivered to the LESSEE. LESSOR reserves the right to accept tenant build outs and trade fixtures, or LESSEE must remove them.
- 21) **Indemnity and Release.** LESSEE agrees to indemnify, defend, save and hold harmless the City of Saint Paul and any agents, attorneys, 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." LESSEE further releases, waives and covenants not to sue LESSOR from all liability, claims, demands, losses and damages on account of injury, death or damage to property arising out of the use of the Leased Premises under this Lease.
- 22) **Holdover.** Any holdover after the expiration of the term of this Lease shall be allowed only after receiving the written consent of the 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.
- 23) **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.

- 24) **Destruction.** In the event of damage to or destruction of the Leased Premises or in the event

the Leased 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 Leased 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 the 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.

25) **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; or
- h) the failure by LESSEE to satisfy any of the conditions of Paragraph 7 above.

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 29 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 26 of this Lease.

26) **LESSOR's Remedies.** In the event an event of default occurs under Paragraph 25 of this Lease, LESSOR may exercise any one or more of the following remedies:

- a) reenter and take possession of the Leased Premises without termination of this Lease, and use its best efforts to lease the Leased 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 Leased Premises, and use its best efforts to lease the Leased Premises to or enter into an agreement with another in accordance with applicable law;
- c) exclude LESSEE from possession of the Leased Premises, with or without terminating this Lease and operate the Leased Premises itself;
- d) terminate the Lease, exclude LESSEE from possession of the Leased Premises, sell all or any part of the Leased Premises on such terms and conditions as LESSOR, in its sole discretion, shall determine and retain all the proceeds of such sale for LESSOR's own account;
- e) exercise any remedies available to it under the Minnesota Uniform Commercial Code; and/or
- 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.

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.

27) **Compliance with Laws.** The Leased Premises may be used for only the purposes stated

herein. It is the sole and exclusive responsibility of LESSEE in the use of the Leased Premises to comply with all laws, rules, regulations or ordinances imposed by any jurisdiction affecting the use to which the Leased Premises 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.

- 28) **Non-Discrimination.** LESSEE for itself, its 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.
- 29) **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 the LESSEE as Additional Rent.
- 30) **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 (30) 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.

- 31) **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. Said 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.
- 32) **Amended.** This Lease may be amended only by a writing executed by the parties hereto.
- 33) **Litigation Costs.** If LESSOR initiates action or litigation to enforce the provisions of this Lease against the LESSEE, the LESSOR is entitled to reimbursement from LESSEE of all reasonable costs and expenses, including reasonable attorney's fees paid or incurred by the LESSOR in connection with such action or litigation.
- 34) **Entire Agreement; Governing Law; Venue.** This instrument contains the entire agreement of the parties as to its subject matter. This Lease shall be subject to and governed by the laws of the State of Minnesota, and all actions shall be venued in Ramsey County District Court.

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

LESSOR: City of Saint Paul, a Minnesota municipal corporation

Mayor

City Clerk

Director – Office of Financial Services

Director of Saint Paul Public
Libraries

Assistant City Attorney (Form
Approval)

LESSEE: East Side Freedom Library, a Minnesota nonprofit corporation

Its

Its