SOUTH WASHINGTON COUNTY SCHOOLS
SCHOOL BOARD
7362 East Point Douglas Rd S.
Cottage Grove, MN 55016

ADMINISTRATIVE REPORT

DATE:	September 26, 2024
TOPIC:	5.9 – Central Park Lease Agreement with City of Woodbury
PRESENTER:	Kris Blackburn, Director of Business Services
REFERENCE TO POLICY/STATUTE:	Policy 701

A. **PURPOSE OF REPORT**

a. South Washington County Schools has leased space from the City of Woodbury in Central Park for use as instructional space since 2002.

b. On October 18, 2022, the Board approved a Memorandum of Understanding (MOU) with the City of Woodbury which outlined financial and operational parameters and memorialized the intent for the continued partnership between the two entities at Central Park following completion of the City's renovation project.

c. The district has negotiated a new lease agreement with the City of Woodbury for the renovated space which would return instructional programming, including SoWashCo Online, Early Learning programming, and SoWashCo Adult Basic Education (ABE), to Central Park.

d. The lease agreement will include 10,640 square feet of exclusive use space, plus 1,107 square feet of shared use space. The base rent will be $293,675 annually, plus additional payments for the proportional share of operating expenses established through a Common Area Maintenance (CAM) provision with annual escalation. The lease agreement will include a ten-year base lease and the opportunity for a mutually agreed upon ten-year renewal, with provisions for a lease and CAM rate escalator.

B. **RECOMMENDATION**

a. Administration recommends approval of the attached lease agreement.

C. **CONNECTION TO STRATEGIC PRIORITY**
   a. Student Experience
   b. Student Pathways and Supports
   c. Operations, Staffing, and Finance
   d. Engagement and Partnerships

LEASE

BETWEEN

CITY OF WOODBURY, MINNESOTA

AND

SOUTH WASHINGTON COUNTY SCHOOL DISTRICT 833, MINNESOTA

LEASE OF REAL PROPERTY
LOCATED AT

WOODBURY CENTRAL PARK
8595 CENTRAL PARK PLACE
WOODBURY, MN 55125

DATED

_____, 2024

Table of Contents

1. **Parties** 1
2. **Other Parties** 1
3. **Property, Leased Premises, and Common Areas** 2
4. **Term** 2
5. **Option to Renew** 3
6. **No Purchase Option** 3
7. **Contingencies** 3
8 **Use of the Property** 4
9. **Rent** 5
10. **Additional Rent** 5
11. **Tenant's Maintenance and Repair of the Property** 6
12. **Landlord Work on the Property; Leased Premises – Shell Condition** 6
13. **Design Development and Construction** 6
14. **Tenant Improvements** 7
15. **City of Woodbury Approvals** 8
16. **Landlord's Right to Perform Tenant's Obligations** 8
17. **Installation of Fixtures or Alteration of the Leased Premises** 8
18. **Indemnification Covenants to Defend and Hold Harmless** 9
19. **Insurance and Waivers** 10
20. **Quiet Enjoyment** 11
21. **Assignment or Subletting** 11
22. **Sale of Encumbrance of the Property; Estoppel Certificates and Subordination Agreements** 12
23. **Abandonment** 12
24. **Surrender** 13
25. **Access to Property** 13
26. **Damage or Destruction** 13
27. **Eminent Domain** 14
28. **Default of Tenant** 15

29. **Initial Report and Annual Documentation** 17
30. **General** 17
31. **Tenant Operation Requirements** 19

Signatures

Exhibits:

Exhibit A	Description of Property
Exhibit B	Tenant Leased Premises
Exhibit C	Common Areas
Exhibit D	Permitted Uses
Exhibit E	Signage
Exhibit F	Base Rent and Rent Structure
Exhibit G	Mechanic's Lien Notice
Exhibit H	Form of Certificate
Exhibit I	Tenant Operation Requirements
Exhibit J	Tenant's Share of Common Area and Facility Maintenance Charges

THE CITY OF WOODBURY LEASE OF REAL PROPERTY LOCATED AT WOODBURY CENTRAL PARK

DATED: _____, 2024

1. **Parties.** The Parties to this lease ("Lease") are:

1.1.1. **Landlord.** The City of Woodbury, Minnesota 8301 Valley Creek Road, Woodbury, Minnesota 55102, a municipal corporation under the laws of the States of Minnesota ("Landlord"), owner of Unit 2 described more fully below. Landlord is a Minnesota Statutes Chapter 412 statutory city, is duly authorized to enter into this Lease per Minn. Stat. sections 412.201 and 412.221, and has complied with the substantive and procedural requirements under Minnesota law.

1.1.2. **Landlord as State Grant Recipient and Landlord Approvals**. Landlord entered into a Grant Agreement – Construction Grant for the Woodbury Central Park, dated June 2, 2023 (the "Grant"), which is incorporated herein by reference, to assist in the construction, furnishing and equiping of the expansion and renovation of the Woodbury Central Park Building, described below and referred to as "Property". The Lease is being entered into to carry out the purpose for which the Grant was allocated, which purpose is a governmental purpose, meaning Tenant's use as a School District per the terms and conditions of the Lease. For purposes of authorizations, approvals, and interpretations the Parks and Recreation Director or their designee shall be fully authorized to carry out activities of the Landlord.

1.1.3. For purposes of authorizations, approvals, and interpretations the Parks and Recreation Director or their designee shall be fully authorized to carry out activities of the Landlord.

1.1.4. **Tenant.** Independent School District 833, 7362 E Point Douglas Road South Cottage Grove, MN 550016, commonly referred to as South Washington County Schools, 0833-01[("ISD 833"), (the "Tenant").

2. **Other Parties.**

2.1.1. **Association.** Library Park Association (the "Association") acts for the Declaration of Library Park Condominium, which is a public library (Unit No. 1) and an indoor park facility (Unit No. 2) and common elements, located in Washington County, Minnesota and subject to Minnesota Statutes Chapter 515B, the Minnesota Common Interest Ownership Act. The Association operates and manages the Library Park Condominium.

2.1.2. **Washington County.** Washington County, State of Minnesota is the owner of Unit No. 1 ("Washington County").

3. **Property, Leased Premises, and Common Areas.**

3.1.1. **Property.** Woodbury Central Park, 8595 Central Park Place, Woodbury, MN 55125; Legal Description: Common Interest No. 180, Washington County (the "Property"). Property constitutes all of Common Interest No. 180, which includes Units 1 and 2 and all the Common Elements. The Property is a condominium organized pursuant to Minnesota Statutes Chapter 317A and Section 515B and is also known as the "Library Park Condominium". **Exhibit A – Legal Description of Property.**

3.1.2. **Leased Premises. Exhibit B – Tenant Leased Premises -** shows the location and the projected floor space of the Leased Premises]. Approximately 11,747 square feet (the "Leased Premises" or "Premises") as identified on **Exhibit B**, plus access and use of Common Areas, as set forth below.

3.1.3. **Common Areas.** Common Areas are identified in **Exhibit C – Common Areas** attached hereto. Tenant will have non-exclusive use of the Common Areas. Tenant's utilization of Common Areas that constitute public space shall be restricted to the hours of operation that Central Park is open and available to the general public, unless approved in writing by the Landlord. During non-public hours, Tenant's staff use of the Common Areas is limited to parking and ingress and egress needs. Tenant shall comply with all Common Area rules. Written Common Area rules shall be created, in partnership with the Tenant, by the Landlord prior to Tenant occupancy of the Leased Premises and may be updated and modified at the Landlords' discretion.

3.1.4. **Parking.** Tenant will have a non-exclusive use of the parking lot, designated as Common Areas. Parking demand for the Tenant is anticipated to be low to moderate for the Permitted Uses with increased parking demand procedures as identified within Exhibits D and I. The Landlord shall reserve the right to require operational, programming or other modifications if parking demand is identified as a conflict with Landlord activities within the Property. If reserved parking needs are identified in the future, the Landlord shall work with the Tenant to review limited reserved parking, operational modification or other Landlord identified remedies.

4. **Term**. In consideration of Tenant's performance of Tenant's obligations under this Lease, Landlord leases the Property to Tenant for an Initial Term of ten (10) years. The Initial Term shall commence on the 1st day of August, 2025 ("Commencement Date") and expire on the 31st day of July 2035 ("Expiration Date"), unless sooner terminated as provided for in this Lease.

4.1.1. Landlord shall deliver the Leased Premises to Tenant upon completion of

Landlord's Work, which Landlord estimates will be no later than August 1, 2025. Landlord will provide Tenant no less than 15 days' written notice of work completion and Tenant will have no less than 10 days after receipt of Landlord's notice of work completion to inspect and approve Landlord's work. Should Tenant fail to approve any part of Landlord's work, the Date of Possession will be extended until such work is corrected to Tenant's reasonable satisfaction.

4.1.2. Tenant may be allowed access to the Lease Premises to begin Tenant Improvement work only beginning on July 1, 2025 if Tenant Improvement work does not interfere with Landlord's Work.

5. **Option to Renew.** Prior to the Expiration Date of the Initial Term, Tenant has the option to request to renew this Lease for an additional ten (10)-year renewal term, subject to rental adjustments identified on Exhibit F. Landlord is not required to renew the Lease beyond the Initial Term and Landlord may, at its sole discretion, allow the original Lease Agreement to expire at the end of the Initial Term. The Tenant shall notify, in writing, the Landlord of their intent to renew or not renew the lease for the additional ten (10) year term no less than 30 months prior to the expiration of the Initial Term. If the Tenant fails to notify the Landlord, in writing, within 30 months of the expiration of the Initial Term, then the Initial Term shall be automatically extended for one (1) year and the required notification identified herein shall also be extended for one (1) year. The Landlord may allow the original Lease Agreement to expire at the end of the Term or any future automatic extension but, in such an event, shall notify the Tenant, in writing, no less than 24 months prior to the expiration of the Initial Term or automatically extended term.

6. **No Purchase Option.** Tenant has no option to purchase the Property under the Lease.

7. **Contingencies.**

7.1. Landlord's lease of the Leased Premises is contingent upon each of the following be satisfied before the Commencement Date:

7.1.1. **Financing**. Financing, bond or otherwise, secured by Landlord for Landlord's Work; and

7.1.2. **Construction**. Landlord enters into a duly authorized construction contract for the Project.

8. **Use of the Property**

8.1. **Permitted Use**. Tenant's may use the Leased Premises for only those uses as identified and described in **Exhibit D – Permitted Uses** attached hereto ("Permitted Uses"). Permitted Uses may be amended or changed by written agreement of the Parties, in which case a revised and dated Exhibit D should be created and replaced with then former Exhibit D – Permitted Uses. Woodbury's Director of Parks & Recreation Department is the City's authorized agent to amend Permitted Uses and approve a revised Exhibit D – Permitted Uses. Tenant uses of the Leased Premises should complement and must not conflict or compete with the uses of the Property.

8.1.1.1. Tenant shall comply with and shall maintain in full force and effect all licenses, permits or approvals issued by, and all regulations prescribed by, the State of Minnesota, Landlord and such other governmental or administrative bodies having jurisdiction over the Property and Tenant's Operations. Tenant is responsible for obtaining and maintaining all such required permits, licenses and approvals and, upon request, shall provide Landlord with copies thereof.

8.1.1.2. Tenant shall at all times comply with all applicable laws, ordinances, rules, orders, regulations, guidelines and other requirements of federal, state or local governmental authorities.

8.1.1.3. Unless reserved and authorized, in writing, through the Parks and Recreation Department, use of Common Areas or non-leased spaces for trainings, community education activities and other School District activities at the Property shall be prohibited. This includes, but is not limited to, Amphitheater, Multi-purpose room, conference rooms, indoor park space and other interior and exterior property owned by the City of Woodbury or Association.

8.1.1.4. Tenant is a duly organized school district organized under the laws of the State of Minnesota and is a tax exempt entity under state and federal law and its use of the Leased Premises is in furtherance of its tax exempt purposes.

Signage. Tenant may display one (1) sign near the public entrance of the Leased Premises at a specific location and size approved in writing by Landlord. Pre-approval of said signage may be requested by the Tenant. Any and all signage shall be designed, installed, and maintained at Tenant's expense. Tenant shall maintain, repair and replace as necessary, and, at all times, all signs shall be in good to excellent condition. Tenant may have the right to place temporary signs on the Leased Premises only if such signs are used to identify Tenant, display safety messages or warnings, or give directions and approved by Landlord prior to installation. Tenant's signage shall meet with all governmental codes and regulations. Tenant may have the right to the installation of identification on exterior monument sign in same style as others; Landlord and Tenant will discuss appropriate directional signage, if any in Common Areas. All signage in a shared space or location, including Tenants, name, logo, etc., will be a shared expense by

the Tenant and other facility partners. Electronic signs are prohibited unless otherwise permitted in writing. Moving, rotating, flashing, reflective, or non-static signs are prohibited.

9. **Rent**.

9.1.1. **Base Rent.** Starting on the Commencement Date and continuing thereafter on the first day of each and every month during the term of this Lease, Tenant shall pay to Landlord monthly installments of rent as set forth in **Exhibit F – Base Rent** ("Base Rent").

9.1.2. Tenant's covenant to pay Base Rent is independent of any other covenant, condition, provision or agreement contained in this Lease. Tenant shall pay Base Rent, as due and without demand, deduction, set-off or counterclaim to Landlord at Landlord's address as set forth in Section 1 above, or at such other address as designated by Landlord from time to time. If for any reason, the Commencement Date is on a date other than the 1st of the month, then the amount of Base Rent due for the initial month of the term and the last month of the term shall be prorated to the number of days in the month in question which are subject to this Lease.

10. **Additional Rent**. As of the date that Tenant begins making Annual Base Rent Payments, Tenant shall pay, or cause to be paid, before penalty attaches, as Additional Rent hereunder:

10.1.1. All other amounts due from Tenant under this Lease, whether owed to Landlord or to a third party;

10.1.1.1.1. Tenant's Share of Common Area and Facility Maintenance Charges shall be at a set rate of $5.05 per square foot of leased spaced, less Shared Spaces 1 and 2, which shall be paid monthly concurrently with Base Rent and shall include an annual increase of 2.5% as identified on Exhibit J;

10.1.1.1.2. To the extent not covered by Common Area Maintenance Charges or Actual Operating Costs, charges by suppliers of water, sewer, gas, electricity, heat, power, and other communication services and any other utilities supplied to the Leased Premises if paid by Tenant.

10.1.2. Landlord shall not be responsible or liable for any interruption in such services, nor shall such interruption affect the continuation or validity of this Lease.

10.1.3. **Other Sublease, License, Use, or Consideration**. In addition to the base rent, if Tenant grants any person rights to use or occupy the Leased Premises ("Subtenant"), which is first subject to Landlord approval, the Base Rent amount shall automatically and immediately increase 50% of the gross revenues received from the Subtenant. This Annual Base Rent increase shall be for each Subtenant. The Tenant shall provide Landlord a complete and true and accurate copy of any agreement granting any person rights to use or occupy the Leased Premises. All subtenants shall have Landlord listed on the subtenant's insurance coverage as an additional insured.

10.1.4. **Net Lease**. Tenant acknowledges that this is a net lease in all respects in that Tenant will be responsible for (and Landlord shall have no responsibility for) all costs and expenses relating to the Leased Premises including, but not limited to, those relating to Base Rent, Tenant Taxes, Utilities, Insurance, construction, improvements, maintenance, repair and replacement. In addition, arbitration fees incurred by Landlord will constitute an Actual Operating Costs. Such other payments, together with the Base Rent payable under this Lease, shall, for all purposes, be included in the term rent ("Rent").

10.1.5. **Overdue Payments**. All monies due from Tenant to Landlord shall be due on demand, unless otherwise specified, and if not paid when due, shall bear interest, until paid, at a per annum rate equal at twelve percent (12%), compounded annually.

11. **Tenant's Maintenance and Repair of the Property**. Tenant shall, at all times throughout the term of this Lease, and at its sole expense, keep, repair and maintain the Leased Premises in a clean, safe, sanitary condition and in compliance with all applicable statutes, laws, ordinances and regulations.

12. **Landlord Work on the Property; Leased Premises – Shell Condition.** Landlord intends to undertake a major remodeling and addition of the Property. Landlord will deliver to Tenant the Leased Premises in the following described "Shell Condition": standard and basic commercial HVAC, electrical, lighting, drywalled, hanging ceiling with standard ceiling tiles, and concrete bare floor "("Landlord Work").

13. **Design Development and Construction.** At its expense Landlord will provide design services and construction for and on the Property to deliver the Leased Premises in the Shell Condition. Landlord and Tenant will cooperate and work together, including working with Landlord's design team, regarding Tenant Improvements as well as any Tenant changes or upgrades, additional internal structural wall dividers, etc., from Landlord's Shell Condition, which the costs associated with any design changes or upgrades as well the construction of those improvements will be at Tenant expenses with all Tenant Improvements being completed under separate contract between the Tenant and designer. Tenant expense will be the difference between the "Shell Condition" and increased cost of those changes or upgrades.

14. **Tenant Improvements.** "Tenant Improvements" shall mean Tenant's work to finish the Leased Premises after Landlord completes the Shell Condition, but shall not mean office equipment, desks, chairs, printers, computers, monitors, artwork, or any other personal equipment along these lines.

14.1.1. Tenant shall use all commercially reasonable efforts to design and obtain all necessary permits and approvals for Tenant's Improvements. Tenant is solely responsible for paying all costs of Tenant's Improvements, whether direct or indirect, including all architectural, design, engineering, pre-development, construction and financing costs associated with the improvement of the land and the construction of the building(s) and other Tenant's Improvements.

14.1.2. Tenant shall do or obtain all of the following:

14.1.2.1.1. For any City, County, State, or Federal government site plan approvals Tenant is required or elects to obtain, Tenant shall first obtain Landlord approval of the site plan for Tenant's Improvements. For site plan approvals, any site plan revisions required by Landlord must be approved by Landlord.

14.1.2.1.2. Tenant shall have obtained all licenses, permits or approvals for construction of Tenant's Improvements required from the State of Minnesota, Landlord (acting in its capacity as a City and not as landlord under this Lease), and any other governmental or administrative bodies having jurisdiction over the Property and/or Tenant's Improvements.

14.1.3. **Construction Plans**. Tenant shall submit to Landlord complete design and construction plans and specifications for all of Tenant's Improvements, including all structures, and equipment and rolling stock of any kind whatsoever to be installed, placed or constructed on the Property. No such installation, placement or construction shall be undertaken by Tenant on the Property without Landlord's prior written approval of the plans. Tenant's plans must be approved by Landlord prior to submission to other Governmental Authority.

14.1.4. **Construction Documents**. All of Tenant's contractors shall be licensed by the State of Minnesota. Landlord shall have the right to review and approve the design and building materials of Tenant's Improvements. Landlord's review and/or approval of Tenant's contracts and plans and specifications are solely for purposes of ensuring compliance with Landlord's design and development criteria. Landlord is not responsible for and its approval of Tenant's plans and specifications is not an assurance that such materials comply with building codes or other applicable Laws (as hereafter defined) or that the Tenant's Improvements constructed thereunder will be free from defects or otherwise perform to any particular standard. Prior to commencing construction of Tenant's Improvements, and from time to time thereafter upon Landlord's request, Tenant will provide Landlord with the following:

14.1.4.1.1. One complete set of construction plans for Tenant's Improvements. All mechanical, electrical, structural, storm water control, landscape planting and other specialized drawings shall be signed by licensed engineers of the respective disciplines normally responsible for such drawings, in addition to the general contractor.

14.1.4.1.2. The signed general contractor's construction contract and, if applicable, the signed architect's agreement, a schedule listing all subcontracts relating to Tenant's Improvements and such other contracts, subcontracts and schedules relating thereto as Landlord may require.

14.1.4.1.3. Evidence satisfactory to Landlord that Tenant's general contractor, major subcontractors and architect have consented to an assignment to Landlord, or its designee, of their respective plans and specifications, contracts and subcontracts upon the request of Landlord following the occurrence of an Event of Default under this Lease.

14.1.4.1.4. Evidence satisfactory to Landlord that Tenant's contractors are paying prevailing wages as defined in Minn. Stat. § 177.42(6) as amended, in connection with the construction and completion of Tenant's Improvements.

14.1.5. **Completion of Tenant's Improvements**. Tenant shall notify Landlord when Tenant has completed all of Tenant's Improvements. Landlord shall promptly inspect such completed Tenant's Improvements. If such inspection discloses any deficiencies, Tenant shall correct such deficiencies within sixty (60) days after notice from Landlord.

15. **City of Woodbury Approvals**. Unless otherwise provided in this Lease, any Landlord consent or approval required pursuant to this Lease shall be given or withheld in Landlord's sole, absolute and subjective discretion.

16. **Landlord's Right to Perform Tenant's Obligations**. Landlord shall have no obligation to maintain the Leased Premises or to repair or replace any improvements on the Leased Premises or make any payments relating to the Leased Premises; provided, however, Landlord shall have the right, but not the obligation, to do required maintenance or to make repairs and replacements that are the obligation of Tenant or to make any payments required to be made by Tenant. In connection with any such work performed or payments made, Landlord shall notify Tenant of the cost of such work or the amount of any payment made, including any reasonable overhead charge for Landlord, and Tenant shall promptly pay such amount within 10 days of receiving such notice Landlord shall have the right to enter upon the Leased Premises pursuant to Section 25 hereof to make any needed repairs or replacements.

17. **Installation of Fixtures or Alteration of the Leased Premises**. All of Tenant's Improvements, shall immediately become the property of the Landlord upon completion. Tenant shall not make any alterations or additions in or to the Leased Premises or add, disturb or in any way change the

Leased Premises without Landlord's prior written consent, which consent may be granted in Landlord's sole discretion. Landlord can, by notice to Tenant, prior to the expiration of the term, require that Tenant Improvements and any alterations or physical additions be removed by Tenant at Tenant's expense prior to the end of the term, restoring the Leased Premises to its Shell Condition. If the same is not removed by Tenant prior to the end of the term, in addition to any and all other remedies of Landlord hereunder, Landlord shall have the right to recover any and all costs that Landlord incurs in removing such alterations or physical additions, and Tenant hereby consents to Landlord taking control of such items and physically removing the same from the Leased Premises. It is the further right of Landlord to sell or dispose of such items in any way that Landlord determines is reasonable. Notwithstanding any language herein to the contrary, if prior to the beginning of the Term, or at any time during the Term, Tenant requests Landlord's consent to Tenant's installation of Tenant Fixtures and Landlord consents to such installation, such Tenant Fixtures shall remain the property of Tenant and Tenant shall have the obligation to remove such Tenant Fixtures upon the termination of the Lease at the Tenant's sole cost and expense so long as any such Tenant Fixtures are specifically described and identified as Tenant Fixtures in writing and consented to by Landlord as exclusively a Tenant Fixture.

18. **Indemnification Covenants to Defend and Hold Harmless.**

18.1.1. **General.** Tenant shall hold Landlord harmless from and indemnify and defend Landlord against any claim or liability for death or bodily harm to any person or injury or damage to any property present on or located in or upon the Leased Premises, including the person and property of Tenant's employees and all persons in or upon the Leased Premises at Tenant's invitation or sufferance, and from all claims or damages resulting from Tenant's failure to perform the covenants of this Lease. All property kept, maintained or stored on the Leased Premises shall be kept, maintained or stored at the sole risk of Tenant.

18.1.2. **Mechanic's Lien and Mechanic's Lien Notice.** Tenant agrees to pay all sums of money in respect of any labor, service, materials, supplies or equipment furnished or alleged to have been furnished to Tenant in or about the Leased Premises, and not furnished on order of Landlord. Tenant will insert the Mechanic's Lien Notice, attached as **Exhibit E – Mechanic's Lien Notice**, in all of its contracts (vendor and construction) related to the Property and shall post Exhibit E on the exterior wall of Leased Premises until all Tenant Improvements have been completed and all vendors and contractors have been paid in full. Landlord shall have the right to post and maintain on the Leased Premises, notices of non-responsibility as provided for under the laws of the state of Minnesota.

18.1.3. **Environmental**. Tenant shall hold Landlord harmless from and indemnity and defend Landlord against any claims brought by any party involving environmental matters under CERCLA, MERLA or any related Acts, based on activities of Tenant or any of Tenant's agents, successors or assigns on or involving the Property. The term claim shall include remediation costs, damages, fines, penalties, forfeitures, administrative costs, consent agreements and orders, attorneys' fees, consultants' fees and laboratory fees.

18.1.4. **Survival**. Tenant acknowledges that notwithstanding any language herein to the contrary, Tenant's indemnification provisions under this Section shall survive the termination of this Lease and shall be in addition to any and all other rights and remedies of Landlord for Tenant's failure to pay Rent or abide by any other covenants of this Lease.

19. **Insurance and Waivers**. Tenant shall maintain, at its expense, the following insurance policies:

19.1.1. **All Risk and Property Insurance.** All risk property insurance, including the cost of debris removal, together with a vandalism and malicious mischief endorsement, all in the amount of not less than the full replacement cost of all Tenant's Improvements and other improvements, equipment and personal property on the Leased Premises, and together with an inflation-guard endorsement, an agreed-amount endorsement, a replacement cost endorsement and a waiver of subrogation endorsement;

19.1.2. **Worker's Compensation.** Workers compensation insurance in amounts required by applicable law or statute;

19.1.3. **Builder's Risk.** Builder's risk insurance during the making of any alterations or improvements to the Leased Premises in an amount equivalent to the full completed project insurable value of the building(s) under construction; written on a "completed value" form or its equivalent and shall include an endorsement granting permission to occupy; and

19.1.4. **Commercial General Liability.** Commercial general liability insurance against any and all damages because of bodily injury or death to any person and injury to or destruction of property arising out of or in any way connected with Tenant's Operations and activities during the Lease Term, or prior to the Lease Term during Tenant's occupancy under the Existing Lease or any predecessor lease or occupancy agreement, which insurance shall include protection against such damages arising from control or operation by Tenant as owner, bailee or custodian of towboats, barges or other vessels or their cargoes. Such liability insurance shall have combined single limits of a minimum of Two Million Dollars ($2,000,000.00) for bodily injury and property damage or the State of Minnesota, municipal tort liability cap minimums, whichever is greater.

19.1.5. **Additional Insureds, Primary Insurance, and Certificate of Insurance.** Tenant's insurance shall be evidenced by certificates filed with the Landlord. Each policy must be reasonably satisfactory to the Landlord in form and substance, be issued by a company licensed in Minnesota and rated at least A VII in the most current edition of Best's Insurance Reports, or an equivalent rating and rating industry in the marketplace. The commercial general public liability policy shall name the Landlord and the Association as an additional insured. At least thirty (30) days before each policy expires, Tenant shall deliver certificates of insurance showing that the insurance required by this Lease is in

place (or has been renewed or replaced). The insurance limits are subject to review and reasonable adjustment by the Parties on January 1 of each Lease Year. Tenant's insurance shall be considered to be primary insurance as to any occurrence covered by such insurance that might also be covered by any liability insurance carried by Landlord. Tenant shall not cancel or modify the insurance policies without thirty (30) days' prior written notice to Landlord and Landlord's approval, which approval may be denied solely within Landlord's discretion.

19.1.6. **Waivers.** To the fullest extent allowable under law, and except to the extent caused by Landlord's negligence, Tenant specifically waives any and all Claims against the Landlord for any damage to Tenant's trade fixtures, other personal property or business, and any loss of use or business interruption, resulting directly or indirectly from (i) any existing or future condition, defect, matter or thing on or in the Leased Premises, or (ii) any equipment or appurtenance becoming out of repair. The waiver in the preceding sentence applies especially, but not exclusively, to damage caused by the flooding of structures or subsurface areas and by refrigerators, sprinkling devices, air conditioning apparatus, water, snow, frost, steam, excessive heat or cold, noise, falling plaster, broken glass, sewage, gas, odors or the bursting or leaking of pipes or plumbing fixtures.

19.1.7. **Notice of Claims**. Tenant shall immediately and promptly notify in writing Landlord of any and all claims or potential claims made against Tenant or known by Tenant due to any and all uses or occupancies of the Leased Premises or Property or arising out of the Tenant's Operations at the Leased Premises or Property, and Tenant shall keep Landlord reasonably informed of the status of such claims.

20. **Quiet Enjoyment**. Landlord warrants that it has full right to execute and to perform this Lease and to grant the estate demised, and that Tenant, upon payment of the Rent and other amounts due and Tenant's performance of all of the terms, conditions, covenants and agreements on Tenant's part to be observed and performed under this Lease, may peaceably and quietly enjoy the Leased Premises subject to the terms and conditions of this Lease.

21. **Assignment or Subletting**. Tenant agrees not to transfer or assign this Lease or sublease all or any portion of the Property without obtaining the prior written consent of Landlord, which consent Landlord may grant or deny at Landlord's sole discretion. Landlord's consent to any assignment of this Lease or sublease shall not be a waiver of Landlord's rights under this Section as to any subsequent assignment or sublease. Landlord's right to assign this Lease is and shall remain unqualified. Tenant's assignment of this Lease or sublease of the Property with Landlord's consent shall not relieve Tenant from any of Tenant's obligations under this Lease, and no assignment of this Lease or sublease of the Leased Premises or other transfer of this Lease shall be effective unless the assignee, sublessee or transferee shall at the time of such assignment, sublease or transfer, assume in writing for the benefit of Landlord, its successors or assigns, all of the terms, covenants and conditions of this Lease thereafter to be performed by Tenant and shall agree in writing to be bound thereby.

22. **Sale of Encumbrance of the Property; Estoppel Certificates and Subordination Agreements.**

22.1. **Sale or Assignment of the Property**. If Landlord sells, assigns or otherwise voluntarily conveys the Property during the term of this Lease, Landlord shall be and hereby is relieved of all of Landlord's obligations under this Lease, which accrue after the date of sale, and such sale shall result automatically in the purchaser assuming and agreeing to carry out all of such obligations of Landlord. Tenant agrees to immediately and automatically attorn to such assignee.

22.2. **Estoppel Certificate**. If Landlord desires to sell or encumber the Property during the term of this Lease, Tenant shall, at the request of Landlord, provide Landlord or such other Party as Landlord may designate with an estoppel certificate substantially in the form of **Exhibit H – Form of Certificate**.

22.3. **Subordination and Attornment**. Tenant's rights under this Lease are subordinate to any Mortgage, which may encumber the Property in the future, and to all renewals, replacements and extensions of and amendments to such encumbrances. Tenant agrees in the event that any proceedings are brought for the foreclosure of any Mortgage, Tenant shall immediately and automatically attorn to the purchaser at any such foreclosure sale or conveyance as Landlord under this Lease, and Tenant waives the provisions of any statute or rule of law, now or hereafter in effect, which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease of the obligations of Tenant hereunder in the event that any such foreclosure or cancellation proceeding is prosecuted or completed.

To evidence the fact that Tenant attorns to a new landlord or that Tenant's rights under this Lease are subordinate to any mortgage, within ten (10) days of Landlord's written request, Tenant shall execute a Subordination, Non-Disturbance and Attornment pursuant to which:

22.3.1. Tenant acknowledges that Tenant's rights under this Lease are subordinate to the rights of a specified mortgagor;

22.3.2. Tenant agrees to attorn to such mortgagee if the mortgagee forecloses its mortgage or accepts a deed in lieu of such foreclosure; and

22.3.3. the mortgagee agrees not to disturb the Tenant's possession of the Property in the event of a foreclosure or deed in lieu thereof so long as Tenant is not in default under the terms of this Lease.

23. **Abandonment**. If Tenant shall remove its Tenant fixtures (if any) or personal property from the Property or shall vacate the Property or any part thereof prior to the expiration or termination of this Lease, or shall discontinue or suspend the operation of its business conducted on the Property for a period of more than thirty (30) consecutive days, then in any such event Tenant shall be deemed to have abandoned the Property and Tenant shall be in default under the terms of this Lease.

24. **Surrender**. Upon expiration or termination of this Lease, Tenant shall peaceably surrender the Leased Premises free of waste and debris and in good order, condition and repair, reasonable wear and tear excepted and shall promptly surrender all keys for the Property to Landlord at the place then fixed for payment of Rent and shall inform Landlord of the combinations of any locks and safes on the Property. On or before the Expiration Date or within 48 hours of Landlord's termination of this Lease, Tenant shall, at its expense, remove all personal property and Tenant Fixtures (if any) from the Property, and Tenant shall be conclusively deemed to have abandoned any property not removed within the -hour time period.

25. **Access to Property**. Tenant agrees to permit Landlord and the authorized representatives of Landlord to enter the Property at all times during usual business hours for the purpose of inspecting the same and for performing any inspections, surveys, repairs or replacement or otherwise, provided such activities do not unreasonably interfere with Tenant's use of the Property. Nothing herein shall imply any duty upon the part of Landlord to do any such work that, under any provision of this Lease, the Tenant may be required to perform, and Landlord's performance thereof shall not constitute a waiver of Tenant's default in failing to perform the same. Landlord reserves the right to enter upon the Property at any time in the event of an emergency.

26. **Damage or Destruction**. If fire or other casualty damages or destroys the Property during the term of this Lease, the following provisions shall apply:

    26.1.1. If fire or any other casualty damages the Property and the cost of restoration, as estimated by Landlord, equals or exceeds ten percent (10%) of the replacement value of the Improvements (exclusive of foundation) just prior to the occurrence of the damage, Landlord may, no later than the sixtieth (60th) day following the damage, give Tenant written notice of Landlord's election to terminate this Lease.

    26.1.2. If fire or other casualty damages the Property and the cost of restoration, as estimated by Landlord, equals or exceeds fifty percent (50%) of said replacement value of the Improvements and if the Improvements is not suitable for the business of Tenant as a result of said damage in the reasonable opinion of Tenant, then Tenant may, no later than the sixtieth (60th) day following the damage, give Landlord a written notice of election to terminate this Lease.

    26.1.3. If fire or other casualty damages the Property and the cost of restoration, as estimated by Landlord, is less than ten percent (10%) of said replacement value of the Improvements, or if, despite a greater cost of restoration, neither Landlord nor Tenant elect to terminate this Lease pursuant to Section 26.a. or 26.b. above, Tenant shall repair such damages as soon as reasonably possible and Landlord shall allow Tenant to use the proceeds of the Property insurance described in Section 16.a. in connection with such repairs under the terms and conditions established by Landlord to ensure that such proceeds are used for said repair. Tenant shall be responsible to pay any and all amounts over and above the insurance proceeds to complete such repairs. Landlord shall not be responsible for restoring or repairing leasehold improvements of the Tenant. Tenant's

obligation to pay Rent shall not abate during the period of Landlord's restoration.

26.1.4. If either party elects to terminate the Lease as provided for above, the Lease shall be deemed to terminate on the date the non-terminating party receives notice of election to terminate and all Rent shall be paid up to that date. Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

27. **Eminent Domain**. If an eminent domain proceeding is commenced or a private sale in lieu thereof occurs with respect to the Property during the term of this Lease, the following provisions shall apply:

27.1.1. If a public or private body with the power of eminent domain or condemnation other than Landlord ("Condemning Authority") acquires all of the Property through the exercise of its power of eminent domain or condemnation or as a result of a sale in lieu thereof, this Lease shall cease and terminate as of the date the Condemning Authority acquires possession. Tenant shall pay all Rent up to that date.

27.1.2. If a Condemning Authority acquires only a part of the Property, and such acquisition materially affects the Property so as to render the Property unsuitable for the business of the Tenant, in the reasonable opinion of Tenant, then this Lease shall cease and terminate as of the date the Condemning Authority acquires possession. Tenant shall pay all Rent due up to the date of such termination.

27.1.3. If a Condemning Authority acquires only a part of the Property and such acquisition does not materially affect the Property so as to render the Property unsuitable for the business of the Tenant, in the reasonable opinion of Tenant, this Lease shall continue in full force and effect without any abatement of the Rent, and Landlord shall have no obligation to restore the Property to the condition it was in before such acquisition.

27.1.4. Tenant shall not be entitled to any part of the award paid in any condemnation acquisition under power of eminent domain or any part of any of the proceeds of a sale in lieu thereof, and Landlord shall receive the full amount of such award. The Tenant hereby expressly waives any right or claim to any part of such award or proceeds.

27.1.5. Although all damages in the event of any condemnation shall belong to Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the Property, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such relocation benefits or other compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise,

furniture, fixtures, leasehold improvements and equipment.

28. **Default of Tenant**.

28.1.1. **Events of Default**. The occurrence of any one or more of the following events shall constitute an Event of Default:

28.1.1.1.1. Tenant's failure to pay Rent as due;

28.1.1.1.2. Tenant's failure to fully perform any of Tenant's obligations or to abide by any restrictions set forth in this Lease within ten (10) days of Landlord's written notice to Tenant of Tenant's failure to perform or abide by such obligation or restriction; or

28.1.1.1.3. Tenant's insolvency or filing, or having filed against it, any bankruptcy or debtor proceedings or proceedings where the appointment of a receiver or trustee of all or any portion of Tenant's property, or if Tenant or any guarantor of Tenant's obligations under the Lease makes an assignment for the benefit of creditors.

28.1.2. **Landlord's Remedies**. If an Event of Default occurs, Landlord shall have the following remedies;

28.1.2.1.1. Landlord may, but shall not be obligated to, and without notice to or demand upon the Tenant and without waiving or releasing the Tenant from any obligations of the Tenant in under this Lease, pay or perform any obligations of Tenant; pay any cost or expense to be paid by Tenant; obtain any insurance coverage and pay premiums therefor; and make any other payment or perform any other act on the part of the Tenant to be made and performed as provided for in this Lease, in such manner and to such extent as Landlord may deem desirable, and in exercising any such right, to also pay all necessary and incidental costs and expenses, employ counsel and incur and pay attorneys' fees. Tenant shall pay any and all such sum or sums to Landlord with interest as provided for in this Lease.

28.1.2.1.2. Landlord may terminate this Lease by written notice to Tenant. Neither the passage of time after the occurrence of the Event of Default nor Landlord's exercise of any other remedy with regard to such Event of Default shall limit Landlord's right to terminate the Lease by written notice to Tenant.

28.1.2.1.3. Landlord may, whether or not Landlord has elected to terminate this Lease, immediately commence summary proceedings in Unlawful Detainer to recover possession of the Property. Upon Landlord's reentry upon and repossession of the Property, Landlord may remove Tenant and all other persons from the Property. Landlord may, at Landlord's option, either remove and store in any public warehouse or elsewhere, at Tenant's sole cost and expense or store on the Property, pursuant to Minnesota Statutes § 566,

any property of Tenant which is located on the Property at the time of Landlord's reentry upon and repossession thereof. Landlord may exercise Landlord's right to reenter upon and repossess the Property pursuant to this Subsection without being guilty of trespass or conversion and without becoming liable to Tenant for any loss or damage Tenant may suffer as a result thereof. Landlord's reentry upon and repossession of the Property shall not be deemed to be an implied or express termination of the Lease.

28.1.2.1.4. If Landlord reenters upon and repossesses the Property without terminating this Lease, each of Tenant's obligations under this Lease shall survive and continue, including Tenant's obligation to pay Rent, and Tenant shall fulfill such obligations within the time periods set forth in this Lease. Landlord may, but shall not be obligated to, attempt to relet the Property for such term or terms (which may be greater or less than the period which would otherwise have constituted the term of this Lease); on such terms and conditions (which may include concessions or free rent); and for such uses as Landlord, in its sole discretion, deems appropriate, and Landlord may collect and receive all rent payable on such reletting. Landlord shall apply any rent actually received, less all costs of such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, attorneys' fees, alteration costs, and expenses incurred in preparing the Property for such reletting, towards the payment of the amounts which Tenant owes under this Lease. Landlord shall not be responsible to Tenant for any failure to collect rent due on such reletting. If the rent received as a result of such reletting, after reduction for all costs of such reletting exceeds the amount which Tenant owes under the Lease, all such excess shall accrue to Landlord.

28.1.2.1.5. If Landlord terminates this Lease, Landlord may elect to recover from Tenant, as damages for Tenant's default, either:

28.1.2.1.5.1.1. all amounts due under this Lease as of the date of termination plus periodic payments of amounts equal to the Rent due under this Lease which payments shall be due at such times as Rent would have been due under this Lease. The amounts due shall be reduced by an amount equal to the rent which Landlord actually receives upon any reletting of the Property, after deduction for all costs of such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, attorneys' fees, alteration costs, and expenses incurred in preparation for such reletting. Landlord shall not be responsible or liable to Tenant for any failure or inability to collect any rent due upon any reletting. Tenant shall pay such damages to Landlord monthly, without demand, deduction, set-off or counterclaim, on the days on which the Rent would have been payable under this Lease if this Lease where still in effect, and Landlord shall be entitled to recover such amount

from Tenant on each such day; or

28.1.2.1.5.1.2. all amounts due under this Lease as of the date of termination plus an amount equal to the present value of the remaining Rent due for unexpired term of the Lease at the time of termination less the present value of the fair rental value of the Property for the same time period, after reduction for all estimated costs of reletting and estimated holding costs until a new tenant may be found.

28.1.2.1.5.1.3. In addition to all remedies hereunder dealing with failure of Landlord to pay Rent or abide by other covenants of this Lease, whether or not the Lease is terminated, Landlord shall have the right to enforce its each and every right, separately or cumulatively, of this Lease dealing with indemnification.

28.1.2.1.5.1.4. In addition to all other remedies of Landlord, Landlord shall be entitled to reimbursement upon demand of all reasonable attorneys' fees and costs which Landlord incurs in connection with any Event of Default.

28.1.3. No remedy provided for herein or elsewhere in this Lease or otherwise available to Landlord by law, statute or equity, shall be exclusive of any other remedy, but all such remedies shall be cumulative and may be exercised from time to time and as often as the occasion may arise.

29. **Initial Report and Annual Documentation**. Tenant shall deliver to Landlord the following:

By August 1st of each year during the term the following:

(i) all certificates of insurance required under the terms of this Lease; and

(ii) all financial documentation as of the end of the most recent calendar year as required under this Lease.

Tenant acknowledges that a failure to comply with the requirements of this Section shall constitute a default under the terms of the Lease and that information received in such documentation can be the basis for Landlord claiming a default under the terms of this Lease.

30. **General**.

30.1.1. **Tenant's Inspection**. Tenant acknowledges that it has had full opportunity to investigate and make its own determination regarding the suitability of the Property for Tenant's intended use.

30.1.2. **Hours of Operation**. Tenant acknowledges permitted hours shall be identified on Exhibit I. If additional hours are authorized, the Landlord may request burden wage incurred by the Landlord be reimbursed by the Tenant.

Employees of the Tenant may be present outside of the hours listed above but no public instruction or education or like activities shall occur outside of hours listed herein.

30.1.3. **WiFi**. Tenant shall procure and secure an independent Wi-Fi network subject to Landlord approval. All costs of an independent network shall be paid by the Tenant and any work shall be approved in writing by the Landlord. Any and all Wi-Fi equipment, whether installed by Tenant or Landlord, shall become property of the Landlord upon installation.

30.1.4. **Shared Space 1 and 2.** Parties agree that spaces 1 and 2 as identified on Exhibit B ("Shared Spaces 1 and 2") will be utilized by both the Tenant and Landlord. The Landlord shall provide the furniture, fixtures, and basic technology within the spaces. Tenant use of the spaces shall be uses outlined in Exhibit D unless modified in writing by the Landlord.

30.1.5. **Prohibition of Mortgages, Security Interests, and Mechanic's Liens.** Tenant Improvements, including fixtures, and Tenant's interest under this Lease may not be mortgaged, made the subject of a financing statement, or otherwise encumbered as collateral for any financing obligation without prior written approval of Landlord.

30.1.6. **Landlord's Disclaimer of Warranty**. Landlord disclaims any warranty that the Property or the Leased Premises are suitable for Tenant's use.

30.1.7. **Relationship of Landlord and Tenant**. The Lease does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, the sole relationship between the parties hereto being that of Landlord and Tenant.

30.1.8. **Broker(s)**. Each Party represents to the other that no brokers have been retained or engaged respecting the Property or Leased Premises and notwithstanding the representation each Party is responsible for its own brokerage fees.

30.1.9. **Minnesota Management and Budget (MMB) Lease Provisions.** Landlord from time to time may secure State of Minnesota financing, which may subject the lease to contain required terms and conditions in order to retain and use State of Minnesota financing. For instance, if General Obligation Bond monies from the State of Minnesota funds Landlord's Work in any manner, then the MMB lease language may need to inserted into this Lease. In such circumstance, Tenant agrees to be subject to such required terms and conditions and agrees to amend this Lease to incorporate such terms and conditions that are required by the State of Minnesota, when and if required. For instance, the State requires an "Usee" to list any vacant or new positions it may have with the state workforce centers as required by Minn. Stat. § 116L.66, Subd. 1, as amended. Both Landlord and Tenant interpret the law to apply to a Usee, non-public entity.

But, if at anytime during the Lease Term the State should interpret differently and impose Minn. Stat. § 116L.66, Subd. 1, upon the Landlord and, therefore, by extension the Tenant, then Tenant shall comply.

31. **Tenant Operation Requirements.** Tenant shall follow all requirements identified on **Exhibit I**. Exhibit I may be amended or changed by written agreement of the Parties, in which case a revised and dated Exhibit I should be created and replaced with then former Exhibit I – Tenant Operation Requirements. Woodbury's Director of Parks & Recreation Department is the City's authorized agent to amend Permitted Uses and approve a revised Exhibit I – Tenant Operation Requirements.

31.1.1. **Consent**. Landlord's consent to or approval of any act requiring Landlord's consent or approval shall not waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant. Whenever provision is made under this Lease for Tenant securing the consent or approval by lessor, such consent or approval must be in writing executed by an authorized representative of Landlord.

31.1.2. **Constructive Eviction**. No action required or permitted to be taken by or on behalf of Landlord under the terms or provisions of this Lease shall be deemed to constitute an eviction or disturbance of Tenant's possession of the Property.

31.1.3. **Merger**. All previous agreements, understanding, representations and warranties are merged into and incorporated in this Lease.

31.1.4. **Choice of Law, Jurisdiction, and Venue** . The laws of the State of Minnesota shall govern the validity, performance and enforcement of this Lease. The Parties agree that any all disputes shall be venued in and consent to personal jurisdiction in Washington County, State of Minnesota.

31.1.5. **Time**. Time is of the essence in the performance of all obligations under this Lease.

31.1.6. **Counterparts, Entire Agreement, and Amendment**. This Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute one and the same instrument. This Lease and the Exhibits hereto, if any, attached hereto and forming a part hereof, constitute the entire agreement between Landlord and Tenant affecting the Property and there are no other agreements, either oral or written, between them other than are herein set forth. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and executed in the same form and manner in which this Lease is executed.

31.1.7. **Unenforceability**. If any agreement, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such

agreement, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each agreement, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

31.1.8. **Recording**. Tenant shall not record this Lease without the written consent of Landlord. Upon the request of Landlord, Tenant shall join in the execution of a Memorandum Lease for the purposes of recordation. Said Memorandum Lease shall describe the parties, the Property and the term of the Lease and shall incorporate this Lease by reference.

31.1.9. **Notices**. Any notice required or permitted under this Lease shall be deemed sufficiently given or secured if sent by registered or certified return receipt mail to Tenant at:

If to Landlord: City of Woodbury
8301 Valley Creek Rd
Woodbury, Minnesota 55102
Attention: Director, Woodbury Parks and Recreation

Copy to: Eckberg Lammers, P.C.
Attn: Woodbury City Attorney
1809 Northwestern Avenue
Stillwater, MN 55082

If to Tenant: Independent School District 833
7362 E Point Douglas Road South
Cottage Grove, MN 550016

Attention: Kris Blackburn

and to Landlord at the address then fixed for the payment of Rent as provided in this Lease, and either party may by written notice to the other party at any time designate a different address to which notices shall subsequently be sent or Rent to be paid.

31.1.10. **Captions**. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease nor the intent of any provision thereof.

-Remaining page is intentionally left blank-

IN WITNESS WHEREOF, Landlord and the Tenant have caused these presents to be executed in form and manner sufficient to bind them at law, as of the _____ day of _____, 2024.

LANDLORD:

THE
CITY OF WOODBURY

By_____
Anne Burt, Mayor

By_____
Clinton Gridley, City Administrator

Reviewed and Approved as to Form:

By_____
City Attorney

TENANT: SOUTH WASHINGTON COUNTY SCHOOL DISTRICT 833

By_____
Its_____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Common Interest No. 180, Washington County (the "Property"). Property constitutes all of Common Interest No. 180, which includes Units 1 and 2 and all the Common Elements. The Property is a condominium organized pursuant to Minnesota Statutes Chapter 317A and Section 515B and is also known as the "Library Park Condominium"

EXHIBIT B

TENANT LEASED PREMISES



EXHIBIT C

COMMON AREAS



EXHIBIT D

Permitted Uses

- Adult Basic Education, Early Childhood Education and Screening and English Learner (EL) programs within the Leased Premises
- ISD 833 Online activities within the Leased Premises
- No programming that competes with or conflicts with Landlord provided Parks and Recreation activities or programming shall be permitted. Determination of competing or conflicting uses shall be wholly made by the Landlord.
- Programming, guest access should end 30 minutes prior to the closure of the facility.
- The facility may be inaccessible to the staff or the public on designated national holidays observed by the Landlord, during adverse weather conditions prompting closure warnings, or for other maintenance reasons that are deemed in the best interest of the staff and guests. Tenant staff must remain on-site whenever any designated tenant space is in use or when guests are present.
- Tenants primary authorized representative will be designated annually. (who can authorize this supplemental use)

SUPPLMENTAL USES

- **Limited Multi-Purpose Space or Amphitheatre Use.** The Tenant shall have the option to reserve the Multi-Purpose space(s) and/or the amphitheater for staff training purposes, at no cost, up to eight (8) times totaling 48 hours annually. Said bookings are subject to the following:
    - a.) Reservations with significant parking demand (more than 75 vehicles) shall be coordinated no less than twenty-one (21) days in advance. Offsite parking may be required. All other bookings shall occur no less than 7 days prior to the event.
    - b.) Use must take place during regular facility hours.
    - c.) All uses should be approved prior to reservations by the Landlord.
    - d.) Any required set-up for the Tenant use is the responsibility of the Tenant.
    - e.) Following use, Tenant shall restore the spaces to the approved configuration and all spaces shall be left in a clean and orderly fashion.
    - f.) All expenses incurred by the Landlord will be billed and paid by the Tenant within 30 days of use; including but not limited to; table linens, special equipment, excessive cleaning, extra staffing.
    - g.) These supplemental uses are non-transferable to any other business, entity, or organization.
    - h.) Cancelations/or non-use of spaces without a minimum of 14-day notice will go against the maximum supplemental use of eight (8) times annually.
    - i.) Supplemental uses are per calendar year and do not carry from one year to the next.

- **Shared Spaces 1 and 2.** The Tenant shall have the right to utilize Shared Spaces 1 and 2 subject to the following:

    a.) Hours of use shall be restricted to Monday-Thursday from 8:30 AM to 7:30 PM, Friday 8:30 AM to 4:30 PM
    b.) Any dates/times the Tenant is not scheduled to use the Shared Spaces 1 and 2, Landlord may use the spaces.
    c.) The Landlord shall provide janitorial services and trash removal services.
    d.) Following use, both Tenant and Landlord shall restore the Shared Spaces 1 and 2 to the approved configuration and all spaces shall be left in a clean and orderly fashion.
    e.) No programming that competes with or conflicts with City of Woodbury Parks and Recreation activities or programming shall be permitted. Determination of competing or conflicting uses shall be wholly made by the Landlord.
    f.) Non-transferable to any other business, entity, or organization.
    g.) One fixture cabinet will be provided to Tenant for its sole use. Tenant may lock said cabinet. Landlord is not responsible for cabinet or contents within the cabinet.
    h.) Landlord will provide all furniture, fixtures, and basic technology within the Shared Spaces 1 and 2.
    i.) CAM will not be charged for the Shared Spaces 1 and 2.

EXHIBIT E

SIGNAGE

All Tenant signage requires approval from Landlord prior to installation. Any modifications or additions to signage requires approval prior to implementation of alterations.

a.) Temporary signage, no bigger than 11" x 17" (maximum of 3 business days) may be allowed on occasion in common areas with written approval by Landlord. Signage must center on wayfinding purposes only.
b.) Exterior signage will be considered on monument signs and no other on-building signs shall be permitted. Attributable costs will be charged to the Tenant.
c.) Interior Leased Premise signage at suite entrance shall be up to 4 square feet contained to one (one) location on the door or side glass/window adjacent to the suite entrance. Signage and location will be approved by the Landlord, in writing. No additional graphics, murals or any other attention getting design elements shall be permitted outside of the space
d.) No signage, logos, advertisements may be visible outside of the leased space unless explicitly approved via this exhibit or as permitted in writing by the Landlord.

EXHIBIT F

BASE RENT AND RENT STRUCTURE

Year		Leased Premises Square Feet	PSF Rate	PSF Rate plus annual increase at 0.0%.	Annual Payment
1	8/1/25 - 7/31/26	11,747	$25.00	N/A	$293,675.00
2	8/1/26 -7/31/27	11,747	$25.00	$25.00	$293,675.00
3	8/1/27-7/31/28	11,747	$25.00	$25.00	$293,675.00
4	8/1/28-7/31/29	11,747	$25.00	$25.00	$293,675.00
5	8/1/29-7/31/30	11,747	$25.00	$25.00	$293,675.00
6	8/1/30-7/31/31	11,747	$25.00	$25.00	$293,675.00
7	8/1/31-7/31/32	11,747	$25.00	$25.00	$293,675.00
8	8/1/32-7/31/33	11,747	$25.00	$25.00	$293,675.00
9	8/1/33-7/31/34	11,747	$25.00	$25.00	$293,675.00
10	8/1/34-7/31/35	11,747	$25.00	$25.00	$293,675.00
	Renewal Rates		PSF Rate	PSF Rate plus annual increase at 2.5%.	Annual Payment
11	8/1/35-7/31/36	11,747	$31.22	$32.00	$375,904.00
12	8/1/36-7/31/37	11,747	$32.00	$32.80	$385,301.60
13	8/1/37-7/31/38	11,747	$32.80	$33.62	$394,934.14
14	8/1/38-7/31/39	11,747	$33.62	$34.46	$404,801.62
15	8/1/39-7/31/40	11,747	$34.46	$35.32	$414,904.04
16	8/1/40-7/31/41	11,747	$35.32	$36.20	$425,241.40
17	8/1/41-7/31/42	11,747	$36.20	$37.11	$435,931.17
18	8/1/42-7/31/43	11,747	$37.11	$38.04	$446,855.88
19	8/1/43-7/31/44	11,747	$38.04	$38.99	$458,015.53
20	8/1/44-7/31/45	11,747	$38.99	$39.96	$469,410.12

EXHIBIT G

MECHANIC'S LIEN NOTICE

THE CITY OF WOODBURY, AS THE FEE OWNER OF THE REAL PROPERTY LOCATED AT WOODBURY CENTRAL PARK, 8595 CENTRAL PARK PLACE, WOODBURY, MN 55125, AND LEGALLY DESCRIBED AS COMMON INTEREST NO. 180, WASHINGTON COUNTY, HEREBY NOTIFY AND ADVISE ALL INTERESTED PARTIES, INCLUDING CONTRACTORS, SUBCONTRACTORS, MATERIALMEN AND OTHERS PROVIDING MATERIALS OR EQUIPMENT, PERFORMING LABOR, OR CONTRIBUTING PROFESSIONAL OR OTHER SERVICES ("SERVICES") FOR THE BENEFIT AND/OR IMPROVEMENT OF THE SAID REAL PROPERTY, THAT:

"ANY IMPROVEMENTS, LABOR, MATERIALS, EQUIPMENT, OR SERVICES PROVIDED TO, OR FOR THE BENEFIT OF, THE SAID REAL PROPERTY HAVE NOT BEEN MADE AT THE INSTANCE OF THE PROPERTY OWNER; and THE CITY OF WOODBURY HAS NOT DIRECTLY AUTHORIZED OR CONSENTED TO ANY SUCH IMPROVEMENTS, EQUIPMENT, MATERIAL OR LABOR."

IN THE EVENT YOU ARE NOT PAID BY TENANT, LESSEE OF THE PROPERTY, OR OTHER THIRD-PARTY FOR WHOM YOU HAVE CONTRIBUTED MATERIALS, EQUIPMENT, LABOR OR SERVICES FOR THE IMPROVEMENTS, YOU ARE NOT ENTITLED TO FILE A MECHANIC'S LIEN AGAINST THE INTEREST OF THE OWNER OF THESE PREMISES, THE CITY OF WOODBURY.

THIS NOTICE IS POSTED PURSUANT TO MINN. STAT. § 514.06 TO ADVISE ALL INTERESTED PARTIES THAT NO MECHANIC'S LIEN RIGHTS WILL ATTACH TO SAID REAL PROPERTY.

EXHIBIT H

Form of Certificate

The City of Woodbury, Minnesota
to Lease with _____

Certification of Tenant

Dated as of this ____ date of _____, 20___

_____, the _____ of _____ _____ ("Tenant") under that certain Lease with the the City of Woodbury ("Landlord") dated _____ for the lease of property at _____ ("Lease") makes the following certifications:

1. There has been no change in Tenant's use of the Property under Section 6 of the Lease.

2. All permits required under the Lease are current and in full force and effect and no permits are required, or, if such new permits are required, they have been obtained and they are described on Exhibit A attached to this Certificate.

3. There are no subtenants or assignees of the Property for which Tenant has not obtained the consent of Landlord.

4. Tenant has received no notices of violation of any laws, statutes, regulations or ordinances except as set forth on **Exhibit E** attached hereto with copies of such notices also attached hereto. If **Exhibit E** is not attached, Landlord can assume there are no such notices.

5. To the best of Tenant's knowledge, Tenant is not in default under the terms of the Lease.

6. The Lease is unmodified and in full force and effect or references or specifically describes any modifications and states that the Lease is in full force and effect as modified.

7. Landlord is not currently in default under the terms of the Lease (or specifically describes all alleged defaults).

8. Landlord is not in default of the Lease, and Tenant does not have, and is not aware of, any existing or pending claims against Landlord.

9. The amount of any prepaid Rent is _____.

10. **[Such other information regarding the Lease or the Property as Landlord may reasonably request.]**

Tenant acknowledges that this Certification is being made to Landlord and Landlord, the Association, and any lenders providing financing to Landlord or Association have the right to rely on such Certification.

By_____
On behalf of Tenant

Subscribed and sworn to this ____
day of _____, 2024.

_____
Notary Public

EXHIBIT I

TENANT OPERATION REQUIREMENTS

- Building access will be granted at the discretion of the Landlord. Selected Tenant staff will have 24-hour access. Each badge will be assigned to individual Tenant employees and must not be shared or transferred.
- Outside normal Central Park hours, Tenant is responsible for controlling building access and student/guest safety within common areas. Tenant shall ensure that its staff, contractors with access to the facility and direct student contact, have current and clear criminal background checks and screenings appropriate for the educational setting. User will alert the Landlord to any changes in personnel status.
- The Tenant shall, always provide the Landlord current contacts for the Tenant. Said contacts shall include a designated emergency contact for 24-hours availability.
- Landlord will provide Tenant with staff contact information and after hours on-call emergency number.
- All janitorial services shall occur during established hours of access:
    - The Tenant shall be required to clean and maintain the leased area.
    - All Tenant trash shall be appropriately disposed of into the exterior trash enclosures at the Northeast side of the facility near the loading dock.
- The Tenant shall be required to provide, maintain, and determine appropriate safety equipment within the leased area. This includes AED, fire extinguishers and the like. The Landlord shall have no responsibility to provide or maintain any safety equipment within the leased area.
- The Tenant shall ensure that all guests, clients, and customers of the Tenant shall wait for services within Leased Premises. Utilization of Common Areas as waiting areas for the Tenant shall be restricted.
- Tenant shall use all reasonable measures to ensure guests, clients and customers of the Tenant shall not access other portions of the facility.
- Central Park staff are not responsible for monitoring leased spaces, programming or provide extensive guest services for patrons of the tenant.
- Tenant shall manage parking demand to ensure it remains low to moderate. Parking events that exceed use of 75 parking spaces shall be coordinated with the Landlord in advance subject to Landlord approval. Given limited parking availability, all programming and staffing decisions shall carefully consider impacts on parking with future Tenant requested parking increases approved by the Landlord prior to Tenant implementation.
- Tennant and landlord will work cooperatively to maintain positive working relationship.
- **Acknowledgement of Public Nature of Central Park**. The Tenant acknowledges that Central Park is open to members of the public and the Landlord shall not be responsible for monitoring, screening, or controlling public access to any portion of facility, beyond its normal practices and procedures.
- All Common Area rules shall be adhered to.

Hours of Operation

Tenant acknowledges permitted hours for public use of the Leased premise and access to common areas:

- Monday-Thursday: 8:30 a.m.-8 p.m.
- Fridays: 8:30 a.m. to 5 p.m.
- Saturdays: 9 a.m. to 5 p.m.
- Sundays: Noon to 5 p.m.

These hours are subject to change with Tenant consult and advanced notification.

Alternative hours require approval in writing by the Parks and Recreation Director or designee. Central Park may be closed on federally recognized holidays.

EXHIBIT J

Tenant's Share of Common Area and Facility Maintenance Charges

	Net Premises Square Feet (Leased Premises less Shared Spaces 1 and 2)	PSF Rate	PSF Rate plus annual increase at 2.5%.	Annual Payment
8/1/25 - 7/31/26	10,640	$5.05	N/A	$53,732
8/1/26 -7/31/27	10,640	$5.05	$5.18	$55,115.20
8/1/27-7/31/28	10,640	$5.18	$5.31	$56,498.40
8/1/28-7/31/29	10,640	$5.31	$5.44	$57,881.60
8/1/29-7/31/30	10,640	$5.44	$5.58	$59,371.20
8/1/30-7/31/31	10,640	$5.58	$5.72	$60,860.80
8/1/31-7/31/32	10,640	$5.72	$5.86	$62,350.40
8/1/32-7/31/33	10,640	$5.86	$6.01	$63,946.40
8/1/33-7/31/34	10,640	$6.01	$6.16	$65,542.40
8/1/34-7/31/35	10,640	$6.16	$6.31	$67,138.40
8/1/35-7/31/36	10,640	$6.31	$6.47	$68,840.80
8/1/36-7/31/37	10,640	$6.47	$6.63	$70,543.20
8/1/37-7/31/38	10,640	$6.63	$6.80	$72,352.00
8/1/38-7/31/39	10,640	$6.80	$6.97	$74,160.80
8/1/39-7/31/40	10,640	$6.97	$7.14	$75,969.60
8/1/40-7/31/41	10,640	$7.14	$7.32	$77,884.80
8/1/41-7/31/42	10,640	$7.32	$7.50	$79,800.00
8/1/42-7/31/43	10,640	$7.50	$7.69	$81,821.60
8/1/43-7/31/44	10,640	$7.69	$7.88	$83,843.20
8/1/44-7/31/45	10,640	$7.88	$8.08	$85,971.20