

STATE OF MINNESOTA

SUBLEASE

Sublease No. **12125-S**

THIS SUBLEASE is made by and between the City of Duluth, hereinafter referred to as SUBLESSOR, and State of Minnesota, Department of Administration, acting for the benefit of the Council for Minnesotans of African Heritage, hereinafter referred to as SUBLESSEE.

WHEREAS, the Commissioner of Administration is empowered by Minn. Stat. §16B.24, subd. 6, to lease non-state owned property;

WHEREAS, SUBLESSOR entered in to a lease dated March 16, 2012, hereinafter referred to as "Master Lease", per Exhibit A attached and incorporated herein, for the lease of the property and building known as the Duluth Athletic Club located at 402 West First Street; in the City of Duluth;

NOW THEREFORE, SUBLESSOR and SUBLESSEE, in consideration of the rents, covenants and considerations herein specified, do hereby agree as follows.

1. **TERMS AND CONDITIONS OF SUBLEASE** SUBLESSOR hereby agrees that SUBLESSEE is bound by the terms and conditions of this Sublease only, subject to SUBLESSOR'S rights under the Master Lease;
2. **SUBLEASED PREMISES** SUBLESSOR grants and SUBLESSEE accepts the sublease of the following described premises ("Subleased Premises") located in the City of Duluth, County of St. Louis, Minnesota 55802:

approximately sixty four (64) usable square feet of space, per the floor plan attached as Exhibit B, in Suite 321 in the building known as the Duluth Athletic Club ("Building") located at 402 west First Street.
3. **USE** SUBLESSEE shall use and occupy the Subleased Premises only as office space and related activities.
4. **SUBLEASE TERM** The term of this Sublease is one (1) year, eight (8) months, twenty (20) days, commencing October 12, 2015 and continuing through June 30, 2017 ("Sublease Term").

5. **RENT**

- 5.1 In consideration of the covenants, representations and conditions of this Sublease, SUBLESSEE shall pay SUBLESSOR Rent for the Sublease Term in the sum of seven thousand five hundred thirty and 28/100 dollars (\$7,530.28) according to the following schedule:

LEASE PERIOD		SQUARE FEET*	RATE PER SQ. FT.	MONTHLY PAYMENT	RENT FOR LEASE PERIOD
10/12/15 - 10/31/15					
	Office	263	\$ 14.00	\$ 198.00	\$ 198.00
	Phones/Internet			\$ 35.40	\$ 35.40
				\$ 233.40	\$ 233.40
11/1/15 - 7/31/16					
	Office	263	\$ 14.00	\$ 306.83	\$ 2,761.47
	Phones/Internet			\$ 55.00	\$ 495.00
				\$ 361.83	\$ 3,256.47
8/1/16 - 6/30/17					
	Office	263	\$ 14.25	\$ 312.31	\$ 3,435.41
	Phones/Internet			\$ 55.00	\$ 605.00
				\$ 367.31	\$ 4,040.41
				TOTAL	\$ 7,530.28

** office square footage based on the dedicated office space
and proportionate share of common and shared areas.
The Monthly Payment does not include reception services.*

- 5.2 **Billing Address** SUBLESSOR shall mail or personally deliver all original bills and rent statements to SUBLESSEE at the following address:

Council for Minnesotans of African Heritage
1st National Bank Building
332 Minnesota St Ste 1240
St Paul MN 55101

- 5.3 **Rent Payment Address** SUBLESSEE shall mail or deliver each monthly rent payment at the end of the applicable calendar month to SUBLESSOR at the following address:

City of Duluth
Room 402 City Hall
411 W First St
Duluth MN 55802
Attn: Director of Business & Economic Development

- 5.4 SUBLESSOR represents and warrants that it is solely entitled to all rents payable under the terms of this Sublease. SUBLESSOR further represents and warrants that it is registered with the Secretary of the State to do business in the State of Minnesota and will continue to provide the documentation required by the Secretary of State's office to remain in good standing.

6. **TERMINATION**

- 6.1 **Funding** In the event that the Minnesota State Legislature does not appropriate to the Council for Minnesotans of African Heritage funds necessary for the continuation of this Sublease, or in the event that Federal Funds necessary for the continuation of this Sublease are withheld for any reason, this Sublease may be terminated by SUBLESSEE upon giving thirty (30) days written notice.
- 6.2 **Statute** Pursuant to Minn. Stat. §16B.24, subd. 6, this Sublease is subject to cancellation upon thirty (30) days written notice by SUBLESSEE for any reason except lease of other non-state-owned land or premises for the same use.
- 6.3 **Any Reason** Notwithstanding Clauses 6.1 and 6.2 above, this Sublease may be terminated by either party for any reason at any time upon giving thirty (30) days prior written notice to the other party.
- 6.4 **Surrender of Subleased Premises** SUBLESSOR and SUBLESSEE hereby agree that at the expiration or earlier termination of this Lease or extension thereof:
- a. **Personal Property** Any equipment and furniture, including, but not limited to, moveable partitions, modular workstations, shelving units, projection screens, audio-video equipment and/or any program equipment (hereinafter referred to as "Personal Property"), whether attached to the Subleased Premises by SUBLESSOR or by SUBLESSEE, shall remain the property of SUBLESSEE. SUBLESSEE shall remove its Personal Property, vacate and surrender possession of the Subleased Premises to SUBLESSOR in as good condition as when SUBLESSEE took possession, ordinary wear, tear and damage by the elements excepted.
 - b. **Alterations, Additions and Improvements**
 - i. All alterations, additions or improvements made to or installed upon the Subleased Premises, whether paid for by SUBLESSOR or SUBLESSEE, including, but not limited to: walls, floor and wall coverings, supplemental heating, cooling and/or ventilation equipment, fire protection, and security systems, including key pads, cypher locks, which in any manner are attached to the Subleased Premises, shall remain the property of SUBLESSOR, and shall be surrendered with the Subleased Premises as

a part thereof with no further responsibility or obligation for removal by SUBLESSEE.

ii. If requested by SUBLESSEE and upon prior written approval of SUBLESSOR, SUBLESSEE may remove any alteration, addition or improvement as set forth in Clause 6.4b.(i) above.

c. Low Voltage Cabling All low voltage cabling, including but not limited to voice, data, security system cabling installed by SUBLESSEE or by SUBLESSOR on behalf of SUBLESSEE shall remain a part of the Subleased Premises unless SUBLESSEE, with written approval of SUBLESSOR, elects to remove said cabling.

7. DUTIES OF SUBLESSOR

7.1 SUBLESSOR shall, at its expense, furnish and provide heat, electricity, air-conditioning, gas, sewer and water and janitorial services and supplies.

7.2 SUBLESSOR shall furnish and provide for the use of SUBLESSEE:

a. Modular office furniture currently located in office.

b. Use of the shared common areas, including the break room, restrooms, copy/mail room, and reception area.

8. DUTIES OF SUBLESSEE Except as otherwise provided herein, SUBLESSEE shall:

8.1 Furnish materials and services required for its use of the Subleased Premises.

8.2 Maintain the Subleased Premises in a reasonably good condition and state of repair during the continuance of its tenancy.

8.3 Observe reasonable precautions to prevent waste of heat, electricity, water, air conditioning, any other utility or any service, whether such is furnished by SUBLESSOR or obtained and paid for by SUBLESSEE.

8.4 SUBLESSEE shall allow access to the Subleased Premises by SUBLESSOR or its authorized representatives at any reasonable time during the Sublease Term for any purpose within the scope of this Sublease.

8.5 SUBLESSEE shall not use the Subleased Premises at any time for any purpose forbidden by law.

8.6 SUBLESSEE shall not assign, sublet or otherwise transfer its interest in this Sublease without the prior written consent of SUBLESSOR.

- 8.7 SUBLESSEE shall not post nor permit any signs to be placed in the Subleased Premises that are visible from the exterior of the Building, through the windows or visible from the halls or other common areas of the Building, unless prior written approval for the signs has been secured from SUBLESSOR.

9. **HEATING AND COOLING**

- 9.1 The Subleased Premises shall be served by heating and cooling facilities of a sufficient design capacity to maintain the Subleased Premises within the acceptable range of temperatures identified below under all but the most extreme weather conditions, assuming optimal use by SUBLESSEE of thermostats and other climate control devices such as the opening or closing of blinds, doors and vents within the Subleased Premises. SUBLESSOR shall provide SUBLESSEE with written instructions defining said optimal use.
- 9.2 For purposes hereof, the acceptable space temperature settings for various leased space are as follows:
- a. Heating temperatures will be set at the following maximum temperatures:
 - i. 68°F to 70°F for all occupied areas and cafeterias with the goal of maintaining the space temperature within the range of 70°F to 74°F during working hours.
 - ii. 65°F to 67°F for all lobby, corridor and restroom areas.
 - iii. 60°F to 62°F for all building entrances, storage areas and tunnels.
 - iv. Temperature settings for all the above referenced spaces must be lowered to 60°F to 62°F during non-working hours.
 - v. 55°F for all unoccupied spaces.
 - vi. 55°F for all vacated spaces.
 - b. Cooling temperatures will be set at the following minimum temperatures:
 - i. 76°F to 78°F for all occupied space excluding re-heat systems with the goal of maintaining the space temperature less than 78°F during working hours.
 - ii. Temperature settings for all the above referenced spaces will be increased to 85°F during non-working hours.
- 9.3 Computer rooms, research facilities and special care facilities are exempted from these requirements. Additional building spaces may be exempted from all or part of these requirements, pursuant to the approval of the Commissioner of Administration.

10. **INSURANCE**

- 10.1 **Property Damage** It shall be the duty of SUBLESSOR and SUBLESSEE to maintain insurance or self-insurance on their own property, both real and personal. Notwithstanding anything apparently to the contrary in this Sublease, SUBLESSOR and SUBLESSEE hereby release one another and their respective partners, officers, employees and property manager from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for loss or damage, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.
- 10.2 **Liability** SUBLESSOR and SUBLESSEE agree that each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. SUBLESSEE'S liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minn. Stat. §3.736, and other applicable laws. SUBLESSOR'S liability shall be governed by the provisions of Minn. Stat. §466.04, and other applicable laws.

11. **MAINTENANCE AND REPAIRS**

- 11.1 It shall be the duty of the SUBLESSOR to maintain at its own expense, in working condition, all appurtenances within the scope of this Sublease, including the maintenance of proper plumbing, wiring, heating (and, where applicable, cooling) devices and ductwork.
- 11.2 SUBLESSOR shall, at its own expense, make such necessary repairs, so as to continue to provide all such service appurtenances as are required by this Sublease, provided, however, that SUBLESSOR shall not be responsible for repairs upon implements or articles which are the personal property of SUBLESSEE, nor shall the SUBLESSOR bear the expense of repairs to the Subleased Premises necessitated by damage caused by SUBLESSEE beyond normal wear and tear.

12. **DISABILITY ACCESS GUIDELINES** SUBLESSOR agrees to provide and maintain the Subleased Premises and the building of which the Subleased Premises are a part with accessibility and facilities for persons with disabilities meeting code requirements, including but not limited to, Title II and III of the American with Disabilities Act (ADA), all applicable laws, rules, ordinances and regulations issued by any federal, state or local political subdivisions having jurisdiction and authority in connection with said property.

13. **AUDIT** Pursuant to Minn. Stat. §16C.05, subd. 5, the books, records, documents and accounting procedures and practices of SUBLESSOR relevant to this Sublease shall be subject to examination by the State and/or Legislative Auditor, as appropriate, for a minimum of six (6) years.

14. **MANAGEMENT** SUBLESSOR agrees that in exercising its management responsibilities of the property of which the Subleased Premises are a part, including the maintenance, repair, alterations and construction relating thereto, it shall comply with all applicable laws, statutes, rules, ordinances and regulations, including but not limited to building code, disabilities access, zoning, air quality, pollution control, recyclable materials and prevailing wage requirements, as issued by any federal, state or local political subdivisions having jurisdiction and authority in connection with said property
15. **DESTRUCTION OF PREMISES** If the Subleased Premises shall be destroyed or damaged by fire, tornado, flood, civil disorder or any cause whatsoever, so that the Subleased Premises become untenable or SUBLESSEE is unable to conduct its business, the rent payable hereunder shall be abated from the time of such damage and SUBLESSEE shall have the option of terminating this Sublease immediately or allowing SUBLESSOR such amount of time as SUBLESSEE deems reasonable to restore the damaged Subleased Premises to tenantable condition. SUBLESSOR will provide immediate verbal notice and thirty (30) days written notice to SUBLESSEE from the date of the damage, of SUBLESSOR'S intentions to restore, or not restore the Subleased Premises.
16. **SMOKING** Pursuant to Minn. Stat. §16B.24, subd. 9, SUBLESSOR and SUBLESSEE shall not permit smoking in the Subleased Premises.
17. **DEFAULT BY SUBLESSOR** If SUBLESSOR shall default in the performance of any of the terms or provisions of this Sublease, SUBLESSEE shall promptly so notify SUBLESSOR in writing. If SUBLESSOR shall fail to cure such default within thirty (30) days after receipt of such notice, or if the default is of such character as to require more than thirty (30) days to cure, and SUBLESSOR shall fail to commence to do so within thirty (30) days after receipt of such notice and thereafter diligently proceed to cure such default, then in either event, SUBLESSEE, at its sole option, may terminate this Sublease upon thirty (30) days written notice or may cure such default. In the event SUBLESSEE cures the default, SUBLESSOR shall pay all reasonable and actual expenses paid by SUBLESSEE to cure said default, including attorneys fees, within ten (10) days of receipt of invoices therefore are rendered, or SUBLESSEE shall have a specific right to set-off any such amounts due from SUBLESSOR against any rent payments or other amounts due under this Sublease. In the event SUBLESSEE elects to terminate this Sublease, said termination shall not limit SUBLESSEE'S rights to damages caused by the breach and failure to cure. This provision in no way limits SUBLESSEE'S other remedies for breach under common law or this Sublease.
18. **DEFAULT BY SUBLESSEE** If SUBLESSEE defaults in any of its promises or covenants hereunder and fails to cure the same within thirty (30) days after receipt of written notice of default from SUBLESSOR, SUBLESSOR may, upon fifteen (15) days written notice to SUBLESSEE, terminate this Sublease. In such event, SUBLESSOR shall have the right without further notice to remove all persons and SUBLESSEE'S property from the Subleased Premises without being guilty of any manner of trespass or working a forfeiture of the rents payable under the Sublease. SUBLESSOR may re-let the premises; however, SUBLESSEE shall remain liable for any deficiency.

19. **NOTICES**

19.1 All notices or communications between SUBLESSOR and SUBLESSEE shall be in writing and deemed to have been given upon the occurrence of one of the following methods of delivery to the address noted in Clause 19.2 below.

- a. when personally delivered to the addressee, or
- b. on the second business day after sender has deposited the registered or certified mailing with the US Postal Service, or
- c. one (1) business day after deposited with an overnight courier service.

19.2 **Mailing Addresses:**

SUBLESSOR:

City of Duluth
Room 402 City Hall
411 W First St
Duluth MN 55802
Attn Director of Business &
Economic Development

SUBLESSEE:

Real Estate and Construction Services
Department of Administration
50 Sherburne Ave # 309
St Paul MN 55155

EXHIBITS:

Exhibit A Master Lease
Exhibit B Floor Plan

IN WITNESS WHEREOF, the parties have set their hands on the date(s) indicated below intending to be bound thereby.

SUBLESSOR:

CITY OF DULUTH

SUBLESSOR certifies that the appropriate person(s) have executed the Sublease on behalf of Sublessor as required by applicable articles, bylaws, resolutions or ordinances.

By _____

Title _____

Date _____

By _____

Title _____

Date _____

SUBLESSEE:

STATE OF MINNESOTA

**DEPARTMENT OF ADMINISTRATION
COMMISSIONER**

By _____

Real Estate and Construction Services

Date _____

APPROVED:

STATE OF MINNESOTA

**COUNCIL FOR MINNESOTANS OF
AFRICAN HERITAGE**

By _____

Title _____

Date _____

STATE ENCUMBRANCE VERIFICATION

Individual signing certifies that funds have been encumbered as required by Minn. Stat. §16A.15 and §16C.05.

By _____

Date _____

Contract No. _____