

STATE OF MINNESOTA
AMENDMENT OF LEASE

Amendment No. 1

Lease No. 11877

THIS AMENDMENT No. 1 to Lease No. 11877 is made by and between City of Duluth, hereinafter referred to as Landlord (previously known as Lessor), and the State of Minnesota, Department of Administration, hereinafter referred to as Tenant (previously known as Lessee), acting for the benefit of the Office of the State Auditor.

WHEREAS, Landlord and Tenant entered into Lease No. 11877, dated November 1, 2011, as may subsequently be amended, involving the lease of approximately eight hundred ninety (890) usable square feet of office space in the building located at 411 West 1st Street, Duluth, MN 55802;

WHEREAS, the parties deem certain amendments and additional terms and conditions mutually beneficial for the effective continuation of said Lease;

NOW THEREFORE, Landlord and Tenant agree to substitution and/or addition of the following terms and conditions, which shall become a part of Lease No. 11877 effective as of the date set forth herein.

1. **RENEWAL TERM** This Lease shall be renewed for a period of four (4) years, commencing October 1, 2015 and continuing through September 30, 2019 ("Renewal Term"), at the same terms and conditions as set forth in the Lease, except as otherwise provided herein.
2. **RENT**
 - 2.1 **Rent Payment** Tenant shall pay Landlord rent for the Renewal Term in the sum of sixty four thousand two hundred seventy five and 84/100 dollars (\$64,275.84) according to the rent schedule set forth below:

LEASE PERIOD		SQUARE FEET	RATE PER SQ. FT.	MONTHLY PAYMENT	RENT FOR LEASE PERIOD
10/01/15	- 09/30/16	890	\$17.39	\$1,289.76	\$15,477.12
10/01/16	- 09/30/17	890	\$17.83	\$1,322.39	\$15,868.68
10/01/17	- 09/30/18	890	\$18.27	\$1,355.03	\$16,260.36
10/01/18	- 09/30/19	890	\$18.73	\$1,389.14	\$16,669.68
				TOTAL	\$64,275.84

- 2.2 **Rent Billing Address** Landlord shall mail or personally deliver original bills and rent statements to Tenant at the following address:

Office of State Auditor
Accounts Payable
525 Park St, Ste. 500
St Paul MN 55103

- 2.3 **Rent Payment Address** Tenant shall mail or deliver the monthly rent set forth above at the end of the applicable calendar month to Landlord at the following address:

City of Duluth
Attn: Finance Department
411 West 1st St
Duluth MN 55802

3. **SURRENDER OF LEASED PREMISES**

- 3.1 **Deletion** Section 7 of the Lease is hereby deleted and of no further force or effect and is replaced with the following Section 3.2.

- 3.2 **Replacement** Landlord and Tenant 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 Leased Premises by Landlord or by Tenant, shall remain the property of Tenant. Tenant shall remove its Personal Property, vacate and surrender possession of the Leased Premises to Landlord in as good condition as when Tenant 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 Leased Premises, whether paid for by Landlord or Tenant, 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 Leased Premises, shall remain the property of Landlord, and shall be surrendered with the Leased Premises as a part thereof with no further responsibility or obligation for removal by Tenant.

- (ii) If requested by Tenant and upon prior approval of Landlord, Tenant may remove any alteration, addition or improvement as set forth in Section 3.2b(i) above.

- c. Low Voltage Cabling All low voltage cabling, including but not limited to voice, data, security system cabling installed by Tenant or by Landlord on behalf of Tenant shall remain a part of the Leased Premises unless Tenant, in its sole discretion, elects to remove said cabling.

4. **TELECOMMUNICATIONS** Section 9.4 of the Lease is hereby deleted and of no further force or effect and is replaced with Section 3.2c above.

5. **RELOCATION TO ALTERNATE SPACE** Notwithstanding Section 6.3b(i) and 6.3b(ii) of the Lease, Landlord shall relocate Tenant only between the months of October and December in any given year.

6. **TENANT'S ALTERATIONS**

6.1 Deletion Section 10 of the Lease is hereby deleted and of no further force or effect and is replaced with the following Sections 6.2 and 6.3.

6.2 Replacement In the event Tenant desires to remodel, make alterations, additions and/or changes (hereinafter, "Alterations") to the Leased Premises, and it is determined that such Alterations are at Tenant's expense, Tenant shall not make such Alterations without the advance written consent of Landlord, which Landlord shall not unreasonably withhold. Alterations shall be approved by and arranged through Landlord as follows:

- a. Upon Tenant's request, Landlord shall provide Tenant up to three (3) written cost estimates from Landlord's vendors for desired Alterations. Landlord or Landlord's agent/management company shall not include supervision fees as a part of the cost of Alterations.
- b. Alterations shall be documented and authorized in advance, as follows:
 - (i) Alterations totaling \$2,500.00 or less shall be set forth in and authorized by Tenant in Tenant's signed Purchase Order which shall be submitted to Landlord.
 - (ii) Alterations totaling \$2,500.01 through \$8,000.00 shall be set forth in and authorized by Tenant in a signed Remodeling Request Memo, which shall be submitted to Landlord.
 - (iii) Alterations totaling \$8,000.01 or more shall be set forth and authorized by Landlord and Tenant by way of an executed Amendment to the Lease.

- 6.3 Upon completion of said Alterations, Landlord shall pay the appropriate vendor(s), and Tenant shall reimburse Landlord within thirty (30) days following receipt of a detailed invoice from Landlord.

7. **HEATING AND COOLING**

- 7.1 **Deletion** Section 11.4 of the Lease is hereby deleted and of no further force or effect and is replaced with the following Section 7.2.

7.2 **Replacement**

- a. Landlord shall, at its expense, provide heating to the Lease Premises. Tenant acknowledges that the Building is approximately ninety (90) years old and that Landlord will make its best efforts to provide a comfortable and energy efficient work environment within the Leased Premises within the physical limits of the Building and associated heating/cooling equipment
- b. Landlord shall, at its expense, furnish and provide one (1) portable air conditioning unit for cooling to the Leased Premises.

8. **GENERAL MAINTENANCE AND REPAIRS**

- 8.1 **Deletion** Section 11.15 of the Lease are hereby deleted and of no further force or effect and is replaced with the following Section 8.2.

8.2 **Replacement**

- a. **Landlord General Responsibility** Landlord, at its expense, shall provide repair and maintenance as needed to maintain the Leased Premises and the Building in good order and condition, including, but not limited to, prompt repair and maintenance of all plumbing, wiring, electrical, heating (and, if applicable, cooling) devices including portable air conditioning unit, ductwork, roof, foundations, concrete surfaces, walls, gutters, downspouts, sewer and other utilities, whether interior or exterior, above or below ground, including repair and maintenance of improvements or equipment added to the Leased Premises, whether or not the original cost of said improvement or equipment was borne by Tenant.
- b. **Exceptions to Landlord Responsibility** Landlord shall not be responsible for repairs upon implements or articles which are Tenant's personal property, nor shall Landlord bear the expense of repairs to the Leased Premises necessitated by damage caused by Tenant which is beyond normal wear and tear.

9. **DEFAULT BY LANDLORD**

9.1 **Deletion** Section 17 of the Lease is hereby deleted and of no further force or effect and is replaced with the following Section 9.2.

9.2 **Replacement** If Landlord shall default in the performance of any of the terms or provisions of this Lease, Tenant shall promptly so notify Landlord in writing. If Landlord 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 Landlord 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, Tenant, at its sole option, may terminate this Lease upon thirty (30) days written notice ~~or may cure such default. In the event Tenant cures the default, Landlord shall pay all reasonable and actual expenses paid by Tenant to cure said default, including attorney's fees, within ten (10) days of receipt of invoices therefor rendered, or Tenant shall have a specific right to set off any such amounts due from Landlord against any rent payments or other amounts due under this Lease.~~ In the event Tenant elects to terminate this Lease, said termination shall not limit Tenant's rights to damages caused by the breach and failure to cure. This provision in no way limits Tenant's other remedies for breach under common law or this Lease.

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10. **FIRE SAFETY** Landlord shall, at its expense, provide and maintain all fire extinguishers, fire alarms and fire detection systems for the Leased Premises and Building as required by applicable codes/ordinances and /or the state fire marshal.

11. **NOTICES**

11.1 **Deletion** Section 24 of the Lease is deleted and of no further force and effect and is replaced with the following Sections 11.2 and 11.3.

11.2 **Replacement** All notices or communications between Landlord and Tenant 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 Section 11.3 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.

11.3 Mailing Addresses:

Landlord:

City of Duluth
Attn: Finance Department
411 West 1st St
Duluth MN 55802

Tenant:

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

12. Except as modified by the provisions of this Amendment, said Lease is ratified and confirmed as originally written. All capitalized terms used but not defined herein shall have the meanings assigned to them as set forth in the Lease, unless otherwise stated.

NO ATTACHMENTS

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

Landlord:

CITY OF DULUTH

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

By _____

Title _____

Date _____

By _____

Title _____

Date _____

Tenant:

STATE OF MINNESOTA

DEPARTMENT OF ADMINISTRATION
COMMISSIONER


By _____
Real Estate and Construction Services

Date _____

APPROVED:

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

By 

Title Deputy State Auditor/General Counsel

Date 8/27/2015

STATE ENCUMBRANCE VERIFICATION

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

By 

Date 8/31/15

Contract No. 99437