

EXHIBIT 1

DULUTH HEIGHTS APARTMENT LEASE AGREEMENT

I. PARTIES

THIS LEASE AGREEMENT (this “Agreement”) is made and entered into as of the 1st day of July, 2017 (the “Effective Date”), by and between the CITY OF DULUTH, a Minnesota municipal corporation (the “City”), and SYDNEY JOHNSON (the “Resident”).

II. PREMISES

A. The City leases the residential dwelling unit located within the Duluth Heights Community Center (the “Building”) located at 33 West Mulberry Street, Duluth, Minnesota (the “Apartment”) to the Resident on the terms and conditions set forth in this Agreement.

B. The Resident shall furnish the Apartment with appliances, except the refrigerator and stove presently located in the Apartment which are owned by the City (the “City Appliances”). Appliances placed in the Apartment by the Resident shall be safely installed, used, and maintained by the Resident. At the termination of this Agreement, the Resident shall have the option to remove any appliances owned by the Resident. The City Appliances shall be safely used and maintained by the Resident. If the City Appliances are damaged or destroyed, the Resident shall cause the City Appliances to be (i) repaired, at the Resident’s sole cost, to their condition at the time of execution of this Agreement, or (ii) replaced, at the Resident’s sole cost, with same or similar quality appliances. The City shall have no obligation to replace or repair the City Appliances should they be destroyed or fail to operate properly for any reason whatsoever.

C. The Resident shall maintain the Apartment in a clean and neat condition. The Resident shall use the Apartment and all utilities only for common residential uses. The Resident shall pay for all loss, cost or damage (including plumbing trouble) caused by the willful or irresponsible conduct of the Resident and her guests and invitees. The Resident shall not use the Apartment in any way that is unlawful, illegal or dangerous. The Resident shall recycle or dispose of trash in the outside containers provided for those purposes. The Resident shall promptly notify the City of any conditions that might cause damage to the Apartment or waste utilities or other services provided by the City. No smoking is allowed in the Apartment or adjoining grounds.

D. The City may enter the Apartment for a reasonable business purpose. The City must first make a good faith effort to give the Resident reasonable notice of the intent to enter. The City may enter the Apartment in an emergency as permitted by law. If the City does so and the Resident is not home, the City will disclose the date, time and purpose of the emergency entry in writing. The writing must be left in a conspicuous place in the Apartment.

E. Erik Birkeland, the City's Property and Facilities Manager (or his successor in office), is authorized to manage the Apartment on behalf of the City. The address of the City for purposes of Minn. Stat. 504B.181, subd.1 is: 1532 West Michigan Street, Duluth, Minnesota, 55806. The contact person at the City for purposes of this Agreement is: Erik Birkeland, Property and Facilities Manager.

F. The City shall be exclusively responsible for the design and designation of keying systems, lock changes, key fabrication and key distribution. The Resident shall comply with the City's Key Control Policy, a copy of which shall be provided to the Resident and is subject to unilateral change by the City during the Term. The Resident shall not make copies of any keys associated with the Apartment or the Building or any other property owned by the City. All keys shall be promptly returned to the City upon termination or expiration of this Agreement. If any keys are not returned promptly, the City may rekey applicable locks and collect payment from the Resident for the City's employee time and/or costs associated with rekeying.

III. SECURITY DEPOSIT

The Resident shall, prior to taking occupancy of the Apartment, pay to the City a cash security deposit of \$350.00. The City may use the security deposit to cover the Resident's failure to pay the Fee (defined below) or any other money due the City, or to return the Apartment to its condition as of the Effective Date, normal wear and tear excepted.

IV. TERM OF AGREEMENT

The term of this Agreement ("the Term"), shall be month-to-month from the Effective Date.

V. RENTAL FEE

The Resident shall pay a base rental fee of \$700 per month (the "Fee"), payable in advance on or before the 10th day of each and every month during the Term. The Fee shall be submitted to the Parks and Recreation office (411 West First St., Ground Floor, Duluth, MN

55802). For each month in which the Resident satisfactorily performs, in the sole discretion of the City, all of the Resident Duties (defined below) and other responsibilities set forth in this Agreement, the Fee will be reduced by \$600.00 (the “Rent Reduction”). For each month in which the full Rent Reduction applies, the Resident shall pay \$100.00 of the Fee as a direct cash payment to the City. For each month in which the full Rent Reduction does not apply, the Resident shall pay the Fee as a direct cash payment to the City, with a prorated Rent Reduction, if any, calculated as set forth in Section VII below. The City may increase the Fee upon one month plus one days’ written notice to the Resident.

VI. RESIDENT DUTIES

A. The Resident shall perform the following duties at the Building and the adjoining Duluth Heights Park to full satisfaction of the City’s Park Maintenance Supervisor or his/her designee (the “Supervisor”) (collectively, the “Resident Duties”):

1. Routinely check the Building for security purposes, making sure all doors are locked and systems are working properly;
2. Daily, maintain the public bathrooms located in the Building in a clean and presentable order by sweeping, wet mopping, sanitizing all fixtures and stocking paper supplies;
3. As needed but no less than weekly, maintain and clean the Building by sweeping and wet mopping the main floor atrium, auditorium and hallways;
4. As needed, clean and maintain all other interior spaces of the Building, with special attention given to the program and rental areas on the main level;
5. As needed: (i) pick up litter from parking areas and grounds, (ii) routinely check the areas surrounding the Building for litter, illegal dumping, and safety and maintenance needs and report these to the Supervisor, (iii) perform other minor general maintenance duties as assigned from time to time, which may include shoveling, raking, pruning and garbage removal, and (iv) mow and trim grass in the yard area surrounding the Building (but not including the athletic fields);
6. Provide general after-hours surveillance and notify the Duluth Police Department or other authorities, if necessary, of any suspicious or criminal activities and emergency situations and collect any necessary information for the preparation of reports to the City and the authorities;

7. Daily, keep all exterior sidewalks, stairways, and handicap access ramps free of snow, ice, and other debris;

8. As needed, meet with and assist renters who have rented the community center portion of the Building; confirm through observation that the stated rental purpose is adhered to for each rental; check the Building after it has been rented and report to the City's reservation specialist whether all required clean-up duties have been properly performed and whether any damage has been done to the City's property.

9. Report to the Supervisor or his/her designee any irregularities, problems, needed supplies, safety concerns, needed repairs, or preventive maintenance (structural, mechanical, and electrical, etc.), and any other items that Supervisor or his/her designee should be informed of;

10. Immediately notify the Supervisor or his/her designee of any heating problem so that the heating system can be checked to make sure it is functioning properly;

11. In the event the Resident will be away from the Apartment and unable to complete any of the Resident Duties, the Resident will notify the Supervisor or his/her designee in advance and arrange for the performance of the Resident Duties by a designee of the Resident;

12. Maintain the thermostat setting at a reasonable level to conserve energy; and

13. Perform other related duties, as required from time to time by the City.

B. The parties agree that for all purposes under this Agreement, the Resident is acting as an independent contractor and shall not be deemed to be an employee of the City for any purpose.

C. The Resident shall perform all of the Resident Duties each month regardless of the time it takes to complete them.

VII. RENT REDUCTION

For each month in which this Agreement is in effect, the Resident must maintain a monthly work log which states the date, number of hours, and a brief description of all of the Resident Duties performed during the applicable month. Each monthly work log (i) shall be submitted to the Supervisor or his/her designee by the 10th day of the following month, for

review as to its accuracy or completeness, and (ii) if acceptable to the Supervisor or his/her designee, shall be approved in writing (the "Approved Monthly Work Log"). Each Approved Monthly Work Log shall be submitted to the Parks and Recreation Office along with the Fee paid for that month. If an Approved Monthly Work Log shows the Resident spent at least sixty hours performing the Resident Duties, the Resident shall be eligible for the full Rent Reduction for the applicable month. If an Approved Monthly Work Log shows the Resident spent less than sixty hours performing the Resident Duties, the amount of the Rent Reduction shall be reduced at a rate of \$10.00 per hour for each full or partial hour fewer than 60 reflected in the Approved Monthly Work Log. For example, if the Approved Monthly Work Log reflects that the Resident spent 55 hours performing the Resident Duties, the amount of the Rent Reduction shall be reduced by \$50.00 (5 hours x \$10.00 = \$50.00), for a Rent Reduction for that month equal to \$550.00 (\$600.00 - \$50.00 = \$550.00).

VIII. PERSONAL PROPERTY OF RESIDENT

The Resident is responsible for all of her personal property. The Resident shall hold the City harmless for any loss or damage to the Resident's personal property.

IX. TERMINATION OF AGREEMENT

A. If the Resident violates one or more of the terms and conditions of this Agreement, the Resident shall be in default of this Agreement. If the Resident breaches this Agreement, the City may do these things:

1. Demand in writing that the Resident immediately give up possession of the Apartment. If the Resident does not give up possession, the City may bring an eviction action.
2. Demand in writing that the Resident give up possession of the Apartment at a certain date in the future. If the Resident does not give up possession on that date, the City may bring an eviction action. The City may accept the Fee for the period up to the date possession is to be transferred without giving up the City's right to evict.
3. Bring an eviction action immediately.

B. Prior to termination of this Agreement for any reason, the Resident shall clean, perform needed repairs, and otherwise do whatever is necessary to restore the Apartment to the condition it was in when the Resident took occupancy, normal wear and tear excepted. The

Resident shall meet with an authorized representative of the City at least two days prior to the last day of the Term to perform a final inspection of the Apartment. At the termination of this Agreement for any reason, the Resident shall completely vacate the Apartment, shall return all keys to the City and shall provide the City with a forwarding address.

X. UTILITIES

A. The City will provide, at its expense, heating fuel, electricity, water, sewage, and trash/recycling services for the Apartment.

B. Telephone service, cable television service, and any other utilities or services not specifically mentioned in paragraph A above shall be at the option and sole financial responsibility of the Resident.

C. The Resident shall not allow waste of the utilities or services provided by the City

XI. ALTERATIONS OR IMPROVEMENTS

The Resident may, at its sole cost and expense, make suitable improvements or alterations to the Apartment only with the advance written approval of the City's Property and Facilities Manager. All such improvements and alterations shall become the property of the City. Prior to commencing any improvements or alterations, the Resident shall submit to the City a Project Proposal Request along with detailed plans. A copy of the form of Project Proposal Request is attached to this Agreement as Exhibit A. The Project Proposal Request shall be submitted to the City at least forty-five (45) days before the planned commencement of the work. No work may begin on any approved project until all necessary building permits are secured. All construction shall conform to state law and the Duluth City Codes.

XII. GENERAL PROVISIONS

A. The Resident may not assign her right to occupy the Apartment and may not sublease the Apartment, nor permit any other person, except the Resident's minor children or spouse, to jointly occupy the Apartment at any time without prior written permission from the City's Supervisor or his/her designee.

B. The Resident shall comply with all laws and regulations applicable to the occupancy of the Apartment.

C. The Resident may not have pets or other animals in any portion of the Apartment and/or the Building or grounds of Duluth Heights Park without first securing the written approval of the City's Supervisor.

D. The waiver by the City or by the Resident of any term, covenant, or condition herein contained, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained.

E. This Agreement, including any attachments, embodies the entire understanding of the parties and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.

F. In the event of a strike or other labor disputes affecting the Building or adjoining grounds, the Resident agrees to continue all duties and responsibilities within this Agreement without interruption.

G. The Security Deposit and the Fee collected pursuant to this Agreement shall be deposited into Fund 110, Public Administration 121, Facilities Management 1222, Rent for Buildings 4622.

H. Attached to this Agreement as Exhibit B is the City's disclosure and warnings regarding the presence of lead based paint and lead based paint hazards in the Apartment.

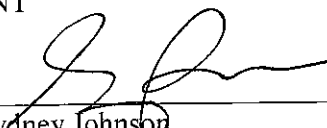
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IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed as indicated below.

CITY OF DULUTH

RESIDENT

By: _____
Mayor

Signed: 
Sydney Johnson

Attest: _____
City Clerk

Date: 6/16/17

Date: _____

Countersigned:

City Auditor

Approved as to form:

City Attorney

Approved:

Property & Facilities Manager



EXHIBIT A

Public Administration Department Parks and Recreation Division

City Hall - Ground Floor • 411 West First Street • Duluth, Minnesota • 55802
218-730-4300 • www.duluthmn.gov/parks/index.cfm



June 9, 2016

Dear Community Partner:

Thank you for your interest in proposing an improvement project for City property. We recognize that working closely with the community is an important way we can fulfill our responsibility to develop long-term strategies, plans and improvements that benefit the greatest number of constituents possible and effectively use limited resources.

Each year there are numerous requests for projects on City property. To better respond to the requests, the City has developed a system that will result in better communications, tracking and processing of project proposals. It establishes Property and Facilities Management as the City entity that will: (1) accept and review all submitted Project Proposal Forms; (2) direct proposals to appropriate City staff; and, (3) facilitate the process to project completion. Once your project proposal request is received, the reviewing process will start and you or your organization will receive a response with thirty (30) days.

The intent of this process is to expedite decision making, clarify the approval process, reduce confusion and miscommunication, and provide a central point of contact to respond to questions and concerns. At any point in the process, Property and Facilities Management can be contacted to respond to questions or concerns.

In past years, this process has seen a number of projects completed for the betterment of our community, including installation of park benches, playfield renovations and community beautification projects. Proposals may be submitted by individuals and community organizations, as well as City staff.

Please note that acquiring funds for a project through CDBG, a DNR grant, fundraising, donations or other means does not guarantee project acceptability. Any project on City property must also receive recommendation and approval by the appropriate City officials. It is strongly recommended that City approval should occur in advance of, or at least concurrent with, pursuing funding.

If you have any questions, please contact Danielle Erjavec at (218) 730-4333.

Sincerely,

Erik Birkeland
Property & Facilities Manager
City of Duluth
1532 West Michigan Street
Duluth, MN 55806



CITY OF DULUTH - PROJECT PROPOSAL REQUEST FORM



Use this form to propose a City of Duluth improvement project. This form is to be used by external community groups, organizations and individuals, as well as internally generated requests. You or your organization will receive a response to the project proposal request within thirty (30) days of submission.

APPLICANT CONTACT INFORMATION

Date of Application:

Name:

Organization:

Address:

City/State/Zip:

Neighborhood:

E-mail:

Primary Phone:

Secondary Phone:

IS YOUR PROJECT RELATED TO

PUBLIC

-ARTS-

-MEMORIALS-

-MONUMENTS-



IF SO, YOUR PROPOSAL WILL BE
SHARED WITH THE DULUTH PUBLIC
ARTS COMMISSION FOR REVIEW.

PROJECT PROPOSAL

Use additional sheets if more space is needed.

PROJECT LOCATION

Describe as best as possible the location of the proposed project. Give the address, name of street, neighborhood, intersection, GPS coordinates, etc. If the project is City-wide, please state "City-wide."

PROJECT DESCRIPTION

Describe the proposed project in as much detail as possible. Why is the project needed and necessary? What do you propose doing? Maps, sketches, diagrams, and/or schematic drawings are required so that the committee has a better understanding of your project. These may include location, sizes, wording, colors, etc. **Please attach any additional information about this project.**

Attached

Not Applicable

PROJECT JUSTIFICATION

Describe the benefit of the proposed project. Is it a safety issue? Will it provide cost savings to the City? Is it a functional improvement? Does it provide aesthetic benefit to the City?



CITY OF DULUTH - PROJECT PROPOSAL REQUEST FORM



PROJECT COST

Describe the approximate cost to complete the project. This can be a "guesstimate." This is only considered to be a rough guideline.

POTENTIAL SOURCE OF FUNDING

Describe potential funding sources for the project.

NEIGHBOR SUPPORT

Does this project have the support of neighbors living nearby?

Yes No Uncertain Not Applicable

Comments:

ENERGY USE

Will this project change the use of any energy type listed below?

Yes No Uncertain Not Applicable

If yes, check all energy types where use is expected to change.

ELECTRICITY (kWh) GAS (Therms) OIL (gallons) STEAM (Pounds) WATER and SEWER (CCF)

ADDITIONAL CONSIDERATIONS

The City of Duluth considers our long-term strategies, Master Plans, Accessibility Plan and Capital Improvement list, as well as legal requirements, in evaluating proposals. Please review the considerations below and add any comments you have.

CONSIDERATION (A): Project is compatible with Park Master Plan, systems plans, Strategic Plans, etc.

COMMENT (A):

CONSIDERATION (B): Project is compliant with ADA Accessibility Plans.

COMMENT (B):



CITY OF DULUTH - PROJECT PROPOSAL REQUEST FORM



CONSIDERATION (C): Project is compatible with surrounding and adjoining uses.

COMMENT (C):

CONSIDERATION (D): Project will meet standards for materials and construction practices.

COMMENT (D):

CONSIDERATION (E): Project complies with zoning code and land uses.

COMMENT (E):

CONSIDERATION (F): Project does or does not require a permit.

COMMENT (F):

CONSIDERATION (G): Increases cost to maintain or operate. *(Note: If this is the case, and the project is approved, it may need to be incorporated into the Capital Improvement Plan and be approved by City Council.)*

COMMENT (G):

SUBMIT COMPLETED FORMS to:

**DANIELLE ERJAVEC
PROPERTY SERVICES SPECIALIST
CITY OF DULUTH
PROPERTY & FACILITIES MANAGEMENT
1532 W MICHIGAN STREET
DULUTH, MN 55806
projectproposal@duluthmn.gov
(218) 730-4333**

EXHIBIT B

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (disclose below any additional information available, such as the basis for the determination that lead-based paint or lead-based paint hazards exist in the housing, their location, and the condition of the painted surfaces).
- (ii) ☐ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the lessor (Check (i) or (ii) below):
- (i) ☐ Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below):
e.g., lead hazard evaluation, lead risk assessment, lead hazard reduction
- (ii) ☐ Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgment (initial)

- (c) _____ Lessee has received copies of all information listed above.
- (d) _____ Lessee has received the HUD pamphlet *Protect Your Family From Lead in Your Home*. (Required at move-in or when application is made.)
- (e) _____ Lessee has received the EPA pamphlet *Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools*. (Required within 30 days of commencement of rehab).

Agent's Acknowledgment (initial)

- (f) _____ Agent (i.e. management company representative or realtor) has informed the lessor of the lessor's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____ Lessor	_____ Date
_____ Lessee	_____ Date
_____ Lessee	_____ Date
_____ Agent	_____ Date

Note: The lessor and any Agent shall retain a copy of this Lease Addendum for no less than 3 years from the commencement of the leasing period.