

STATE OF MINNESOTA

LEASE

Lease No. 1-

THIS Lease is made by and between the State of Minnesota, Department of Administration, hereinafter referred to as LESSOR, and _____, hereinafter referred to as LESSEE.

WHEREAS, the Commissioner of Administration is empowered by Minn. Stat. §16B.24, subd. 5, to rent out state-owned property;

WHEREAS, the Commissioner of Administration is authorized by Minn. Stat. §16B.04, subd. 2, and Minn. Stat. §16B.24, subd. 1 to maintain and operate a parcel of land described as 321 Grove Street, St. Paul, Minnesota, which is temporarily surplus to its needs;

WHEREAS, LESSEE'S business is outdoor advertising;

WHEREAS, LESSEE desires to lease said surplus property for the purpose of outdoor advertising;

NOW THEREFORE, LESSOR and LESSEE, in consideration of the rents, covenants, and considerations hereinafter specified, do hereby agree each with the other as follows.

1. **LEASED PREMISES** LESSOR grants and LESSEE accepts the lease of the following described Leased Premises located in the City of St. Paul, County of Ramsey, Minnesota 55101-2412:

Area of land, as shown on the attached Exhibit A, for LESSEE'S freestanding pylon sign structure to support two (2) fourteen foot by forty-eight foot "Bulletin"-style lighted billboard display signs.

2. **TERM** The term of this Lease is five (5) years, commencing August 1, 2015 and continuing through July 31, 2020.

3. **RENT**

- 3.1 As rent for the Leased Premises and in consideration for all covenants, representations and conditions of the Lease, LESSEE agrees to pay to LESSOR the sum of _____ and xx/100 dollars (\$ _____) for the term of the Lease, such amount shall be paid in accordance with the rent schedule set forth below:

LEASE PERIOD		MONTHLY PAYMENT	RENT FOR LEASE PERIOD
08/01/15	- 07/31/16		\$0.00
08/01/16	- 07/31/17		\$0.00
08/01/17	- 07/31/18		\$0.00
08/01/18	- 07/31/19		\$0.00
08/01/19	- 07/31/20		\$0.00
		TOTAL	\$0.00

3.2 LESSEE agrees to pay this sum, with no monthly invoicing, on the first day of each month by check or money order made payable to the State of Minnesota, and mailed or delivered to:

Plant Management Division
Department of Administration
50 Sherburne Ave #G-10
St Paul MN 55155

3.3 LESSEE agrees, upon direction from the State of Minnesota, Commissioner of Minnesota Management and Budget (Commissioner), to take such action and furnish such documents as the Commissioner determines to be necessary to ensure that interest paid on the General Obligation Bonds, used to purchase the property of which the Leased Premises are a part, is exempt from federal taxation.

4. **LEASE TERMINATION**

4.1 This Lease may be terminated by LESSOR for any reason at any time upon giving thirty (30) days prior written notice of such termination to LESSEE.

4.2 Surrender of Leased Premises LESSEE hereby agrees that at the expiration or earlier termination of this Lease or extension thereof, LESSEE shall promptly and completely vacate the Leased Premises, remove all of its personal property therefrom, including signboards, structures, supports, electrical service and any footings or foundations installed by or for LESSEE, and forthwith yield and place LESSOR in peaceful possession of the Leased Premises, free and clear of any liens, claims or encumbrances and in as good condition as the Leased Premises existed at the commencement of this Lease Agreement, ordinary wear and tear and damage from the elements excepted.

5. **DUTIES OF LESSOR** LESSOR shall furnish and provide, at its expense, access to LESSEE'S personal property on and over LESSOR'S real property and improvements.

6. **DUTIES OF LESSEE**

- 6.1 LESSEE agrees to maintain the Leased Premises in a clean, safe, orderly condition, free of trash of any kind.
- 6.2 LESSEE hereby assumes all responsibility for security against theft, vandalism or accidental loss of any kind whatsoever to LESSEE'S property.
- 6.3 LESSEE shall comply with all applicable municipal, county and state laws, ordinances and regulations, and shall obtain and pay for all licenses and permits (and special use permits, if applicable) as may be required by its use of the Leased Premises.
- 6.4 LESSEE agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, color, creed, sex or national origin in furnishing, or by refusing to furnish, to such person or persons the use of the Leased Premises including any and all services, privileges and activities provided therein.
- 6.5 LESSEE shall use reasonable care in the occupation and use of the Leased Premises.
- 6.6 LESSEE hereby agrees to observe the following conditions in its use of the Leased Premises:
 - a. not to construct any permanent type structures and/or improvements beyond what has been provided for herein, and
 - b. assure no obstruction of access to roadways or buildings anywhere on the grounds on which the Leased Premises are located, and
- 6.7 LESSEE, its agents, employees, invitees or visitors shall comply fully with all rules and regulations governing conduct and vehicular traffic on the grounds on which the Leased Premises are located as now posted or subsequently amended.
- 6.8 LESSEE shall furnish and provide, at its expense, the following services:
 - a. structural maintenance of LESSEE'S billboard, superstructure, anchoring devices and footings, if any.
 - b. painting and general maintenance of LESSEE'S billboard, superstructure and anchoring devices.
- 6.9 LESSEE shall conform with the following content provisions in the display of advertising media on or about the Leased Premises. LESSEE'S failure to adhere to these

provisions shall be deemed to be a default pursuant to Clause 14 of this Lease Agreement.

Content Provisions:

- a. Advertising shall not represent or endorse elected officials or candidates.
 - b. Advertising shall not reflect political or religious viewpoints.
 - c. Advertising shall not demean the State of Minnesota, its Departments or Agencies, nor promote goods or services designed to frustrate effective law enforcement.
 - d. Advertising shall not promote the sale or consumption of alcoholic beverages.
 - e. Advertising shall not promote gaming, gambling or promotional sweepstakes.
 - f. Advertising shall not contain false, misleading or fraudulent statements or claims or relate to an illegal activity.
 - g. Advertising shall not contain discriminatory or derogatory content, including:
 - (1) Advertising which presents acts of rape, murder or violence in a casual or entertaining manner.
 - (2) Advertising which violates community standards of decency with respect to obscenity, profanity, pornography or sexual expression.
 - (3) Advertising which portrays individuals on the basis of race, color, creed, sex, age, religion, ancestry, national origin, marital status, disability, affectional or sexual orientation, pregnancy or childbirth including but not limited to the promotion or prohibition of choice, birth control, birth control methods, or any other characteristic protected under federal, state or local law as inferior, evil, or contemptible as a result of the individual's protected characteristics.
 - h. Advertising shall not imply or declare an endorsement of a product or service by the State of Minnesota, its Departments or Agencies.
 - i. Advertising shall not contain language, which is libelous, derisive, distorted, deceptive, immoral, vulgar or disreputable.
- 6.10 LESSOR and LESSEE hereby agree that every six (6) months LESSEE shall provide LESSOR with a list of advertisers.

7. **ACCEPTANCE AND POSSESSION**

7.1 LESSEE has inspected and knows the condition of the Leased Premises and agrees to accept same in its "as is" condition. It is further understood that the Leased Premises are hereby leased to LESSEE without obligation of any kind on the part of LESSOR to make any additions, improvements or alterations thereto. LESSOR makes no representations concerning building code and fire code compliance.

7.2 LESSOR disclaims and excludes any implied warranties as to the utility, fitness or adequacy of the Leased Premises for the uses contemplated in this Lease, and LESSEE acknowledges there are no warranties except those expressly stated herein.

8. **ASSIGNMENT AND SUBLETTING** LESSEE shall not assign nor in any manner transfer this Lease or any interest therein, nor sublet said Leased Premises or any parts thereof.

9. **LESSOR'S ACCESS** LESSOR, acting through its designated agent, employees or officials shall have the right, upon prior notification to LESSEE, to inspect the Leased Premises at all reasonable times.

10. **LIABILITY INSURANCE**

10.1 LESSEE agrees to acquire and maintain, at its sole expense, during the term of this Lease and any extension thereof, commercial general liability insurance (or comparable coverage under a program of self-insurance), as follows:

a. Minimum Liability Limits:

- (i) \$2,000,000 per occurrence.
- (ii) \$2,000,000 annual aggregate.

b. Umbrella of Excess Liability Policy An umbrella or excess liability insurance policy may be used to supplement the LESSEE'S policy limits to satisfy the full policy limits required by this Lease.

c. Required Coverage:

- (i) Bodily injury.
- (ii) Property damage.
- (iii) Personal injury.
- (iv) Blanket contractual.

(v) Fire legal.

10.2 Other Commercial General Liability Insurance Requirements:

- a. Name the State of Minnesota/(DEPARTMENT) (address: Real Estate and Construction Services, Real Estate and Construction Services, # 309, 50 Sherburne Ave, St Paul MN 55155) as additional insured.
 - b. If LESSEE receives a cancellation notice from an insurance carrier affording coverage herein, LESSEE agrees to notify the LESSOR within five (5) business days with a copy of the cancellation notice, unless LESSEE'S policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the LESSOR.
 - c. LESSEE shall provide LESSOR with a certificate of insurance or a statement of self-insurance that proves the required coverage is in force and that includes a reference to the address of the Leased Premises and Lease number.
11. **LESSOR TO BE HELD HARMLESS** LESSOR shall not be liable for any suits, actions or claims of any character for injury, death or property damage made by or on behalf of any person or persons, firm or corporation arising out of the conduct, management or use of the Leased Premises by LESSEE or arising out of any work or thing whatsoever done in or about the premises or structures or equipment therein when such has been authorized by LESSEE, except as such injury, death or property damage is attributable to LESSOR'S negligence as determined by a court of law. LESSEE shall indemnify LESSOR and hold it harmless from any and all such suits, actions or claims.
12. **PERSONAL PROPERTY RISK** All personal property in or about the Leased Premises belonging to or placed therein by LESSEE or its occupants or visitors shall be there at the sole risk of LESSEE or such other person only, and LESSOR shall not be liable for theft or misappropriation thereof, nor for any loss or damage due to the building or any part of the appurtenance thereof becoming out of repair, or arising from the bursting or leaking of water, gas, sewer or steam pipes, or due to the happening of any accident in or about the Leased Premises including destruction by fire.
13. **HOLDING OVER** In the event LESSEE remains in possession of the Leased Premises herein leased after the expiration of this Lease and without the execution of a new lease, it shall be deemed occupying said Leased Premises as a tenant, subject to all the conditions, provisions and obligations of this Lease insofar as the same can be applicable to a month-to-month tenancy.
14. **DEFAULT BY LESSEE** If LESSEE 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 LESSOR, LESSOR may, upon fifteen (15) days written notice to LESSEE, terminate this Lease. In such event, LESSOR shall have the right without further notice to re-enter the

Leased Premises and remove all persons and LESSEE'S property from the Leased Premises without being guilty of any manner of trespass or working a forfeiture of the rents payable under the Lease. LESSOR may re-let the premises; however, LESSEE shall remain liable for any deficiency.

15. **WAIVER OF COVENANTS** The failure of LESSOR to insist in any one or more instances upon performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition, but LESSEE'S obligation with respect to such future performance shall continue in full force and effect.
16. **ENERGY CONSERVATION** LESSEE agrees to observe reasonable precautions to prevent waste of heat, electricity, water, air conditioning and other utility or service, whether such is furnished by LESSOR or obtained and paid for by LESSEE.
17. **AUDIT** Pursuant to Minn. Stat. §16C.05, subd. 5, the books, records, documents and accounting procedures and practices of LESSEE relevant to this Lease shall be subject to examination by the State and/or Legislative Auditor, as appropriate, for a minimum of six (6) years.
18. **AFFIRMATIVE ACTION** If the Lease amount exceeds \$100,000 and the LESSEE employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principle place of business, then the LESSEE must comply with the requirements of Minn. Stat. § 363A.36 and Minn. Rules Parts 5000.3400-5000.3600. A LESSEE covered by Minn. Stat. § 363A.36 because it employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.
 - 18.1 **Minn. Stat. § 363A.36** Minn. Stat. § 363A.36 requires the LESSEE to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights ("Commissioner") as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event.
 - 18.2 **Minnesota Rule 5000.3550 - Disabled Individuals Affirmative Action Clause**
 - a. LESSEE shall not discriminate against any employees or applicants for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. LESSEE agrees to take affirmative action to employ, advance in employment and otherwise treat qualified disabled individuals without discrimination based upon their physical or mental disability in all employment practices such as the recruitment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

- b. LESSEE agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
- c. In the event of LESSEE'S noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minn. Stat. §363A.36 and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
- d. LESSEE agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices shall state LESSEE'S obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.
- e. LESSEE shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that LESSEE is bound by the terms of Minn. Stat. §363A.36 of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled individuals.

19. **NOTICES** Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent by prepaid, certified mail, and addressed to the other party at the address set forth below. Either party may change its address by notifying the other party in writing of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this paragraph.

The addresses of the parties to this Lease are as follows:

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

EXHIBITS:

Exhibit A Location of Leased Premises

IN TESTIMONY WHEREOF, the parties have set their hands on the date(s) appearing beneath their signatures.

LESSEE:

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

By _____

Title _____

Date _____

By _____

Title _____

Date _____

LESSOR:

STATE OF MINNESOTA
DEPARTMENT OF ADMINISTRATION
COMMISSIONER

By _____

Real Estate and Construction Services

Title _____

Date _____

APPROVED:

STATE OF MINNESOTA
PLANT MANAGEMENT DIVISION

By _____

Title _____

Date _____