

LAND LEASE AGREEMENT
RELATING TO
627 38TH AVENUE NE
CERTIFICATE OF TITLE NO. 38322
BY AND BETWEEN THE
CITY OF COLUMBIA HEIGHTS
AND
SOUTHERN ANOKA
COMMUNITY ASSISTANCE, INC.

LAND LEASE

This Land Lease made this 24th day of May, 1999, by and between the City of Columbia Heights, a public body corporate and politic, hereinafter designated and referred to as Landlord, and Southern Anoka Community Assistance, Inc., a Minnesota non-profit corporation, hereinafter designated and referred to as Tenant.

WITNESSETH: That said Landlord in consideration of the rents and covenants hereinafter mentioned, to be paid and performed by said Tenant, does hereby lease and let unto the said Tenant, and the said Tenant hereby hire and take from the said Landlord, the following described land situate in the City of Columbia Heights, County of Anoka, State of Minnesota, to-wit:

Lots 40, 41, 42 and 43 including half the vacated alley lying adjacent thereto, Block 84, Columbia Heights Annex to Minneapolis, Anoka County, Minnesota.

To have and to hold the above premises without any liability or obligation on the part of said Landlord of making any alterations, improvements or repairs of any kind on or about said premises, except as provided in paragraph 8 herein for the term of thirty (30) years from and after the 24th day of May, 1999, to the 24th day of May, 2029, both dates inclusive, for the following purposes and for no other purposes, to-wit: for the operation of a food shelf and related community assistance. Said operation will include the construction of a new building on said property, which building shall be constructed at the sole expense of Tenant and which ownership shall remain with Tenant and survive the expiration or termination of this Lease, except as provided for in paragraph 8 herein.

And said Tenant agrees to and with said Landlord to pay the Landlord as rent for the above mentioned land the sum of One Dollar (\$1.00), payable in advance on the first day of each and every year for and during the full term of this Lease, at the office of the Finance Director for the City of Columbia Heights.

That said Tenant also covenants and agrees with the Landlord as follows:

1. **Lawful Use.** That Tenant will not use said premises or permit the same or any part thereof to be used for any purpose contrary to the laws, ordinances or regulations of the United States of America, or the State of Minnesota, or the City of Columbia Heights.
2. **Utilities.** Tenant further covenants and agrees to promptly pay all rates, costs and charges for all utilities, including but not limited to sanitary sewer, storm sewer, water, gas, electric, cable and garbage.
3. **Liability.** The Tenant further agrees that the Landlord shall not be liable for any damage, either to person or persons or property or the loss of property sustained by the Tenant, or by any other person or persons due to any act or neglect of the Tenant, or any Tenant or occupant of said building, or of any other person, persons or corporations. Tenant shall maintain personal

injury/liability insurance on said property at all times during the term of this Lease, with said insurance to provide a minimum coverage as set forth in Minnesota Statute §466.04, and as hereinafter amended from time to time. Tenant shall also provide property damage insurance coverage in an amount at least equal to the value of the improvements thereon.

4. **Hold Harmless/Indemnification.** That Tenant assumes all liability and obligation for all damages on account of the matters and things above referred to, and agrees to save the Landlord harmless thereon and therefrom, and to indemnify the Landlord on account thereof.

5. **Notice.** Any notice from the Landlord to the Tenant, relating to said premises or the occupancy thereof, shall be served in a manner consistent with service of process as set forth in the Minnesota District Court Rules of Civil Procedure.

6. **Assignment and Subletting.** Tenant may not assign this Lease, lease the premises to anyone else (sublet), sell this Lease or permit any other person to use the premises without the prior written consent of the Landlord. If Tenant does any of these things, Landlord may terminate this Lease. Any assignment or sublease made without Landlord's written consent will not be effective. Tenant must get Landlord's permission each time Tenant wants to assign or sublet. Landlord's permission is good only for that specific assignment or sublease.

7. **Site Preparation.** At the time of execution of this Lease, Landlord has awarded a contract for the demolition of the existing structure on said premises. It is understood and agreed between the parties that Landlord will pay for said demolition pursuant to its contractual obligation. However, Tenant hereby agrees to reimburse Landlord for Landlord's contractual cost of demolition, NOT TO EXCEED \$5,000.00.

8. **Expiration of Lease Term.** At the expiration of the lease term as previously set forth herein, Landlord shall have the following options as regards the Tenant improvements made upon the property (i.e. building): (1) extend this Lease for a term to be determined by mutual agreement of the parties; (2) purchase said Tenant improvements for the fair market value then established by mutual appraisal or such other amount as mutually agreed to between the parties; or (3) sell said demised premises to Tenant for the fair market value they established by mutual appraisal, or such other amount as mutually agreed to between the parties.

9. **Property Maintenance.** Tenant agrees that during the term of this Lease, it shall be solely responsible for the maintenance and general upkeep of said premises.

10. **Default.** If Tenant violates any agreement of this Lease, Landlord shall notify Tenant in writing of said violation. Tenant shall thereafter have 90 days to cure said violation or such other time period as the parties mutually agree. If tenant does not do so, Landlord shall have the right to accelerate the expiration of this Lease term and exercise its rights set forth in paragraph 8 herein. In no event shall Landlord have the right to terminate this Lease except by exercising one of the options set forth in said paragraph 8.

11. **Parking Agreement.** Tenant agrees that during the term of this Lease, the existing parking spaces located on the east side of said Premises shall be used exclusively by Landlord.

Tenant shall take all steps necessary to insure that none of its employees, volunteers or clients use said parking spaces during the term of this Lease. If at the expiration of this Lease the parties hereto agree that Tenant will purchase the Premises pursuant to Paragraph 8(3), then as a condition of any such transaction, Tenant agrees to execute and deliver to Landlord a perpetual parking easement for the use by Landlord of the existing parking spaces.

LANDLORD:

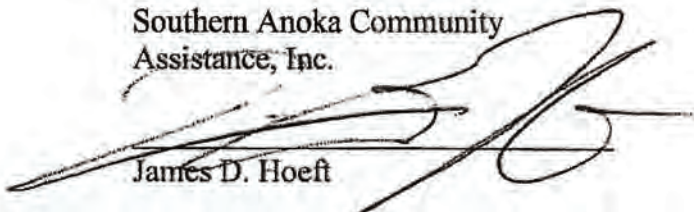
City of Columbia Heights

Gary L. Peterson

Walter R. Fehst

TENANT:

Southern Anoka Community
Assistance, Inc.


James D. Hoeft

STATE OF MINNESOTA)
)SS
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 1999, by Gary L. Peterson as Mayor of the City of Columbia Heights.

Notary Public

STATE OF MINNESOTA)
)SS
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 1999, Walter R. Fehst as City Manager of the City of Columbia Heights.

Notary Public

STATE OF MINNESOTA)
COUNTY OF ANOKA)SS
)

The foregoing instrument was acknowledged before me this 3rd day of
September, 1999, by James D. Hoeft as President of Southern Anoka Community Assistance,
Inc.

Sarah Elizabeth Thies
Notary Public

DOCUMENT DRAFTED BY:

BARNA, GUZY & STEFFEN, LTD.
400 Northtown Financial Plaza
200 Coon Rapids Boulevard
Coon Rapids, MN 55433
(612) 780-8500 (JDH)



52035_1