

(File Name: _____)

Revised

Authority (C.F. or A.O.)

LEASE NO. _____

DATE: May 1 , 2026 _____

LESSOR: _____ **CITY OF SAINT PAUL**

Public Works Department

LESSEE: _____ **Second Chance Recycling, LLC**

CITY OF SAINT PAUL



LEASE AGREEMENT

- 1) **Leased Premises.** LESSOR, in consideration of the payment of the Basic Rent and Additional Rent hereinafter specified to be paid by LESSEE, and the covenants and agreements herein contained, does hereby lease, demise and let unto LESSEE the premises hereinafter referred to as the “Leased Premises,” whose address is 60 West Sycamore, Saint Paul, Minnesota 55117,

The Leased Premises include a portion of the interior space of approximately 10,369 square feet (the “Building”) and the surrounding grounds, as depicted on Exhibit A attached hereto and incorporated herein by this reference.

- 2) **Term of Lease.** This lease shall be in effect for a term commencing and ending on the dates indicated below, unless terminated earlier by the LESSOR as provided herein.

Term
(Months/Years)

Commencing Date

Ending Date

3 Years

May 1, 2026

April 30, 2028

- 3) **Use of Premises.** LESSEE shall use and occupy the Leased Premises for the following purposes:

Mattress and furniture recycling

LESSEE may use the Leased Premises for these purposes and for no other purpose without the prior written consent of LESSOR.

- 4) **Rent.** Rent shall consist of Basic Rent and such Additional Rent as may apply. LESSEE shall pay all rent in advance, on the first day of the term of the lease and on the first day of each payment period thereafter as indicated in the Payment Schedule below:

a) **Basic Rent**

Total Basic Rent During Lease Term	Payment Schedule		
	(Payment Period	Commencing Date	\$ per Period)
\$3.00	May 1, 2026 – April 30, 2028	May 1, 2026	\$1.00

- b) **Additional Rent.** Additional Rent means all amounts, other than Basic Rent provided for in paragraph (4-a) above, that LESSEE shall be obligated to pay under this paragraph or other provisions of this Lease. Additional Rent shall include, but is not limited to, the following fees, costs and expenses:

- i) 17% of annual utility costs, including water, electric, gas, cable and sanitary sewer.
- ii) 17% of annual janitorial costs beginning May 1, 2027 until the lease terminates.
- iii) property insurance premium and/or uninsured losses as set forth in section 6 of this Lease.

Additional Rent means all amounts, other than Basic Rent provided for in Paragraph 4 (a) above, that LESSEE shall be obligated to pay under this paragraph or other provisions of this Lease. Any payments required to be paid as Additional Rent are due and payable by LESSEE to LESSOR at day 15 of each calendar month required to be deposited, following written notice of same to the LESSEE by LESSOR.

LESSEE shall make all payments of Additional Rent to LESSOR at the following address:
Department of Public Works, 25 W. 4th St., Suite 1500, Saint Paul, MN 55102

The applicable account number for City Finance Accounting Code is:
to be determined by LESSOR

All Basic and Additional Rent shall be payable on the date certain provided herein, or if no date certain is provided, within 30 days of the billing date. The LESSOR shall charge interest of 1.5% per month on any Basic or Additional Rent remaining unpaid beyond the due date as here provided.

- 5) **Use of Additional Space Beyond Lease Space.** This lease entitles LESSEE use of 60 Sycamore for exclusive use of leased warehouse space, office space, locker rooms and restrooms as identified in Exhibit A. No other space is reserved for exclusive use. Shared spaces with LESSOR include; the vestibule entry, the open office space, men's and women's restrooms and the conference room as identified in Exhibit A – Shared Spaces.
- 6) **Right of Entry.** At all times during the term of this Lease, LESSOR shall have the right, by itself, its agents and employees, to enter into and upon the Leased Premises during reasonable business hours or, in the event of an emergency, at any time for any legitimate purpose.
- 7) **Insurance.**
- b) **LESSEE'S Insurance.** The LESSEE shall acquire during the term of this lease the following coverage:
- i) The LESSEE shall be responsible for the self insurance of, or the acquisition of Commercial Property Insurance on its personal property.
 - ii) COMMERCIAL GENERAL LIABILITY INSURANCE including blanket contractual liability coverage, personal injury liability coverage and broad form property damage liability endorsement with a combined single limit of not less than \$1,500,000 per occurrence, \$3,000,000 aggregate, shall be purchased by the LESSEE. Such insurance shall: (a) name the City of Saint Paul as additional insured; (b) be primary with respect to LESSOR'S insurance or self-insurance; (c) not exclude explosion, collapse and underground property damage; (d) be written on an "Occurrence Form" policy basis; and (e) not contain an "aggregate" policy limit unless specifically approved in writing by LESSOR.
 - iii) AUTOMOBILE LIABILITY INSURANCE with minimum limits of \$1,000,000 combined single limit and \$2,000,000 aggregate, covering hired, non-owned and owned automobiles.
 - iv) WORKERS' COMPENSATION INSURANCE with not less than statutory minimum limits; and EMPLOYERS' LIABILITY INSURANCE with minimum limits of at least \$100,000 per accident and with an all states endorsement.
 - v) The LESSEE shall supply to LESSOR current insurance certificates for policies required in Paragraph (7). The said certificates shall certify whether or not the agent has errors and omissions insurance coverage.
 - vi) The limits cited under each insurance requirement above establish minimums; and it is the sole responsibility of the LESSEE to purchase and maintain

additional insurance that may be necessary in relation to this lease.

- vii) Nothing in this contract shall constitute a waiver by the LESSOR of any statutory limits or exceptions on liability.
 - viii) LESSEE shall place the insurance with responsible insurance companies authorized and licensed to do business in the State of Minnesota and approved by LESSOR, and shall deliver copies of the policies to LESSOR on the date of LESSEE'S execution of this agreement. The policies required in paragraph (6) shall be endorsed to indicate that the insurer shall give the LESSOR notice of any changes or cancellation per the terms of the policy.
 - ix) Insurance limits shall be subject to the tort claims liability limits as set forth in chapter 466 of Minnesota Statutes.
- c) Waiver of Subrogation. LESSOR waives its right of subrogation for damage to the Building, contents therein, loss of use thereof, and/or loss of income, up to the amount of insurance proceeds collected. LESSEE waives its right of subrogation for damage to property in the Leased Premises, loss of use thereof, loss of income and/or accounts receivable, up to the amount of their respective insurance proceeds collected. The parties shall notify their respective insurance companies, in writing, of the provisions of this paragraph; and, if either cannot waive its subrogation rights, such party shall immediately notify the other party, in writing.
- 7) **Cancellation or Termination.** This lease shall be subject to cancellation and termination by LESSOR at any time during the term hereof by giving the LESSEE notice in writing at ninety (90) days, (thirty (30) days for leases with a term of one (1) year or less or any month-to-month tenancies) prior to the date when such termination shall become effective. In the event of such termination, and on the effective date of such termination, LESSOR shall return any unearned rental paid by the LESSEE without interest.
- 8) **Notice.** All notices herein provided to be given, or that may be given by either party to the other, shall be deemed to have been fully given when served personally on LESSOR or LESSEE, or when made in writing and deposited in the United States Mail, certified and postage prepaid, and addressed to LESSEE at the address stated on Page 1 and to LESSOR at the Real Estate Division, 25 W. 4th St., Room 1000, Saint Paul, Minnesota, 55102. The address to which the notice shall be mailed may be changed by written notice given by either party to the other. Nothing herein shall preclude the giving of such address change notice by personal service.
- 9) **Assignment and Subletting.** LESSEE shall not assign or sublet this Lease without the written consent of LESSOR, which consent must be obtained prior to the execution of any agreement to sublease the Leased Premises.
- 10) **Maintenance and Repairs.** LESSEE is responsible for interior, non-structural maintenance and repairs within the lessee leased premises and will be responsible at its own cost and

expense for damage caused by LESSEE negligence or willful misconduct. be responsible for all repairs, maintenance and upkeep of the Leased Premises, including but not limited to emergency repairs of any kind; routine maintenance and repair to keep the Leased Premises in good repair, safe and in compliance with applicable fire, health, building and other life safety codes; The LESSOR remains responsible for the roof, structure, foundation, and major building systems, as well as shared/common infrastructure.

- 11) **Payments in Case of Default.** LESSEE shall pay LESSOR all costs and expenses, including reasonable attorney's fees in any action brought by LESSOR to recover any rent due and unpaid hereunder, or for the breach or default of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.
- 12) **Surrender of Premises.** The LESSEE, at the expiration of said term, or any sooner termination of this lease, shall quit peacefully and surrender possession of said property and its tenant build outs and trade fixtures to LESSOR in as good order and condition as the property was delivered to the LESSEE. LESSOR reserves the right to accept tenant build outs and trade fixtures, or LESSEE must remove them.
- 13) **Indemnity.** LESSEE agrees to indemnify, defend, save and hold harmless the City of Saint Paul and any agents, officers and employees thereof from all claims, demands, actions or causes of action of whatsoever nature or character, arising out of or by reason of the Lease of the herein described Leased Premises by LESSOR to LESSEE, or the use or condition of the Leased Premises or as a result of the operations or business activities taking place on the Leased Premises. It is fully understood and agreed that LESSEE is aware of the conditions of the Leased Premises and leases the same "as is."
- 14) **Holdover.** Any holdover after the expiration of the term of this Lease shall be allowed only after receiving the written consent of the LESSOR. Said tenancy shall be deemed to be a tenancy only from month-to-month. All other terms and conditions of this Lease shall be applicable.
- 15) **Pollution and Contaminants.** LESSEE agrees to comply with all ordinances, laws, rules and regulations enacted by any governmental body or agency relating to the control, abatement or emission of air and water contaminants and the disposal of refuse, solid wastes or liquid wastes.

LESSEE shall bear all costs and expenses arising from compliance with said ordinances, laws, rules, or regulations and shall indemnify, defend, save and hold harmless LESSOR from all liability, including without limitation, fines, forfeitures, and penalties arising from the failure by LESSEE to comply with such ordinances, laws, rules or regulations. LESSOR has the right to perform cleanup and charge LESSEE as Additional Rent for such costs should LESSEE fail to comply.

- 16) **Destruction.** In the event of damage to or destruction of the Leased Premises or in the event

the premises becomes untenable or unfit for occupancy due to such damage during the term of this Lease, LESSOR may at its option:

- a) terminate the lease upon fifteen (15) days' written notice to LESSEE; or
- b) within fifteen (15) days agree to restore the premises within a reasonable time period following the casualty, charging the costs in excess of the insurance proceeds, if any, to LESSEE as Additional Rent; or
- c) may direct that LESSEE promptly restore the Leased Premises to substantially the condition existing immediately prior to such damage or destruction, and for that purpose, if such damage or destruction was caused by perils insured against the LESSOR shall make available to LESSEE pro-rata, as work progresses, the net proceeds of such insurance. If such proceeds are insufficient to pay the entire cost thereof, LESSEE agrees to pay as Additional Rent, a lump sum payment (or in a form agreed upon by LESSOR) equal to the remainder of such cost.

The Basic Rents to be paid during the restoration period shall be abated in proportion to the percentage of loss and impairment of the use of the Leased Premises as determined by the LESSOR, times the number of days of loss or impairment.

17) Events of Default. The occurrence of any of the following events during the term of This Lease shall constitute an event of default by LESSEE:

- a) the filing of a petition to have LESSEE adjudicated bankrupt or a petition for reorganization or arrangement under any laws of the United States relating to bankruptcy filed by LESSEE;
- b) in the event a petition to have LESSEE adjudicated bankrupt is filed against LESSEE, the failure to dismiss such petition within ninety (90) days from the date of such filing;
- c) the assets of LESSEE or of the business conducted by LESSEE on the Leased Premises be assumed by any trustee or other person pursuant to any judicial proceedings;
- d) LESSEE makes any assignment for the benefit of creditors;
- e) the failure by LESSEE to timely pay Basic Rent or Additional Rent as required by this Lease;
- f) the failure by LESSEE to observe and perform any covenant, condition or agreement on its part to be observed or performed as required by this Lease; or
- g) the failure by LESSEE or its surety to discharge, satisfy or release any lien or lien statement filed or recorded against the Leased Premises within sixty days after the

date of such filing or recording, whichever date is earlier.

It is an express covenant and agreement of LESSOR and LESSEE that LESSOR may, at its election, terminate this Lease in the event of the occurrence of any of the events described in this paragraph or in Section 20 relating to liens by giving not less than ten days' written notice to LESSEE; and when so terminated, LESSOR may reenter the Leased Premises. This Lease and its Leased Premises shall not be treated as an asset of LESSEE'S estate. It is further expressly understood and agreed that LESSOR shall be entitled upon such reentry, notwithstanding any other provision of this Lease, to exercise such rights and remedies as are provided within this Lease.

- 18) **Compliance with Laws.** The property described herein may be used for only the purposes stated herein. It is the sole and exclusive responsibility of LESSEE in the use of the property to comply with all laws, rules, regulations or ordinances imposed by any jurisdiction affecting the use to which the property is proposed to be put. Inability or failure by LESSEE to comply with any of said laws, rules, regulations or ordinances will not relieve LESSEE of the obligation to pay the rental provided herein.
- 19) **Non-Discrimination.** LESSEE for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that
- a) no person, on the ground of race, sex, color, creed, religion, age, disability, marital status, familial status, status with respect to public assistance, national origin, sexual or affectional orientation or ancestry shall be excluded from participating in, be denied the benefits of or be otherwise subjected to discrimination in the use of said facilities; sexual or affectional orientation;
 - b) that in connection with the construction of any improvements on said lands and the furnishing of services thereon, no discrimination shall be practiced in the selection of employees and contractors, by contractors in the selection and retention of first tier subcontractors, and by first-tier subcontractors in the selection and retention of second-tier subcontractors;
 - c) that such discrimination shall not be practiced against the public in its access in and use of the facilities and services provided for public accommodations (such as eating, sleeping, rest and recreation) constructed or operated on the Leased Premises; and
 - d) that LESSEE shall use the premises in compliance with all other requirements imposed pursuant to the Saint Paul Legislative Code Chapter 183.
- 20) **Liens.** LESSEE shall not permit mechanic's liens or other liens to be filed or established or to remain against the Leased Premises for labor, materials or services furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements made to the Leased Premises, or for any other reason; provided that if LESSEE shall first notify LESSOR of its intention to do so and shall deposit in escrow with LESSOR a sum of money

or a bond or irrevocable letter of credit acceptable to LESSOR equal to the amount of the claim of lien, LESSEE may in good faith contest any such claims or mechanic's or other liens filed or established and in such event may permit the items contested to remain undischarged and unsatisfied during the period of such contest. If, in the opinion of LESSOR, the nonpayment of any such items subjects the Leased Premises to any loss or forfeiture, LESSOR may require LESSEE to use the escrow account to promptly pay all such unpaid items and if LESSEE fails to pay from the escrow account, LESSOR may pay and charge the LESSEE as Additional Rent.

21) **Default Remedies.** In the event an Event of Default occurs under Paragraph 17 of this Lease, LESSOR may exercise any one or more of the following remedies:

- a) reenter and take possession of the Premises without termination of this Lease, and use its best efforts to lease the Premises to or enter into an agreement with another person for the account of LESSEE;
- b) terminate this Lease, exclude LESSEE from possession of the Premises, and use its best efforts to lease the Premises to or enter into an agreement with another in accordance with applicable law;
- c) exclude LESSEE from possession of the Premises, with or without terminating this Lease and operate the Premises itself;
- d) terminate the Lease, exclude LESSEE from possession of the Leased Premises, sell all or any part of the Premises at the best price obtainable (provided such sale is permitted by applicable law,) such sale to be on such terms and conditions as LESSOR, in its sole discretion, shall determine and apply the proceeds of such sale less any expenses thereof for the account of LESSEE.
- e) exercise any remedies available to it under the Minnesota Uniform Commercial Code;
- f) take whatever action at law or in equity may appear necessary or appropriate to collect the Basic Rent and Additional Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of LESSEE under this Lease.
- g) in exercising any of its remedies set forth in this Section, LESSOR may, whether or not the Lease is then in effect, hold LESSEE liable for the difference between the payments and other costs for which LESSEE is responsible under this Lease.

22) **Default of Payment.** LESSEE agrees that, should it default on any payment owing and due to be paid to LESSOR as provided in this agreement, including but not limited to Basic Rent and Additional Rent, then the remaining unpaid balance shall, at the option of LESSOR,

immediately become due. Said LESSEE further agrees that LESSOR may, at its option and without notice to LESSEE, enter judgment against LESSEE in Ramsey County District Court for the amount of the unpaid balance. And LESSEE does hereby confess judgment in the amount of the unpaid balance due upon default, and does authorize LESSOR to enter judgment as provided above. LESSEE does hereby agree that LESSOR, at its option, may enter a judgment, at any time within one year of the time the last payment shall have come due, for the full amount of the unpaid balance due pursuant to the confession of judgment provided herein.

- 23) **Alterations.** The LESSEE will not make any alterations to the premises without the written consent of the LESSOR, such consent not to be unreasonably withheld. If the LESSEE desires to make any such alterations, an accurate description shall first be submitted to and approved by the LESSOR and such alterations shall be done by the LESSEE at its own expense. All such work shall be performed under the LESSOR'S supervision and any improvements made to the Leased Premises at the LESSEE'S expense shall become the property of the LESSOR at the end of the Lease period. LESSEE agrees that all alterations will be done in a workmanlike manner and in conformance with applicable building codes, that the structural integrity and building systems of the building will not be impaired, and that no liens will attach to the premises by reason thereof.
- 24) **Amended.** Anything herein contained to the contrary notwithstanding, this Lease may be terminated, and the provisions of this Lease may be, in writing, amended by mutual consent of the parties hereto.
- 25) **Security.** The LESSEE shall have a separate key for the leased premise room(s) and for the building exterior access. LESSOR and LESSEE shall determine the number of keys and access cards. In the event a card or key is lost or stolen LESSEE shall pay LESSOR the cost of replacement.
- 26) **Furnishings.** The Leased Premises is leased unfurnished unless otherwise noted.
- 27) **Electronic Signatures.** The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties further agree that any document (including this Agreement and any attachments or exhibits to this Agreement) containing, or to which there is affixed, an electronic signature shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (e.g., via PDF) of an original signature. Any party's failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year in this Lease first above-written.

LESSOR:

Mayor or Assistant Mayor

City Clerk

Director – Office of Financial Services

Director of Public Works

City Attorney (Form Approval)

LESSEE:

Second Chance Recycling, LLC

Its

Its