

School Board Work Session

Monday, August 9, 2021 6:00 PM

District Office Board Room, Teleconference, URL:, Shakopee, MN 55379

1. **CALL TO ORDER SCHOOL BOARD WORK SESSION AND
ROLL CALL - CHAIR PETERSON**

2. **PLEDGE OF ALLEGIANCE**

3. **SABER PRIDE**

1. Summer Programs & Activities

Presenter: Eric
Serbus, Kristi
Peterson

4. **CONSIDERATION OF AGENDA AS PRESENTED**

5. **PUBLIC COMMENT**

6. **CONSENT ITEMS**

1. Approval of Meeting Minutes

7. **INFORMATION**

1. Pandemic Response Update

Presenter: Mike
Redmond

8. **ACTION**

1. Lease Agreement-- Tokata Learning Center

Presenter: Bill
Menozzi, Director of
Finance

9. **COMMITTEE REPORTS & OTHER INFORMATION**

10. **UPCOMING MEETINGS AND IMPORTANT DATES**

11. **ADJOURNMENT**



SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT ("Sublease") is made and entered into this day _____ of August, 2021, by and between SW Metro Intermediate District #288 ("**Tenant**"), and Independent School District No. 720 ("**Subtenant**").

Recitals and Preliminary Statement of Facts:

1. Tenant is a party to that certain Lease dated January 20, 2015 as amended by that certain First Amendment To Lease dated May 23, 2017 (collectively, the "**Lease**") between MSB Holdings-Shakopee, LLC ("**Landlord**"), as landlord, and Tenant, as tenant, for the building commonly known as Shakopee Town Square (the "**Building**") and located at 1150 Shakopee Town Square, Shakopee, Minnesota;

2. The parties hereto desire to provide for the rental and further terms and conditions of the sublease of a portion of the Building by Tenant to Subtenant upon and subject to the terms and conditions hereinafter set forth.

Covenants:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. **DEMISED PREMISES.** Tenant does hereby sublease to Subtenant, and Subtenant does hereby sublease from Tenant, for the term and upon the conditions hereinafter provided, approximately 5,285 rentable square feet as more particularly identified on **Exhibit A** attached hereto (the "**Subleased Premises**").

2. **TERM.** The term (the "**Term**") of this Sublease shall be 12 months, commencing on September 1, 2021 (the "**Commencement Date**") and expiring on August 31, 2022 (the "**Expiration Date**"), unless sooner terminated in accordance with terms and provisions of this Sublease.

3. **CONDITION OF SUBLEASED PREMISES; SURRENDER.** On the Commencement Date, Tenant shall deliver to Subtenant the Subleased Premises. On the Expiration Date or earlier termination of this Sublease, Subtenant shall leave the Subleased Premises in the same repair and condition that existed as of the Commencement Date, free of any persons claiming possession or right to occupy the Subleased Premises. If Subtenant remains in possession of the Subleased Premises following the expiration of the Term or earlier termination of this Sublease, then Subtenant's subsequent holding over shall result in the creation of a tenancy from month to month at a monthly rent equal to 250% of the Annual Rent (defined below) (on a per month basis without reduction for partial months during the holdover). No holdover by Subtenant or payment by Subtenant after the Expiration Date or earlier termination of this Sublease shall be construed to extend the Term or prevent Tenant from immediate

recovery of the Subleased Premises by summary proceedings or otherwise. If Tenant is unable to deliver possession of the Subleased Premises to a new sublessee or back to the Landlord for a new tenant or to perform improvements for a new sublessee or a tenant as a result of Subtenant's holdover, Subtenant shall be liable for all damages that Tenant suffers from the holdover.

4. **USE.** Subtenant shall use and occupy the Subleased Premises for the operation of a k-12 learning center and ancillary uses related thereto purposes, only.

5. **IMPROVEMENTS AND ALTERATIONS.** No improvements shall be made to the Subleased Premises without Tenant's prior written approval, at Tenant's sole discretion. Subtenant shall be responsible for all improvements that are required for the normal use and operation of the Subleased Premises by Subtenant, at Subtenant's sole expense and obligation. Upon Subtenant's surrender of the Subleased Premises, at Tenant's request, all such improvements shall be removed and the Subleased Premises restored to the condition that existed as of the Commencement Date.

6. **RENT.** The rent (the "**Annual Rent**") reserved under this Sublease during the Term shall consist of an annual gross rent in an amount set forth below. Subtenant covenants and agrees to pay the Annual Rent to Tenant at its address listed below, or at such other address as Tenant may hereafter designate in writing, in lawful money of the United States, at the times and in the manner hereinafter specified as follows:

Period	Annual Rate per rentable square foot	Annual Rent	Monthly Installment of Annual Rent
9/1/21 – 8/31/22	\$6.00	\$31,701.00	\$2,642.50

Tenant and Subtenant acknowledge and agree that the Annual Rent is intended to be "gross" and that, subject to the provisions of Section 8 below, no additional charges for utilities, taxes or other operating costs of the Building shall accrue as rental obligations.

7. **SECURITY DEPOSIT.** Upon Subtenant's execution of the Sublease Agreement, Subtenant shall deposit with Tenant \$2,642.50 (the "**Security Deposit**") as security for the prompt, full and faithful performance by Subtenant of each and every provision of this Sublease and all of the obligations of Subtenant hereunder to be paid at the signing of this Sublease. In the event that Tenant has not fully utilized the Security Deposit to cure item(s) of nonperformance under this Sublease prior to the Expiration Date, Tenant within five (5) days of the Expiration Date, shall return the Security Deposit or applicable portion thereof to Subtenant.

8. **UTILITIES.** Tenant shall contract for and pay, at no cost to Subtenant, directly to provider all gas, electricity, trash and/or other utility services used in the Subleased Premises. Utilities shall be in Tenant's name, unless otherwise agreed to in

writing by Subtenant. Notwithstanding the forgoing, Subtenant shall pay to Tenant an amount of \$522.00 each month of the Term to reimburse Tenant for its estimated electricity costs for the Subleased Premises.

9. **OBLIGATIONS UNDER THE LEASE.** This Sublease and Subtenant's rights under this Sublease shall at all times be subject to and contingent upon Subtenant's acceptance of the terms, covenants, and conditions of the Lease, with the same force and effect as if fully set forth herein at length. Other than as specifically set forth herein, Subtenant shall keep, observe and perform or cause to be kept, observed and performed, faithfully all those terms, covenants, and condition of Tenant under the Lease with respect to the Subleased Premises. Tenant has no liability whatsoever to Subtenant for the performance of Landlord's obligations under the Lease, and Subtenant agrees to look solely to Landlord for such performance. However, at Subtenant's request, at Subtenant's sole cost and expense (including, without limitation, attorneys' fees and costs), so long as there exists no default by Subtenant under this Sublease, Tenant shall enforce the obligations of Landlord under the Lease.

10. **STATUS OF LEASE.** Tenant represents and warrants that as of the date of this Sublease, the Lease is in full force and effect and, to the best of Tenant's actual knowledge, there is no default by Landlord or Tenant under the Lease. EXCEPT AS STATED IN THIS SECTION, NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS SUBLEASE, TENANT MAKES NO, AND DISCLAIMS ANY, REPRESENTATIONS OR WARRANTIES CONCERNING THE LEASE OR THE CONDITION OF THE SUBLEASED PREMISES OR THEIR FITNESS FOR ANY PARTICULAR USE.

11. **INDEMNIFICATION.** Subtenant shall indemnify Tenant against any expense, loss or liability paid, suffered or incurred as the result of any breach by Subtenant, Subtenant's agents, servants, employees, customers, visitors or licensees, of any covenant or condition of this Sublease, or as the result of Subtenant's use or occupancy of the Subleased Premises, or any and all carelessness, negligence, improper conduct, intentional acts and/or tortuous and/or illegal conduct of Subtenant, Subtenant's agents, servants, employees, customers, visitors or licensees. Subtenant's liability under this Sublease extends to the acts and omissions, whether intentional or unintentional, of any person holding any part of the Subleased Premises under Subtenant and any agent, servant, customer, employee, visitor, or licensee of any such other person.

12. **INSURANCE.**

12.1 Subtenant, at all times during the Term, shall keep in full force and effect the policy or policies of insurance with respect to the Subleased Premises and Subtenant's business as are required of Tenant pursuant to Section 6 of the Lease. Such policies shall provide that both Landlord and Tenant are additional insureds thereunder.

12.2 Subtenant shall deliver to Tenant certificates of such insurance on or before the Commencement Date, and thereafter certificates of renewal thereof not less than five (5) days prior to the expiration of any such policy.

13. **DEFAULTS.** If Subtenant shall default with respect to any of its obligations and duties contained in this Sublease, Tenant shall have all of the rights and remedies accorded to Landlord under the Lease. Tenant may also use all lawful means available to terminate this Sublease, re-enter and take possession of the Subleased Premises, and remove all persons and their property from the Subleased Premises so as to recover at once full and exclusive possession of the Subleased Premises, whether in possession of Subtenant or of third persons, or vacant, without such re-entering and taking of possession of the Subleased Premises affecting the rents to be paid and the covenants to be kept by Subtenant under this Sublease for the full Term. Tenant may also perform any act required to be performed by Subtenant under this Sublease, without waiving or releasing Subtenant from any of its obligations relative thereto; provided that all sums paid or costs incurred by Tenant in so performing such acts, together with reasonable attorneys' fees and costs and interest thereon at a rate per annum equal to the lesser of eighteen percent (18%) and the maximum rate permitted by law, from the date each such payment was made or such cost incurred by Tenant, shall be payable by Subtenant to Tenant upon demand. Any amount required to be paid by Subtenant under this Sublease, and not timely paid, shall incur a late fee (in addition to any late fee charged by Landlord) to be paid directly to Tenant in the amount of five percent (5%) of the amount not timely paid. Any amounts due from Subtenant under this Sublease and not paid within thirty (30) days of the date due shall bear interest at the rate per annum equal to the lesser of eighteen percent (18%) and the maximum rate permitted by law..

14. **QUIET ENJOYMENT.** Tenant covenants and agrees with Subtenant that, upon Subtenant paying the Annual Rent and observing and performing all the terms, covenants and conditions of this Sublease on Subtenant's part to be observed and performed, Subtenant may peaceably and quietly enjoy the Subleased Premises during the Term in accordance with the terms, covenants and conditions of this Sublease. Notwithstanding the foregoing, Subtenant will keep the Subleased Premises in orderly repair and allow the Subleased Premises to be shown to prospective tenants at any time without notice. Tenant shall use its best efforts to procure from Landlord a consent to this Sublease. If Tenant is unable to procure such written consent on or before ten (10) days from execution below, then either party shall have the right on written notice to the other party to cancel this Sublease, in which event the parties hereto shall be relieved of all obligations hereunder.

15. **NOTICES.** Any notice, demand or other communication which must or may be given or made by either party hereto shall be in writing and shall be given or made by hand delivery, or by mailing the same by registered or certified mail, postage prepaid, addressed:

In the case of Tenant to:

In the case of Subtenant to:

16. **NO BROKER.** Subtenant hereby represents to Tenant that Subtenant has dealt with no broker in connection with this Sublease. Subtenant agrees to indemnify and hold Tenant harmless from all claims of any brokers claiming to have represented Subtenant in connection with this Sublease.

17. **GENERAL PROVISIONS.**

17.1 **Benefit and Burden.** The covenants, conditions, agreements, terms and provisions herein contained shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective personal representative, successors, heirs, executors, administrators, and assigns.

17.2 **Entire Agreement.** This Sublease contains the final and entire agreement between the parties hereto, and they shall not be bound by any terms, statements, conditions and representations, oral or written, express or implied, not herein contained.

17.3 **Conflicts Between This Sublease and the Lease.** With respect to the relationship between Tenant and Subtenant, the terms and conditions of this Sublease shall take precedence with respect to any conflict between the terms and conditions contained herein and the terms and conditions of the Lease. Nothing herein shall be construed in any way to affect the rights and obligations of Tenant and Landlord.

17.4 **Captions.** The captions throughout this Sublease are for convenience of reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope of intent of this Sublease, nor in any way effect this Sublease.

17.5 **Counterparts.** This Sublease may be executed in several counterparts, but all counterparts shall constitute by one and the same instrument.

17.6 **Law.** This Sublease and the performance hereunder shall be governed, construed and interpreted according to the laws of the State of Minnesota.

18. **ASSIGNMENT.** Subtenant may not assign or transfer its interest in this Sublease, or sub-sublet part or all of the Subleased Premises. Tenant shall have the right at any time to transfer Tenant's interest in the Lease or the Subleased Premises without Subtenant's consent. In the event of any transfer of Tenant's interest in the Lease or Subleased Premises, by assignment or otherwise, Tenant shall be automatically relieved

of any and all obligations on the part of Tenant accruing from and after the date of such transfer.

IN WITNESS WHEREOF, Tenant and Subtenant have each executed this Sublease on the day and year first hereinabove written.

TENANT:

SW METRO INTERMEDIATE
DISTRICT #288

SUBTENANT:

INDEPENDENT SCHOOL DISTRICT
NO. 720

By: Ben Fell

By: _____

Its: Executive Director of Business Services

Its: _____

Date: 8/4/21

Date: _____

Brijan Drose

Drozd