Hopkins School Board Workshop
Eisenhower Community Center — Boardroom
June 18, 2019 — 5 p.m.

I. Lease Agreement for Storage Facility  J. Toop

II. Contract — K12 Transportation  J. Toop
   (Special Education routing, planning, and training)

III. Board Control of Extracurricular Activities  J. Toop
Report to the School Board

Storage Facility Lease Agreement
June 18, 2019
Report Prepared by John Toop, Director of Business Services

Overview
On May 15, 2018 a short-term lease agreement (5/15/18 – 9/30/19) under $50,000 for approximately 5,500 square feet of storage space was signed with SOS Properties, due to the impending flexible seating furniture initiative and the need for storage on a temporary basis for IT purchases during the summer. Storage at the building level was also reaching the point of needing additional space for overflow furniture and equipment (mainly desks, tables and chairs).

Storage facility lease agreements are covered under the District’s lease levy property tax. As we have begun the start of the flexible seating furniture initiative, it has become apparent we need more space for incoming deliveries before dispersal to buildings. The district has also explored the possibility of building an additional garage/storage facility on the northwest corner of the Eisenhower property for vehicle storage (T+ buses, District vehicles and District food trucks). This garage/storage facility would not need to be built at this time if we entered into this lease agreement.

Recently, an opportunity has become available to lease the old Hitchin’ Post property located at 350 17th Ave. N in Hopkins. This lease agreement, encompassing 17,585 square feet, would solve the issues of the need for space for the flexible seating furniture initiative, as well as housing our District vehicles. The convenient location is also an advantage for access by District personnel. The Director of Business Services is recommending that we terminate the old lease at its conclusion and enter into a new five-year lease for effective 7/1/19 for this property. An alternative option is to enter into a 2-year lease with an option to extend for an additional two years.
years. This lease also qualifies for property tax lease levy funding. The increased cost of this lease will keep us under our lease levy limit based on revised enrollment projections for FY19-20.

Primary Issues to Consider
The primary issue is whether to approve the storage facility lease agreement with SOS Properties LLC for either a five-year term, or a two-year term with an option to extend for another two years.

Recommendation
That the School Board approves the Storage Facility Lease agreement with SOS Properties, LLC for a five-year term (Option A) or a two-year term with an option to extend for an additional two years (Option B).

Supporting Documents
Letter of Intent to enter into Storage Facility Lease agreement with SOS Properties, LLC five-year term (Option A)
Letter of Intent to enter into Storage Facility Lease agreement with SOS Properties, LLC 2 and 2 term (Option B)
Draft Storage Facility Lease Agreement with SOS Properties
Exhibit A Storage Facility Floor Plan
Exhibit B Sworn Construction Statement
SOS PROPERTIES, LLC

May 6, 2019

HOPKINS SCHOOL DISTRICT #270
1001 HIGHWAY 7
Hopkins, MN 55305

RE: 350 17TH AVE NORTH
HOPKINS, MN 55343

We are pleased to present the following proposal to lease the above referenced property to the Hopkins School District #270 (“Tenant”):

LOCATION AND SIZE OF PREMISES: 350 17th Ave N Hopkins, Minnesota 55343, consisting of approximately 17,585 square feet.

TENANT: Hopkins School District #270

LEASE TERM: Sixty (60) months, commencing July 1st, 2019.

RENT PROVISIONS: $13,882.67 per month, Total Rent.

OPERATING EXPENSES: $2.97 PSF Included in the Total Rent Amount

OCCUPANCY: With substantial completion of both Landlord’s and Tenant Improvements.

TENANT IMPROVEMENTS: Landlord & Tenant agree to Exhibit A & C of the building improvements.
PARKING: Landlord shall provide Tenant with exclusive parking throughout the term of the lease.

SIGNAGE: Landlord shall provide Tenant with a standard suite entry sign and building directory identification signage, at the cost of $0.00 per month. All signage shall be subject to the sign criteria of the building and city of Hopkins.

FIRST MONTH’S RENT & SECURITY DEPOSIT: Upon lease execution, Tenant shall provide Landlord with the First (1st) month’s rent and a security deposit equal to last month’s rent.

BROKERAGE COMPENSATION: N/A

LETTER OF INTENT EXPIRATION: This proposal shall remain valid until May 31st, 2019 at 5:00 p.m.

Landlord and Tenant acknowledge that this proposal is not a lease, and that it is intended as the basis for the preparation of a lease by Landlord. The lease shall be subject to Landlord’s and Tenant’s approval, and only a fully executed and delivered lease shall constitute a legally binding lease for said property.

If any party to this Agreement shall institute any legal action against any other party to this Agreement the prevailing party, whether in court or by way of out-of-court settlement, shall be entitled to recover from the non-prevailing party such prevailing party’s attorney’s fees, court costs, expert witness fees and/or other expenses relating to such controversy, including attorney’s fees, court costs and/or other expenses on appeal, if any.

Should you have any questions please call me at the contact info below.

Sincerely,

Samuel Stiele
SOS Properties, LLC
3260 Gorham Ave #100
St. Louis Park, MN 55426

Mobile: 952-240-7907
Email: Stieleinc@yahoo.com
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We are pleased to present the following proposal to lease the above referenced property to the Hopkins School District #270 ("Tenant"):  

**LOCATION AND SIZE OF PREMISES:** 350 17th Ave N Hopkins, Minnesota 55343, consisting of approximately 17,585 square feet.

**TENANT:** Hopkins School District #270

**LEASE TERM:** Twenty-Four (24) months, commencing July 1st, 2019. With an additional Twenty-Four (24) month option with written notice.

**RENT PROVISIONS:** $14,807.52 per month, Total Rent Year 1 of Term.  
$14,983.37 per month, Total Rent Year 2 of Term.

**OPERATING EXPENSES:** $2.97 PSF Included in the Total Rent Amount

**OCCUPANCY:** With substantial completion of both Landlord’s and Tenant Improvements.

**TENANT IMPROVEMENTS:** Landlord & Tenant agree to Exhibit A & C of the building improvements
**PARKING:**  
Landlord shall provide Tenant with exclusive parking throughout the term of the lease.

**SIGNAGE:**  
Landlord shall provide Tenant with a standard suite entry sign and building directory identification signage, at the cost of $0.00 per month. All signage shall be subject to the sign criteria of the building and city of Hopkins.

**FIRST MONTH’S RENT & SECURITY DEPOSIT:**  
Upon lease execution, Tenant shall provide Landlord with the First (1st) month’s rent and a security deposit equal to last month’s rent.

**BROKERAGE COMPENSATION:**  
N/A

**LETTER OF INTENT EXPIRATION:**  
This proposal shall remain valid until June 20th, 2019 at 5:00 p.m.

Landlord and Tenant acknowledge that this proposal is not a lease, and that it is intended as the basis for the preparation of a lease by Landlord. The lease shall be subject to Landlord’s and Tenant’s approval, and only a fully executed and delivered lease shall constitute a legally binding lease for said property.

If any party to this Agreement shall institute any legal action against any other party to this Agreement the prevailing party, whether in court or by way of out-of-court settlement, shall be entitled to recover from the non-prevailing party such prevailing party’s attorney’s fees, court costs, expert witness fees and/or other expenses relating to such controversy, including attorney’s fees, court costs and/or other expenses on appeal, if any.

Should you have any questions please call me at the contact info below.

Sincerely,

Samuel Stiele  
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St. Louis Park, MN 55426

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LEASE AGREEMENT

This Lease Agreement ("Lease") is entered into as of July 1st, 2019, by and between SOS Properties LLC, a Minnesota Limited Liability Company, located at, 3260 Gorham Ave, St Louis Park, MN 55426 Suite #100 ("Landlord") and Hopkins School District #270, located at 1001 Highway 7, Hopkins, MN 55305 ("Tenant").

1. Definitions:

Landlord and Tenant agree that the following capitalized terms, when used herein shall, unless the context otherwise requires, have the following meanings:

1. "Premises" means 17,585 rentable square feet (15,594 of Warehouse and 1,991 of Office Space) and the entire premises of the Building, as depicted on Exhibit A attached and incorporated hereto.

2. "Base Rent" means $6.00 per rentable square foot including a 2% annual Cost of Living increase in Base Rent only.

7/1/19-6/30/20 Total Annual $105,510.00 Monthly Total $8,792.50

3. "Operating Costs" means all costs, charges and expenses incurred by Landlord in connection with the Landlord's ownership, operation, security, maintenance, and repairs for the Property.

4. "Tenant's Share of Operating Costs" means $2.97 per rentable square foot.

7/1/19-6/30/20 Total Annual $52,227.45 Monthly Total $4,352.29

5. "Construction" Landlord will construct the tenant improvements ("Tenant Improvements") in accordance with the schedule contained in Schedule B attached hereto. Landlord’s maximum actual out of pocket costs for the Tenant Improvements and the acquisition of the land comprising the Project shall not exceed One Hundred Seventy-Three Thousand Three Hundred and Eighty-Nine Dollars and Eighty-Nine Cents ($173,389.89) (the "Landlord's Maximum"). Tenant shall contribute Thirty-Seven Thousand and Forty-Three Dollars and Fifty Cents ($37,043.50) ("Tenant Contribution") towards the Tenant Improvement costs and Landlord will accept Tenant Contribution to be included in their monthly rent payments Amortized over 5 years at 7.25% making the monthly principal and interest payment is equal to $737.88. Tenant and Landlord shall share construction costs associated with the Tenant Improvements Fifty-Fifty (50%-50%) that are in excess of the Landlord’s "Vanilla Shell" Maximum.

6. "Rent" means total of Tenant's Share of Operating Costs, Base Rent, and Tenant Improvement contribution.

The Rent for each month of the Term is $13,882.67.

7. "Commencement Date" means July 1, 2019, unless adjusted pursuant to Section 3 below, which is also the first day of the Term.

8. "Term" means the Commencement Date through June 30, 2024, as extended or sooner terminated pursuant to this Lease.
9. **Extension Options** – Upon 60 day written notice to Landlord, before the first term expires (June 30th, 2024), Tenant shall have an option for another 60 Month (5-Year) Term. No holdover clause during this period shall be in effect.

10. **Building** means the building located at 350 17th Ave North, Hopkins, Minnesota 55343, located on the Property.

11. **Property** means Unplatted 23 117 22 that part of SE ¼ of NE ¼ lying, Hennepin County, Minnesota.

12. **Common Area** is defined for all purposes of this Lease as that part of the Property intended for the common use of all tenants, including among other facilities, the ground floor lobby, elevator lobbies, and hallways on multitenant floors, parking areas, private streets and alleys, landscaping, curbs, loading areas, sidewalks, malls and promenades, lighting facilities, drinking fountains, meeting rooms, public toilets, and the like, but excluding: (i) space in buildings (now or hereafter existing) designated for rental for commercial purposes, as the same may exist from time to time (ii) streets and alleys maintained by a public authority and (iii) areas leased to a single-purpose user where access is restricted.

13. **Environmental Law** means any and all federal, state or local statutes, ordinances, rules, regulations, standards, policies, or other requirements relating to pollution or protection of human health and safety and the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended by SARA, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Air Act, and the Clean Water Act and any similar law of the state, county or city in which the Property is located.

14. **Permitted Use** means the storage of supplies, furniture, and equipment related to Tenant’s business. Also for the assembly and staging of furniture and equipment.

2. **Premises:**

   Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises subject to and upon all of the terms, covenants and conditions set forth herein.

3. **Possession:**

   Landlord will turn over exclusive possession of the Premises to Tenant on the Commencement Date. If Landlord is delayed in delivering possession of all or any portion of the Premises to Tenant on the Commencement Date, Tenant will take possession of the Premises on the date when Landlord delivers possession of all of the Premises, which date will then become the Commencement Date, and the last day of the term will be extended so that the length of the Term remains the same. If the extended Term would end on a day other than the last day of a month, the Term will be further extended to the last day of the month in which the Term ends.

   This Lease will not be void or voidable and Landlord will not be liable to Tenant for any loss or damage resulting from any delay in delivering possession of the Premises to Tenant, but unless the delay is principally caused by or attributable to Tenant, its employees, agents or contractors, no Rent will be due for the period prior to the date Landlord delivers possession of the Premises, unless Tenant elects to take possession of a portion of the Premises, in which case Rent will be due for the portion of the Premises taken. Tenant’s occupancy of the Premises will constitute Tenant’s acceptance of the Premises.
If Tenant pays the Rent and performs all of Tenant’s obligations under this Lease, Landlord promises that Tenant may peaceably and quietly possess and enjoy the Premises under this Lease.

4. **Rent:**

Tenant will pay Rent to Landlord at the address for Landlord set forth in the first paragraph of this Lease, or such other place as Landlord may designate, in advance on or before the Commencement Date and on or before the first day of each month during the Term, without demand, deduction or setoff. Rent will begin on the Commencement Date. If the Term begins on a day other than the first day of a month, the Rent installment for that month will be prorated by multiplying the Rent installment for such month by the number of days of such month included in the Term and dividing the product by the number of days in that month.

Any Rent payable by Tenant to Landlord under this Lease which is not paid within 10 days after the date due will bear interest from the date due to the date paid at the rate of 18% per annum or the maximum rate of interest permitted by law, whichever is less, and the interest will be paid to Landlord on demand. In addition, Tenant will pay Landlord a $100 service charge for all Rent not paid by the 10th day of the month for which it is payable, which service charge is to partially cover expense involved in handling delinquent payments. All amounts to be paid by Tenant to Landlord under this Lease will be deemed to be additional rent for purposes of payment and collection.

If any taxes, special assessments, fees or other charges are imposed against Landlord by any governmental unit or agency with respect to rentals under this Lease, Tenant will pay these amounts to Landlord when due, except that Tenant will have no obligation to pay any income tax on rentals unless the tax is imposed in lieu of real estate taxes.

5. **Utilities:** Electric and Gas are metered for your space and in tenant’s name.

6. **Use:**

Tenant will use the Premises for the Permitted Use and for no other purpose. Tenant will not commit or permit any act or omission which results in the violation of any law, governmental regulation, or insurance policy of Landlord, relating to the Building, or which will increase Landlord’s insurance rates on the Building. Tenant will not permit any conduct or condition which may unduly disturb or endanger other occupants of the Building. Tenant shall also be entitled to the non-exclusive use of the Common Area.

7. **Care of Premises:**

Throughout the Term, Tenant shall, at Tenant’s sole cost and expense, take good care of the Premises, the fixtures, appurtenances and installations now and/or hereafter therein contained, and shall put and keep the same in good order, condition and repair, and shall make all repairs thereto. When used in this Lease, the term “repairs” shall include all replacements, renewals, alterations, additions and betterments, when necessary and appropriate. All repairs shall be equal in quality and class to the original work. Tenant shall keep the Premises adequately heated and air conditioned. Except as otherwise specified in this section, Landlord shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Premises.

Landlord shall otherwise maintain and operate the Building and the Common Area, including, but not limited to: (a) repair, maintenance and replacement of all structural elements of the Building and all mechanical, plumbing, and electrical systems installed in the Building; (b) heating, ventilating and air conditioning of the Building and Common Area during business hours at temperatures and in amounts as may be reasonably required for the comfortable use and occupancy under tenant’s normal business operations; (c) repair, maintenance and replacement of passenger elevators for access to and from any
floor(s) on which the Premises is located (if any); (d) repair and maintenance of toilet facilities in the Common Area; (e) electric lighting in Common Area (including outdoor lighting); (f) maintenance and repair of improved parking areas (including paving, repaving, striping, and restriping); (g) snow removal in the improved parking and pedestrian areas; and (h) trash and debris removal from the Common Area.

8. **Common Area:**

Tenant shall be entitled to the non-exclusive use of the Common Area. Landlord reserves the right to change from time to time the dimensions and location of the Common Area, as well as the dimensions, identities, locations and types of any buildings, signs or other improvements in Property; provided, however, that such changes shall not materially interfere with Tenant's use of the Premises. For example, and without limiting generality of the immediately preceding sentence, Landlord may from time to time substitute for any parking area other areas reasonably accessible to the tenants of the Building, as applicable, which areas may be elevated, surface or underground. Tenant, and its employees and customers, and when duly authorized pursuant to the provisions of this Lease, its subtenants, licensees and concessionaires, shall have the nonexclusive right to use the Common Area (excluding roofs) as constituted from time to time, such use to be in common with Landlord, other tenants in the Building and other persons permitted by the Landlord to use the same and subject to the rights of governmental authorities, easements, other restrictions of record, and such reasonable rules and regulations governing use as Landlord may from time to time prescribe. For example, and without limiting the generality of Landlord’s ability to establish rules and regulations governing all aspects of the Common Area, Tenant agrees as follows:

(i) Tenant shall not solicit business within the Common Area nor take any actions which would interfere with the rights of other persons use of the Common Area;

(ii) Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to make repairs or alternations or to prevent the public from obtaining prescriptive rights; and

(iii) With regard to the roof(s) of the building(s) in the Property the use of the roof(s) is reserved to the Landlord, or with regard to any tenant demonstrating to Landlord’s satisfaction a need to use same, to such tenant after receiving prior written consent from Landlord.

9. **Building Rules:**

Rules and Regulations for the Premises and the Building in effect on the date of this Lease are attached as Exhibit C. Landlord will have the right to adopt different or additional reasonable rules and regulations, and to rescind or amend the attached rules and regulations from time to time. Tenant shall at all times abide by the rules and regulations then in force and will cause Tenant's employees to observe and comply with such rules and regulations, failing which Tenant shall be deemed in default if such non-observance or non-compliance shall continue beyond any cure period set forth in Section 22 below.

10. **Compliance with Laws:**

Throughout the Term Tenant shall, at Tenant's sole cost and expense, promptly remove of record any and all violations noted or filed against the Premises, shall correct all conditions constituting violations, and shall promptly comply with all present and future laws, ordinances, orders, rules, regulations, requirements and directives of all federal, state and municipal governments, departments, commissions, boards and officers, and all orders, rules and regulations of the National Board of Fire Underwriters, or any other body or bodies exercising similar functions, foreseeable or unforeseen, ordinary as well as extraordinary, which may be applicable to the Premises, or to the use or manner of use of the Premises, or to the owners, tenants or occupants thereof. Tenant shall likewise at Tenant's sole expense observe and comply with the requirements of all policies of public liability and casualty insurance, and all other
policies of insurance at any time in force with respect to the Premises, and Tenant shall, if there is any violation or any attempted violation of the provisions of this Section by any subtenant, space tenant or occupant, take all required steps, immediately upon knowledge of such violation or attempted violation, to remedy or prevent the same, as the case may be.

11. **Alterations:**

Tenant has investigated the Premises to Tenant's satisfaction and has had the benefit of a full physical inspection thereof; and Tenant represents that it is fully familiar with the physical condition and state of repair of the Premises. Tenant accepts the Premises and all appurtenances thereto "as is", in their present condition and state of repair, subject to reasonable wear and tear, without any representation or warranty, express or implied, having been made by Landlord or by any person on Landlord's behalf with respect thereto and without any obligation on the Landlord to make any improvements thereto. Landlord will have no obligation to do any redecorating or remodeling or to make any repairs or alterations. Tenant will not make any alterations, additions or improvements in or to the Premises without first obtaining the written consent of Landlord, which Landlord may grant or withhold in Landlord's sole discretion. Tenant will obtain Landlord's prior written approval of any contractor or subcontractor who is to perform work on the Premises at Tenant's request. Landlord may require Tenant to post a bond, cash or other security to protect the Premises from mechanic's liens. All alterations by Tenant will be constructed with new materials, in a good and workmanlike manner, and in compliance with the plans and specifications approved by Landlord and all applicable laws, ordinances, rules, orders, regulations, or other requirements of governmental authorities. Tenant will pay for any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to Tenant in or about the Premises, and will pay and discharge any mechanic's, materialmen's or other lien against the Premises resulting from Tenant's failure to make such payment or will contest the lien and deposit with Landlord cash equal to 150% of the amount of the lien. If the lien is reduced to final judgment, Tenant will discharge the judgment and Landlord will return the cash deposited by Tenant. Landlord may post notices of non-responsibility on the Premises as provided by law.

All alterations, additions and improvements to the Premises made at Landlord's or Tenant's expense, except movable office furniture and Tenant's movable trade fixtures and equipment, will become the property of Landlord upon installation and will be surrendered with the Premises upon termination of this Lease unless Landlord elects otherwise, in writing, in accordance with Section 13 below.

12. **Signs:**

Tenant will not, without Landlord's written permission, place or permit any other signs on the exterior or windows of the Building, or within the Premises if visible from the exterior of the Building or other Common Area. At Landlord's cost, Landlord shall install lettering and numerals for identification purposes on or near doorways, using building standard materials.

13. **Surrender:**

Upon termination of this Lease, whether by reason of lapse of time, forfeiture or otherwise, Tenant shall immediately surrender possession of the Premises and all fixtures and improvements then on the same to Landlord in good order, condition and repair, ordinary wear and tear and loss by insured casualty with effective waiver of subrogation excepted, and all fixtures and improvements on the Premises shall, at Landlord's option, become the property of Landlord without any obligation on the part of Landlord to compensate Tenant therefor. If possession is not immediately surrendered, Landlord, with or without process of law, may re-enter the Premises and repossess the same or any part thereof and expel and remove therefrom, using all legal means, all persons and property without being deemed guilty of any unlawful act or liable for damages by reason of such re-entry for forfeiture and without prejudice to any other legal remedy available to Landlord. Notwithstanding such re-entry by Landlord or any termination
or forfeiture under this Lease, the liability of Tenant for the Rent provided for herein shall continue for the balance of the Term. Tenant will pay, in addition to the Rent and other sums agreed to be paid hereunder, actual reasonable attorneys' fees for enforcing the provisions of this Lease and collecting the Rent due Landlord hereunder, whether or not suit is commenced.

Except as expressly provided herein, all alterations, improvements, additions, changes or repairs shall be provided by and paid for by Tenant at its sole expense, but shall become the property of Landlord and shall be surrendered with the Premises upon termination of this Lease; provided, however, that Landlord may, by written notice to Tenant as provided in Section 27 of this Lease, require Tenant, at Tenant's sole cost and expense, to remove any or all improvements, alterations, additions or fixtures installed or made by Tenant on or to the Premises and to repair any damages to the Premises caused by such removal.

14. **Holding Over by Tenant:**

(Intentionally removed from Lease Agreement)

15. **Insurance:**

Tenant, at Tenant's sole cost and expense, shall for the benefit of Tenant and Landlord maintain the following insurance: (a) insurance against claims for personal injury or property damage under policies of comprehensive general public liability insurance written on an occurrence basis and including contractual liability coverage applicable to this Lease, with such limits as Landlord may reasonably request from time to time, but in no event less than $1,000,000 single limit coverage; (b) property insurance on an “all risk” basis (including sprinkler leakage, if applicable) for the full replacement cost of all of Tenant's business personal property located at the Premises and of such additions, improvements and alterations to the Premises that Tenant repairs or replaces, and for Tenant's use interest in Tenant's improvements and betterments to the Premises that are made by Tenant but which Tenant is not permitted to remove; and (c) worker's compensation and insurance in limits at least as required by law. Tenant agrees that no required policy shall be cancelled or revised to result in noncompliance with these insurance requirements except upon fifteen (15) days' prior notice provided by Tenant to Landlord, and that the insurers of such required policies will waive their rights of subrogation against Landlord. All policies required under this Section shall be carried in such companies and upon such forms as Landlord and Landlord's mortgagee hereto from time to time approve; provided, that such approval shall not be unreasonably withheld, delayed or conditioned. All policies, or certificates thereof, required to be furnished hereunder shall be deposited with the Landlord prior to the Commencement Date, and renewals thereof, or as soon thereafter as is reasonably practicable, and following receipt of Landlord's written request to do so, evidence of the payment of premium to continue coverage in force shall all be deposited with Landlord.

16. **Indemnification:**

Tenant shall defend, indemnify and save Landlord harmless against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable architects' and attorneys' fees (collectively, “Costs”), which may be imposed upon, incurred by or asserted against Landlord by reason of any of the following occurring during the Term:

1. Any work or thing done in, on or about the Premises or any part thereof, by Tenant or any sublessee, licensee or other occupant thereof, and any work or thing done in or about the Premises by Landlord by reason of Tenant's failure to do or perform any act or thing required by Tenant under this Lease;

2. Any use, non-use, possession, occupation, condition, operation, maintenance or management of the Premises or any part thereof;
(3) Any negligence or willful misconduct on the part of Tenant or any subtenant, licensee or any other occupant of the Premises, or any of its or their agents, contractors, servants, employees, licensees or invitees;

(4) Any accident, injury or damage to any person or property occurring in, on or about the Premises; or

(5) Any failure on the part of Tenant to keep, observe or perform any of the terms contained in this Lease.

In case any action or proceeding is brought against Landlord by reason of such Costs, Tenant, upon written notice from Landlord, shall at Tenant's expense resist or defend such action or proceeding by counsel approved by Landlord in writing. Tenant's obligations under this Section shall survive the cancellation or termination of this Lease.

Landlord shall defend, indemnify and save Tenant harmless against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable architects' and attorneys' fees imposed upon, or incurred by, Tenant arising out of Landlord's negligence or willful misconduct with respect to Landlord's obligations and responsibilities for the Common Area or the Building under the Lease. In case any action or proceeding is brought against Tenant by reason of such costs, Landlord, upon written notice from Tenant, shall at Landlord's expense resist or defend such action or proceeding by counsel approved by Tenant in writing. Landlord's obligations under this Section shall survive the cancellation or termination of this Lease.

17. Waiver of Claims and Assumption of Risks:

Tenant hereby expressly releases Landlord, its officers, servants, agents or employees from any claim or cause of action for any loss or damage whatsoever to the Premises or Tenant's property therein or business conducted therefrom arising out of any negligence or alleged negligence of the Landlord, its officers, servants, agents or employees resulting in any fire, smoke, explosion or other insurable perils in the Building or Premises. It is the intention of the parties that the Tenant shall look only to its insurance carrier, if any, for payment of such loss. This shall apply specifically, but not exclusively, to damages caused by sprinkling devices, heating and air conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odor or noise, or the bursting or leaking of pipes, plumbing fixtures or the roof or walls of the Building.

No abatement, diminution or reduction of the Rent or other charges required to be paid by Tenant pursuant to the terms of this Lease, shall be claimed by, or allowed to, Tenant for any inconvenience, interruption, cessation or loss of rents, or for any other damage or injury caused directly or indirectly by, or resulting from any present or future laws, rules, requirements, orders, directives, ordinances or regulations of the United States or any state, county, municipal or other local government, or of any other governmental board, body, agency or authority whatsoever, or by priorities, rationing or curtailing of labor or materials, or by war, civil commotion, lockouts, strikes or riots, or any matter or thing resulting therefrom, or by any other cause of causes beyond the control of Landlord, nor shall this Lease be affected by any such causes or events.

Landlord hereby expressly releases Tenant, its officers, servants, agents or employees from any claim or cause of action for any loss or damage whatsoever to the Building or the Common Area or Landlord's property therein or business conducted therefrom arising out of any negligence or alleged negligence of Tenant, its officers, servants, agents or employees resulting in any fire, smoke, explosion or other insurable perils in the Building or Common Area. It is the intention of the parties that the Landlord shall look only to its insurance carrier, if any, for payment of such loss.
18. **Hazardous Substances:**

Tenant covenants, represents and warrants to Landlord, its successors and assigns, that it has not used or permitted and will not use or permit the Premises to be used, whether directly or through contractors, agents or tenants, for the generating, transporting, treating, storage, manufacture, emission or disposal of any Hazardous Substance without the prior written consent of Landlord (which Landlord shall not unreasonably withhold as long as Tenant demonstrates to Landlord's satisfaction that such Hazardous Substance is necessary or useful to Tenant's business and will at all times be used, kept, stored and disposed of in a manner that complies at all times with all Environmental Laws and such storage will not create an undue risk to other tenants of the Building, giving consideration to the nature of the Building). Tenant agrees to indemnify and reimburse the Landlord, its successors and assigns, for any breach of these representations and warranties and from any loss, damage, expense or cost arising out of or incurred by Landlord which is the result of a breach of, misstatement of or misrepresentation of the above covenants, representations and warranties, together with all attorneys' fees incurred in connection with any action brought by or against the Landlord arising out of the above. These covenants, representations and warranties shall be deemed continuing covenants, representations and warranties for the benefit of the Landlord, and any successor and assigns of the Landlord, including any subsequent owner of the Building and shall survive termination of this Lease. The amount of such indemnified loss, damage, expense or cost shall bear interest thereon at the lesser of (i) 18% per annum or (ii) the maximum rate permitted by law and shall become immediately due and payable in full on demand of the Landlord, its successors and assigns.

19. **ADA Compliance:**

Except as may be provided elsewhere in this Lease, Tenant covenants, represents and warrants to Landlord, its successors and assigns, that Tenant shall be responsible for maintaining the Premises in compliance with the Americans with Disabilities Act of 1990 ("ADA") and with any other federal, state or local statute or regulation as each may have been amended from time to time, pertaining to providing access to the Premises to persons with disabilities or to the removal of existing barriers to access to the Premises by such individuals and that any future modifications/additions to the Premises will comply with the ADA and all other federal, state or local laws, statutes, regulations or ordinances of similar nature. Notwithstanding the foregoing, and unless otherwise agreed, Tenant shall not be responsible for maintaining ADA compliance with respect to any Common Area, the Building, or the Property. Tenant agrees to indemnify and reimburse Landlord, its successors and assigns, for any breach of these representations and warranties and for any and all expense, cost, loss or liability, including attorneys' fees, which Landlord may incur as the result of a breach, misstatement of or misrepresentation of such covenants, representations and warranties or in connection with the application or enforcement, threatened or actual, of any federal, state or local law statute, regulation or ordinance, including the ADA, as a result of such breach. These covenants, representations and warranties shall be deemed continuing covenants, representations and warranties for the benefit of the Landlord, and any successor and assigns of the Landlord, including any subsequent owner of the Premises and shall survive any termination of this Lease. The amount of all such indemnified loss, damage, expense or costs shall bear interest thereon at the lesser of (i) 18% per annum or (ii) the maximum rate permitted by law, and shall become immediately due and payable in full on demand of the Landlord, its successors and assigns.

Landlord represents and warrants that as of the Commencement Date, the Premises is in compliance with the ADA and with any other federal, state or local statute or regulation as each may have been amended from time to time. Landlord agrees to indemnify and reimburse Tenant, its successors and assigns, for any breach of these representations and warranties and for any and all expense, cost, loss or liability, including attorneys' fees, which Tenant may incur as the result of a breach, misstatement of or misrepresentation of such covenants, representations and warranties or in connection with the application
of or enforcement, threatened or actual, of any federal, state or local law statute, regulation or ordinance, including the ADA, as a result of such breach. These covenants, representations and warranties shall be deemed continuing covenants, representations and warranties for the benefit of the Tenant, and any successor and assigns of the Tenant, including any subsequent owner of the Premises and shall survive any termination of this Lease. The amount of all such indemnified loss, damage, expense or costs shall bear interest thereon at the lesser of (i) 18% per annum or (ii) the maximum rate permitted by law and shall become immediately due and payable in full on demand of the Tenant, its successors and assigns. Landlord's obligations under this Section shall survive the cancellation or termination of this Lease.

20.  **Casualty:**

Notwithstanding any provisions of this Lease to the contrary, if the Premises or any portion of the Common Area or material portion of the Building are damaged or destroyed by fire or other casualty so as to make the same untenantable or less usable, whether or not covered by insurance, this Lease shall terminate at Landlord's option, which option Landlord shall exercise by written notice to Tenant. If Landlord shall not terminate this Lease, then the Base Rent accruing after the occurrence of the destruction or damage shall be equitably and proportionately suspended and adjusted according to the nature, extent and duration of the destruction or damage.

21.  **Condemnation:**

If the entire Premises are condemned or taken through or under the power of eminent domain, or if such a material portion of the Premises, Building or Common Area is so taken that in the opinion of Landlord the restoration of the remaining portions of the Premises, Building or Common Area for the uses thereof at the time of such partial taking is economically unfeasible, this Lease and the Term hereof shall cease and terminate upon the date of the vesting of title in the condemning authority, and all Rent hereunder shall be apportioned to such date of termination. Landlord shall be entitled in such event to receive the entire award for the real property so taken or condemned which may be made in such condemnation proceeding; and Tenant shall not be entitled to receive any portion thereof. Tenant hereby assigns and transfers to Landlord any and all claims to such award and waives and relinquishes any right to make any claim for an award for the value of this Lease, or otherwise; provided, however, that Tenant shall be permitted to make separate claims for Tenant's own trade fixtures and equipment, and for relocation expenses and allowances, to the extent that any resulting awards to Tenant would not be directly deducted from or would not indirectly reduce the award made to Landlord for such condemnation, and Tenant's claims shall be limited accordingly.

22.  **Assignment and Subletting:**

Tenant shall not sell, assign, mortgage, pledge or in any manner transfer this Lease or any estate or interest thereunder, nor sublet the Premises or any part or parts thereof, without the prior written consent of Landlord in each instance, which consent may be refused in Landlord's sole discretion. If Landlord, or any successor owner of the Premises, shall convey or otherwise dispose of its interest in the Property or Building, or shall assign Landlord's interest in this Lease, then all liabilities and obligations thereafter accruing or maturing on the part of Landlord or any such successor-owner of the Premises, or former holder of Landlord's interest under this Lease, shall cease and terminate without requirement of further instrumentation, and each successor-owner of the Premises, or any interest or estate therein, or holder of Landlord's interests under this Lease, shall be bound by Landlord's covenants and obligations, but only during the respective periods of the ownership by such parties; and Tenant shall continue to be bound by this Lease, and shall recognize the successor to Landlord's interests as the Landlord hereunder. The term "Landlord," as used in this Lease, means only the owner or owners of the Premises, or holder or holders of Landlord's interests under this Lease for the time being, so that in the event of a sale or sales of the Premises, each prior Landlord, and each former owner, shall be and hereby is entirely freed and relieved of and from all covenants and obligations on the part of Landlord thereafter accruing or maturing,
the same to be deemed and construed to have been assumed and agreed to by each successor to Landlord's interests hereunder, for the limited period herein specified.

23. **Default/Remedies:**

There shall be an "event of default" hereunder and the Landlord may immediately terminate this Lease if:

1. Tenant shall fail to pay any installment of Rent on the date due, and if such failure continues for a period of ten (10) days after written notice of such failure from Landlord;

2. Tenant shall fail to perform any of the terms, covenants, conditions and provisions of this Lease on Tenant's part to be performed (other than the covenants for the payment of Rent), and such breach or noncompliance continues for a period of fifteen (15) days after written notice from Landlord, or if such breach or noncompliance cannot reasonably be cured within such fifteen (15) day period, Tenant does not in good faith commence to cure such breach or noncompliance within such fifteen (15) day period or does not diligently pursue the same to completion; or

3. Tenant is adjudicated a bankrupt, makes a general assignment for the benefit of its creditors, or invokes the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy is appointed for Tenant's property and such appointment is not vacated within thirty (30) days.

If an event of default described in this Section shall occur, then at Landlord's option to be exercised by written notice to Tenant, this Lease shall terminate as completely as if the date specified in such notice were the date herein fixed for the expiration of the Term by lapse of time, and Tenant shall then quit and surrender the Premises to Landlord. If this Lease so terminates, it shall be lawful for Landlord, at its option, without formal demand or notice of any kind, to re-enter the Premises by summary dispossess proceedings, or by any other lawful means, and to remove Tenant therefrom without being liable for any damage therefore. notwithstanding such termination, as provided in this Section, and such reentry by Landlord, or if Landlord dispossesses Tenant by summary proceedings, or otherwise, the obligations of Tenant shall survive and Tenant shall remain liable for all of its obligations hereunder for the balance of the Term, and shall reimburse Landlord for all such actual costs and expenses as Landlord may sustain or incur for attorneys', architects' and accountants' fees and disbursements, brokerage, and/or putting the Premises in good order, and for preparing the same for re-rental (including contributions to the cost of tenant alterations and installations and so-called "work-letter" expenses in connection therewith); and Landlord may re-let the Premises, or any part or parts thereof, either in the name of Landlord, or otherwise, as agent for Tenant, on such conditions and for such term or terms as Landlord may deem advisable, if Landlord so elects, which terms may at Landlord's option be less than or exceed the unexpired period which would otherwise have constituted the remainder of the Term, and may grant rent concessions and other credits to the tenants (including credits or allowances to accommodate to the cost of tenant-installations and improvements and so-called "work-letter" commitments in connection therewith), and may charge a greater or lesser rental than that reserved in this Lease; and Tenant or the legal representatives of Tenant shall pay to the Landlord, as liquidated and agreed current damages for the failure of Tenant to observe and perform this Lease, and Tenant's undertakings and obligations hereunder, any deficiency between the Rent hereby reserved and/or covenanted to be paid, including all other charges required to be paid by Tenant hereunder, and the net amounts, if any, of the rents collected on account of such re-lettings of the Premises for each month of the period which would otherwise have constituted the unexpired Term, if this Lease had remained in effect. The failure or refusal of Landlord to re-let the Premises, or any part or parts thereof, shall not release or affect Tenant's liability for Rent and/or damages. In computing such current damages (the "deficiency") there shall be added all such actual costs and expenses as Landlord may sustain or incur in connection with re-letting, such as...
attorneys', architects' and accountants' fees and disbursements, brokerage commissions, advertising expenses, and the cost to keep and maintain the Premises in good order and repair, and to prepare the same for re-letting, including contributions to the cost of tenant alterations and installations, and "work-letter" expenses in connection therewith, if any. Tenant shall pay such deficiency to Landlord monthly, in advance, on the days on which the Rent would have been payable under this Lease if this Lease were still in effect, and Landlord shall be entitled to recover from Tenant each monthly deficiency as the same shall arise or accrue. At any time after any such expiration or termination, whether or not Landlord shall have collected any monthly deficiencies, as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand as and for liquidated and agreed final damages for Tenant's default, an amount equal to the then present worth of the excess of the Rent and other charges reserved under this Lease from the date of such expiration or termination for what would have been the then-unexpired Term if the same had remained in effect.

Landlord, in putting the Premises in good order or preparing the same for re-rental may, at Landlord's option, make such alterations, repairs, replacements, and/or decorations in the Premises as Landlord, in Landlord's sole judgment, considers advisable and necessary for the purpose of re-letting the Premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall in no event be liable or responsible for any failure to re-let the Premises, or any part thereof, or, if the Premises are re-let, for failure to collect any rent due upon any such re-letting, and in no event shall Tenant be entitled to receive any excess, if any, of the total rental collected over the sums otherwise payable by Tenant to Landlord hereunder.

Tenant hereby waives, so far as permitted by law, the service of any notice of intention to enter or re-enter provided for in any statute, or the institution of legal proceedings to that end; and Tenant, for itself, and for and on behalf of any and all persons claiming through or under Tenant (including, but not limited to, any creditors of Tenant, any subtenant, any assignee for the benefit of creditors of either, or, to the fullest extent now or hereafter permitted by law, any receiver or trustee of Tenant or any subtenant, or of the assets of either) also waives any and all rights of redemption or re-entry or repossession or to redeem or restore the operation of this Lease if Tenant is dispossessed by a judgment or by a warrant or order of any court or judge, or case of entry, re-entry, or repossession by Landlord, or in case of any expiration or termination of this Lease. Landlord and Tenant also, so far as permitted by law, hereby waive and will waive any and all right to a trial by jury if summary dispossess proceedings are instituted by Landlord, and in any action, proceeding or counterclaim brought by either Landlord or Tenant against the other on any matters whatsoever arising out of, or in any way connected with this Lease, including, but not limited to, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage. The terms "enter," "re-enter," "entry" or "re-entry," as used in this Lease, are not restricted to their technical legal meanings. Tenant waives any legal requirement for notice of intention to re-enter and any right of redemption otherwise available to Tenant, whether by statute or otherwise.

24. Waiver of Lease Provisions:

No waiver of any provision of this Lease will be deemed a waiver of any other provision or a waiver of that same provision on a subsequent occasion. The receipt of Rent by Landlord with knowledge of a default under this Lease by Tenant will not be deemed a waiver of the default. Landlord will not be deemed to have waived any provision of this Lease by any action or inaction and no waiver will be effective unless it is done by expressed written agreement signed by Landlord. Any payment by Tenant and acceptance by Landlord of a lesser amount than the full amount of all Rent then due will be applied to the earliest amounts due. No endorsement or statement on any check or letter for payment of rent or other amount will be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to its right to recover the balance of any rent or other amount or to pursue any other remedy provided in this Lease. No acceptance of payment of less than the full amount due will be deemed a waiver of the right to the full amount due together with any interest and service charges.
25. **Entry by Landlord; Performance of Covenants:**

Upon reasonable notice from Landlord, Tenant shall permit Landlord or its agents to enter the Premises during normal business hours (and at any time in cases of emergency) (i) for the purpose of inspection thereof, (ii) for showing the Premises to persons wishing to purchase the same, or in connection with mortgage or other financing, and (iii) at any time for exhibition to persons wishing to rent the same; and Tenant shall permit the usual "to let," "for rent" and "for sale" notices to be placed on the Premises and to remain thereon without hindrance or molestation.

If Tenant is in default hereunder, Landlord may, with or without declaring an "event of default", upon ten (10) days' prior notice to Tenant, or without notice in case of an emergency, cure such default on behalf of Tenant (unless Tenant shall itself, within such period, commence and thereafter diligently proceed to cure such default), and for the purpose thereof may enter upon the Premises and upon demand Tenant shall reimburse Landlord for any actual reasonable and necessary expenses incurred to effect such cure, together with interest thereon at the maximum rate which may be legally collected by Landlord (not to exceed 18% per annum).

No entry of Landlord or its employees, agents or representatives, or by any other party at the direction of Landlord, shall ever be construed or interpreted as an ouster of Tenant from possession or as a constructive eviction or to alter, diminish or abate Landlord's rights or Tenant's obligations under this Lease.

26. **Subordination; Attornment:**

This Lease shall be and it hereby is made, and shall at all times be subject and subordinate, to any and all ground or underlying leases or to the lien of any and all duly recorded mortgages, whether heretofore or hereafter made, affecting or encumbering such a ground or underlying lease, or the Premises, or premises of which the Premises shall be a part given to secure loans, and to all extensions, renewals, modifications or replacements thereof; however, such subordination is conditioned upon delivery of a non-disturbance agreement from any and all lienholders to Tenant.

The subordination of this Lease and Tenant's rights hereunder, as provided in this Section, shall be effective without the execution of any further or other instruments by Tenant, but Tenant shall, at Landlord's request, and without charge therefor to Landlord, execute and deliver any further document or instrument to evidence the subordination of this Lease to such ground or underlying leases and mortgages as shall comply with the provisions of Section 16.1; and, to the extent requested by the holder of any such ground or underlying lease or mortgage, Tenant shall execute and deliver such instruments and documents as shall confirm Tenant's undertaking and agreement hereunder to attorn under the terms and provisions of this Lease, to such a ground or underlying lessee or mortgagee, or to the designee or nominee of such ground or underlying lessee or mortgagee, or to the purchaser or assignee of such a ground or underlying lease, or of the mortgaged premises at a foreclosure sale, or at a sale of the premises pursuant to such power of sale as may be contained in such a lease or mortgage, and to recognize such ground or underlying lessee or mortgagee, its designee or nominee, or such purchaser, as the Landlord hereunder from and after the date of such a transfer of title, with the same force and effect as if the Premises had been sold or conveyed to such new landlord by the prior landlord hereunder; and Tenant hereby irrevocably constitutes and appoints Landlord, its successors and assigns, and any such new landlord, as Tenant's attorney-in-fact to execute any such instrument or document.

27. **Estoppel Certificates:**

Within 10 business days after written request from Landlord, Tenant will execute, acknowledge and deliver to Landlord a document furnished by Landlord, which document may be relied upon by Landlord
and any prospective purchaser or mortgagee of the Building, stating (a) that this Lease is unmodified and is in full force and effect (or if modified, that the Lease is in full force and effect as modified and stating the modifications), (b) the dates to which rent and other charges have been paid, (c) the current Monthly Rent, (d) the dates on which the Term begins and ends, (e) that Tenant has accepted the Premises and is in possession, (f) that Landlord is not in default under this Lease, or, if Landlord is in default, specifying any such default, and (g) including such other information as the prospective purchaser or mortgagee may require.

28. **Notices:**

All notices, demands, consents, or requests under this Lease shall be in writing and shall be sent postage prepaid by registered or certified mail addressed to the respective addresses of Landlord and Tenant which are set forth in this first paragraph of this Lease, or to such other address as either party may designate by written notice to the other. Notices, demands, consents or requests served or given as aforesaid shall be deemed sufficiently served or given for all purposes hereunder on the day on which such mailing shall occur provided, however, that in lieu of such notice by United States Registered or Certified Mail, then the party delivering the notice may so by personal delivery to the addresses above specified. Either party shall have the right to change the address to which notices shall thereafter be sent by giving notice to the other party as aforesaid, but not more than two addresses shall be in effect at any given time for Landlord and Tenant hereunder.

29. **Security Deposit:** $8,729.50 (Equal to one-months Base Rent) payable in advance of the Commencement Date as security for Lessee’s faithful performance of its obligations hereunder.

30. **Relocation:** (NA)

31. **Brokers:**

Tenant represents and warrants to Landlord that except for N/A, it has not employed or otherwise used any broker or agent in relation to this Lease. Tenant will indemnify and hold Landlord harmless from and against any claims for brokerage or other commissions or fees arising out of any breach of the foregoing representation and warranty. Tenant's obligations under this Section shall survive the cancellation or termination of this Lease.

Landlord represents and warrants to Tenant that it has not employed or otherwise used any broker or agent in relation to this Lease. Landlord will indemnify and hold Tenant harmless from and against any claims for brokerage or other commissions or fees arising out of any breach of the foregoing representation and warranty. Landlord's obligations under this Section shall survive the cancellation or termination of this Lease.

32. **Miscellaneous:**

(a) **Run with Premises.** The terms, covenants, conditions and agreements herein contained shall run with the Premises and shall bind and inure to the benefit of the parties hereto and their respective representatives, successors and assigns; it being understood, however, that neither the provisions of this Section, nor any other provision contained in this Lease, shall be deemed to authorize the assignment of this Lease without the prior written consent of Landlord, as herein required. Upon request of either party, a memorandum of this Lease will be executed suitable for recording.

(b) **Interpretation.** The captions of this Lease are for convenience and ease of reference only, and in no way define, limit or describe the scope of intent of this Lease, nor in any
way affect this Lease, and shall be disregarded in the interpretation hereof. If any provision of this Lease is declared invalid or unenforceable, the remainder thereof shall remain unaffected thereby and shall continue in full force and effect. It is acknowledged that in preparation of this Lease, indistinguishable contributions have been made by representatives of both Landlord and Tenant, and that Landlord and Tenant each waives any and all rights, either at law or in equity, to have this Lease, or any term or provision herein contained, construed in favor of either party over the other.

(c) **Entire Agreement.** This Lease contains the entire and only agreement between the parties hereto; and no oral statements, agreements or representations not embodied in this Lease shall have any force or effect. This Lease shall not be modified or amended in any manner except in writing, by instrument executed by both parties.

(d) **No Partnership.** This Lease does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, the sole relationship between the parties being that of landlord and tenant.

(e) **Governing Law.** This Lease will be construed under and governed by the laws of Minnesota. If any provision of this Lease is illegal or unenforceable, it will be severable, and all other provisions will remain in force as though the severable provision had never been included.

[Signature page follows]
IN WITNESS WHEREOF, Landlord and Tenant have each duly executed this Lease as of the date and year first above written.

LANDLORD:
SOS Properties LLC

By: ______________________
Name: Samuel Stiele
Its: President

TENANT:
Hopkins School District #270

By: ______________________
Name: ____________________
Its: ______________________

CONTACT INFORMATION

Business Address: 1001 Highway 7 Hopkins, Minnesota 55305

Business Phone: (         )          -                            E-mail:______________________

Attachments:
Exhibit “A” Floor Plan Showing Premises
Exhibit “B” Construction and Tenant Improvements; Sworn Construction Statement
Exhibit “C” Rules and Regulations
EXHIBIT A

FLOOR PLAN SHOWING PREMISES

[To be attached]
EXHIBIT C
RULES AND REGULATIONS

1. Tenant will not use the Premises in any manner which conflicts with any law, ordinance, or governmental rule or regulation now or subsequently in force.

2. Tenant will not install any awnings or other attachments or structures on the exterior of the Building.

3. Curtains, draperies or other window coverings will not be installed in the Premises without first obtaining Landlord’s written approval of the exterior color and material.

4. Except through the use of microwave ovens exclusively by Landlord’s employees, no food will be prepared or cooked in the Premises without Landlord’s prior written consent, and the Premises will not be used for housing, lodging, sleeping or for any immoral or illegal purpose.

5. Tenant will not connect any apparatus, equipment or device to the water lines in the Building without first obtaining the written consent of Landlord.

6. Tenant will not operate or permit to be operated in the Premises any musical or sound producing instrument or device which can be heard outside the Premises.

7. Except as permitted pursuant to Section 20 of the Lease, Tenant will not bring into the Building or onto the Land any pollutants, contaminants or Hazardous Substances (as now or later defined under state or federal law) or any items likely to cause fire or explosion.

8. Tenant will not bring or permit to be brought into the Building any animals or birds.

9. Tenant will not disturb, solicit or canvass any occupant of the Building and will cooperate to prevent same.

10. Tenant will contract for janitorial service to the Premises with a contractor to be reasonably approved by Landlord. Tenant shall provide adequate waste and rubbish receptacles to facilitate cleaning services, which receptacles shall be located within the Premises.

11. Tenant will refer to Landlord all contractors or installation technicians rendering any service for Tenant for approval by Landlord before any contractual services are performed. This will include but is not limited to installation of telephone or telegraph equipment, electrical devices and attachments, and any installations affecting floors, walls, woodwork, trim, windows, ceilings, equipment or other portions of the Building.

12. Tenant will not disturb, solicit or canvass any occupant of the Building and will cooperate to prevent same.

13. Movement in or out of the Building of furniture or office equipment, or the sending or receipt by Tenant of merchandise or materials which requires movement through Building entrances, including the common dock facilities, shall be subject to regulation by Landlord. Specifically, but without limitation as to additional regulations which Landlord may impose, Tenant shall obtain Landlord’s prior written consent to any use of the common dock facilities, the duration of which will be in excess of one hour. Tenant assumes all risk of damage to any items moved and for any resulting injury to any person or property, and Tenant shall indemnify Landlord against any resulting loss or damages.
15. Landlord will not be responsible for any property, equipment, money or jewelry lost or stolen from the Premises or the public areas of the Building, regardless of whether the loss occurs when the Premises are locked.

16. Landlord may designate the maximum weight and proper position of any heavy equipment, including safes and large files to be placed in the Building, and only those which in the opinion of Landlord will not damage the floors or structures may be moved into the Building.

17. Any damage in connection with the moving or installing of Tenant’s furniture, equipment, appliances or other articles will be paid for by Tenant.

18. Landlord may permit entrance to the Premises by use of pass keys controlled by Landlord or its employees, contractors or service personnel, for the purpose of performing Landlord’s janitorial services.

19. Landlord may at its option set aside a parking area to be used by Tenant and its employees, which area will be used by Tenant and its employees to the exclusion of other areas.

20. Tenant shall not store any items outside the outermost walls of the Premises and shall permit items to stand outside the Premises for moving purposes only for so long as is reasonably necessary.

TENANT:

By _____________________________
**EXHIBIT B**  
**Landlord & Tenant Improvements**  

**SWORN CONSTRUCTION STATEMENT**

350 17th Ave N Hopkins, MN 55343

Friday April 19th, 2019

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<th>ITEM DESCRIPTION</th>
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<th><strong>Tenant</strong></th>
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**Section #1**  
**Subtotal**  

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<td>Pressure Test &amp; Inspection of Gas</td>
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<td>125K BTU Heater Provide &amp; Install</td>
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<td>Tune-up Clean &amp; Update Rooftop Units</td>
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<td>Roofing Repair 9,024SQFT</td>
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**Section #6**

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**Estimated Total**

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**Project Estimated Totals**

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<td>Cost of Doing Nothing</td>
<td>Other Options to Consider</td>
<td>Other Notes</td>
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<td>--------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
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<tr>
<td><strong>Transportation</strong></td>
<td>Boy Scout Building - only 6 parking spots available inside.</td>
<td>Do we get lower insurance rates if vehicles are kept inside? No, checked w/ insurance agent.</td>
<td>The secured lot provides insurance of safely storing expensive District equipment.</td>
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<tr>
<td>Need parking for smaller buses.</td>
<td>Access to bathrooms for bus drivers is an advantage, in addition to have the capacity</td>
<td>Vandalism to the buses when they aren't in a secured area is a large concern (deadhead time</td>
<td>We could investigate hiring someone to conduct preventative maintenance on the buses and district</td>
</tr>
<tr>
<td></td>
<td>to have staff punch in and out at the location so that they don't have to drive to a school</td>
<td>that we are paying for). Temperature controlled environment increases the likelihood of adequate</td>
<td>vehicles at the lease site.</td>
</tr>
<tr>
<td></td>
<td>location to do this.</td>
<td>pre-inspection of vehicles - difficult to do in harsh winter weather conditions.</td>
<td></td>
</tr>
<tr>
<td>Vandalism to the buses when they aren't in a secured area is a large concern</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>School Nutrition</strong></td>
<td>Boy Scout Building - only 6 parking spots available inside.</td>
<td>We could investigate hiring someone to conduct preventative maintenance on the trucks and vans at the lease site, which would be a cost savings.</td>
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<tr>
<td>Storage of School Nutrition Vehicles: Our new vehicles with lifts on them;</td>
<td>Repairs for lifts, jumps for vehicles</td>
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</tr>
<tr>
<td>malfunction in the extreme winter weather conditions (which is a chunk of our school year).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difficult to get &quot;jumps&quot; in the early morning hours when we need to start shifting food around.</td>
<td></td>
<td></td>
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<tr>
<td>Temperature controlled environment increases the likelihood of adequate pre-inspection of vehicles - difficult to do in harsh winter weather conditions.</td>
<td></td>
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<tr>
<td><strong>Building &amp; Grounds</strong></td>
<td>New building - location Eisenhower challenges with City of Hopkins with building access - may need to have two buildings to accommodate.</td>
<td>Consideration for the upcoming Facility Study.</td>
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<tr>
<td>Need parking for Specialist vans.</td>
<td></td>
<td>We could investigate hiring someone to conduct preventative maintenance on the trucks and vans at the lease site, which would be a cost savings.</td>
<td></td>
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<tr>
<td>Temperature controlled environment increases the likelihood of adequate pre-inspection of vehicles - difficult to do in harsh winter weather conditions.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Purchasing</strong></td>
<td>Boys Scout Building could be used for storage - but there is not a dock at this location, nor enough room on one floor. We would still have the cost of transferring furniture to the installer's location, and add the cost of moving furniture up and down in the elevator.</td>
<td>This lease gives us time for our furniture initiative - if we need to build a space, we can do that, but we don't have anything in the works. The initial lease is for 5 years, same as the furniture timeline. This gives us time to plan and include the cost of a new building site into the Capital Budget. The Boys Scout Building will be paid off at the conclusion of the furniture initiative, which matches up nicely with beginning to build a new storage facility.</td>
<td></td>
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<tr>
<td>Furniture must be stored in a temperature controlled environment.</td>
<td>Costs of delivering to installer location</td>
<td></td>
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</tr>
<tr>
<td>District does not have loading docks at all sites; we need accessible square footage to unload furniture supplies. When this isn't available, the furniture needs to be shipped to the installer's location for them to assemble. This will be at an additional cost.</td>
<td></td>
<td></td>
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</tr>
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</table>

Discussion Notes for Lease Levy Proposal for 350 17th Ave, Hopkins

31 of 32          06/18/19
Current Storage facility for furniture 5,500 SF $49,005.00
Lease Levy Cost (App Size - 17,585SF) $166,592.04 $177,690.24 Year 1
5-Year $179,800.44 Year 2

Cost to Build 3,600 SF Vehicle Storage
w/o Heat and w/o Insulation $144,000.00 app $40/SF
W/Heat $200,000.00 app $55/SF

Notes:
Would need to keep this storage facility to facilitate transfer space of furniture, if there is not a space large enough to do everything.

Can use lease levy to pay for this

Lease Levy Cost (App Size - 17,585SF) $177,690.24 Year 1
5-Year $179,800.44 Year 2

Cost to Build 3,600 SF Vehicle Storage
w/o Heat and w/o Insulation $144,000.00 app $40/SF
W/Heat $200,000.00 app $55/SF

The cost of this option still does not provide a dock, or include the cost of site preparation. Nor, would the building be large enough for the delivery, assemble and storage of furniture. The new storage unit would need to be consumed by the furniture project.

Furniture could be shipped to the installer location, they could assemble and ship it to us on semi trailers. We would assume liability for the furniture from the time it's delivered to the installer, any damage in transit is our loss. The budget for the furniture would need to be reduced by the cost of shipping, approximately $700 per room, or about $45,500 per year.

There are some potentially lower costs options that are not currently in play, that would result in less costs if we were able to implement this lease. We can explore this more during the Board Workshop discussion.

# of Vehicles - need app 3,600 SF Building
( Size 25 x 144)
6 Busses
3 School Nutrition Vehicles
3 Building & Grounds Vehicles

Furniture Project, # of Rooms to be done per year
17 HHS
12 WJH
12 NJH
24 Elementary
65 Total
School Board Executive Summary

Contract with K12 Transportation Management Services for Transition Plus and Special Services
June 18, 2019

Report Prepared by: John Toop, Director of Business Services
Derrick Agate, Supervisor of Transportation

Overview
The purpose of this report is to have the School Board approve a new contract with K12 Transportation Management Services for additional support in maintaining our fleet of vehicles for the Transition Plus program (T+), shared with St. Louis Park and Minnetonka School Districts. This service contract would also be responsible for scheduling District Para’s to ride on our Special Education buses for school year 2019-2020.

We are also asking the School Board to approve the contract from BusBoss for additional software which would be used to route the Transition Plus students. The cost initially would be $2,800, which includes support for the first year. Effective July 1, 2020, we would recommend the 3-year support option at $1,710 annually with no annual price increases.

Indemnification clauses for both vendors have been addressed by the District’s attorney, with modified language inserted for the K12 contract and the indemnification clause for BusBoss deleted in its entirety.

Primary Issues to Consider
With the increase of the student population in our Transition Plus (T+) program and federal requirements to provide more offsite program opportunities for students, we had to increase the number of vehicles to meet these federal requirement and service our students. With the tough.
job market, it has become increasingly harder and harder to find highly skilled transportation routers and a person who would oversee the maintenance of the district vehicles, train and evaluate our Type III drivers and Para’s. CESO / K12 Transportation Management Services will provide an individual who will office out of the transportation department and provide routing design and customer service for all current T+ AM/PM/midday routes, as well as oversight and maintenance assistance of District Owned Vehicles (DOV’s). They would also provide planning of routing services and scheduling of District Para’s to support Hopkins students.

**Supporting Documents**
K12 Transportation Management Services Contract
BusBoss Transportation Routing and Management Software Contract
June 11, 2019

Re: Additional Transportation Management Services

Dear Mr. Toop,

Thank you for the opportunity to continue partnering with Hopkins Public Schools. The mission statement for our company is “Partnering with School Districts to help keep Educational Dollars in the Classroom”, and K12 Transportation Management Services is very excited to complete this work with your district. We currently partner with over 30 school districts in Minnesota in the area of school transportation, and we will continue to be committed to Hopkins at that same high level. The primary benefit of our transportation management model is that the district receives a “Team” approach to school transportation. This approach allows our services to be comprehensive and include all aspects of pupil transportation while providing a high level of customer service to all involved. I am confident that this structure will be a benefit to your organization and will help produce the results that you are looking for in your transportation program.

The following is what K12 Transportation Management Services, LLC, will provide to Hopkins Public Schools:

1.0 Scope of Work

- Routing design and customer service for all current Transition Plus AM/PM/Midday routes.
- On-going training of all district staff to prepare them for District Owned Vehicle driving, as needed.
- On-going oversight and maintenance assistance of District Owned Vehicles.
- Coordination of Minnesota state inspections of District Owned Vehicles.
- Assignment and coordination of district paras to all Hopkins related routes as requested by district.
- Other transportation management service duties may be added and assigned with agreement by district and K12T.
2.0 Fee Breakdown

- Additional Transportation Management Services: $4,983.00 monthly

3.0 Start and Completion Dates

This contract will be effective July 1, 2019. Termination can be made by either party before June 30 of any school year with 180 days of notice as defined in the General Conditions. Unless otherwise negotiated there will be a 2% annual increase on July 1 of each fiscal year.

Thank you for this opportunity, and we look forward to our continued partnership with your district! If you have any questions regarding this proposal, please feel free to contact K12 Transportation Management Services or Lance Libengood at any time.

4.0 Authorization to Proceed

Please sign and return a copy to K12 Transportation Management Services, LLC as authorization to proceed. Once we receive the signed proposal we will return a final contract to you for your records and begin with the implementation stages of this agreement.

I have carefully reviewed the above proposal and attached General Conditions, and authorize K12 Transportation Management Services, LLC to proceed.

Customer
Hopkins Public Schools
1001 Highway 7
Hopkins, MN 55305

Professional
K12 Transportation Management Services
615 1st Avenue NE - Suite 115
Minneapolis, MN 55413

Authorized Signature  Date  Authorized Signature  Date

Authorized Printed Name  Authorized Printed Name
The following general conditions are made a part of K12 Transportation Management Services, LLC (the “professional”) proposal (the “proposal”). The term “customer” refers to school district for which the professional is providing services.

To the extent that the proposal conflicts with the terms delineated in the general conditions, the terms in the general conditions shall control.

A. Responsibilities

Professional will provide services as enumerated in the proposal with the care and skill ordinarily exercised by reputable members of its profession practicing under similar conditions during the period of this proposal and in the same locality.

Along with the scope of work identified in the proposal customer and professional agree to the following:

A.1. Information

Customer will provide all information necessary and access to staff and facilities as needed so that work can be conducted by professional in an economical, timely and safe manner.

A.2. Payment for Services

The fees and reimbursables listed in the proposal is the amount owed to the professional for the products and services provided by professional under this agreement.

Invoices will be submitted to customer every month for work performed during the month. The customer shall make payments no later than thirty days after receipt of the invoice. All invoices unpaid for over thirty days will bear interest and a collection fee of eighteen percent annually, compounded monthly. Payment maybe withheld only if this agreement is breached and a written notice has been provided within forty-five days of receiving the invoice that is in dispute.

B. Disputes

Disputes under this agreement will be promptly resolved in good faith through negotiation. All claims, disputes, differences not resolved through negotiation shall be resolved in accordance with the commercial rules of the American Arbitration Assoc. in effect at that time.

C. Indemnity & Insurance

C.1. Indemnity

Professional shall indemnify and hold harmless Customer against losses, damages and claims, demands, actions, costs (including reasonable attorney fees), and fines of any kind resulting from any breach of this Agreement by professional, its employees, agents, subcontractors or licensees, of their obligation under this Agreement, or from any negligence or misconduct by professional, its employees, agents, subcontractors or licensees, but only for the proportion of damages which is equal to Professional’s proportion of the total fault which directly caused the damages.

To the extent permitted by law, Customer shall indemnify and hold harmless Professional against third party claims, and any damages awarded in such claims or agreed to in a settlement by Customer, resulting from any breach of this Agreement by Customer, its employees, agents, or subcontractors, or from any negligence or willful misconduct by Customer, its employees, agents, or subcontractors, of their obligations under this Agreement, but only for the proportion of damages which is equal to Customer’s proportion of total fault which directly caused the damage; provided, however, that the foregoing is contingent on Professional giving Customer: (a) prompt written notice of the third party claim; (b) the sole right to defend the third party claim, including the right to settle the same; and (c) the cooperation and assistance with respect to such claim requested by Customer.

C.2. Insurance

(1) Professional carries coverage and limits of liability insurance for the professional’s own negligence as required by law and district requirements. These may include, but are not limited to the following:

(a) Workers Compensation with statutory benefits.
(b) Employers’ liability
(c) Comprehensive General Liability with the following coverage:
   I. Bodily Injury
   II. Property Damage
   III. Personal Injury

IV. General Aggregate

V. Product

VI. Fire Damage

VII. Medical Expenses

(d) Automobile insurance covering all owned, non-owned or hired automobiles used in connection with the work covering bodily injury and property damage.

(e) Physical Loss insurance sufficient to cover loss or damage to Professional’s owned or leased equipment.

(f) Professional Liability (claims made) with the following coverage:

(g) Contractor Pollution Liability (claims made)

(h) Excess Umbrella Liability. Professional’s Excess Umbrella Liability policy provides coverage in addition to each of the coverages listed above including Comprehensive General Liability, Professional Liability and Contractor Pollution Liability.

D. Termination

Neither party will have a right to terminate this agreement for convenience unless a termination fee in the amount of the remaining contract is paid to the terminated party. After the initial term, renegotiation of this contract can be requested by either party for the following school year with 180 days notice.
TRANSPORTATION ROUTING AND MANAGEMENT SOFTWARE

PROPOSAL PREPARED FOR: Hopkins Public Schools

Tuesday, 04/16/2019
COMMITMENT

OSI is a highly respected company known for having the easiest, most user-friendly transportation routing and scheduling software product available and having the highest quality customer support. Through boundless commitment, we have become known as a company that is dedicated to helping our clients succeed.

OSI works side-by-side with customers to continuously add more and more functionality to be able to accommodate the growing needs of the school district, from administration personnel to transportation staff.

We understand that in the world of student transportation there are many challenges. Every day you are expected to do more with less while still maintaining safe transportation for your students. We are committed to developing and offering you an easy solution that will help to relieve some of your burden.

STABILITY & GROWTH

OSI has grown at an average rate of over 25% new customers per year. Even in today's economy, with school districts facing budget cuts, BusBoss™ is the management tool transportation directors should not be without. This year it is projected to be over 35%.

STANDARDS

The BusBoss™ application is currently available as a local client/server or as a hosted solution. A local client will provide users with more features, graphics and choices making the applications more customizable. Local clients do not rely on a central processing server because the processing is done locally on the user system, and the server is accessed primarily for storage purposes. This allows for a more robust and local computing environment. Updates and service packs can be automatically downloaded to each workstation.

The BusBoss™ SaaS deployment model is where an application is hosted as a service provided to districts across the Internet. By eliminating the need to install and run the application on the district’s own computers, SaaS alleviates the customer’s burden of software maintenance, ongoing operation, and support. Using SaaS can also eliminate the up-front expense of purchasing the software (BusBoss™ software only - other costs would still apply) and only pay for each user accessing the service. Districts would still have the option of purchasing the software at any time and using it locally instead.

OTHER PRODUCTS AND/OR SERVICES

- BusBoss™ MyTRIPS Field Trip Management
- iBusBoss™ Internet Reporting Software
- BusBoss SIF Agent
- Automated Custom Student Import Tools
- TRIPpatrol™ Vehicle GPS Tracking Software
- STUDENTpatrol Student Tracking and Attendance Software
- Data & Route Conversions
- Onsite & Remote Installation & Training
- Specialized Software Support Services
- Software as a Service (SaaS)
- GPS Vehicle Tracking Devices and Student Card Readers
## TRANSPORTATION MANAGEMENT SOFTWARE AND SERVICES DETAILS

### Description of Software and Services (based on 100 students enrolled / 100 transported)

**BusBoss™ Professional District Wide Perpetual License – Client/Server** – School Bus Routing, Scheduling & Redistricting Software includes TomTom (aka TeleAtlas) map data for three counties; additional counties available for $300/county single user or $500/county multi user license. Other map data such as ESRI and 911 maps can also be used instead of TomTom Map Data for an additional charge. Unlimited User Site License; there is no separate charge for each person using BusBoss. 30 Days Free Installation Support.

**Data Conversion (part of Deployment Planning and Prep)** - Includes converting student information, address locations, school information, bus stop locations, vehicle information, and driver information. The data can be converted from your organization’s main student information system, (such as Tenex, PowerSchool, Skyward and SASixp), Excel spreadsheet, or almost any format you may use. We will also provide you with your students’ houses and stops already located on your map (depending on address descriptions).

**Route Conversion (part of Deployment Planning and Prep)** - Includes Current Runs and Routes with Student Stop Assignments. Route data must be submitted in electronic format for conversion (Excel, Word, Access, ASCII, etc.) and can be converted from any competitive routing program such as VersaTrans, Edulog, Transfinder, MapNet, BusTracks and BusStops. We will guarantee that students are assigned to their current bus stop and current bus routes. This service will save you significant time and reduce the amount of work required to start using BusBoss. This is an optional service. The district can choose to enter bus routes themselves.

**Instructor Led Onsite Training** - 3 days of on-site training is recommended for BusBoss Professional at $1,200.00 (USD) per day. All training is performed at your site using your hardware and data. There are no limitations on the number of people that can attend the training. (Travel time and expenses included; rescheduling /cancellation fees not included). Additional training is recommended for the add-ons listed below. Additional training options are shown below.

**Annual Support and Maintenance** - Customer support is available and renewable on a yearly basis. (For complete details please see attached BUSBOSS™ SOFTWARE SUPPORT AGREEMENT). * The first-year fee for support and maintenance is included in the purchase of the software. Renewal and 3-year fixed rates also available.

**iBusBoss™ Web Query** - Authorized users can securely view up-to-date student and route information directly from BusBoss on any computer or smart phone with Internet access. iBusBoss contains a large selection of reports that can easily be viewed, sorted, formatted and printed, to meet any user’s individual needs. Parents or staff can also enter an address or intersection and get nearby bus stop and routing information. This avoids unnecessary calls to the transportation department. The perfect solution for any organization that needs to have its’ transportation information available to anyone, anytime, anywhere.

**MyTRIPS™ Field Trips** – Provides the functionality for field trip scheduling, monitoring and costing. This function streamlines the task of managing field trips, from requesting, approving/denying, to scheduling and billing. Unlimited Users.

**Automated Student Import Tool or BusBoss™ SIF Agent** – Student information can be updated automatically on a set schedule using data from any Student Information Systems such as Infinite Campus, Tenex, PowerSchool, Skyward and SASixp. Must be SIF Certified if using the BusBoss SIF Agent so student changes can be sent immediately to BusBoss™, which then assigns students to routes (as needed). The routing changes can then be exported back to the SIF Agent for updating the student information system transportation records. Automated Student Importing is available without the BusBoss SIF Agent.

**TRIPpatrol™ Real-Time GPS Tracking** – Monitor drivers to ensure student safety and driver compliance. GPS Tracking is an option that serves as a sophisticated tool to reduce costs for your district as well as providing your district with features for safely transporting students to and from school. Compare planned routes versus actual routes and get alerted whenever the driver deviates from their assigned routes. Everything displays on your BusBoss™ map. *(Does not include Hardware or Custom Data Manager costs).*

**STUDENTpatrol™ Real-Time GPS Tracking** – Track student location information to be alerted if a student gets on or off the bus at the wrong stop. Compare planned routing versus actual routing and locate your students as needed. Requires a vehicle GPS tracking device, for getting a list of student passengers on individual bus routes in real-time while providing a notification service to the parents. *(Does not include Hardware or Custom Data Manager costs).*
## TRANSPORTATION MANAGEMENT SOFTWARE AND SERVICES DETAILS

### Recommended Software and Services (based on 100 students enrolled / 100 transported)

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Cost (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BusBoss™ Professional District Wide Perpetual License – Client/Server</td>
<td>$2,800.00</td>
</tr>
<tr>
<td>Instructor Led Remote Training (6 Hours in 3 Hour Sessions)</td>
<td>0.00</td>
</tr>
<tr>
<td>Software End User Annual Support and Maintenance Through Jun 30, 2020 (formal training required)</td>
<td>Included</td>
</tr>
</tbody>
</table>

*Optional software and services can be added at any time (plus set-up/installation/support costs)*

### RECOMMENDED SOFTWARE AND SERVICES ............ (USD) $2,800.00

| Optional Integrated Software and Services for Unlimited Users (includes set-up/installation and support through June 30, 2020) |
|-----------------------------------------------------------------------------------------------------------------|-------------|
| Data Conversion (part of Deployment Planning and Prep)                                                          | 900.00      |
| Route Conversion (part of Deployment Planning and Prep)                                                          | 900.00      |
| * iBusBoss™ Web Query (Parent, Staff and Address Look-ups)                                                       | 1,000.00    |
| * BusBoss MyTRIPS Web Based Field Trips Management                                                              | 100.00      |
| * Automated Student Import Tool or BusBoss™ SIF Agent or Route Data Export Tool (Cost applies to Each)             | 1,000.00    |
| * TRIPpatrol™ Real-Time Vehicle GPS Tracking Integrating Deviation Alerts                                        | 1,500.00    |
| * STUDENTpatrol™ Real-Time Student GPS Tracking Integrating Deviation Alerts                                     | 2,000.00    |

### TRAINING OPTIONS

- **Web Based Training:** Unlimited online self-training is provided at no charge accessed directly from within BusBoss to our help eTraining website. There are no limitations on the number of people that access the training sessions. Instructor Led Training can be added on at any time.

- **Instructor Led Onsite Training:** On-site training is available at $1,200.00 (USD) per day. All training is performed at your site using your hardware and data. There are no limitations on the number of people that can attend the training. (Travel time and expenses included; rescheduling /cancellation fees not included).

- **Instructor Led Online:** Remote training can be provided in 3-hour increments at $125.00 per hour with the purchase of the End User Software Support Contract.

- **Vendor Hosted** training can be provided at $750.00 per day for up to 6 attendees with the purchase of the End User Software Support Contract.

### TERMS AND CONDITIONS

- **SETUP TIME REQUIRED** - The time needed for the Standard Data Conversion is 2 (two) weeks from the day we receive your data. The time for the Route Conversion is an additional 2 (two) weeks. **Total estimated setup time is 2-4 (four) weeks.**

- **PAYMENT TERMS:** The normal method of payment is 50% with the signed agreement and 50% before installation. Other payment options may be available.

- **WARRANTY:** Product compliance with the terms of contract for a period of one year from the date of completion and final payment has been made.

### DEPLOYMENT PLANNING AND PREP

Please download the complete guide from our [website](#).

### HARDWARE REQUIREMENTS

Please visit our [website](#) for complete details.

### BUSBOSS INTEGRATIONS

Fleetio, SafeStop & Geotab quoted separately.
SUBSCRIBER: Hopkins Public Schools  
1001 Highway 7  
Hopkins, MN 55305

SUPPORT AGREEMENT INCLUDES (For complete listing see Agreement Terms):
- Free unlimited, timely, no-charge, toll free, telephone support for questions relating to the procedures and operations of software (excludes data related support) for unlimited users (up to 100 students).
- Free unlimited, secure, no-charge, Internet support for remote viewing or software use assistance.
- On-site support and any support that is not related to the procedures and operations of software, will be billed at a discounted rate per hour or flat daily rate, (includes lodging, travel time and expenses), to be prepaid.
- 24-hour on-line user-guided training access from within the BusBoss software.
- Unlimited software updates and enhancements during period of support using website access.
- Free Internet Update training workshops as updates are released.
- Web based Field Trip Upload Support.

BusBoss™ Professional Renewal Support Options (select option desired - 100% Early Termination Fee):

- 3 Year Commitment with equal Annual Payments, due by July 31st of each year. *No Annual Increases.*
  - A 5% discount in the amount of $30.00 billed at $570.00 (USD) for each full year.
  - COST: $ 1,710.00 (applying discount)  
  - PERIOD OF SUPPORT: July 1, 2020 to June 30, 2023

- Annual Renewal (subject to annual increases)
  - Payments received by July 31st qualify for a 5% discount in the amount of $30.00 billed at $570.00 (USD) for the renewal year.
  - COST: $ 600.00  
  - PERIOD OF SUPPORT: July 1, 2020 to June 30, 2021

✓ Initial Support for Recommended Software included at no additional charge through June 30, 2020 

Optional Integrated Software Support/Services for Unlimited Users effective July 1, 2020 (USD):

- iBusBoss™ Support  $250.00  per year.
- BusBoss MyTRIPS Support  $100.00  per year.
- BusBoss SIF Agent/Custom Student Import Tool/ Route Data Export Tool Support  $250.00  per year.
- TRIPpatrol™ Real-Time Vehicle GPS Tracking  $375.00  per year.
- STUDENTpatrol™ Real-Time Student GPS Tracking  $500.00  per year.

*All costs listed in US Dollars (USD)

SUBSCRIBER: HOPKINS PUBLIC SCHOOLS

SUPPORT PROVIDER: ORBIT SOFTWARE, INC.

Authorized Signature  
Sonia M. Mastros  
Printed Name  
President  
Title  
Date

Authorized Signature  
Sonia M. Mastros  
Printed Name  
President  
Title  
Date
To place an order, please provide:

- Purchase Order
- Signed License Agreement
- Signed Support Contract
- 50% Deposit (balance due before installation)

Purchase Order & Check(s) made out to:
Orbit Software, Inc.

For implementation, please provide:

- Implementation Contact Person(s)
- Data for conversions
- Tentative Installation/Training Date(s)
THIS UNLIMITED USER LICENSE AGREEMENT is made this ______ day of ____________________. ______.

BETWEEN:

(1) **ORBIT SOFTWARE, INC.,** with its principle place of business at 424 King Street, Pottstown, PA 19464-5610; and

(2) **HOPKINS PUBLIC SCHOOLS,** with its principal place of business at 1001 Highway 7, Hopkins, MN 55305.

In consideration of the mutual promises contained herein and intending to be legally bound, the parties agree as follows:

1.0 **DEFINITIONS.** The following terms shall be defined as hereinafter set forth:

   1.1 **OSI** – Orbit Software, Inc.

   1.2 **Buyer** – Party (2) above

   1.3 **the Software** – a licensed copy of BusBoss™ packaged by OSI

   1.4 **the Data** - BusBoss™ data delivered with the Software

   1.5 **Related Materials** – includes, but not limited to, printed materials, user documentation, and training documentation supplied by OSI under this Agreement.

   1.6 **License Fees** – the monies to be paid by the Buyer for one copy of BusBoss™ (excludes data conversion, training, and annual maintenance fees paid).

2.0 **TERMS**

OSI provides the Software and licenses its use within the terms stated below:

   2.1 Buyer is granted a nontransferable, nonexclusive license to use the Software under the terms stated in this Agreement for Buyer’s business use.

   2.2 Buyer shall not make copies of any documentation, additional copies of reference manuals, or Related Materials provided to Buyer with the Software, but must purchase these directly from OSI.

   2.3 Buyer shall not make copies, translations or modifications of or to the Software. Buyer must reproduce the copyright notice on any copy of the Software or portion of the Software merged into another software. All copies of the Software and any portion of the Software merged into or used in conjunction with another software will continue to be the property of OSI and subject to the terms and conditions of this Agreement.

   2.4 Buyer shall not assign, sell, lease, rent, sublicense, transfer, or allow the use of the Software or this license or disclose the Software to any other person, entity, or organization. Buyer or its agents, representatives, employees, consultants, or anyone else, shall not reverse-engineer, disassemble or decompile the Software or otherwise attempt to discover the source code, structural framework, or data structure of the Software.

   2.5 This license terminates if Buyer fails to comply with any provisions of this Agreement. Buyer agrees upon termination to return and destroy the Software, together with all copies, modifications and merged portions in any form, including any copy in any Buyer computer memory, hard disk, or contained in any media currently existing or that may be developed in the future.

3.0 **COPYRIGHT**

The Software and Related Materials are owned by OSI and are protected by United States copyright laws and applicable international treaties and/or conventions.

4.0 **PRICES**

The price to be paid by the Buyer to OSI is set out in the proposal accompanying this agreement.
5.0 WARRANTIES

OSI warrants that the Software substantially conforms to the specifications contained in OSI’s packaging and promotional materials for a period of ninety (90) days from delivery of the Software, provided that the Software is used on the computer operating system for which it was designed. OSI further warrants that the media on which the Software is furnished will be free from defects in materials or workmanship for a period of ninety (90) days from delivery. OSI’s sole obligation and liability for breach of the foregoing warranties shall be to replace or correct the Software so that it substantially conforms to the specifications or to replace the defective media, as the case may be. Any modification of the Software by anyone other than OSI voids the foregoing warranty. NO OTHER WARRANTIES ARE EXPRESSED AND NONE SHALL BE IMPLIED. OSI SPECIFICALLY EXCLUDES ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. SOME STATES DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES SO THE FOREGOING MAY NOT APPLY TO YOU.

6.0 DISCLAIMER

The Software, Data, and Related Materials are provided “as is” except as may otherwise be expressly set forth herein. OSI makes no representations or warranties, express or implied with respect to the Software, the Data, or Related Materials, including by way of example and not limitation, the implied warranties of merchantability and fitness for a particular purpose. By way of further example and not limitation, OSI makes no representations or warranties, express or implied, with respect to the accuracy, reliability or completeness of the Data or Related Materials. The entire risk as to the use of the Software, the Data, and Related Materials is assumed by the Buyer. In no event shall OSI be liable to the Buyer or any other person, regardless of the cause, for the effectiveness or accuracy of the Software, the Data or the Related Materials, or for any special, indirect, incidental or consequential damages arising from or occasioned by your use of the Software, the Data or the Related Materials, even if OSI is advised of the possibility of such damages. In the event the foregoing is found by a court of competent jurisdiction to be ineffective, the Buyer hereby agrees that OSI’s maximum liability for any claim arising in connection with the Software, the Data and/or the Related Materials (whether in contract, tort, including negligence, product liability or otherwise) shall not exceed the License Fees paid by the Buyer with respect to the Software, the Data, and Related Materials at issue.

7.0 ACKNOWLEDGEMENT

Buyer acknowledges that the Buyer has read the limited warranty, understands it, and agrees to be bound by its terms and conditions. Buyer also agrees that: (1) No oral or written information or advice given by OSI, its dealers, distributors, agents or employees shall in any way increase the scope of this limited warranty, and Buyer shall not rely on any such information or advice. (2) Unless a written governing agreement signed by Buyer and OSI exists, this License Agreement is the complete and exclusive statement of agreement between OSI and Buyer, and supersedes all proposals, oral or written, and any other communications you may have had prior to purchasing your license. (3) Except for the price and delivery terms agreed upon by both parties, the terms and conditions of this license Agreement shall supersede those set forth in any purchase order where the purchase order conflicts or is inconsistent with or adds to the terms and conditions of this license, and those superseded purchase order terms and conditions shall be null and void. (4) Buyer agrees to assure that copies of this License Agreement are distributed, read and agreed to by each user of the Software, the Data, and Related Materials.

To acknowledge acceptance of this license agreement, please sign below.

HOPKINS PUBLIC SCHOOLS

Authorized Signature
Printed Name
Title
Date

ORBIT SOFTWARE, INC.

Authorized Signature
Printed Name
Title
Date
Report to the School Board

Resolution Regarding Board Control of Extracurricular Activities

June 18, 2019

Report Prepared by John Toop, Director of Business Services and Suzanne Johnson, Controller

Overview
Recently issued Governmental Accounting Standards Board (GASB) Statement 84 will require changes in the accounting for student activity funds. The standard requires that student activities be controlled by the Board. The standard also requires a review of all fiduciary funds and will require a change in reporting for scholarship and agency funds currently held by the District. The standard is effective July 1, 2019.

Business Services will review all funds in question to determine proper accounting treatment and take action to record activities as defined in the new standard.

Primary Issues to Consider
GASB 84 encourages the School Board to adopt and acknowledge the accounting responsibility for student activities, effective July 1, 2019.

Recommendation
It is recommended that the School Board adopt and acknowledge the accounting responsibility for student activities, effective July 1, 2019.

Supporting Documents
Resolution attached to take control of all student activities held at the District, effective July 1, 2019.
The following resolution was moved by ______________ and seconded by ______________:

RESOLUTION REGARDING BOARD CONTROL OF EXTRACURRICULAR ACTIVITIES

WHEREAS, Minnesota Session Laws 2019, 1st Special Session, CH. 11, Art. 1, Sec. 5 will require changes in the accounting for student activity funds and school boards must take charge of and control all student activities of the public schools in the district and that all money received or expended for extracurricular activities shall be recorded in the same manner as other revenues and expenditures of the district;

THEREFORE, BE IT RESOLVED, that the School Board of Hopkins Public Schools, Independent School District No. 270, directs the district’s administration to implement the requirements of Minnesota Session Laws 2019, 1st Special Session, CH. 11, Art. 1, Sec. 5.

The vote on adoption of the Resolution was as follows:

Aye: 
Nay: 
Absent: 

Whereupon, said Resolution was declared duly adopted.

By: __________________________  By: __________________________
Chair                       Clerk

2 of 2          6.18.2019