

LEASE

This Lease (“This Lease”) is effective as of April 1, 2011, by and between The City of Ramsey, a Minnesota Municipal Corporation (“Landlord”) and, TMBC, L.L.C., dba Crystal Pierz Marine, a Foreign Limited Liability Company registered in the State of Minnesota (“Tenant”).

DATA SHEET

1. Premises. The land located at the following street address: 6811 Highway 10 NW, Ramsey, Minnesota 55303 and legally described as Tract A, Registered Land Survey No. 249, City of Ramsey, Anoka County, Minnesota (the “Premises”).
2. Term. One year and one month plus the partial calendar month in which the Commencement Date occurs.
3. Scheduled Commencement Date. April 1, 2011
4. Scheduled Termination Date: March 31, 2012
5. Rental Rate. \$1,600.00 per month.
6. Permitted Use: Parking lot and outdoor storage facility
7. Landlord Address:
City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303
8. Tenant Address:
6781 Highway 10 NW, Suite 110
Ramsey, MN 55303

1. PREMISES:

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term and upon the conditions hereinafter provided, the Premises described in Item 1 of the Data Sheet.

2. RENTABLE AREA:

The Rentable Area of the Premises is estimated to be the area set forth in Item 1 of the Data Sheet. The actual Rentable Area of the Premises

3. LEASEHOLD IMPROVEMENTS:

Tenant is taking the premises "AS IS" and Landlord shall not be obligated to do any work in the Premises. The Tenant shall maintain the Premises as an outdoor storage facility and shall not make any structural changes or make any alteration, decoration, addition or improvement to the Premises.

4. TERM:

The term of this Lease (the "Term") shall commence upon the "Commencement Date" set forth in the term sheet above.

5. RENT:

Tenant shall pay \$1,600.00 per month as and for rent of the Premises. Tenant will pay for all of its operating costs associated with maintenance of the Premises as an outdoor storage facility and parking lot. The landlord shall pay the property taxes due on the Premises.

6. USE: Tenant will use and occupy the Premises solely as a parking lot or outdoor storage facility

7. ASSIGNMENT AND SUBLETTING:

The Tenant's interest in this Lease may not be assigned or sublet to any third party without the prior written consent of Landlord and the fencing structure enclosing the Premises.

8. MAINTENANCE:

Tenant agrees to keep and maintain the Premises in properly functioning, safe and orderly condition, will make all necessary replacements thereto, will suffer no waste or injury thereto, and will at the expiration or other termination of the Term, surrender the same with all improvements in the same order and condition in which they were on the Commencement Date

Tenant shall keep all rubbish, garbage or other refuse in proper containers and shall promptly empty same into the collection area designated from time to time by Landlord.

9. ALTERATIONS; EQUIPMENT; MOVING:

9.1 Tenant will not make or permit anyone to make any alterations, decorations, additions or improvements, structural or otherwise, in or to the Premises or the Project without the prior written consent of Landlord.

9.2 Tenant shall not install any equipment containing Hazardous Materials or any equipment which will or may necessitate any changes, replacements or additions to the Premises.

10. RIGHT OF ENTRY:

Tenant will furnish to Landlord at all times a master key to the Premises and permit Landlord, or its representative, to enter the Premises, to examine, inspect and protect the Premises, and to make such alterations, renovations, restorations and/or repairs as in the judgment of Landlord may be deemed necessary or desirable for the Premises.

11. SERVICES AND UTILITIES:

Landlord shall continue to furnish any utility service, if any, which is currently supplied to the Premises. The Tenant shall pay for the use of such utility service, if any, during the period of this Lease. The term "utility service" includes the Landlord's obligation to make quarterly payments for the storm water utility.

12. WAIVER AND INDEMNITY:

12.1 Notwithstanding anything apparently to the contrary in this Lease, Landlord and Tenant hereby release one another and their respective partners, officers and employees and property manager from any and all liability (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage covered by property insurance or coverable by a customary form of policy of the insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

12.2 Tenant agrees to indemnify, defend and hold Landlord and its officers and employees and property manager harmless from and against any claim, loss or expense arising out of injury, death or property loss or damage occurring in the Premises, except only to the extent caused by the negligent act or intentional misconduct of Landlord or its officers or employees or property manager.

13. INSURANCE:

Tenant agrees to purchase, in advance, and to carry in full force and effect general liability insurance, providing coverage on an "occurrence" rather than a "claims made" basis, which policy shall include coverage for Bodily Injury, Property Damage, Personal Injury, Contractual Liability (applying to this Lease), and Independent Contractors, in current Insurance Services Office form or other form which provides coverage at least as broad. Tenant shall maintain a combined policy limit of at least \$500,000.00 applying to Bodily Injury, Property Damage and Personal Injury, which limit may be satisfied by Tenant's basic policy, or by the basic policy in combination with umbrella or excess policies so long as the coverage is at least as

broad as that required herein. Such liability, umbrella and/or excess policies may be subject to aggregate limits so long as the aggregate limits have not at any pertinent time been reduced to less than the policy limit stated above, and provided further that any umbrella or excess policy provides coverage from the point that such aggregate limits in the basic policy become reduced or exhausted.

If the above insurance policy ceases to be available, or is available on terms so unacceptable that prudent landlords or tenants, as the case may be, generally do not carry such insurance, then in lieu of such insurance the pertinent party may carry the most comparable insurance which is available and generally carried by prudent parties.

14. DEFAULT:

14.1 Any one of the following events shall constitute an Event of Default:

(i) Tenant shall fail to pay any monthly installment of Base Rent or additional rent as herein provided, and such default shall continue for a period of five (5) days after the due date therefor;

(ii) Tenant shall violate or fail to perform any of the other conditions, covenants or agreements herein made by Tenant and such default shall continue for fifteen (15) days after notice from Landlord; provided, however, that if the nature of such default is such that Tenant can cure the default, but not within fifteen (15) days, then the Event of Default shall be suspended for a period not in excess of thirty (30) additional days so long as Tenant commences cure within fifteen (15) days and thereafter diligently and continuously prosecutes the curing of the default, and so long as continuation of the default does not create material risk to the Project or to persons using the Project;

(iii) Tenant shall file or have filed against it or any guarantor of this Lease any bankruptcy or other creditor's action, or make an assignment for the benefit of its creditors.

14.2 If an Event of Default shall have occurred and be continuing, Landlord may at its sole option by written notice to Tenant terminate this Lease. Neither the passage of time after the occurrence of the Event of Default nor exercise by Landlord of any other remedy with regard to such Event of Default shall limit Landlord's rights under this Section 14.2.

14.3 If an Event of Default shall have occurred and be continuing, whether or not Landlord elects to terminate this Lease, Landlord may enter upon and repossess the Premises (said repossession being hereinafter referred to as "Repossession") by force, summary proceedings, ejectment or otherwise, and may remove Tenant and all other persons and property therefrom.

14.4 From time to time after Repossession of the Premises, whether or not this Lease has been terminated, Landlord may, but shall not be obligated to, attempt to relet the Premises for the account of Tenant in the name of Landlord or otherwise, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and for such terms (which may include concessions or free rent) and for such uses as Landlord, in its uncontrolled discretion, may determine, and may collect and receive the rent

therefor. Any rent received shall be applied against Tenant's obligations hereunder, but Landlord shall not be responsible or liable for any failure to collect any rent due upon any such reletting.

14.5 No termination of this Lease pursuant to Section 14.2 and no Repossession of the Premises pursuant to Section 14.3 or otherwise shall relieve Tenant of its liabilities and obligations under this Lease, all of which shall survive any such termination or Repossession. In the event of any such termination or Repossession, whether or not the Premises shall have been relet, Tenant shall pay to Landlord the Base Rent and other sums and charges to be paid by Tenant up to the time of such termination or Repossession, and thereafter Tenant, until the end of what would have been the Term in the absence of such termination or Repossession, shall pay to Landlord, as and for liquidated and agreed current damages for Tenant's default, the equivalent of the amount of the Rent payable under this Lease by Tenant if this Lease were still in effect, less the net proceeds, if any, of any reletting effected pursuant to the provisions of Section 14.4 after deducting all of Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, attorneys' fees, alteration costs, and expenses of preparation for such reletting. Tenant shall pay such current damages to Landlord monthly 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 the same from Tenant on each such day. At any time after such termination or Repossession, whether or not Landlord shall have collected any current damages 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 value of the excess of the Rent and other sums or charges reserved under this Lease from the day of such termination or Repossession for what would be the then unexpired term if the same had remained in effect, over the amount of rent Tenant demonstrates that Landlord could in all likelihood actually collect for the Premises for the same period, said present value to be arrived at on the basis of a discount of four percent (4%) per annum.

14.6 Landlord shall in no event be considered to be in default of Landlord's obligations hereunder until the expiration of a reasonable time after notice of default from Tenant.

15. WAIVER:

No waiver by either party of any breach of any agreement herein contained shall operate as a waiver of such agreement itself, or of any subsequent breach thereof. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installments of rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent nor shall any endorsement or statement on any check or letter accompanying a check for payment of rent be deemed an accord and satisfaction, nor shall acceptance of rent with knowledge of breach constitute a waiver of the breach, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent, to terminate this Lease, to Repossess the Premises or to pursue any other remedy provided in this Lease. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of the Lease.

16. COVENANT OF QUIET ENJOYMENT:

Landlord covenants that it has the right to make this Lease for the term aforesaid and covenants that if Tenant shall pay the rent and perform all of the covenants, terms and conditions of this Lease to be performed by Tenant, Tenant shall, during the Term, freely, peaceably and quietly occupy and enjoy the full possession of the Premises. The term "Landlord" as used in this Lease shall mean solely the owner of the Premises, or in the case of a sale-leaseback, the lessee of the underlying land, at the relevant time. The liability of the original Landlord and any successor Landlord under this Lease is limited to its interest in the Premises and any insurance proceeds payable to Landlord with respect to the Premises, and with respect to any liability accrued prior to a transfer, any net proceeds received by the transferor Landlord in consideration of the transfer.

17. NO REPRESENTATIONS BY LANDLORD:

Neither Landlord nor any agent or employee of Landlord has made any representations or promises with respect to the Premises except as herein expressly set forth, and no right, privileges, easements or licenses are acquired by Tenant except as herein expressly set forth. Tenant, by taking possession of the Premises, shall accept the same "as is" except as expressly provided in this Lease and such taking of possession shall be conclusive evidence that the Premises are in good and satisfactory condition at the time of such taking of possession. In addition to and without limitation of the immediately preceding sentence, Tenant agrees that it is leasing the Premises on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis, based upon its own judgment, and hereby disclaims any reliance upon any statement or representation whatsoever made by Landlord. LANDLORD MAKES NO WARRANTY WITH RESPECT TO THE PREMISES, THE PROJECT OR ANY PART THEREOF, EXPRESS OR IMPLIED, AND LANDLORD SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE AND ANY LIABILITY FOR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE PREMISES, THE PROJECT OR ANY PART THEREOF.

18. NOTICES:

All notices or other communications hereunder shall be in writing and shall be effective if hand delivered or sent by registered or certified first-class mail, postage prepaid, or by overnight express service which maintains confirmation of delivery, (i) if to Landlord at Landlord Address set forth on Item 7 of the Data Sheet, and (ii) if to Tenant, at the Premises, unless notice of a change of address is given pursuant to the provisions of this Section. The day notice is given by mail shall be deemed to be the day following the day of mailing. If acceptance is refused, as evidenced by the records of the Postal Service or overnight delivery service, notice shall be deemed given on the date acceptance is refused.

19. ESTOPPEL CERTIFICATES:

Tenant agrees at any time and from time to time, upon not less than five (5) days prior written notice by Landlord, to execute, acknowledge and deliver to Landlord or a party designated by Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect, or if there have been modifications, that the Lease is in full force and effect

as modified and stating the modifications, (ii) stating the dates to which the rent and other charges hereunder have been paid by Tenant, (iii) stating whether or not Landlord is in default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default, (iv) agreeing that Tenant and Landlord will not thereafter modify the Lease without the approval of any mortgagee identified by Landlord, and (v) agreeing that, except for any security deposit required herein, Tenant shall not prepay any rent more than thirty (30) days in advance, and (vi) such other matters relating to this Lease as may reasonably be requested. Any such statement delivered pursuant hereto may be relied upon by any owner of the Project, any prospective purchaser of the Project, any mortgagee or prospective mortgagee of the Project or of Landlord's interest, or any prospective assignee of any such mortgagee. Tenant acknowledges that failure to comply with this Section 20 on a timely basis could result in loss of a favorable sale or financing and Tenant agrees to be liable for any consequential damages resulting from Tenant's breach hereunder.

20. SURRENDER; HOLDING OVER:

Upon the expiration of this Lease or the earlier termination of Tenant's right to possession, Tenant shall immediately vacate the Premises, remove all of its property therefrom, remove any Hazardous Materials installed, used, generated, stored or disposed of by Tenant, and leave the Premises in the condition required by this Lease. Any property not removed shall be deemed abandoned, and Tenant shall be liable for all costs of removal and Tenant shall indemnify, defend and hold Landlord harmless from any cost or liability due to disposition of any property in the Premises in which a person other than Tenant has an interest. Should Tenant continue to occupy the Premises, or any part thereof, after the expiration or termination of the Term, whether with or without the consent of Landlord, such tenancy shall be from month to month and the monthly Rent set forth in the term sheet shall be payable. If Tenant's holdover is without the consent of Landlord, neither this Section nor the acceptance of any rent hereunder shall prevent Landlord from exercising any remedy to regain immediate possession of the Premises.

21. BROKERS:

Tenant warrants that it has not engaged or dealt with any broker in connection with this Lease and Tenant agrees to indemnify hold Landlord harmless from and against any claim for broker's fees or finder's fees asserted by anyone on account of any dealings with Tenant in connection with this Lease.

22. MISCELLANEOUS:

- (a) This is governed by and shall be construed according to the laws of the state in which the Premises are located.
- (b) The captions in this Lease are for convenience only and are not a part of this Lease.
- (c) Time is of the essence.
- (d) The provisions of this Lease which relate to periods subsequent to the expiration of the Term shall survive expiration.

(e) If any provision of this Lease is invalid or unenforceable to any extent, then such provision and the remainder of this Lease shall continue in effect and be enforceable to the fullest extent permitted by law.

(f) This Lease contains the entire agreement of the parties hereto with respect to the Premises and Project. This Lease may be modified only by a writing executed and delivered by both parties.

(g) Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between the parties other than that of landlord and tenant.

(h) This Lease shall be binding upon and inure to the benefit of the parties hereto and, subject to the restrictions and limitations herein contained, their respective heirs, successors and assigns.

(i) Rules and Regulations. Tenant shall observe and comply with the rules and regulations as Landlord may prescribe and as listed on Exhibit A attached hereto and incorporated herein.

LANDLORD:

THE CITY OF RAMSEY, A MINNESOTA
MUNICIPAL CORPORATION

By _____
Bob Ramsey, Mayor

TENANT:

TMBC, L.L.C., dba Crystal Pierz Marine, a
Foreign Limited Liability Company

By _____
Its: Chief Manager

ATTEST:

By: _____
Kurt Ulrich, City Administrator

EXHIBIT A

TO LEASE AGREEMENT

DATED JUNE 1, 2011

LEASED PROPERTY RULES AND REGULATIONS

1. Any sign, lettering, picture, notice or advertisement installed on or in any part of the Leased Property and visible from the exterior of the Leased Property, shall be installed at Tenant's sole cost and expense, and in such manner, character and style as Landlord may approve in writing. Anything herein to the contrary notwithstanding, approval as to signs shall be subject to Landlord's approval which may be withheld in Landlord's sole discretion. In the event of a violation of the foregoing by Tenant, landlord may remove the same without any liability and may charge the expense incurred by such removal to Tenant.

2. Tenant assumes full responsibility for protecting its space from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Leased Property closed and secured after normal business hours.

3. Tenant shall comply with all applicable federal, state and municipal laws, ordinances and regulations, and building rules and shall not directly or indirectly make any use of the Leased Property which may be prohibited by any of the foregoing or which may be dangerous to persons or Leased Property or may increase the cost of insurance or require additional insurance coverage.

4. The Leased Property shall not be used for cooking (as opposed to heating of food), lodging, sleeping or for any immoral or illegal purpose.

5. Unless expressly permitted by Landlord, no additional locks or similar devices shall be attached to any door or window and no keys other than those provided by Landlord shall be made for any door. If more than two keys for one lock are desired by Tenant, Landlord may provide the same upon payment by Tenant. Upon termination of this Lease or of Tenant's possession, Tenant shall surrender all keys of the Leased Property and shall explain to Landlord all combination locks on safes, cabinets and vaults.

6. The restrooms, drinking fountains and other plumbing fixtures shall not be used for any purpose other than for which they are constructed, and no sweepings, rubbish, rags, coffee grounds or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by Tenant who, or whose employees, agents, visitors or licensees have caused same. No person shall waste water by interfering or tampering with the faucets or otherwise.

7. Tenant shall be responsible for any damage to the building or the Leased Property of its employees or others and injuries sustained by any person whomsoever resulting from the use or moving of such articles in or out of the Leased Property, and shall make all repairs and

improvements required by Landlord or governmental authorities in connection with the use or moving of such articles.

8. Wherever in these Leased Property Rules and Regulations the word "Tenant" occurs, it is understood and agreed that it shall mean Tenant's associates, employees, agents, clerks, invitees, and visitors. Wherever the word "Landlord" occurs, it is understood and agreed that it shall mean Landlord's assigns, agents, clerks, and visitors.

9. Landlord shall have the right to enter upon the Leased Property at all reasonable hours for the purpose of inspecting the same.

10. Landlord shall have the right to enter the Leased Property at hours convenient to Tenant for the purpose of exhibiting the same to prospective tenants.

11. Tenant shall be responsible for all repair and maintenance of mechanical systems and devices if any associated with the Leased Property, including, but not limited to the electrical system, and the garage door opening system.

12. Alterations of any nature to the Leased Property by Tenant costing in excess of \$3000.00 shall require written approval of Landlord. Such approval shall be at the sole discretion of Landlord. In the event of a violation of the foregoing by Tenant, Landlord may remove the same without any liability and may charge the expense incurred by such removal to Tenant.

13. Tenant and Tenant's employees, agents, visitors and licensees shall observe faithfully and comply strictly with the foregoing rules and regulations and such other and further appropriate rules and regulations as Landlord or Landlord's agent may from time to time adopt. Reasonable notice of any additional rules and regulations shall be given in such manner as Landlord may reasonably elect.

14. Landlord reserves the right at any time to rescind, alter or waive, in whole or in part, any of these Rules and Regulations when deemed necessary, desirable, or proper, in Landlord's judgment, for its best interest. Tenant reserves the right to refuse compliance with any subsequent additional rules and regulations added to those agreed to at the time of signing the Lease.

To the extent these rules are in conflict with the terms of the Lease, the terms of the Lease shall rule and govern.