

LEASE

This lease (“this “Lease”) is effective as of April ___, 2013 and is made by and between the City of Ramsey, a Minnesota municipal corporation, 7550 Sunwood Drive NW, Ramsey MN 55303 (“Landlord”) and East Side Oil Company., a Minnesota corporation, 625 SE Lincoln Avenue, St. Cloud, MN 56304 (“Tenant”).

DATA SHEET

1. Premises. The area depicted in attached Exhibit, located on the property generally known as 14100 Jasper St NW, Ramsey, MN 55303 and which parcel is legally described as follows:

Gateway North Industrial Park Lot 1 Block 1 Gateway North Industrial Park

(the “Premises”)

2. Term and Termination. This Lease shall commence on April 1, 2013 (the “Commencement Date”) and shall terminate upon 30 days written notice by either party (the “Lease Term”).

3. Rental Rate. One dollar per year.

4. Permitted Use. Tenant shall use the Premises as a used oil public site for the collection of used oil deposited by members of the public in Tenant’s 1,990 gallon double walled tank installed on the Premises by Tenant. The permitted use shall also include the collection of used oil filters and antifreeze from members of the public. The following equipment, which Tenant has advised has the indicated monetary values, shall be permitted to be installed on the Premises by Tenant:

1-1990 Gallon double wall UL tank	\$16,235.75
Permanent ID/Serial # stamped on the 1990 gallon tank is	
<hr style="width: 20%; margin-left: 0;"/>	
Signage	\$1,417.86
Vents and Gauges	\$279.70
Cover & assembly parts	\$2,300.00
(The “Equipment”)	

5. Removal of Equipment. Upon the termination of this Lease, Tenant shall immediately pick up the Equipment with all parts and attachments thereto. If Tenant should fail to pick up the Equipment upon termination of this Lease, Landlord shall have the right to remove the Equipment from the Premises and lawfully dispose of the same.

6. Landlord Address:

City of Ramsey
Attention: City Administrator
Ramsey Municipal Center
7550 Sunwood Drive NW
Ramsey, MN 55303

7. Tenant Address:

East Side Oil Company, Inc.
625 SE Lincoln Avenue
St. Cloud, MN 56304

LEASE TERMS

1. **PREMISES:**

Landlord hereby leases to Tenant, and its successors and assigns, and Tenant hereby leases from Landlord for the Terms described in Item 2 of the Data Sheet and upon the conditions hereinafter the Premises described in Item 1 of the Data Sheet.

2. **RENTABLE AREA:**

The Rentable Area of the Premises is estimated to be the paved surface area as part of the land set forth in Item 1 of the Data Sheet. The actual Rentable Area of the Premises consists of 240 square feet.

3. **LEASEHOLD IMPROVEMENTS:**

Tenant is taking the Premises "AS IS" and Landlord shall not be obligated to do any work on the Premises. Tenant shall maintain the Premises as an outdoor used oil drop off site for the public and associated parking facility and shall not make any alteration, decoration, addition or improvement to the Premises without the prior written consent of the Landlord.

4. **TERM AND TERMINATION:**

The term of this Lease shall be described in Item 2 of the Data Sheet (the "Lease Term") and shall commence upon the "Commencement Date" as described in Item 2 of the Data Sheet.

5. **RENT: \$1.00 per year.**

6. PROPERTY TAXES:

Landlord shall be responsible for any real property taxes that may be levied against the Premises.

7. USE:

Tenant will use and occupy the Premises solely as a used oil, used oil filters, and used anti-freeze drop off site by members of the public and associated parking facility.

8. ASSIGNMENT AND SUBLETTING:

Tenant may not assign or sublet the Premises without the landlord's written permission.

9. MAINTENANCE:

Tenant agrees to keep and maintain the Premises and its equipment in a properly functioning, safe, orderly and sanitary condition, will make all necessary replacements thereto, will suffer no waste or injury thereto and will at the expiration or other termination of the Lease Term, surrender the same with all improvements in the same order and condition in which they were on the Commencement Date. Notwithstanding the foregoing, Landlord shall provide snowplowing services for the Premises and access thereto. 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.

10. ALTERATIONS AND EQUIPMENT:

10.1 Tenant will not make or permit anyone to make alterations, decorations, additions or improvements in or to the Premises without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

10.2 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.

11. RIGHT OF ENTRY:

Tenant shall permit Landlord, or its representatives, to enter upon 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.

12. SERVICES AND UTILITIES:

None supplied by the Landlord. Any public or private utilities required by Tenant shall be provided at Tenant's sole expense.

13. WAIVER AND INDEMNITY:

- 13.1 Notwithstanding anything apparently to the contrary in this Lease, Landlord and Tenant hereby release one another and their respective offices and employees 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 of negligence of the other party.
- 13.2 Tenant agrees to indemnify, defend and hold Landlord and its officers and employees and property managers harmless from and against any claim, loss or expense arising out of injury, death or property loss or damage occurring in the Premises, except to the extent caused by the negligent act or intentional misconduct of Landlord or its officers, employees or property manager.
- 13.3 In addition, Tenant agrees to indemnify defend and hold Landlord harmless from and against all liabilities, damages fees penalties or losses arising out of any demand claim or suit by any governmental agency or private third party pertaining to reporting or clean-up of any hazardous substance, hazardous waste, petroleum product or other pollutant contaminating the environment as a result of spill, leaking or other malfunction of the Equipment.

14. 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 \$1,000,000.00 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 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. The tenant shall provide and insurance certificate naming the City of Ramsey as an additional insured. The City of Ramsey shall receive a written notice of insurance termination 30 days prior to cancellation. In addition to the above, Tenant agrees to obtain environmental insurance adequate to insure the City against those potential liabilities described in paragraph 13.3 above.

If the above insurance policy ceases to be available, or is available on terms so unacceptable that prudent landlords or tenants, as the case maybe, 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.

15. DEFAULT:

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

- (i) Tenant shall fail to pay the annual rental rate or additional rent as herein provided, and such default shall continue for a period of five (5) days after the date therefore;
- (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 the 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 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 any bankruptcy or other creditor's actions, or make an assignment for the benefit of his creditors.

15.2 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 15.2

15.3 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 summary proceedings, eviction action or other lawful

means and may remove Tenant and all other persons and property there from.

15.4 No termination of this Lease pursuant to Section 15.2 and no Repossession of the Premises pursuant to Section 15.3 or otherwise shall relieve Tenant of 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 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, all of Landlord's expenses in connection with all repossession costs, operating expenses, legal expenses, attorney's fees, and alteration costs. 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.

15.5 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.

16. MINNESOTA POLLUTION CONTROL AGENCY (MPCA) MONITORING REQUIREMENT.

Landlord agrees to perform the monthly monitoring of the interstitial space reading as required by the MPCA, document such monitoring and provide Tenant documentation of said monitoring on a monthly basis.

17. 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 re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of the Lease.

18. 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. The liability of the Landlord under this Lease is limited to its interest in the Premises and any insurance proceeds payable to Landlord with respect to the Premises.

19. 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's leasing the Premises on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis, based upon his 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, 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, for Tenant's intended purpose.

20. 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 6 of the Data Sheet, and (ii) if to Tenant, at Tenant Address set forth in Item 7 of the Data Sheet, 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.

21. 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 his property there from, 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 in 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.

22. MISCELLANEOUS:

- (a) This Lease is governed by and shall be construed according to the laws of the State of Minnesota.
- (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. 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.

LANDLORD
THE CITY OF RAMSEY

TENANT
EASTSIDE OIL COMPANY

By: _____
—
Its: Mayor

By: _____
Its:

ATTEST:

By _____

Its: City Administrator