

LEASE AGREEMENT

This Lease Agreement, dated this 23rd day of February, 2010, (this "Lease") is made by and between the **CITY OF RAMSEY**, Anoka County, Minnesota, a Minnesota municipal corporation ("LANDLORD") and the **COUNTY OF ANOKA**, a political subdivision of the State Minnesota ("TENANT").

DEFINITION:

"Leased Space". Approximately 2200 square feet of office space including two (2) closed offices and one storage room on the ground floor of the Ramsey Municipal Center located at 7550 Sunwood Drive NW, Ramsey Minnesota, 55303 (the "Office Space"). The Leased Space includes approximately 466 square feet of shared common areas (restrooms, lunch room, etc.) (the "Shared Space"). The Office Space and the Shared Space total 2,666 square feet and are collectively referred to hereinafter as the "Leased Space". The Leased Space also includes the right to use the Parking Facilities as described below. . The Leased Space is depicted on the attached Exhibit A.

WITNESSETH THAT:**1. TERM:**

a. **Initial Term.** For and in consideration of the rents, additional rents, terms, provisions and covenants herein contained, LANDLORD hereby lets, leases and demises to TENANT the Leased Space for the term of five years commencing on the 1st day of July, 2010 (sometimes called "the Commencement Date") and expiring on the 30th day of June, 2015 (sometimes called "Expiration Date") unless sooner terminated as hereinafter provided. The term from July 1, 2010 through June 30, 2015 is hereinafter referred to as the "Initial Term". TENANT'S obligation to pay rent shall begin on the Commencement Date.

b. **Option to Renew.** Provided TENANT is not in default hereunder and has performed all of its covenants and obligations, TENANT may extend the Term of this Lease (hereinafter, the "Option Term") for one (1) five (5) year Term with the Option Term beginning on the first day after the "Expiration Date" upon the terms and conditions set forth below. TENANT may exercise the Option Term only by giving written notice to LANDLORD not later than June 30, 2014. Subject to mutual agreement between the LANDLORD and TENANT, the term of this lease may be extended for an additional two (2) five (5) year Terms (hereinafter "Additional Terms"), which agreement shall be made at least 365 days prior to the commencement of each of the two Additional Terms.

c. **Early Lease Termination.** TENANT shall have the right to terminate this Lease Agreement without penalty upon 365 days written notice to LANDLORD upon the happening of any of the following events (1) the TENANT loses more than 50% of its revenue volume as measured by the immediately preceding calendar year (2) the State of Minnesota discontinues the practice of appointing license bureaus, as they now exist or other means of obtaining licenses, license plates, vehicle transfers, and/or paying license fees makes operating a license bureau uneconomical Notwithstanding an early termination TENANT shall reimburse LANDLORD for its build-out allowance given TENANT pursuant to paragraph 8.b. below upon the following schedule: if termination is within one-year of Commencement Date, repayment of build-out costs by TENANT is 100%; from one year to two years – 80%; from two to three years

– 60%; from three to four years – 40%; and from four years to five year – 20%. After the fifth year from the Commencement Date, there shall be no obligation for repayment of the build-out costs.

2. **BASE RENT:**

a. **Rent.** TENANT shall pay to LANDLORD Base Rent of \$13.00/sf for the 2200 square feet of Office Space . TENANT shall not be charged Base Rent for the Shared Space. TENANT shall also pay to LANDLORD a pro rata share of the Operating Costs (as hereinafter defined) on the entire 2,666 Leased Space of \$5.20/sf . TENANT pro rata share of the Operating Costs are hereinafter referred to as "CAM." Total annual rent for the first year of the Lease is \$42,456.00 calculated as follows: (Base Rent of 2200sf x \$13.00/sf + CAM charges of 2666sf x \$5.20/sf = \$42,456.00). The Base Rent and CAM as adjusted below, shall be payable in advance without offset, deduction or demand, in monthly installments on the Commencement Date and on the first day of the month thereafter during the Initial Term, and the Option Term. The annual rent payable shall be in accordance with attached Exhibit B.

b. **Rent Increase.** The Office Space Base Rent shall increase at an annual rate of two percent (2%) per year during the Initial Term and during any Option Term.

c. **CAM rent adjustment.** The CAM rent shall be adjusted up or down on an annual basis based upon a review by the LANDLORD of its costs for the Operating Expenses. Said review shall be on or before August 1 of each year during the Initial Lease Term LANDLORD shall determine its Operating Expenses during the immediate prior one year lease term expiring on the preceding June 30th. Based on this review, LANDLORD shall advise TENANT of the CAM rent. The Base Rent shall then be adjusted accordingly. In the event TENANT exercises its Option to renew, the CAM rent shall then be increase pursuant to the CPI index formula as described on attached Exhibit C.

3. **OPERATING EXPENSES:**

LANDLORD shall pay all operating expenses including utilities incurred by TENANT in operating the Leased Space. The term "Operating Expenses" shall include but not be limited to janitorial services, maintenance, repair, operation of utilities and lighting, garbage disposal and refuse removal, parking and landscaped areas, signs, snow removal, non-structural repair and maintenance of the exterior of the building in which the Leased Space is located, all associated with the Leased Space being rented(the "Operating Expenses"). LANDLORD shall provide the same level of service for the LEASED SPACE that it provides for all other office areas located within the Ramsey Municipal Building. The cost of the TENANT pro rata share of the Operating Expenses is included in the CAM.

In addition to payment of the Operating Expenses, LANDLORD'S reception staff will provide direction for TENANT'S customers to access TENANT's Office Space, as necessary.

4. **COVENANT TO PAY RENT:**

The covenants of TENANT to pay the Base Rent and the Additional Rent are each independent of any other covenant, condition, provision or agreement contained in this Lease. All rents are

payable to LANDLORD at Ramsey Municipal Center, 7550 Sunwood Drive, Ramsey Minnesota 55303, or such other place as LANDLORD may designate.

5. CARE AND REPAIR OF LEASED SPACE:

Subject to LANDLORD'S responsibility to pay all Operating Expenses, TENANT shall, at all times throughout the term of this Lease, including renewals and extensions, keep and maintain the Leased Space in a clean, safe, sanitary and first class condition and in compliance with all applicable laws, codes, ordinances, rules and regulations.

6. PARKING FACILITIES:

Parking for customers of TENANT shall be provided in the surface parking lot south side of the Ramsey Municipal Center, street parking on Sunwood Drive and in the adjacent Municipal Parking Ramp. LANDLORD will provide six (6) signed stalls in the surface parking lot on the south side of the Ramsey Municipal Center for "15 MINUTE PARKING". Parking for employees of TENANT shall be provided in the parking ramp only.

7. SIGNS:

- Any sign, lettering, picture, notice or advertisement installed on or in any part of the Leased Space and visible from the exterior of the Leased Space, or visible from the exterior of the Leased Space, must be approved in advance by LANDLORD and installed at TENANT's expense. 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. Notwithstanding the foregoing, LANDLORD agrees to permit TENANT, at TENANT'S expense to install an illuminated sign on the LANDLORD'S Municipal Parking Ramp or any future Highway 10 marquis sign installed by the City of Ramsey. The LANDLORD shall, at TENANT's expense place directional signage on Sunwood Drive. The LANDLORD shall, at LANDLORD'S expense, place directional signage to the Leased Space within the Ramsey Municipal Center and Municipal Parking Ramp. Other than as provided herein, any signs installed on highway or street right of way shall be installed only with any necessary local regulatory agency approval.

8. ALTERATIONS, INSTALLATION, FIXTURES:

a. Except as hereinafter provided, TENANT shall not make any alternation, additions, or improvements in or to the Leased Space or add, disturb or in any way change any plumbing or wiring therein without the prior written consent of LANDLORD. In the event alterations are required by any governmental agency by reason of the use and occupancy of the Leased Space by TENANT, TENANT shall make such alterations at its own cost and expense after first obtaining LANDLORD's approval of plans and specifications therefore and furnishing such indemnification as LANDLORD may reasonably require against liens, costs, damages and expenses arising out of such alterations. Alterations or additions by TENANT must be built in compliance with all laws, ordinances and governmental regulations affecting the Leased Space and TENANT shall warrant to LANDLORD that all such alterations, additions, or improvements shall be in strict compliance with all relevant laws, ordinances, governmental regulations, and

insurance requirements. Construction of such alterations or additions shall commence only upon TENANT obtaining and exhibiting to LANDLORD the requisite approvals, licenses and permits and indemnification against liens. All alterations, installations, or improvements to the Leased Space made by TENANT shall at the option of LANDLORD become the property of LANDLORD and shall be either removed by TENANT at TENANT's sole cost or surrendered to LANDLORD upon the termination of this Lease; provided, however, this clause shall not apply to movable equipment or furniture owned by TENANT which may be removed by TENANT at the end of the term if this Lease of TENANT is not then in default.

9. INFORMATION TECHNOLOGY (IT):

(a) TENANT will provide no less than a T1 (or greater appropriate level of infrastructure), to include PRI and data, and its own phone system and computers/servers to facilitate its operations. TENANT will pay direct cost of T1 (or greater), phone system, and computers/servers to facilitate its operations.

(b) LANDLORD will provide 24X7 access to "Information Technology Center" and DMark Room within the Ramsey Municipal Center. LANDLORD and TENANT agree to develop and abide by a security agreement regarding the 24X7 access to LANDLORD's Information Technology Center and DMark Room. LANDLORD's IT Manager will assist in coordinating data and phone connections upon TENANT's move-in, not to exceed eight (8) hours, included in the Base Rent cost. Additional work requested by TENANT for LANDLORD's IT Manager will be billed at the LANDLORD's billable hourly rate for its IT Manager. TENANT will provide all technology support for its own operations.

10. LEASED SPACE SECURITY:

LANDLORD will assist in facilitating Leased Space and common area security needs of TENANT. Costs of security improvements to support TENANT's operations, such as cameras, recording equipment, or additional panic alarm systems will be paid by TENANT. LANDLORD will provide security badges for door access to TENANT's employees as well as access to LANDLORD's current panic alarm system. LANDLORD'S Police Department will respond to LANDLORD's current panic alarm system when activated by TENANT'S EMPLOYEES consistent with that response provided to LANDLORD's employee's activation of said panic alarm system. TENANT's employee may elect to activate LANDLORD's panic alarm system which system is intended for use during normal business hours to provide police presence in the event of non-life threatening emergency situations such as unruly customers and or threatening work place events. For ALL OTHER Emergency events TENANT's employees shall of course use the 911 emergency services system.

11. CONSTRUCTION OF IMPROVEMENTS/POSSESSION

(a) **LANDLORD'S Work.** The parties acknowledge that the Leased Space has not been constructed. LANDLORD agrees to construct the improvements to the Leased Space as generally depicted in Exhibit A ("Improvements") LANDLORD shall retain an architect of LANDLORD's choice to prepare plans and specifications for the construction of Improvements and an estimate of the cost to construct the Improvements. The plans and specifications for the construction of the Improvements shall conform to all applicable governmental statutes,

ordinances, regulations and codes. LANDLORD shall not seek bids/Quotes for the Construction of the Improvements until the plans and specifications have been approved by TENANT. Upon approval by TENANT, LANDLORD shall obtain bids/quotes for the construction of the Improvements according to the approved plans and specifications. If the bids/quotes come in higher than budgeted by TENANT, then LANDLORD and LANDLORD's Architect shall work with TENANT to revise the plans and specifications so that the cost of construction of the Improvements is within TENANT's budget. LANDLORD shall not award and enter into a contract to construct the Improvements without approval from TENANT.

(b) **CONSTRUCTION.** At such time as the LANDLORD has received bids/quotes for the construction of the Improvements at a cost within the TENANT's budget, LANDLORD shall enter into appropriate agreements with the contractor and cause the construction of the Improvements to the Leased Space in accordance with the approved plans and specifications, which shall be completed by not later than June 14, 2010 ("Turnover Date"). TENANT shall have at a minimum ten (10) days between the Turnover Date and the Commencement Date to prepare the Lease Space for occupancy. If the Turnover Date is different than specified above, then LANDLORD shall give TENANT at least five (5) days notice of the new Turnover Date.

(c) **ACCEPTANCE OF LEASED SPACE.** Within thirty (30) days of the Turnover Date, TENANT, in its reasonable discretion, shall notify LANDLORD in writing of any defects or deficiencies found in the construction of the Improvements ("Punch List Notice"). Failure of TENANT to submit the Punch List Notice within such thirty (30) day period shall be deemed approval by TENANT of the condition of the Leased Space, an acknowledgment that all Improvements have been satisfactorily completed and acceptance of the Leased Space in its "AS IS" condition. If TENANT provides a Punch List Notice to LANDLORD, TENANT shall nevertheless be deemed to have accepted the Leased Space, as of the Turnover Date, in its "AS IS" condition, except for any items listed in such Notice. Notwithstanding the foregoing to the contrary, if, within one hundred eighty (180) days after the Commencement Date, TENANT, in its reasonable discretion, determines that Improvements have not been constructed in substantial conformance with the approved plans and specifications, TENANT shall notify LANDLORD in writing of any defects or deficiencies found in the Improvements ("180 Day Notice"). Failure of TENANT to submit the 180 Day Notice on or before the end of such one hundred eighty (180) day period shall be deemed approval by TENANT of the condition of the Improvements, an acknowledgment that all LANDLORD's Work has been satisfactorily completed and acceptance of the Improvements in its "AS IS" condition, except for any items listed in the Punch List Notice which have yet to be completed. Upon receipt of the Punch List Notice and/or the 180 Day Notice, LANDLORD shall complete, correct and/or repair all items set forth in such notices, other than those which LANDLORD reasonably disputes, within a reasonable time. If LANDLORD and TENANT are unable to reach an agreement regarding any items on either of the notices, they shall meet within ten (10) days after request by either party at a mutually acceptable time and place to attempt, in good faith, to resolve the dispute. If the matter cannot be resolved at such meeting, LANDLORD's Architect shall act as the final arbitrator regarding said items. Delivery of the Punch List Notice shall not postpone the Turnover Date, the Commencement Date nor the obligation of TENANT to pay Rent.

(d) **Delayed Turnover Date.** If the Turnover Date is established as any date other than the date specified in Section 11 (b), LANDLORD shall confirm such date to TENANT in writing delivered to TENANT at least five (5) days prior to the adjusted Turnover Date. In the event of

any delays in the Turnover Date, LANDLORD shall cause the completion of the work to occur as soon as possible. Any such delays shall not affect the validity of this Lease nor be considered a failure to deliver the Leased Space to TENANT by the date referenced in Section 11 (b). LANDLORD acknowledges and agrees that time is of the essence for completion of the Improvements, therefore, if LANDLORD is unable to give possession of the Leased Space to TENANT by June 30, 2010 because construction of Improvements have not been sufficiently completed to make the Leased Space Ready for Turnover or for any other reason, excluding *Force Majeure*, LANDLORD shall give TENANT, as liquidated damages, a rent credit of one (1) days Rent for each and every calendar day LANDLORD fails to give possession of the Leased Space to TENANT. Failure to give possession by the date referenced in Section 11 (b), shall in no way affect the validity of this Lease Agreement or the obligations of TENANT hereunder, except that if LANDLORD extends the Turnover Date beyond July 31, 2010, TENANT shall have the right, upon written notice to LANDLORD, to cancel this Lease Agreement and all monies TENANT has provided LANDLORD hereunder shall be refunded to TENANT within ten (10) business days from the time TENANT gives written notice to LANDLORD of such cancellation, unless all or part of such delay is reasonably attributable to actions or omissions on the part of TENANT. In the case of a delay due to a *Force Majeure*, the construction schedule shall be extended one (1) day for each one (1) day of delay.

(e) Payment for construction of improvements

(1) "Construction Costs" is defined as the cost to construct the Improvements, including construction of the HVAC, electrical, flooring, carpentry construction and finish of the walls/doors/millwork, and security of doors and normal architectural and construction management/administration costs necessary for TENANT's use and occupancy of the Office Space. Notwithstanding the foregoing, Construction Costs shall not include the cost to construct the east wall of the Office Space, the security door, costs relating to mechanical work and LANDLORD's staff time or legal fees.

(2) LANDLORD shall pay \$55,000.00 for the cost of construction of the Improvements ("LANDLORD's Costs"). TENANT shall be responsible for payment of the difference between the Construction Costs and the LANDLORD Costs.

(3) Upon LANDLORD's award of the contract to construct the Improvements, TENANT shall pay LANDLORD 90% of the difference between the Construction Costs and the LANDLORD Costs. The remaining balance shall be paid by TENANT to LANDLORD upon the satisfactory completion of all items in the Punch List Notice.

(f) Herman-Miller Furniture

LANDLORD shall provide at no cost to the TENANT, Herman-Miller furnishings for the two offices (Room Nos. F133 and F134); Dealer processing work area and the safe area as depicted in the attached Exhibit E.

12. USE:

The Leased Space shall be used and occupied by TENANT solely for the purposes of commercial office space for the TENANT'S License Center Facility and such use by TENANT shall at all times be in full compliance with all applicable laws, ordinances and governmental regulations affecting the Leased Space. The Leased Space shall not be used in such manner that, in accordance with any requirement of law or of any public authority, LANDLORD shall be obligated on account of the purpose or manner of said use to make any addition or alteration to

or in the Leased Space. The Leased Space shall not be used in any manner which will increase the rates required to be paid for public liability or for fire and extended coverage insurance covering the Leased Space. TENANT shall occupy the Leased Space, conduct its business and control its agents, and employees in such a way as is lawful, and reputable and will not permit or create any nuisance, noise, odor, or otherwise interfere with, annoy or disturb any other occupant in the Leased Space in its normal business operations or LANDLORD in its management of the Leased Space. TENANT's use of the Leased Space shall conform to all LANDLORDS' rules and regulations relating to the use of the Leased Space as listed on Exhibit D attached hereto. Notwithstanding anything herein to the contrary, during the term of this Lease Agreement TENANT shall have the right to place an ATM machine within the Leased Space at the location indicated in Exhibit A. TENANT shall be responsible for securing and paying for any telecommunication lines needed for the ATM.

13. ACCESS TO LEASED SPACE:

The TENANT agrees to permit LANDLORD and the authorized representatives of LANDLORD to enter the Leased Space at all times during usual business hours for the purpose of inspecting the same and performance of janitorial services and making any necessary repairs to the Leased Space and performing any work therein that may be necessary to comply with any laws, ordinances, rules, regulations or requirements of any public authority or of the Board of Fire Underwriters or any similar body or that LANDLORD may deem necessary to prevent waste or deterioration in connection with the Leased Space. Nothing herein shall imply any duty upon the part of LANDLORD to do any such work which, under any provision of this Lease, TENANT may be required to perform and the performance thereof by LANDLORD shall not constitute a waiver of TENANT's default in failing to perform the same. The LANDLORD may, during the progress of any work in the Leased Space, keep and store upon the Leased Space all necessary materials, tools and equipment. The LANDLORD shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of TENANT by reason of making repairs or the performance on any work in the Leased Space, or on account of bringing materials, supplies and equipment into or through the Leased Space during the course thereof and the obligations of TENANT under this Lease shall not thereby be affected in any manner whatsoever.

LANDLORD reserves the right to enter upon the Leased Space at any time in the event of an emergency and at reasonable hours to exhibit the Leased Space to prospective TENANT's and to display "For Lease" or similar signs on windows or doors in the Leased Space during the last one hundred eighty (180) days of the term of this Lease, all without hindrance or molestation by TENANT. Other than regular cleaning and maintenance as provided for herein, LANDLORD shall, when possible provide notice to TENANT prior to entering the Leased Space. If it is not practical to provide prior notice of entry, LANDLORD shall within 24 hours of such entry provide written documentation to TENANT of any such entry, including such information as why it was not practical to notify TENANT, the names of the persons entering the Leased Space and the date and time that entry was made to the Leased Space.

14. DAMAGE OR DESTRUCTION:

In the event of any damage or destruction to the Leased Space by fire or other cause during the term hereof, the following provisions shall apply:

a. **Significant Damages.** If the Leased Space is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by LANDLORD, will equal or exceed thirty percent (30%) of the replacement value of the Leased Space (exclusive of foundations) just prior to the occurrence of the damage, then LANDLORD may, no later than the sixtieth (60th) day following the damage, give TENANT written notice of LANDLORD's election to terminate this Lease.

b. **Date of Termination.** In the event LANDLORD elects to terminate this Lease, it shall be deemed to terminate on the date of the occurrence of damage or destruction and all rentals shall be paid up to that date. TENANT shall have no claim against LANDLORD for the value of any unexpired term of this Lease except for prepaid rent.

Notwithstanding anything contained in this paragraph 15 to the contrary, LANDLORD shall only be obligated to restore the Leased Space to the extent of the insurance proceeds actually received, but if the insurance proceeds actually received do not permit LANDLORD to restore the Leased Space, LANDLORD shall so notify TENANT and either LANDLORD or TENANT may terminate this Lease by written notice given within 60 days after LANDLORD's notice. If LANDLORD restores the Leased Space in accordance with the provisions of this Section, then TENANT shall not have any right to terminate this Lease because of such damage pursuant to (i) any common law rights, (ii) Minnesota Statutes §504.131 as now in effect or as it may be hereafter amended or supplemented, or (iii) any comparable right established by a similar statute.

15. CASUALTY INSURANCE:

a. **LANDLORD and TENANT Obligations.** LANDLORD shall at all times during the term of this Lease, at its expense, maintain a policy or policies of insurance with premiums paid in advance issued by an insurance company licensed to do business in the State of Minnesota insuring the Leased Space against loss or damage by fire, explosion or other insurable hazards and contingencies for the full insurance value, provided that LANDLORD shall not be obligated to insure any furniture, equipment, machinery, goods or supplies not covered by this Lease which TENANT may bring upon the Leased Space or any additional improvements which TENANT may construct or install on the Leased Space. TENANT shall at all times during the term of this Lease, at its expense, maintain a policy or policies of insurance with premiums paid in advance issued by an insurance company licensed to do business in the State of Minnesota insuring its property of whatever nature against loss or damage by fire, explosion or other insurable hazards and contingencies for the full insurable value of said TENANT's property, including TENANT's improvements to the Leased Space and TENANT's personal Property.

b. **TENANT Restriction.** TENANT shall not carry any stock of goods or do anything in or about the Leased Space which will in any way impair or invalidate the obligation of the insurer under any policy of insurance required by this Lease.

c. **Waiver of Liability.** LANDLORD hereby waives and releases all claims, liabilities and causes of action against TENANT and its agents, servants and employees for loss or damage to, or destruction of, the Leased Space or any portion thereof, including the buildings and other improvements situated thereon, resulting from fire, explosion and other perils included in standard extended coverage insurance, whether caused by the negligence of any of said persons or otherwise. Likewise, TENANT hereby waives and releases all claims, liabilities and

causes of action against LANDLORD and its agents, servants and employees for loss or damage to, or destruction of, any of the improvements, fixtures, equipment, supplies, merchandise and other Leased Space, whether that of TENANT or of others, upon or about the Leased Space resulting from fire, explosion or the other perils included in standard extended coverage insurance, whether caused by the negligence of any of said persons or otherwise. The waiver shall remain in force whether or not TENANT's insurer shall consent thereto.

d. **TENANT Payment.** In the event that the use of the Leased Space by TENANT increases the premium rate for insurance carried by LANDLORD, TENANT shall pay LANDLORD, upon demand, the amount of such premium increase. If TENANT installs any electrical equipment that overloads the power lines to the building or its wiring, TENANT shall, at its own expense, make whatever changes are necessary to comply with the requirements of the insurance underwriter, insurance rating bureau and governmental authorities having jurisdiction.

16. PUBLIC LIABILITY INSURANCE:

This section is intentionally left blank.

17. PROPERTY TAXES:

Currently the Ramsey Municipal Center is tax exempt and is not subject to ad valorem real estate taxes. This Lease Agreement is entered into under the assumption that the lease of the Leased Space will not result in the imposition of ad valorem real estate taxes. If at any time during the term of this lease the Leased Space becomes subject to ad valorem real estate taxes as a result of TENANT's occupancy or as a result of a change in state law, TENANT shall pay its pro rata share of property taxes to LANDLORD as additional rent.

18. COVENANT NON-COMPETE:

As an inducement and consideration to TENANT to enter into this License Agreement LANDLORD shall not directly or indirectly engage in the services currently provided by the Anoka County License Center and for the provision of passport services in the future. LANDLORD agrees to consider future lease space for passport office near the Leased Space.

19A. DEFAULT OF TENANT:

a. **Failure to Pay Rent.** In the event of any failure of TENANT to pay any rental due hereunder within ten (10) days after the same shall be due, or any failure to perform any other of the terms, conditions or covenants of this Lease to be observed or performed by TENANT for more than 20 days after written notice of such failure shall have been given to TENANT, or if TENANT or an agent of TENANT shall falsify any report required to be furnished to LANDLORD pursuant to the terms of this Lease, or if TENANT shall be in default hereunder, LANDLORD, in addition to other rights of remedies it may have, shall have the immediate right of re-entry and may remove all personal property from the Leased Space and such personal property be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of TENANT, all without service of notice or resort to legal process and without being guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby.

b. **LANDLORD's Rights.** Should LANDLORD elect to re-enter the Leased Space, as herein provided, or should it take possession of the Leased Space pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time, without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Leased Space, and relet the Leased Space or any part thereof upon such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as LANDLORD in its sole discretion may deem advisable. Upon each such subletting all rentals received by LANDLORD from such reletting shall be applied first to the payment of any indebtedness other than rent due hereunder from TENANT to LANDLORD; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorney's fees and costs of such alterations and repairs; third, to the payment of the rent due and unpaid payment of future rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month be less than that to be paid during that month by TENANT hereunder, possession of the Leased Space by LANDLORD shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to TENANT or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, LANDLORD may at any time after such re-entry and reletting elect to terminate this Lease for any such breach, in addition to any other remedies it may have, it may recover from TENANT all damages it may incur by reason of such breach, including the cost of recovering the Leased Space, reasonable attorney's fees, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term, minus the amount of rental loss which TENANT proves could have been reasonably avoided, all of which amounts shall be immediately due and payable from TENANT to LANDLORD. LANDLORD shall also be entitled to any other amounts necessary to compensate LANDLORD for all detriment proximately caused by TENANT's failure to comply with the requirements of this Lease.

c. **LANDLORD May Cure Default.** LANDLORD may, at its option, instead of exercising any other rights or remedies available to it in this Lease or otherwise by law, statute or equity spend such money as is reasonably necessary to cure any default of TENANT herein and the amount so spent, and costs incurred, including attorney's fees incurring such default, shall be paid by TENANT, and additional rent, upon demand.

d. **TENANT Payment.** In the event suit shall be brought for recovery of possession of the Leased Space, for the recovery of rent of any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of TENANT to be kept or performed, and a breach shall be established, TENANT shall pay to LANDLORD all expenses incurred therefore, including a reasonable attorney's fee, together with interest on all such expenses at a reasonable the rate of interest from the date of such breach of the covenants of this Lease.

e. **Waiver of Rights of Redemption.** TENANT hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of TENANT being evicted or dispossessed for any cause, or in the event of LANDLORD obtaining possession of the Leased Space, by reason of the violation by TENANT of any of the covenants or conditions of this Lease, or otherwise. TENANT also waives any demand for possession of the Leased Space, and any demand for payment of rent and any notice of intent to re-enter the

Leased Space, or of intent to terminate this Lease, other than the notices above provided in this paragraph, and waives any and every other notice or demand prescribed by any applicable statutes or laws.

f. **No Exclusive Remedy.** No remedy herein or elsewhere in this Lease or otherwise by law, statute or equity, conferred upon or reserved to LANDLORD or TENANT shall be exclusive of any other remedy, but shall be cumulative, and may be exercised from time to time and as often as the occasion may arise.

19B. DEFAULT OF LANDLORD:

LANDLORD Payment. In the event suit shall be brought for by the TENANT because of the breach of any covenant herein contained on the part of LANDLORD to be kept or performed, and a breach shall be established, LANDLORD shall pay to TENANT all expenses incurred therefore, including a reasonable attorney's fees, together with interest on all such expenses at a reasonable rate of interest from the date of such breach of the covenants of this Lease.

20. INDEMNITY & HOLD HARMLESS:

Subject to exceptions and limitations provided by law, including but not limited to those contained in Minnesota Statutes, Chapter 466, TENANT shall indemnify, protect, defend and hold LANDLORD and each of its respective officers and employees harmless from and against every demand, claim, cause of action, judgment and expense, including, but not limited to, reasonable attorney's fees and disbursements of counsel, whether suit is initiated or not, and all loss and damage arising from the negligent acts of the TENANT, TENANT's affiliates or any of its employees from: (a) any injury, loss or damage to the person or property of TENANT, or to any other person rightfully in the Leased Space, (i) occurring in or about the Leased Space, or (ii) resulting from the violation of any legal requirements or the provisions of this Lease by TENANT, or TENANT's affiliates or any of their respective employees, representatives, agents or contractors; (b) any loss or damage, however caused, to books, records, computer or other electronic equipment or data or media, files, artwork, money, securities, negotiable instruments or papers in the Leased Space; (or (c) any loss or damage resulting from interference with or obstruction of deliveries to or from the Leased Space caused by TENANT or TENANT's affiliates or any of their respective employees, representatives, agents or contractors. All property kept, maintained or stored on the Leased Space shall be so kept, maintained or stored at the sole risk of TENANT. If any mechanic's lien is filed against any part of the Leased Space for work claimed to have been done for, or materials claimed to have been furnished to TENANT, such mechanic's lien shall be discharged by TENANT within ten (10) days thereafter, at TENANT's sole cost and expense, by the payment thereof or by making any deposit required by law or by posting a bond with such surety, in such amount and in such form as LANDLORD deems proper. TENANT shall immediately notify LANDLORD of any mechanic's lien or other lien filed against the Leased Space or any part thereof by a contractor or subcontractor of TENANT or otherwise by reason of work claimed to have been done for or materials claimed to have been furnished to TENANT. If TENANT fails to remove such lien or post such bond within the ten (10) day period following the filing thereof, LANDLORD may, at its sole discretion and without waiving its right and remedies based on such breach by TENANT and without releasing TENANT from any of its obligations, cause such lien to be released by any means it shall deem proper, including payment in satisfaction of the claim giving rise to such

lien. TENANT shall, in such event, pay to LANDLORD at once, upon notice by LANDLORD, any sum paid by LANDLORD to remove such lien, together with interest at a reasonable rate from the date of such payment by LANDLORD. LANDLORD shall have the right at all times to post and keep posted on the Leased Space any notices permitted or required by applicable law, or that LANDLORD shall deem proper for the protection of LANDLORD, the Leased Space, the property of and any other party having an interest therein, from liens. All material suppliers, contractors, artisans, mechanics, laborers and other parties contracting with TENANT for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Leased Space are hereby charged with notice that they must look solely to TENANT for payment of the same and TENANT's purchase orders, contracts and subcontracts in connection therewith must clearly state this requirement.

21. NON-LIABILITY:

Subject to the terms and conditions of paragraph 15 hereof, LANDLORD shall not be liable for damage to any property of TENANT or of others located on the Leased Space, or of others by theft or otherwise. Except when caused by the negligent act of the LANDLORD, its employees, contractors and/or agents, LANDLORD shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of the Leased Space or from the pipes, appliances, or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatsoever nature. Except when caused by the negligent act of the LANDLORD, its employees, contractors and/or agents, LANDLORD shall not be liable for any such damage caused by TENANTs or persons in the Leased Space, occupants of adjacent property, of the buildings, or the public or caused by operations in connection of any private, public or quasi-public work. LANDLORD shall not be liable for any latent defect in the Leased Space. All property of TENANT kept or stored on the Leased Space shall be so kept or stored at the risk of TENANT only and TENANT shall hold LANDLORD harmless from any claims arising out of damage to the same, including subrogation claims by TENANT's insurance carrier.

22. ASSIGNMENT OR SUBLETTING:

TENANT agrees to use and occupy the Leased Space throughout the entire term hereof for the purpose or purposes herein specified and for no other purposes, in the manner and to substantially the extent now intended, and not to assign, sublet, license, concession or otherwise transfer this Lease or TENANT's rights in the Leased Space, or any part thereof, whether by voluntary act, operation of law, or otherwise, without obtaining the prior written consent of LANDLORD in each instance. TENANT shall seek such consent of LANDLORD by a written request therefore, setting forth such information as LANDLORD may deem necessary. LANDLORD agrees not to withhold consent unreasonably. Consent by LANDLORD to any assignment of this Lease or to any subletting of the Leased Space shall not be a waiver of LANDLORD's rights under this paragraph as to any subsequent assignment or subletting. LANDLORD's rights to assign this Lease are and shall remain unqualified. No such assignment or subleasing shall relieve TENANT from any of TENANT's obligations in this Lease contained, nor shall any assignment or sublease or other transfer of this Lease be effective unless the assignees, subtenant or transferee shall at the time of such assignment, sublease or transfer, assume in writing for the benefit of LANDLORD, its successors or assigns, all of the terms, covenants and conditions of this Lease thereafter to be performed by TENANT and shall agree in

writing to be bound thereby. Should TENANT sublease in accordance with the terms of this Lease, fifty percent (50%) of any increase in rental received by TENANT over the per square foot rental rate which is being paid by TENANT shall be forwarded to and retained by LANDLORD, which increase shall be in addition to the Base Rent and Additional Rent due LANDLORD under this Lease. NOTWITHSTANDING the preceding, this paragraph 23 is NOT applicable to those Boat and RV Storage Contracts which TENANT enters into with individual owners for the storage of boat and or RV equipment at the Leased Space

23. ATTORNMENT:

In the event of any sale, transfer or assignment of LANDLORD's interest in the Leased Space, or this Lease, or if the Leased Space comes into custody or possession of a mortgagee or any other party whether because of a mortgage foreclosure, or otherwise, TENANT shall attorn to such assignee or other party and recognize such party as LANDLORD hereunder; provided, however, TENANT's peaceable possession will not be disturbed so long as TENANT faithfully performs its obligations under this Lease. TENANT shall execute, on demand, any attornment agreement required by any such party to be executed, containing such provisions and such other provisions as such party may require.

24. NOVATION IN THE EVENT OF SALE:

In the event of the sale of the Leased Space, LANDLORD shall be and hereby is relieved of all of the covenants and obligations created hereby accruing from and after the date of sale, and such sale shall result automatically in the purchaser assuming and agreeing to carry out all the covenants and obligations of LANDLORD herein. Notwithstanding the foregoing provisions of this paragraph, LANDLORD, in the event of a sale of the Leased Space, shall cause to be included in the agreement of sale and purchase a covenant whereby the purchaser of the Leased Space assumes and agrees to carry out all of the covenants and obligations of LANDLORD herein.

The TENANT agrees at any time and from time to time upon not less than ten (10) days prior written request by LANDLORD to execute, acknowledge and deliver to LANDLORD a statement in writing certifying that this Lease is unmodified and in full force and effect as modified and stating the modifications, and the dates to which the basic rent and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of the fee or mortgagee or assignee of any mortgage upon the fee of the Leased Space. In the event that TENANT fails to execute and return the estoppel certificate within such ten (10) day period, the holder of such encumbrance shall be entitled to rely, as against the TENANT, that: (i) this Lease is in full force and effect, without amendment except as specified by the LANDLORD, (ii) TENANT has no offsets against rent nor any defenses to TENANT's performance under this Lease, (iii) TENANT has no right to any offset or defenses to the payment of rent, and (iv) TENANT has not paid any rental under this Lease more than six months in advance.

25. SUCCESSORS AND ASSIGNS:

The terms, covenants and conditions hereof shall be binding upon and inure to the successors and assigns of the parties hereto.

26. REMOVAL OF FIXTURES:

Notwithstanding anything contained in paragraph 8, paragraph 32 or elsewhere in this Lease, if LANDLORD requests then TENANT will promptly remove at the sole cost and expense of TENANT all fixtures, equipment and alterations made by TENANT simultaneously with vacating the Leased Space and TENANT will promptly restore the Leased Space to the condition that existed immediately prior to said fixtures, equipment and alterations having been made all at the sole cost and expense of TENANT.

27. QUIET ENJOYMENT:

LANDLORD warrants that it has full right to execute and to perform this Lease and to grant the estate demised, and that TENANT, upon payment of the rents and other amounts due and the performance of all the terms, conditions, covenants and agreements on TENANT's part to be observed and performed under this Lease, may peaceably and quietly enjoy the Leased Space for the business uses permitted hereunder, subject, nevertheless, to the terms and conditions of this Lease.

28. RECORDING:

TENANT shall not record this Lease without the written consent of LANDLORD. However, upon the request of either party hereto, the other party shall join in the execution of the Memorandum lease for the purposes of recordation. Said Memorandum lease shall describe the parties, the Leased Space and the term of the Lease and shall incorporate this Lease by reference.

29. OVERDUE PAYMENTS:

All monies due under this Lease from TENANT to LANDLORD shall be due on demand, unless otherwise specified and if not paid when due, shall result in the imposition of a service charge for such late payment in the amount of five percent (5%) of the amount due.

30. SURRENDER:

On the Expiration Date or upon the termination hereof upon a day other than the Expiration Date, TENANT shall peaceably surrender the Leased Space broom-clean in good order, condition and repair, reasonable wear and tear only excepted. On or before the Expiration Date or upon termination of this Lease on a day other than the Expiration Date, TENANT shall, at its expense, remove all trade fixtures, personal property and equipment and signs from the Leased Space and any not removed shall be deemed to have been abandoned. Any damage caused in removal of such items shall be repaired by TENANT and at its expense. All alterations, additions, improvements and fixtures (other than trade fixtures) which shall have been made or installed by LANDLORD or TENANT upon the Leased Space and all floor covering so installed shall at the option of LANDLORD remain upon and be surrendered with the Leased Space as a part thereof, without disturbance, molestation or injury, and without charge, at the expiration or termination of this Lease. If the Leased Space is not surrendered on the Expiration Date or the date of termination, TENANT shall indemnify LANDLORD against loss or liability, claims, without limitation, made by any succeeding TENANT founded on such delay. TENANT shall promptly surrender all keys for the Leased Space to LANDLORD at the place then fixed for

payment of rent and shall inform LANDLORD of combinations of any locks and safes on the Leased Space.

31. HOLDING OVER:

In the event of a holding over by TENANT after expiration or termination of this Lease without the consent in writing of LANDLORD, TENANT shall be deemed a TENANT at sufferance and shall pay rent for such occupancy at the rate of twice the lease-current aggregate Base and Additional Rent, prorated for the entire holdover period, plus all attorney's fees and expenses incurred by LANDLORD in enforcing its rights hereunder, plus any other damages occasioned by such holding over. Except as otherwise agreed, any holding over with the written consent of LANDLORD shall constitute TENANT as a month-to-month TENANT.

32. ABANDONMENT:

In the event TENANT shall remove its fixtures, equipment or machinery or shall vacate the Leased Space or any part thereof prior to the Expiration Date of this Lease, or shall discontinue or suspend the operation of its business conducted on the Leased Space for a period of more than thirty (30) consecutive days (except during any time when the Leased Space may be rendered uninhabitable by reason of fire or other casualty), then in any such event TENANT shall be deemed to have abandoned the Leased Space and TENANT shall be in default under the terms of this Lease.

33. CONSENTS BY LANDLORD:

Whenever provision is made under this Lease for TENANT securing the consent or approval by LANDLORD, such consent or approval shall only be in writing.

34. NOTICES:

Any notice required or permitted under this Lease shall be deemed sufficiently given or secured if sent by registered or certified return receipt mail to TENANT at County Administrator, Anoka County Government Center, 2100 3rd Avenue, Anoka, MN 55303, and to LANDLORD at the address then fixed for the payment of rent as provided in paragraph 2 of this Lease, and either party may by like written notice at any time designate a different address to which notices shall subsequently be sent or rent to be paid.

35. RULES AND REGULATIONS:

TENANT shall observe and comply with the rules and regulations as LANDLORD may prescribe and as listed on Exhibit D attached hereto, on written notice to TENANT for the safety, care and cleanliness of the Leased Space.

36. INTENT OF PARTIES:

Except as otherwise provided herein, TENANT covenants and agrees that if it shall any time fail to pay any such cost or expenses, or fail to take out, pay for, maintain or deliver any of the insurance policies above required, or fail to make any other payment or perform any other act on its part to be made or performed as in this Lease provided, then LANDLORD may, but shall not

be obligated so to do, and without notice to or demand upon TENANT and without waiving or releasing TENANT from any obligations of TENANT in this Lease contained, pay any such cost or expense, effect any such insurance coverage and pay premiums therefore, and may make any other payment or perform any other act on the part of TENANT to be made and performed as in this Lease provided, in such manner and to such extent as LANDLORD may deem desirable, and in exercising any such right, to also pay all necessary and incidental costs and expenses, employ counsel and incur and pay reasonable attorney's fees. All sums so paid by LANDLORD and all necessary and incidental costs and expenses in connection with the performance of any such act by LANDLORD, together with interest thereon at the a reasonable rate from the date of making of such expenditure, by LANDLORD, shall be deemed Additional Rent hereunder, and shall be payable to LANDLORD on demand. TENANT covenants to pay any such sum or sums with interest as aforesaid and LANDLORD shall have the same rights and remedies in the event of the non-payment thereof by TENANT as in the case of default by TENANT in the payment of the Base Rent payable under this Lease.

37. GENERAL:

a. **LANDLORD TENANT Relationship.** 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 hereto being that of LANDLORD and TENANT.

b. **Effect of Waivers.** No waiver of any default of TENANT hereunder shall be implied from any omission by LANDLORD to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by LANDLORD shall not then be construed as a wavier of a subsequent breach of the same covenant, term or condition. The consent to or approval by LANDLORD of any act by TENANT requiring LANDLORD's consent or approval shall not waive or render necessary LANDLORD's consent to or approval of any subsequent similar act by TENANT. No action required or permitted to be taken by or on behalf of LANDLORD under the terms or provisions of this Lease shall be deemed to constitute an eviction or disturbance of TENANT's possession of the Leased Space. All preliminary negotiations are merged into and incorporated in this Lease. The laws of the State of Minnesota shall govern the validity, performance and enforcement of this Lease.

c. **Entire Agreement.** This Lease and the exhibits, if any, attached hereto and forming a part hereof, constitute the entire agreement between LANDLORD and TENANT affecting the Leased Space and there are no other agreements, either oral or written, between them other than are herein set forth. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon LANDLORD or TENANT unless reduced to writing and executed in the same form and manner in which this Lease is executed.

d. **Enforceability of Provisions.** If any agreement, covenant or condition of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such agreement, covenant or condition to persons or circumstances other than those as to which it is held invalid or

unenforceable, shall not be affected thereby and each agreement, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

38. NO WASTE OR NUISANCE AND COMPLIANCE WITH LAWS:

a. **Leased Space Use.** The Leased Space shall be used by and/or at the sufferance of TENANT only for the purpose set forth in paragraph 12 above and for no other purposes. TENANT shall not use or permit the use of the Leased Space in any manner that will tend to create waste or a nuisance. TENANT, its employees and all persons visiting or doing business with TENANT in the Leased Space shall be bound by and shall observe the reasonable rules and regulations as listed on Exhibit D attached hereto, made by LANDLORD relating to the Leased Space, of which notice in writing shall be given to TENANT, and all such rules and regulations shall be deemed to be incorporated into and form a part of this Lease.

b. **Obey Laws.** TENANT covenants throughout the Lease Term; at TENANT's sole cost and expense, promptly to comply with all laws and ordinances and the orders, rules and regulations and requirements of all federal, state and municipal governments and appropriate departments, commissions, boards, and officers thereof, and the orders, rules and regulations of the Board of Fire Underwriters where the Leased Space are situated, or any other body now or hereafter created with jurisdiction over the Leased Space, and whether or not the same require structural repairs or alterations, which may be applicable to the Leased Space, or the use or manner of use of the Leased Space. TENANT will likewise observe and comply with the requirements of all policies of public liability, fire and all other policies of insurance at any time in force with respect to the buildings and improvements on the Leased Space and the equipment thereof.

39. HAZARDOUS MATERIAL:

In the event any Hazardous material (hereinafter defined) is brought or caused to be brought into or onto the Leased Space by TENANT, TENANT shall handle any such material in compliance with all applicable federal, state and/or local regulations. For purposes of this paragraph, "Hazardous Material" means and includes any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, and so-called "Superfund" or "Super lien" law, or any federal, state or local statute, law, ordinance, code, rule, regulation, order decree regulation, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect. TENANT shall submit to LANDLORD on an annual basis copies of its approved hazardous materials communication plan, OSHA monitoring plan, and permits required by the Resource Recovery and Conservation Act of 1976, if TENANT is required to prepare, file or obtain any such plans or permits. TENANT will indemnify and hold harmless LANDLORD from any losses, liabilities, damages, costs or expenses (including reasonable attorney's fees) which LANDLORD may suffer or incur as a result of TENANT's introduction into or onto the Leased Space, of any Hazardous Material. This paragraph shall survive the expiration or sooner termination of this Lease.

40. CAPTIONS:

The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease nor the intent or any provision thereof.

41. ATTACHMENTS:

See the Exhibits attached hereto and made a part hereof.

<u>Exhibit</u>	<u>Description</u>
Exhibit A	Graphic Depiction of Leased Space
Exhibit B	Annual Rent Schedule
Exhibit C	CPI Index Formula
Exhibit D	Leased Space Rules and Regulations
Exhibit E	Herman-Miller Furniture

42. SUBMISSION:

Submission of this instrument to TENANT or proposed TENANT or its agents or attorneys for examination, review, consideration or signature does not constitute or imply an offer to lease, reservation of space, or option to lease, and this instrument shall have no binding legal effect until execution hereof by both LANDLORD/Owner and TENANT or its agents.

IN WITNESS WHEREOF, LANDLORD and TENANT have caused these presents to be executed in form and manner sufficient to bind them at law, as of the day and year first above written.

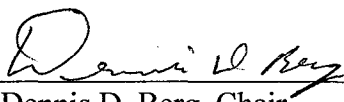
LANDLORD:

TENANT:

**CITY OF RAMSEY, a
Minnesota Municipal Corporation**

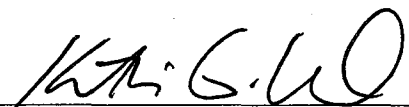
COUNTY OF ANOKA


By: 
Bob Ramsey, Mayor

By: 
Dennis D. Berg, Chair
County Board of Commissioners

Dated: _____

Dated: 3-8-2010

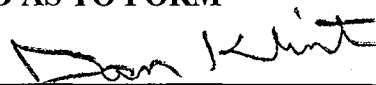
By: 
Kurtis G. Ulrich, City Administrator

By: 
Terry L. Johnson
County Administrator

Dated: 3/9/10

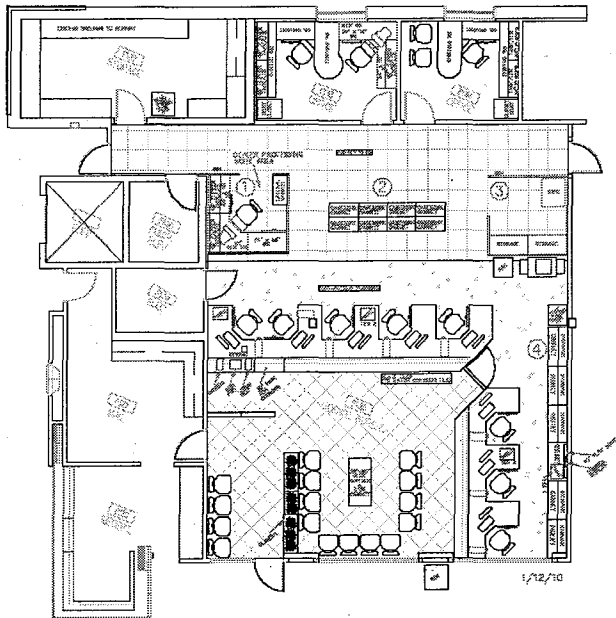
Dated: 3-8-2010

APPROVED AS TO FORM

By: 
Dan Klint
Assistant County Attorney

Dated: 3/5/10

EXHIBIT A
GRAPHIC DEPICTION OF LEASED SPACE



RAMSEY LICENSE BUREAU
PROJECT: 20-004-08
ARCH: 10-10-10

EXHIBIT B
ANNUAL RENT SCHEDULE

Term	Office Space Monthly Rent	CAM Space Monthly Rent	Total Rent Monthly Rent
July 1, 2010 – June 30, 2011	\$2,383.00	\$1,155.00	\$3,538.00
July 1, 2011 – June 30, 2012	\$2,430.66 ¹	² \$	³ \$
July 1, 2012 – June 30, 2013	\$2,479.27		
July 1, 2013 – June 30, 2014	\$2,528.86		
July 1, 2014 – June 30, 2015	\$2,579.44		
Option Term 1			
July 1, 2015 – June 30, 2016	\$2,631.02		
July 1, 2016 – June 30, 2017	\$2,683.65		
July 1, 2017 – June 30, 2018	\$2,737.32		
July 1, 2018 – June 30, 2019	\$2,792.06		
July 1, 2019 – June 30, 2020	\$2,847.91		
Option Term 2			
July 1, 2020 – June 30, 2021	\$2,904.86		
July 1, 2021 – June 30, 2022	\$2,962.96		
July 1, 2022 – June 30, 2023	\$3,022.22		
July 1, 2023 – June 30, 2024	\$3,082.66		
July 1, 2024 – June 30, 2025	\$3,144.32		
Option Term 3			
July 1, 2025 – June 30, 2026	\$3,207.20		
July 1, 2026 – June 30, 2027	\$3,271.35		
July 1, 2027 – June 30, 2028	\$3,336.78		
July 1, 2028 – June 30, 2029	\$3,403.51		
July 1, 2029 – June 30, 2030	\$3,471.58		

¹ Office Space rent increases at a rate of 2% annually.

² CAM space rent adjusts up or down annually based on LANDLORD's actual Operating Expenses for previous one year term during the Initial Term and thereafter increased annually pursuant to the CPI index as described on attached Exhibit C.

³ Total monthly rent will be adjusted up or down based on Note 2.

EXHIBIT C

CPI INDEX FORMULA

The annual CAM rental rate for the first year following the Initial Term and each succeeding year of all Option Terms shall be increased to the annual CAM rental determined thereof by a formula as follows:

$$\text{CAM Rent} = (\text{CAM Rent}) + ((\text{IR} - \text{IL}) / \text{IL} \times \text{CAM Rent})$$

Definitions: IR is the Consumer Price Index for the month which is three (3) months immediately preceding the month in which the second year and each succeeding year commence.

IL is the Consumer Price Index for the month which is three 3 months immediately preceding the month in which the Option Term commenced.

"Consumer Price Index" shall mean the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor for Urban Wage Earners and Clerical Workers for All Items (CPI-W) - U.S. City average or shall mean the successor thereto. In the event the Consumer Price Index is converted to a different standard reference base or otherwise revised, the determination of the rent for the second year and each succeeding year shall be made with the use of such conversion factor, formula or table for converting the Consumer Price Index as may be published by the Bureau of Labor Statistics, or if the Bureau should fail to publish the same, then with the use of such conversion factor, formula or table for converting the Consumer Price Index as may be published by Prentice Hall, Inc., or any other nationally recognized publisher or similar statistical information. If the Consumer Price Index ceases to be published and there is no successor thereto, such other index as LESSOR and TENANT may agree upon shall be substituted for the Consumer Price Index, and if they are unable to agree, then such matter shall be submitted to arbitration in accordance with the then existing commercial rules of arbitration of the American Arbitration Association at the American Arbitration Association office nearest the LANDLORD.

EXHIBIT D
TO LEASE AGREEMENT
DATED _____, 2010

LEASED SPACE RULES AND REGULATIONS

1. Any sign, lettering, picture, notice or advertisement installed on or in any part of the Leased Space and visible from the exterior of the Leased Space, 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 the Leased Space from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Leased Space 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 Space which may be prohibited by any of the foregoing or which may be dangerous to persons or Leased Space or may increase the cost of insurance or require additional insurance coverage.

4. The Leased Space 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 Space 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 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 Space caused by 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 Space, and shall make all repairs and improvements required by LANDLORD in connection with the use or moving of such articles.

8. Wherever in these Leased Space Rules and Regulations the word "TENANT" occurs, it is understood and agreed that it shall mean TENANT's employees, agents, clerks.

Wherever the word "LANDLORD" occurs, it is understood and agreed that it shall mean LANDLORD's employees, agents, clerks, and visitors.

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

10. LANDLORD shall have the right to enter the Leased Space at hours convenient to TENANT for the purpose of exhibiting the same to prospective TENANTS.

11. This section intentionally left blank.

12. Alterations of any nature to the Leased Space 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, and agents 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 which do include the attached three pages City of Ramsey FACILITY USE POLICY. 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.

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

CITY OF RAMSEY FACILITY USE POLICY

GENERAL FACILITY USE RULES:

The Ramsey Municipal Center is a state-of-the-art facility designed to reflect the latest architectural construction, mechanical designs and systems, and technology, at the same time, present a safe and pleasant work environment. The facility is intended to provide a professional work place from which staff can deliver effective and efficient public services to the community.

To maintain a clean, efficient and professional atmosphere within the Ramsey Municipal Center, the following general facility use rules are in place.

A. Smoking

1. Consistent with the Minnesota Clean Indoor Air Act and City of Ramsey Administrative Policy, smoking is not permitted on the Ramsey Municipal Center Campus, including the Municipal Parking Facility.

B. Food and Beverages

1. As a general rule, food and beverages are to be consumed whenever possible and practical in the break rooms and Alexander Ramsey Room.
2. Employees may consume drinks and snack food items in their designated work areas so long as it does not interfere or conflict with their job responsibilities. Appropriate care must be exercised to ensure that food and beverages brought to the employee's workspace are not spilled, causing damage to equipment or work product.
3. Employees eating meals in the facility are to do so in the break room unless their current work assignment or responsibilities require them to eat in a workspace area or there is a special circumstance.
4. All employees are required to clean up the break room areas following a meal, work break or consuming snacks and/or drinks. This includes:
 - a. Dirty dishes, eating utensils, pots, pans, cooking utensils, glasses, cups, etc. are to be washed and put away after the meal. If the dishwasher is full and needs to be washed, employees should take care to run the wash cycle. If the dishwasher is full of clean dishes employees should take care to unload and put away the dishes.
 - b. Employees using the stove, oven or microwave oven are to clean any spills or spray caused by the cooking of their food. Food being

cooked should be appropriately covered to prevent or minimize spilling and spraying.

5. Food may be cooked for employee consumption only in the break room.
6. Employees may store food and drinks in the refrigerators and freezers provided in the facility. All food and drinks are to be visibly marked on the container with the owner's identity and date.
 - a. Food and drinks subject to spoiling must be marked with the date they were placed in the refrigerator or freezer.
 - b. Obviously spoiled or contaminated food or drink will be thrown out. Food either unmarked with a date or past that date will be thrown out.
 - c. Periodic cleaning of refrigerators will be scheduled. Staff will be notified to remove their personal items from the refrigerators in advance of scheduled cleanings.

C. Paging System—The internal voice paging system, which is part of the phone system, is to be used in a business-like and professional manner at all times and is for departmental or work-related purposes only.

D. Posting of Visual Material—The posting of notices, articles, photographs, cartoons, caricatures, and humor-based materials not specifically related to bona fide and official organizations/issues, departmental matters, City of Ramsey matters or union business are prohibited unless specifically approved by the City Administrator. Postings will be placed on bulletin boards only and will have the posting employees name and date. No name on the posting will result in it being removed and discarded.

E. Facility Cleaning and Maintenance

1. A professional cleaning service on a contractual basis will be used for regular cleaning and interior maintenance. With few exceptions, all work areas will be unlocked so contract cleaning may be performed as scheduled. All cleaning and maintenance personnel must submit a criminal background check. Contract cleaning personnel are bonded and insured by the contracting firm.
2. Personnel finding maintenance or repair issues regarding the facility or its component equipment and systems are to report it to the Assistant City Administrator. If the issue is of an emergency nature, it should be immediately reported to the Building Maintenance Supervisor.

F. Aesthetics and Office Furnishings

1. It is the intent of the City of Ramsey to provide comfortable, efficient, and professional workspaces for all employees. It must be understood, though, that the Ramsey Municipal Center is a public building and accessible by citizens and others from outside of the City Staff.
 - a. Minimal decorations, pictures, art, accessories and items of a personal nature may be placed in individual offices and work areas so long as they are not offensive to basic community standards and provide a positive work environment that would also be accepted by the mainstream of public visitors.
 - b. Employees working in work areas located in the front of the office or reception areas should take additional care to maintain a clean desk condition, free of personal items, storage paper piles, files, food items, etc. This is to ensure a neat, professional appearance in these front office areas.
 - c. Prior to decorating their individual offices or workspaces, employees must get prior approval of the items from their supervisor.
 2. Decorations or accessories requiring mounting or drilling into walls, work surfaces, partitions, etc. must be completed by City maintenance staff unless otherwise approved by the supervisor designated responsible for the area. Tape, tacks, pins, or like materials should never be used on any wall surfaces.
 3. Personally owned coffee makers, refrigerators, microwave ovens, heaters, televisions, furniture and exercise equipment are prohibited from the facility unless otherwise approved by the City Administrator. Radios and personal listening devices may be used so long as the volume does not disturb the work of surrounding employees or the content is not found to be offensive for a public facility.
- G. **Expectation of Privacy**—The Ramsey Municipal Center is a public building and the property of the City of Ramsey. The offices, work spaces, lockers, vehicles, computers, telephones and electronic systems are provided to employees for their use in their respective work capacities and in that capacity alone, and no expectation of privacy is extended or implied.
- H. It is the intent of this policy to keep the Ramsey Municipal Center in a clean and welcoming environment and violation may cause deterioration of the property and may be subject to disciplinary action.

