

LEASE AGREEMENT

This Lease Agreement, dated this 11th day of July, 2013, (this "Lease") by and between the CITY OF RAMSEY, Anoka County, Minnesota, a Minnesota municipal corporation ("Landlord") and Pact Charter School, a Minnesota non-profit company (hereinafter referred to as "Tenant").

DEFINITION :

"Leased Property". Approximately 5,460 square feet of unheated storage space (including 420 square feet of heated storage space) located within the building sited on the real property described as Lot 3, Block 1, DEAL INDUSTRIAL PARK, Anoka County, Minnesota, and commonly known as 6701 highway 10 NW, Ramsey, Minnesota, sometimes called the "Premises". The said 18,360 square feet of building leased is depicted on the attached Exhibit A and is a portion of the northerly two thirds of the building shown on attached Exhibit A. The Leased Property also includes the ground area outlined in red on attached Exhibit A. Also depicted on said Exhibit A is the common area which Tenant has the nonexclusive right to use in conjunction with other tenants of the building located on the said Lot 3, Block 1.

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 Property for the term of twelve (12) months commencing on the 1st day of August, 2013 (sometimes called "the Commencement Date") and expiring the 30th day of July, 2014 (sometimes called "Expiration Date"), ("Initial Term") unless sooner terminated as hereinafter provided.

2. BASE RENT:

a. **Rent.** Tenant shall pay Landlord, a total rent payment in advance without offset, deduction or demand, in monthly installments as follows due upon the first day of each and every month of the Term in the amount of \$455.00 (sometimes called "Base Rent"). First months rent shall be due upon execution of the Lease.

b. **Late Fee:** Tenant shall pay a late fee to Landlord of \$50.00 each time the rent is not paid by the 1st of each month when due plus \$10.00 per day after the 1st day of the month the rent is not paid, up to a maximum late fee of \$100.00 per month.

Failure to pay operating expenses when due shall constitute a default under this lease.

3. ADDITIONAL RENT:

a. **Operating Expenses.** Tenant shall pay for operating expenses to include a pro-rata share of the electricity of the Building which shall be measured by a Tenant installed electrical sub-meter. The term "Operating Expenses" shall also include maintenance and repair

within the premises, lighting (greasing the garage doors and replacing light bulbs) and snow plowing of the ingress and egress areas shown on Exhibit B.

The payment of the sums set forth in this paragraph 3 shall be in addition to the Base Rent payable pursuant to paragraph 2 of this Lease. If Tenant fails to pay the Operating Expenses when due, Landlord may pay same and the same shall be immediately due to Landlord from Tenant together with 10% interest per annum.

b. Tenant shall not be responsible for the payment of any real estate taxes. Real estate taxes shall be the sole responsibility of Landlord.

4. COVENANTS 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, or such other place as Landlord may designate.

5. UTILITIES:

Landlord shall provide mains and conduits to supply electricity to the Leased Property. Tenant shall pay, when due, all charges for, garbage disposal, refuse removal, electricity, telephone and/or other utility services or energy source furnished to the Leased Property during the term of this Lease, or any renewal or extension thereof. If Landlord elects to furnish any of the foregoing utility services or other services furnished or caused to be furnished to Tenant, then the rate charged by Landlord shall not exceed the rate Tenant would be required to pay to a utility company or service company furnishing any of the foregoing utilities or services. The charges thereof shall be deemed additional rent in accordance with paragraph 3. Landlord shall not be liable for, and Tenant shall not be entitled to any abatement or reduction of Base Rent or Minimum Rent by reason of Landlord's failure to furnish any of the foregoing utilities, when such failure is caused by accident, breakage, repairs (including replacements), strikes, lockouts or other labor disturbances or labor disputes of any character, or for any other causes.

6. CARE AND REPAIR OF LEASED PROPERTY:

Tenant shall, at all times throughout the term of this Lease, including renewals and extension, and at its sole expense, keep and maintain the Leased Property in a clean, safe, sanitary and first class condition and in compliance with all applicable laws, codes, ordinances, rules and regulations. Tenant's obligations hereunder shall include but not be limited to the maintenance and repair of all lighting and equipment, fixtures, motors and machinery including the overhead door's opening systems, all interior walls, partitions, doors and windows, including the regular painting thereof, all exterior entrances, windows and doors and the replacement of all broken glass. Tenant shall further be responsible at its expense to replace, if necessary, (1) any overhead doors and/or door opening equipment, and (2) the wood frame cubicles within the Leased Property. The Tenant shall keep and maintain all portions of the Leased Property and the sidewalk and areas adjoining the same in a clean and orderly condition, free of accumulation of dirt, rubbish, snow and ice.

If Tenant fails, refuses or neglects to maintain or repair the Leased Property as required in this Lease after notice shall have been given Tenant, in accordance with paragraph 32 of this Lease, Landlord may make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's merchandise, fixtures or other personal property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay to Landlord all costs incurred by Landlord in making such repairs upon presentation to Tenant of bill therefore.

Landlord shall repair, at its expense, the structural portions of the Leased Property, provided, however, where structural repairs are required to be made by reason of the acts of Tenant, the costs thereof shall be borne by Tenant and payable by Tenant to Landlord upon demand.

7. **SIGNS:** This paragraph is intentionally omitted

8. **ALTERATIONS, INSTALLATION, FIXTURES:**

Except as hereinafter provided, Tenant shall not make any alternation, additions, or improvements in or to the Leased Property 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 Property 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 Property 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, physical additions or improvements to the Leased Property 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.

Tenant shall be allowed to make the following improvements to the space, all of which will remain the Landlords property at the expiration of the Lease term:

- **Electrical operators (door openers) for doors described in Exhibit A.**
- **Electrical sub-meter and wiring for outlets to power engine block heaters.**

9. **POSSESSION:**

Except as hereinafter provided Landlord shall deliver possession of the Leased Property to Tenant in the condition required by this Lease on or before the Commencement Date, but

delivery of possession prior to or later than such Commencement Date shall not affect the expiration date of this Lease. The rentals herein reserved shall commence on the date when possession of the Leased Property is delivered by Landlord to Tenant. Any occupancy by Tenant prior to the beginning of the term shall in all respects be the same as that of Tenant under this Lease. Landlord shall have no responsibility or liability for loss or damage to fixtures, facilities or equipment installed or left on the Leased Property. If Leased Property is not ready for occupancy by Commencement Date and possession is later than Commencement Date, rent shall begin on date of possession. If for any reason, Landlord cannot deliver possession of the Leased Property to Tenant by the Commencement Date, in no event shall landlord be subject to any liability for a delay in delivery and such failure shall not affect the validity of this Lease or the obligations of tenant under, and Tenant's remedies for such delay shall be limited to termination of this Lease in the event that Landlord fails to deliver the Leased Property to Tenant within 30 days of the Commencement Date.

10. SECURITY AND DAMAGE DEPOSIT:

Tenant contemporaneously with the execution of this Lease, has deposited with Landlord the sum of Four Hundred Twenty and 00/100 Dollars (\$420.00), receipt of which is hereby acknowledged by Landlord, which deposit is to be held by Landlord, as a security and damage deposit for the faithful performance by Tenant during the term hereof or any extension hereof. Prior to the time when Tenant shall be entitled to the return of this security deposit, Landlord may commingle such deposit with Landlord's own funds and to sue such security deposit for such purpose as Landlord may determine. In the event of the failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof or any extension hereof, then Landlord, either with or without terminating this Lease may (but shall not be required to) apply such portion of said deposit as may be necessary to compensate or repay Landlord for all losses or damages sustained or to be sustained by Landlord due to such breach on the part of Tenant, including, but not limited to overdue and unpaid rent, any other sum payable by Tenant to Landlord pursuant to the provisions of this Lease, damages or deficiencies in the reletting of the Leased Property, and reasonable attorney's fees incurred by Landlord. Should the entire deposit or any portion thereof, be appropriated and applied by Landlord, in accordance with the provisions of this paragraph, Tenant upon written demand by landlord, shall remit forthwith to Landlord a sufficient amount of cash to restore said security deposit to the original sum deposited, and tenant's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. Said security deposit shall be returned to Tenant, less any depletion thereof as the result of the provisions of this paragraph, at the term of this Lease or any renewal thereof, or upon the earlier termination of this Lease. Tenant shall have no right to anticipate return of said deposit by withholding any amount required to be paid pursuant to the provision of this Lease or otherwise.

11. USE:

The Leased Property shall be used and occupied by Tenant solely for the purposes of cold storage for the storage of school buses and theater props and such use by Tenant shall at all times be in full compliance with all applicable laws, ordinances and governmental regulations affecting the and Leased Property. The Leased Property 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 Property. The Leased Property 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 Property. Tenant shall occupy the Leased Property, conduct its business and control its agents, employees, invitees and visitors 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 Tenant in the Leased Property in its normal business operations or Landlord in its management of the Leased Property. Tenant's use of the Leased Property shall conform to all Landlords' rules and regulations relating to the use of the Leased Property as listed on Exhibit A attached hereto.

12. ACCESS TO LEASED PROPERTY:

The Tenant agrees to permit Landlord and the authorized representatives of Landlord to enter the Leased Property at all times during usual business hours for the purpose of inspecting the same and making any necessary repairs to the Leased Property 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 Property. 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 Property, keep and store upon the Leased Property 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 Property, or on account of bringing materials, supplies and equipment into or through the Leased Property 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 Property at any time in the event of an emergency and at reasonable hours to exhibit the Leased Property to prospective purchasers or others; and to exhibit the Leased Property to prospective Tenants and to display "For Lease" or similar signs on windows or doors in the Leased Property during the last one hundred eighty (180) days of the term of this Lease, all without hindrance or molestation by Tenant.

13. EMINENT DOMAIN:

In the event of any eminent domain or condemnation proceeding or private sale in lieu thereof in respect to the Leased Property during the term thereof, the following provisions shall apply:

a. **Leased Property Acquired** If the whole of the Leased Property shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the date possession shall be taken in such proceeding and all rentals shall be paid up to that date. Notwithstanding the above, Landlord, upon receipt of written notice of a condemnation proceeding regarding the Property being filed

in a Court of competent jurisdiction, shall forth with notify Tenant in writing of said Notice. Upon receipt of same, Tenant shall have the right to terminate the Lease upon 30 days written notice to Landlord. Landlord shall provide Tenant a one year notice of any eminent domain or condemnation proceeding or private sale in lieu thereof before possession may be taken by a condemning authority.

b. **Part of Leased Property Acquired.** If any part constituting less than the whole of the Leased Property shall be acquired or condemned as aforesaid, and in the event that such partial taking or condemnation shall materially affect the Leased Property so as to render the Leased Property unsuitable for the business of Tenant, then the term of this Lease shall cease and terminate as of the date possession shall be taken by the condemning authority and rent shall be paid to the date of such termination.

In the event of a partial taking or condemnation of the Leased Property which shall not materially affect the Leased Property so as to render the Leased Property unsuitable for the business of Tenant, this Lease shall continue in full force and effect but with a proportionate abatement of the Base Rent and Additional Rent based on the portion if any, of the Leased Property taken. Landlord reserves the right, at its option, to restore the Leased Property to substantially the same condition as they were prior to such condemnation. In such event, Landlord shall give written notice to Tenant, within 30 days following the date possession shall be taken by the condemning authority, of Landlord's intention to restore. Upon Landlord's notice of election to restore, Landlord shall commence restoration and shall restore the Leased Property with reasonable promptness, subject to delays beyond Landlord's control and delays in the making of condemnation or sale proceeds adjustment by Landlord; and Tenant shall have no right to terminate this Lease except as herein provided. Upon completion of such restoration, the rent shall be adjusted based upon the portion, if any, of the Leased Property restored.

c. **Tenant Waiver.** Subject to the notice provision in paragraph 13 a. above, in the event of any condemnation or taking as aforesaid, whether whole or partial, Tenant shall not be entitled to any part of the award paid for such condemnation and Landlord is to receive the full amount of such award, Tenant hereby expressly waives any right to claim to any part thereof.

d. **Tenant Damages.** Although all damages in the event of any condemnation shall belong to Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the Leased Property, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reason of the condemnation and of or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment. However, Tenant shall have no claim against Landlord or make any claim with the condemning authority of the loss of its leasehold estate, any unexpired term of loss of any possible renewal or extension of said lease or loss of any possible value of said lease, any unexpired term, renewal or extension of said Lease.

14. **DAMAGE OR DESTRUCTION:**

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

a. **Significant Damages.** If the Leased Property 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 Property (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 14 to the contrary, Landlord shall only be obligated to restore the Leased Property to the extent of the insurance proceeds actually received, but if the insurance proceeds actually received do not permit Landlord to restore the Leased Property, 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 Property 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 Property 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 Property or any additional improvements which Tenant may construct or install on the Leased Property. 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 Property and Tenant's personal Property.

b. **Tenant Restriction.** Tenant shall not carry any stock of goods or do anything in or about the Leased Property 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 Property 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 Property, whether that of Tenant or of others, upon or about the Leased Property 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 Property 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. 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 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 limited 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 an insurance certificate naming the City of Ramsey as an additional insured. Landlord shall receive written notice of insurance termination 30 days prior to cancellation.

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

17A. DEFAULT:

17.1 Any one of the following events shall constitute an event of Default:

- (i) Tenant shall fail to pay monthly installment of Base Rent and such default shall continue for a period of five (5) days after the due date therefor;

- (ii) Tenant shall violate or fail to perform any of the other conditions, covenants or agreements herein made by Tenant and such default shall continue for fifteen (15) days after notice from Landlord, provided, however, that if the nature of such default is such that Tenant can cure the default, but not within fifteen (15) days, then the Event of Default shall be suspended for a period not in excess of thirty (30) additional days so long as Tenant commences cure within fifteen (15) days and thereafter and continuously prosecutes the curing of the default, and so long as continuation of the default does not create material risk to the Premises or to persons using the Premises;
- (iii) Tenant shall file or have filed against it any bankruptcy or other creditor's action, or make an assignment for the benefit of its creditors.

17.2 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 the Landlord's rights under this Section 17.2.

17.3 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 legal proceedings or legal eviction or other lawful means, and may remove Tenant and all other persons and property therefrom pursuant to Court Order.

17.4 From time to time after Repossession of the Premises, whether or not this Lease has been terminated, Landlord may, but shall not be obligated to, attempt to relet the Premises for the account of Tenant in the name of Landlord or otherwise, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and for such terms (which may include concessions or free rent) and for such uses as Landlord, in its uncontrolled discretion, may determine, and may collect and receive the rent therefor. Any rent received shall be applied against Tenant's obligations hereunder, but Landlord shall not be responsible or liable for any failure to collect any rent due upon any such reletting.

17.5 No termination of this Lease pursuant to Section 17.2 and no Repossession of the Premises pursuant to Section 17.3 or otherwise shall relieve Tenant of its liabilities and obligations under this Lease, all of which shall survive any such termination or Repossession. In the event of any such termination or Repossession, whether or not the Premises shall have been relet, Tenant shall pay to Landlord the Base Rent and other sums and charges to be paid by Tenant up to the time of such termination or Repossession, and thereafter Tenant, until the end of what would have been the Term in the absence of such termination or Repossession, shall pay to Landlord, as and for liquidated and agreed current damages for Tenant's default, the equivalent of the amount of the Rent payable under this Lease by Tenant if this Lease were still in effect, less the net proceeds, if any, of any reletting effected pursuant to the

provisions of Section 17.4 after deducting all of Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, attorney's fees, alteration costs, and expenses of preparation for such reletting, Tenant shall pay such current damages to Landlord monthly on the days on which the Rent would have been payable under this Lease if this Lease were still in effect, and Landlord shall be entitled to recover the same from Tenant on each such day. At any time after such termination or Repossession, whether or not Landlord shall have collected any current damages as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord on demand, as and for liquidated and agreed final damages for Tenant's default, an amount equal to the then present value of the excess of the Rent and other sums or charges reserved under this Lease from the day of such termination or Repossession for what would be the then unexpired term if the same had remained in effect, over the amount of rent Tenant demonstrates that Landlord could in all likelihood actually collect for the Premises for the same period, said present value to be arrived at on the basis of a discount of four percent (4%) per annum.

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

a. **Landlord's Rights.** Should Landlord elect to re-enter the Leased Property, as herein provided, or should it take possession of the Leased Property 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 Property, and relet the Leased Property 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 Property 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 Property, 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.

b. **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.

c. **Tenant Payment.** In the event suit shall be brought for recovery of possession of the Leased Property, for the recovery of rent or 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 rate of interest from the date of such breach of the covenants of this Lease.

d. **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 Property, 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 Property, and any demand for payment of rent and any notice of intent to re-enter the Leased Property, 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.

e. **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.

17B. 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.

18. INDEMNITY & HOLD HARMLESS:

Except to the extent that liability for damages or loss is caused by the gross negligence of Landlord, its agents or employees, Tenant shall indemnify, protect, defend (at Landlord's request and with counsel approved by Landlord) 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: (a) any injury, loss or

damage to the person or property of Tenant, or to any other person rightfully in the Leased Property, specifically including the owners who are renting space in the Leased Property for the storage of boats, RV vehicles and other similar type recreation equipment and vehicles stored in the Leased Property, (i) occurring in or about the Leased Property, or (ii) caused by the negligence or misconduct of Tenant, or Tenant's affiliates or any of their respective employees, representatives, agents or contractors, or (iii) 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 Property; (or (c) any loss or damage resulting from interference with or obstruction of deliveries to or from the Leased Property 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 Property 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 Property 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 Property 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 Property any notices permitted or required by applicable law, or that Landlord shall deem proper for the protection of Landlord, the Leased Property, 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 Property 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.

19. NON-LIABILITY:

Subject to the terms and conditions of paragraph 14 hereof, Landlord shall not be liable for damage to any property of Tenant or of others located on the Leased Property, specifically including the owners who are renting space in the Leased Property for the storage of boats, RV vehicles and other similar type recreation equipment and vehicles stored in the Leased Property, not for the loss of or damage to any property of Tenant or of others by theft or otherwise. 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 Property 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. Landlord shall not be liable for any such damage caused by Tenants or persons in the Leased Property, 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 Property. All property of Tenant kept or stored on the Leased Property 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.

20. ASSIGNMENT OR SUBLETTING:

Tenant agrees to use and occupy the Leased Property 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 Property, 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 Property 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 20. 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 Property

21. ATTORNMENT:

In the event of any sale, transfer or assignment of Landlord's interest in the Leased Property, or this Lease, or if the Leased Property 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.

22. NOVATION IN THE EVENT OF SALE:

In the event of the sale of the Leased Property, 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 Property, shall cause to be included in the agreement of sale and purchase a covenant whereby the purchaser of the Leased Property 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 Property. 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.

23. SUCCESSORS AND ASSIGNS:

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

24. REMOVAL OF FIXTURES:

Notwithstanding anything contained in paragraph 8, paragraph 29 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 Property and Tenant will promptly restore the Leased Property 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.

25. 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 Property for the business uses permitted hereunder, subject, nevertheless, to the terms and conditions of this Lease.

26. 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 Property and the term of the Lease and shall incorporate this Lease by reference.

27. SURRENDER:

On the Expiration Date or upon the termination hereof upon a day other than the Expiration Date, Tenant shall peaceably surrender the Leased Property 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 Property 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 Property and all floor covering so installed shall at the option of Landlord remain upon and be surrendered with the Leased Property as a part thereof, without disturbance, molestation or injury, and without charge, at the expiration or termination of this Lease. If the Leased Property 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 Property 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 Property.

28. 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.

29. ABANDONMENT:

In the event Tenant shall remove its fixtures, equipment or machinery or shall vacate the Leased Property 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 Property for a period of more than thirty (30) consecutive days (except during any time when the Leased Property may be rendered untenable by reason of fire or other casualty), then in any such event Tenant shall be deemed to have abandoned the Leased Property and Tenant shall be in default under the terms of this Lease.

30. 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.

31. 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 Pact Charter School 7250 East Ramsey Parkway, Ramsey, Minnesota 55303, and to Landlord at the address then fixed for the payment of rent as provided in paragraph 4 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.

32. RULES AND REGULATIONS:

Tenant shall observe and comply with the rules and regulations as Landlord may prescribe and as listed on Exhibit A attached hereto, on written notice to Tenant for the safety, care and cleanliness of the Leased Property.

33. 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.

34. 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 waiver 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 Property. 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 Property 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.

e. **No Personal Obligations.** The obligations of Landlord under this Lease do not constitute the personal obligations of the individual officers or employees of Landlord. If Landlord shall fail to perform any covenant, term or condition of this Lease required of landlord, Tenant shall be required to deliver to Landlord written notice of the same. If, as a consequence of such default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Leased Property and out of rent or other income from the Leased Property receivable by Landlord, or out of consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title or interest in the Leased Property, and no action for any deficiency may be sought or obtained by Tenant.

35. NO WASTE OR NUISANCE AND COMPLIANCE WITH LAWS:

a. **Leased Property Use.** The Leased Property shall be used by and/or at the sufferance of Tenant only for the purpose set forth in paragraph 11 above and for no other purposes. Tenant shall not use or permit the use of the Leased Property 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 Property shall be bound by and shall observe the reasonable rules and regulations as listed on Exhibit A attached hereto, made by Landlord relating to the Leased Property, 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 Property are situated, or any other body now or hereafter created with jurisdiction over the Leased Property, and whether or not the same require structural repairs or alterations, which may be applicable to the Leased Property, or the use or manner of use of the Leased Property. 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 Property and the equipment thereof.

37. HAZARDOUS MATERIAL:

In the event any Hazardous material (hereinafter defined) is brought or caused to be brought into or onto the Leased Property 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 Property, of any Hazardous Material. This paragraph shall survive the expiration or sooner termination of this Lease.

38. 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.

39. ATTACHMENTS:

See the Exhibits attached hereto and made a part hereof.

<u>Exhibit</u>	<u>Description</u>
Exhibit A	Graphic Depiction of Leased Property
Exhibit B	Leased Property Rules and Regulations

40. 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,

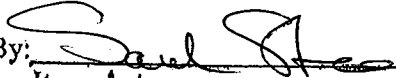
reservation of space, or option to lease, and this instrument shall have no binding legal effect until execution hereof by both Landlord/Owner and Tenant or its agents.


41. **LEASE GUARANTEE:** This paragraph intentionally omitted.

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:

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

By: 
Its Mayor
Date: 7/24/14

By: 
Its CITY ADMINISTRATOR
Date: 7/24/13

TENANT:

Pact Charter School


By: 
Its Board Chair
Date: 7/11/13

EXHIBIT A
Depiction

Exhibit A

Cold storage space
of approximately 5,040 sq ft
Includes doors 2, 3, 4, 12, 13, 14, 15



Heated and demised bay of 420 rsf

Joint or common access and drive lane

Heated and demised bay of 420 rsf

EXHIBIT B
TO LEASE AGREEMENT
DATED July 1, 2013

LEASED PROPERTY RULES AND REGULATIONS

1. Any sign, lettering, picture, notice or advertisement installed on or in any part of the Leased Property and visible from the exterior of the Leased Property, shall be installed at Tenant's sole cost and expense, and in such manner, character and style as Landlord may approve in writing. Anything herein to the contrary notwithstanding, approval as to signs shall be subject to Landlord's approval which may be withheld in Landlord's sole discretion. In the event of a violation of the foregoing by Tenant, landlord may remove the same without any liability and may charge the expense incurred by such removal to Tenant.
2. Tenant assumes full responsibility for protecting its space from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Leased Property closed and secured after normal business hours.
3. Tenant shall comply with all applicable federal, state and municipal laws, ordinances and regulations, and building rules and shall not directly or indirectly make any use of the Leased Property which may be prohibited by any of the foregoing or which may be dangerous to persons or Leased Property or may increase the cost of insurance or require additional insurance coverage.
4. The Leased Property shall not be used for cooking (as opposed to heating of food), lodging, sleeping or for any immoral or illegal purpose.
5. Unless expressly permitted by Landlord, no additional locks or similar devices shall be attached to any door or window and no keys other than those provided by Landlord shall be made for any door. If more than two keys for one lock are desired by Tenant, Landlord may provide the same upon payment by Tenant. Upon termination of this Lease or of Tenant's possession, Tenant shall surrender all keys of the Leased Property and shall explain to Landlord all combination locks on safes, cabinets and vaults.
6. The restrooms, drinking fountains and other plumbing fixtures shall not be used for any purpose other than for which they are constructed, and no sweepings, rubbish, rags, coffee grounds or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by Tenant who, or whose employees, agents, visitors or licensees have caused same. No person shall waste water by interfering or tampering with the faucets or otherwise.
7. Tenant shall be responsible for any damage to the building or the Leased Property of its employees or others and injuries sustained by any person whomsoever resulting from the use or moving of such articles in or out of the Leased Property, and shall make all repairs and improvements required by Landlord or governmental authorities in connection with the use or moving of such articles.

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

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

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

11. Tenant shall be responsible for all repair and maintenance of mechanical systems and devices if any associated with Tenant's Leased Property, including, but not limited the electrical system, the garage door opening system and the Leased Property's individual boat and RV storage stalls and facilities. Tenant shall further be responsible at its expense to replace, if necessary, (1) any overhead doors and/or door opening equipment, and (2) the wood frame cubicles used to store boats and RV vehicles within the Leased Property.

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

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

14. Landlord reserves the right at any time to rescind, alter or waive, in whole or in part, any of these Rules and Regulations when deemed necessary, desirable, or proper, in Landlord's judgment, for its best interest or for the best interest of the tenants of the Complex. 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.

Agency

Lee F. Murphy Inc.
2361 Highway 36 West
St. Paul, MN 55113

Insured

PACT Charter School
7250 East Ramsey Parkway
Ramsey, MN 55303-6902

Company

Hanover Insurance Company
8300 Norman Center Drive
Suite 250
Bloomington, MN 55437

Policy Number

ZHX-A039869-00

Policy Period

07/01/2013
07/01/2014

Regarding

First Request

Add Ramsey location

Effective

08/01/2013

Add Ramsey MN Location

Comments

Applicant Information

Premises Information

001) Add Loc #00002: 6701 Highway 10 NW, Hennepin, Ramsey, MN 55303

002) Add Loc #00002 Bldg #00001: 6701 Highway 10 NW, Hennepin, Ramsey, MN 55303, Description:
Storage Garage, City Limits:Inside, Interest: Tenant, Part Occupied: 20% (420 rsf)

Property

Coverage

003) Add Loc #00002 Bldg #00001: Storage Garage 6701 Highway 10 NW, Hennepin, Ramsey, MN 55303

Add BPP (included in blanket): 100,000, Replacement Cost

Add Special form

% CoIns: 90

Deductible: 5,000

Add Equipment Breakdown: Included

004) Amend Blanket

Amend Building & BPP: 20,100,000, Replacement Cost

Change Subject Of Insurance

from Building & BPP: 20,000,000, Replacement Cost

to Building & BPP: 20,100,000, Replacement Cost

Additional Other Interests

005) Add Loc #00002: Bldg #00001, Additional insured - City of Ramsey

Address: 7550 Sunwood Drive NW, Ramsey, MN 55303

Item Description: Landlord-Include 30 day notice of cancel & Waiver of Sub on GL

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

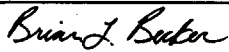
PRODUCER Lee F. Murphy Inc. 2361 Highway 36 West St. Paul, MN 55113	CONTACT NAME:		
	PHONE (A/C, No, Ext):	651.644.7200	FAX (A/C, No): 651.644.9137
E-MAIL ADDRESS:			
INSURER(S) AFFORDING COVERAGE			NAIC #
INSURER A:	Hanover Insurance Company		22292
INSURER B:	Massachusetts Bay Insurance Co		22306
INSURER C:			
INSURER D:			
INSURER E:			
INSURER F:			

COVERAGES **CERTIFICATE NUMBER: 13-14 MASTER** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY	X	ZHX-A039869-00	07/01/2013	07/01/2014	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person)	\$ 15,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					PERSONAL & ADV INJURY	\$ 1,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					GENERAL AGGREGATE	\$ 3,000,000
						PRODUCTS - COMP/OP AGG	\$ Included
B	AUTOMOBILE LIABILITY		ADX-A039906-00	07/01/2013	07/01/2014	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input type="checkbox"/> ANY AUTO					BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident)	\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR		UHX-A039870-00	07/01/2013	07/01/2014	EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE					AGGREGATE	\$ 1,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$ 0						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	N/A	WDX-A039932-00	07/01/2013	07/01/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)					E.L. EACH ACCIDENT	\$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE	\$ 500,000
						E.L. DISEASE - POLICY LIMIT	\$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
RE: 6701 Highway 10 NW, Ramsey MN. Certificate holder is included as additional insured with respect to the general liability, which includes waiver of subrogation and 30 day notice of cancel (10 day notice for nonpayment per MN State Statute).

CERTIFICATE HOLDER City of Ramsey 7550 Sunwood Drive NW Ramsey, MN 55303	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  Brian Becker/CATHY