

COPY 1 of 2

LEASE AGREEMENT

This lease agreement, dated this 22nd day of April, 2014 ("LEASE AGREEMENT") by and between the City of Ramsey, Anoka County, Minnesota, a Minnesota municipal corporation ("LANDLORD") and Motors on Ten LLC d/b/a M & G Trailer Sales and Service, a Minnesota business held by ("TENANT").

1. SUBJECT PROPERTY. The leased premises is approximately 40,000 square feet of outside sales/display area located on real property at 7443 U.S. Highway 10, Ramsey, Minnesota 55303, depicted in Appendix A and legally described as follows:

That part of the West Half of the Southeast Quarter of Section 28, Township 32, Range 25, Anoka County, Minnesota, described as follows:

Commencing at the Southeast corner of said Section 28; thence on an assumed bearing of North 0 degrees 28 minutes 50 seconds West, along the East line of said Southeast Quarter of Section 28, a distance of 164.43 feet to monument A-85 on the Northerly right-of-way boundary line of Trunk Highway No. 10 as shown on Minnesota Department of Transportation Plat 02-M4, filed as Anoka County Recorder Document No. 541039; thence North 65 degrees 51 minutes 38 seconds West, along said Northerly right-of-way line, a distance of 806.12 feet to monument A-39 as shown on said plat; thence continue along said Northerly right-of-way line on a tangential curve concave to the Northeast, radius 22,673.76 feet, central angle 1 degree 42 minutes 24 seconds, a distance of 675.48 feet to monument A-37 as shown on said plat; thence North 64 degrees 09 minutes 14 seconds West, along said Northerly right-of-way line, a distance of 538.00 feet to a point distant 985.00 feet Northwesterly, as measured along said Northerly right-of-way line, from its intersection with the East line of said West Half of the Southeast Quarter; thence North 4 degrees 33 minutes 33 seconds West a distance of 269.97 feet to the Southerly right-of-way line of the Burlington Northern Railroad; thence South 66 degrees 42 minutes, 01 seconds East along said Southerly right-of-way line, a distance of 630.93 feet to the intersection with a line bearing North 16 degrees 12 minutes 07 seconds East from the point of beginning; thence South 16 degrees 12 minutes 07 seconds West a distance of 264.61 feet to the point of beginning.

Anoka County Property Identification Number (PID) 28-32-25-43-0002

2. PERMITTED USE
The Subject Property may be used for displaying for sale trailers and similar equipment and accessories related to the primary use of the Tenant's business operations.

Display or storage of equipment or materials not related to primary operation of the Tenant's business operations shall require written approval by the Landlord. Tenant shall not sublet, license, concession or transfer this Lease Agreement in any way to another party without written approval by the Landlord. Utilizing the Subject property for storage of crates, packaging, trash, waste, hazardous materials, and other similar materials is prohibited.

3. TERM

Sixty (60) months commencing on the 22nd day of April, 2014 and terminating at the end of the 22nd day of April, 2019.

4. EARLY TERMINATION

In event the Landlord determines, in its sole discretion, the Subject Property, or any part thereof, is required for the improvements to U.S. Highway 10, the Landlord may terminate this Lease Agreement provided a six (6) month written notification is delivered to the Tenant.

In the event the Tenant defaults on any terms of this Lease Agreement, the Landlord may terminate this Lease Agreement provided a written notification of the default is delivered to the Tenant and Tenant fails to cure the default within thirty (30) days of its receipt of said notification. If the Tenant fails to cure the default within the thirty (30) day period, Tenant shall vacate the Subject Property by the end of the 40th day following its receipt of the written notice.

Tenant may terminate this Lease Agreement provided a written notice is delivered to the Landlord at least ninety (90) days prior to termination, in which case the Tenant shall be responsible for paying Landlord's property taxes until the Subject Property returns to a tax exempt status; which shall be determined by Anoka County.

5. RENT

Tenant shall pay Landlord monthly rent due on the first day of each month, beginning on May 1, 2014, through the Term of this Lease Agreement. Tenant shall pay monthly rent installments as follows:

May 2014-March 2015	\$1,434 per month
April 2015-March 2016	\$1,434 per month
April 2016-March 2017	\$1,500 per month
April 2017-March 2018	\$1,500 per month
April 2018-April 2019	\$1,600 per month

6. LATE FEES

The nonpayment of rent specified in Paragraph 5 shall constitute a default for purposes of the Landlord's ability to terminate the lease under Paragraph 4. If Tenant defaults by failing to pay the full amount of rent by the time it is due, Tenant shall pay Landlord a late fee in the amount \$80.00 for each such event of default. Unless this late fee is included with a late payment, such payment does not cure an event of default due to the nonpayment of rent by the first day of each month.

7. DEPOSIT

Tenant shall pay Landlord a deposit in the amount of \$1,500 on the 22nd day of April, 2014. This deposit shall be held by Landlord, without obligation or liability for payment of interest thereon, as security for the faithful performance by Tenant of all of the terms

of this Lease Agreement to be observed and performed by the Tenant. Landlord shall not be required to keep this deposit separate from its general funds. If Tenant at any time during the Term of this Lease Agreement is in default of any provision of this Lease Agreement, Landlord may, at its sole option and without prejudice to any other remedy that Landlord may have at law or equity, appropriate the deposit, or the portion thereof as may be deemed necessary, and apply the same toward the payment of rent or loss or damage sustained by the Landlord due to the default on the part of the Tenant. Unless appropriated by the Landlord pursuant to this Paragraph, Landlord shall return deposit to Tenant upon termination of the Lease Agreement.

8. OTHER FEES

The payment of rent described in this Lease Agreement does not encompass other costs associated with the Subject Property including, but not limited to, garbage disposal, refuse removal, electricity, telephone, all other utility fees, snow removal, lawn care, light bulb replacement, fence maintenance, parking surface maintenance, all other property maintenance and wages and fringe benefits for personnel employed for such work. Tenant is solely responsible for all such costs

If Tenant fails to pay other fees as described above when due, Landlord may, but is not required to, pay same. If Landlord exercises this option, same shall be due immediately to Landlord from Tenant together with 10% interest per occurrence.

9. INSURANCE

Tenant shall purchase and provide general public liability insurance for the Subject Property which shall include coverage for bodily injury, property damage, personal injury, contractual liability, and independent contractors. The Landlord must be listed as an additional insured on Tenant's public liability insurance policy. The minimum public liability insurance required shall be the liability limits described in Minn. Stat. § 466.04 (as amended). Tenant shall provide Landlord a certificate of public liability insurance by April 22, 2014; and shall provide a new certificate annually until the Lease Agreement is terminated. The policy shall provide that its terms shall not be modified, nor the policy terminated, without 30 days prior written notice to the Landlord.

10. MAINTENANCE

Tenant shall maintain the Subject Property and any buildings, improvements, fixtures and equipment thereon in a properly functioning, safe, orderly, sanitary and first class condition, shall pay for all necessary replacements and maintenance thereto, and shall at the expiration or other termination of this Lease Agreement, surrender in the same condition. Property shall be maintained in accordance with interim use permit (IUP) approved by the City Council on April 22, 2014.

11. TENANT PROPERTY IMPROVEMENTS

Use of the Subject Property as described in Section 1 will require property improvements by the Tenant in order to comply with the City of Ramsey's Zoning Ordinance (Chapter 117). All improvements to the Subject Property made by the Tenant shall require written

approval by the Landlord. Upon termination of this Lease Agreement, Landlord may request Tenant to remove any, or all, improvements made to the Subject Property at the sole cost of the Tenant. If Tenant fails to remove any such improvement within thirty (30) days of its receipt of such request, Landlord may pay for the removal of same and the cost of such removal, together with 10% interest per occurrence, shall be immediately due as payable to Landlord by Tenant. Any improvements remaining on the Subject Property, with the Landlord's consent, shall, upon termination of the Lease Agreement, accrue to and become the property of the Landlord.

12. RIGHT OF ENTRY

Tenant shall permit Landlord, or its representatives, to enter the Subject Property, to examine, inspect and protect the premises, and to make such alterations, renovations, restorations and/or repairs as in the judgment of Landlord may be deemed necessary or desirable, without any diminution of rent or other fees payable under this Lease Agreement. Tenant shall maintain a minimum driving lane width of fifteen (15) feet to allow access through the Subject Property for public safety purposes; and, Tenant shall preserve access for emergency personnel to all fire hydrants located on the Subject Property. If the Subject Property, or any portion thereof, is secured, Tenant shall provide a key, security access code or similar means of accessing the Subject Property or the secured portion of the Subject Property to the Landlord for purposes of such entry.

13. SAFETY AND SECURITY

Tenant is solely responsible for the safety and security of its employees, guests and invitees while they are on the Subject Property as well as the safety and security of any merchandise, supplies, material, or other items stored on the Subject Property by Tenant. Tenant is also responsible for maintaining security of the Subject Property and all keys, door codes or other means of accessing the Subject Property.

14. WAVIER AND INDEMITY

Tenant agrees to indemnify, defend and hold harmless Landlord and its current and former officers, agents, City Council members, other elected officials, representatives, attorneys, employees and property manager from and against any and all claims, loss, actions, liability, expense, and damages of every kind and nature, including reasonable attorneys' fees arising out of injury, death or property loss or damage occurring on the Subject Property, except that nothing in this Lease Agreement requires Tenant to release, indemnify, defend or hold harmless any such party for any claims, loss, actions, liability, expense or damage caused by intentional misconduct of Landlord or its current or former officers, agents, City Council members, elected officials, representatives, attorneys, employees or property manager.

15. COMPLIANCE

Tenant shall comply with all applicable Federal, State, County and Local laws, codes, ordinances rules and regulations; as well as all conditions stated in the required Interim Use Permit (IUP) approved by the Ramsey City Council on November 26, 2013.

16. ASSIGNMENT

Tenant shall not assign or transfer any of its rights under this Lease or sublease any part of the Subject Property without first obtaining Landlord's express written permission at least ninety (90) days before the assignment or sublease.

17. SUCCESSORS

Subject to Section 16, the parties agree that the covenants, terms and conditions of this Lease Agreement shall extend, apply to and firmly bind the heirs, executors, administrators and successors of the respective parties.

18. REMEDIES CUMULATIVE

The remedies conferred in this Lease Agreement shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law or equity.

19. SEVERABILITY

In the event that any term, condition or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, the remaining provisions of this Lease Agreement shall remain in full force and effect.

20. JOINT DRAFTING

This Lease Agreement must be construed as having been equally drafted by both parties. The parties agree that the rule of construction that ambiguities in such agreements will be construed against the drafter will have no application in any interpretation or construction of this Lease Agreement or the parties' rights and responsibilities hereunder.

21. CHOICE OF LAW AND VENUE

The parties agree that this Lease Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Minnesota. The parties further agree that any lawsuit to enforce or challenge any provision of this Lease Agreement or the application of any such provision shall be venued only in State or Federal courts having jurisdiction over Anoka County, Minnesota

22. RELATIONSHIP OF THE PARTIES

Nothing in this Lease Agreement creates the relationship of principal and agent, partnership, joint venture, or any other association between Landlord and Tenant.

23. TIME IS OF THE ESSENCE

Time is of the essence of this Lease Agreement, and of each and every covenant, term, condition, and provision of this Lease Agreement.

24. NOTICES AND PAYMENTS

Any notice, request or payment required or permitted under this Lease Agreement shall be deemed sufficiently secured if sent by registered or certified return receipt mail to the following addresses:

LANDLORD

City of Ramsey
Attention: City Administrator
7550 Sunwood Drive Northwest
Ramsey, Minnesota 55303

TENANT

M&G Trailer Sales and Service
Attention: Steve Jeung
7575 U.S. Highway 10
Ramsey, Minnesota 55303

25. ENTIRE AGREEMENT AND MODIFICATION

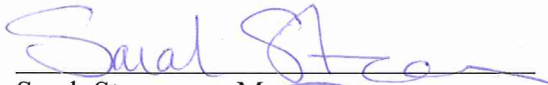
This Lease Agreement constitutes the entire agreement between the Tenant and Landlord. No oral agreement related to the terms of this Lease Agreement has been entered into between the parties. Any and all prior understanding or representation of any kind preceding the date of this Lease Agreement shall not be binding upon either party. The parties may only modify the terms of this Lease Agreement in a writing signed by all parties.

BY SIGNING BELOW, The undersigned Tenant and Landlord acknowledge and agree that they have read, understand and accept the provisions of in this Lease Agreement and agree to be bound by the terms hereof.


IN WTINESS WHEREOF, the parties hereto have caused this instrument to be executed as of the 22nd day of April, 2014.

LANDLORD. City of Ramsey, Anoka County, Minnesota, a Minnesota municipal corporation.


TENANT. M&G Trailer Sales and Service, a Minnesota business held by Motors 10 L.L.C.



Sarah Strommen, Mayor



Steve Jeung, Owner



Kurt Ulrich, City Administrator

APPENDIX A

Subject Property: 40,000 square feet, .918 acres.

 No Access

