

**LEASE FOR PART OF
COMMERCIAL BUILDING
LOCATED AT 6701 HIGHWAY 10 NW
RAMSEY, MINNESOTA**

THIS LEASE AGREEMENT (this "Lease"), made and entered into this 21st day of October, 2011, by and between the **CITY OF RAMSEY**, a Minnesota Municipal corporation, 7550 Sunwood Drive, Ramsey, Minnesota 55303, ("LESSOR") and **UNITED METHODIST CHURCH of ANOKA**, a Non-Profit Corporation organized under the laws of the State of Minnesota, dba **NORTHERN LIGHT CHURCH**, 850 South Street, Anoka, Minnesota, ("LESSEE").

RECITALS

1. **Purpose.** LESSOR is the fee owner of the Premises described in paragraph 2 below, LESSEE desires to provide space for LESSEE's use of the Premises as a place of worship and related uses. LESSOR is willing to Lease the Premises to LESSEE pursuant to the terms and conditions of this Lease.

2. **Premises.** LESSOR does hereby demise, Lease and let to LESSEE the Westerly 4,820 square feet of the office area located in the building located at 6701 Highway 10 NW, Ramsey, Minnesota (the "Premises") and which building (the "Building") is located on the following legally described property:

Lot 3, Block 1, DEAL INDUSTRIAL PARK, Anoka County, Minnesota.

The Premises also include the nonexclusive use of the paved parking areas adjacent to the Building, excluding the fenced in area. LESSEE'S employees and invitees shall not be permitted to the use of those parking areas which interfere with the reasonable use of other tenants located within the Building.

3. **Term.** The Lease Term shall commence on the **first day of November, 2011**, (the "Commencement Date") and end on the **31st day of October, 2015**, at midnight,

unless extended or sooner terminated as hereinafter provided (the "Lease Term"). Notwithstanding the Lease Term, LESSOR, at LESSOR'S sole option, may terminate the Lease upon 90 days prior written notice to LESSEE.

4. **Use.** The Premises shall be used by LESSEE as a commercial use for worship, educational and outreach purpose programs as directed by Northern Light Church. LESSEE will not make or suffer any unlawful or offensive use of the Premises or any use or occupancy thereof contrary to any law of the state or any ordinance of the City of Ramsey now or subsequently hereto made. LESSEE will not conduct or permit to be conducted any activity, or place any equipment in or about the Premises, which will in any way increase the rate of fire insurance or other insurance on the Premises; and if any increase in the rate of fire insurance or other insurance is stated by any insurance company or by the applicable Insurance Rating Bureau to be due to activity or equipment of LESSEE in or about the Premises, such statement shall be conclusive evidence that such increase in such rate is due to such activity or equipment and, as a result thereof, LESSEE shall be liable for such increase and shall reimburse LESSOR therefore and, further, shall discontinue or cause the discontinuance of such conduct or shall remove such equipment upon LESSOR'S demand made at any time thereafter.

5. **Rent.** The LESSEE covenants and agrees to pay to the LESSOR at the LESSOR'S office without demand, rent for a term of four years as follows:

- a. Rent for the term of November 1, 2011 through October 31, 2012, shall be \$2,008.00/month.
- b. Rent for the term of November 1, 2012 through October 31, 2013, shall be \$2,209.00/month
- c. Rent for the term of November 1, 2013 through October 31, 2014, shall be \$2,275.00/month.

- d. Rent for the term of November 1, 2014 through October 31, 2015, shall be \$2,344.00/month.

All rent shall be payable on the first day of each month during the lease term. If LESSOR does not receive the rent by the fifth day of the month, LESSEE must pay a late fee equal to five percent (5%) of the overdue rent payment as additional rent if requested in writing by LESSOR. Rent is "paid" when LESSOR receives it, not when mailed or sent by LESSEE. The rent described in this paragraph 5. is hereafter referenced as the "Fixed Rent".

6. **Additional Rent.** In addition to the Fixed Rent, the LESSEE covenants and agrees to pay as additional rent all monies required to be paid by the LESSEE as set forth in the balance of this Lease. Specifically, but not by way of limitation, the reasonable value of any action taken or materials used by the LESSOR to correct or mitigate any violations of this Lease by the LESSEE shall be deemed additional rent and charged to the LESSEE, payable with the Fixed Rent payment.

7. **Utilities.** LESSEE shall pay water use for the Premises and all bills for natural gas, electricity, fuel, light, heat or power for the Premises or used by LESSEE in connection therewith.

8. **Real Estate Taxes and Special Assessments.** LESSOR shall be responsible for the payment of real estate taxes and special assessments during the term of the Lease.

9. **Repair and Maintenance.** LESSEE shall keep in good order and repair all glass, including plate glass, and the interior of the Premises, and, also, heating, sprinkler, water and electric fixtures in and upon the Premises, ordinary wear and tear excepted. LESSEE shall protect such systems against freezing and damage due to neglect of LESSEE, and LESSEE shall keep the abutting sidewalks and parking areas free of ice and snow.

LESSEE shall pay all costs and expenses necessary to maintain the plumbing, heating, air conditioning and electrical systems in and upon the Premises in good order and repair. LESSOR shall have the plumbing, heating, air conditioning, and electrical systems in working order on the Commencement Date. LESSEE shall arrange for all necessary maintenance of the Premises, including snow removal, EXCEPT that LESSOR shall be responsible for all lawn (grass) maintenance on the grassy areas around the Building. LESSEE shall also be responsible for any flower, shrubbery plantings, and or tree pruning it may choose on the front and east side of the Building. Except for the lawn (grass) maintenance above referenced, LESSEE shall pay 100% of all costs and expenses for such maintenance any plantings it chooses and or tree pruning. This is a net, net, net Lease, and LESSEE shall be solely and exclusively responsible for any and all costs and expenses of any nature or kind whatsoever attributable to the Premises except as herein specifically otherwise provided. LESSEE agrees to and shall maintain and keep the interior and exterior areas of the Premises in the same high degree of maintenance and upkeep as in when the LESSEE takes possession. Provided, however, that LESSOR shall be responsible for repair of the foundation, the exterior walls excluding glass and doors, the roof and any defect that is pre-existing as of the date hereof.

10. **Improvements, Alterations and Remodeling.** The LESSEE shall be permitted to perform improvements, alterations or remodeling on or to the Premises consistent with its intended use thereof; provided, however, that such improvements shall be done at the sole expense of the LESSEE and provided that any single improvement reasonably expected to exceed \$2,500 in cost may be done only with the LESSOR'S prior

written consent. Any other improvements, alterations or remodeling shall be performed only with the written consent of the LESSOR.

11. **Assignment.** LESSEE will not assign, transfer, mortgage or encumber this Lease or sublet or rent or permit occupancy or use of the Premises, or any part thereof by any third party; no assignment or transfer of this Lease shall be effectuated by operation of law or otherwise, (any of the foregoing being hereinafter referred to as an "Assignment").

12. **Destruction of Premises.** If Premises are totally destroyed (or so substantially damaged as to be wholly untenable) by storm, fire, earthquake or other casualty, this Lease shall terminate as of the date of such destruction or damage, and rent shall be accounted for as between LESSOR and LESSEE as of that date. If Premises are damaged but not rendered wholly untenable and the damage can be fully repaired in ninety days, rent shall abate in proportion as the Premises have been damaged, and LESSOR shall restore within said time limit, whereupon rent in full shall re-commence. Should LESSOR fail or refuse to fully repair the Premises within said ninety days, LESSEE may terminate this Lease agreement.

13. **Removal of Fixtures.** LESSEE, prior to the expiration of this Lease or renewal thereof, may remove all fixtures and equipment, which it has placed in Premises. LESSEE shall repair all damage caused by removal of fixtures or equipment.

14. **Entry by LESSOR.** LESSOR may at all reasonable times enter to view the Premises, to make repairs or show the Premises to persons who may wish to Lease the same.

15. **Default.** If the LESSEE defaults for ten days after written notice from the LESSOR in paying any rent or if the LESSEE shall be declared bankrupt or insolvent

according to law or shall make an assignment for the benefit of its creditors or if the LESSEE shall violate or default in any of the other covenants, agreements, stipulations or conditions herein and such violation or default shall continue for ten days after written notice from the LESSOR of such violation or default, then and in such case the LESSOR lawfully may immediately, or at any time thereafter, and without notice or demand, enter into and upon the Premises, or any part thereof, in the name of the whole, and repossess the same and expel the LESSEE and those claiming under it and remove their effects, forcibly if necessary, without being taken or deemed to be guilty of any manner of trespass, and prejudice, and the LESSOR shall have all remedies and recourse which might otherwise be used by the LESSOR for arrears of rent or any breach of covenants herein contained.

16. **Quiet Possession.** LESSOR further covenants and warrants that if the LESSEE shall discharge the obligations herein set forth, the LESSEE shall have and enjoy, during the term hereof, quiet and undisturbed possession of the Premises.

17. **Hold Harmless and Liability Insurance.** Except in the case of the negligence of the LESSOR, its agents or its employees, the LESSEE agrees to save, hold harmless and defend the LESSOR for any liability for damages to any person or property in or about the Premises. The LESSOR shall not be liable to the LESSEE, its agents, employees, representatives, customers or invitees for any personal injury, death or damage to property caused by theft, burglary, water, gas, electricity, fire or for any other cause occurring on or about the Premises. All property kept, stored or maintained in the Premises shall be so kept, stored or maintained at the sole risk of the LESSEE. During the term hereof and during renewal LESSEE shall at all times have in full force and effect a policy of general public liability insurance in the amount of at least Two Million and no/100 Dollars

(\$2,000,000.00) per occurrence, or such greater amount as the parties may agree to from time to time, which insurance shall insure LESSOR as landlord and LESSEE as tenant against liability for acts of LESSOR and LESSEE.

18. **Hazard Insurance.** It shall be the responsibility of the LESSOR to keep the Premises and its interest therein covered by hazard insurance against loss or damage by fire and other perils. The LESSOR shall provide to LESSEE copies of such insurance policies upon reasonable request of LESSEE.

19. **Damage or Loss and Waiver of Subrogation.** LESSOR and LESSEE hereby agree that neither shall be liable to the other for loss arising out of damage to or destruction of the Premises, or the contents thereof, when such loss is caused by any of the perils included within a standard form of fire and extended coverage insurance.

This agreement shall be binding whether or not such damage or destruction is caused by the negligence of LESSOR or LESSEE, or their agents, servants or employees and further, any and all right of subrogation by any insurance carrier is hereby waived.

20. **Time of the Essence.** Time is of the essence of this Lease.

21. **Relationship of Parties.** This contract shall create the relationship of landlord and tenant between LESSOR and LESSEE and none other.

22. **Holding Over.** If the LESSEE remains in possession after expiration of the term hereof, with LESSOR'S acquiescence and without any distinct agreement of parties, the LESSEE shall be a tenant at will, and there shall be no renewal of this Lease by operation of law.

23. **Surrender of Premises.** At the termination of this Lease, LESSEE shall surrender Premises and keys thereof to LESSOR.

24. **Definitions.** "LESSOR" as used in this Lease shall include LESSOR, its representatives, assigns and successors in title to Premises; "LESSEE", if this Lease shall be validly assigned or sublet, shall include its successors and shall include also LESSEE'S assignees and sublessees. "LESSOR" and "LESSEE" shall include male and female, singular and plural, corporation, partnership or individual as may fit the particular parties.

25. **Eminent Domain.** If the entire Premises are taken by any public authority under the power or threat of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken by such public authority, and the LESSOR shall make a pro rata refund of any rent that may have been paid in advance. In the event that less than the entire Premises is so taken and provided the Premises are not rendered untenable thereby, then this Lease shall terminate only at the option of the LESSOR. In the event that only a part of the Premises is so taken and that this Lease does not so terminate, there shall be a pro rata reduction in rent to the extent such taking interferes in any way with LESSEE'S use of the Premises, and all other terms and provisions hereof shall remain in full force and effect. All damages awarded for such taking shall belong to and be the property of the LESSOR, irrespective of the basis on which they are awarded.

26. **Subordination.** The LESSEE agrees that at the LESSOR'S election this Lease shall be subordinate to any land Lease, or mortgage now on or to be placed in the future on the Premises or Building and to any and all advances to be made thereunder and to the interest thereon and to all renewals, replacements and extensions thereof, provided that such subordination shall not materially affect either party's obligations under this Lease. The LESSEE hereby appoints the LESSOR as its attorney-in-fact to execute such documents as may be required to accomplish such subordination.

27. **Notices.** All communications, demands, notices or objections permitted or required to be given or served under this Lease shall be in writing and shall be deemed to have been duly given or served if delivered in person to the other party or its duly authorized agent or if deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, and addressed to the other party to this Lease to the address set forth next to that party's signature at the end of this Lease, or if to a person not a party to this Lease, to the address designated by a party to this Lease in the foregoing manner. Any party may change its address by giving notice in writing, stating its new address, to any other party as provided in the foregoing manner. Commencing on the tenth day after the giving of notice, the newly designated address shall be that party's address for the purposes of all communications, demands, notices or objections permitted or required to be given or served under this Leas3

28. **Further Assurances.** In addition to any other information which may reasonably be requested, either party shall without charge, at any time and from time to time hereafter, within ten days after written request, certify by written instrument duly executed and acknowledged to any person, firm or corporation specified in such request:

- (a) Whether this has been supplemented or amended, and, if so, the substance and manner of such supplement or amendment;
- (b) The validity and force and effect of this Lease, in accordance with its tenor as then constituted;
- (c) The existence of any default thereunder;
- (d) The existence of any offsets, counterclaims or defenses thereto on the party of such other party; and
- (e) The commencement and expiration dates of the term of this Lease.

Any such certificate may be relied on by the party who requested it and by any other person, firm or corporation to whom it may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing it.

29. **Minnesota Law.** This Lease shall be construed and enforced in accordance with the laws of the State of Minnesota.

30. **Entire Agreement.** This Lease contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect.

31. **Attachment.** The Exhibit A attached is incorporated herein as if fully set forth at this point. Exhibit A is titled: Property Rules and Regulations.

32. **Rent Escrow:** In order to insure the payment of the Rent described in paragraph 5. above, LESSEE agrees to establish an account in the amount of \$100,000.00 at Village Bank, 7125 Riverdale Drive, Highway 10 NW, Ramsey, Minnesota, pursuant to the terms stated on the attached Exhibit B, which Exhibit B is incorporated herein as if fully set forth at this point.

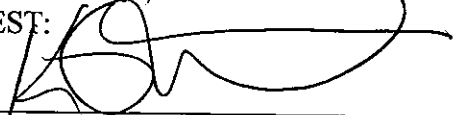
IN WITNESS WHEREOF the parties hereto have executed these presents in quadruplicate, this day and year first above written.

LESSOR'S ADDRESS:

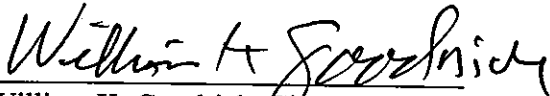
City Administrator
7550 Sunwood Drive
Ramsey, Minnesota 55303

CITY OF RAMSEY

By: 
Its: Mayor

ATTEST: 
By: _____
Its: City Administrator

Approved at to Form:


William K. Goodrich, City Attorney

LESSEE'S ADDRESS:

850 South Street
Anoka, MN 55303

UNITED METHODIST CHURCH OF
ANOKA, a Minnesota Non-Profit Organization

By: Charles Chovnaccki

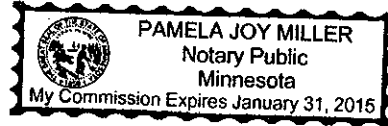
Its CHARLES CHOVNACCKI
CHAIR, BOARD OF TRUSTEES
UNITED METHODIST CHURCH OF ANOKA

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ^{11/18} ~~21st~~ day of ^{November} ~~October~~, 2011, by Bob Ramsey, the Mayor, and Kurt Ulrich, the City Administrator, of the City of Ramsey, a Minnesota Municipal Corporation, under the laws of the State of Minnesota on behalf of the Corporation. *Don*

Pamela Joy Miller
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)



The foregoing instrument was acknowledged before me this ^{21st} day of October, 2011, by Charles Chovnaccki, the Chair, Bd of Trustees of United Methodist Church of Anoka, a Minnesota Non-Profit Corporation under the laws of the State of Minnesota on behalf of the Corporation.

Pamela Joy Miller
Notary Public

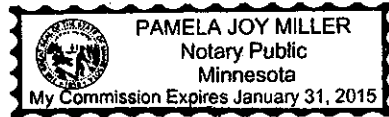


EXHIBIT B
TO THAT CERTAIN LEASE DATED OCTOBER 21, 2011
FOR PART OF THE PREMISES LOCATED AT
6701 HIGHWAY 10, RAMSEY, MN
CITY OF RAMSEY, LESSOR AND
UNITED METHODIST CHURCH OF ANOKA, LESSOR (the "Lease")

RENT ESCROW

LESSEE will cause a \$100,000.00 account to be owned by both LESSEE and LESSOR to be established at Village Bank, 7125 Riverdale Drive, Highway 10 NW, Ramsey, Minnesota. The \$100,000.00 used to fund the account shall come from LESSEE'S assets. The parties agree that the only funds that may be withdrawn from the account will be the monthly rent payment in those amounts as required in paragraph 5. of the Lease. The rent withdrawal shall be an automatic withdrawal of the rent amount payable to LESSOR during the term of the Lease. Upon termination of the Lease, any balance of the account plus any accrued interest shall be the sole property of LESSEE.