

CITY OF RAMSEY

STORAGE LEASE AGREEMENT

This Storage Lease Agreement is entered into by and between the **City of Ramsey**, a Minnesota municipal corporation (Landlord) and **Mille Lacs Motor Sports II, Inc.**, a Minnesota corporation (Tenant).

Recitals

- A. Landlord currently leases to Tenant real property located at 6781 Highway 10 in Ramsey, which contains Tenant's "Power Lodge" motorsports business.
- B. Tenant provides winter boat storage services to its customers.
- C. Landlord owns the two parcels to the southeast, namely 6745 and 6701 Highway 10. Pursuant to the existing Lease Agreement, Tenant leases Outdoor Storage Areas C and D behind and adjacent to the building located at 6745 Highway 10.
- D. Tenant desires to store customer boats and/or inventory in the row of parking spaces at the rear of the 6701 Highway 10 property.
- E. Landlord is willing to allow storage of customer boats and/or inventory in said parking area pursuant to the terms of this temporary lease agreement.

Agreement

- 1. Lease. Landlord leases to Tenant the area outlined in Exhibit A and Exhibit B along the rear property line of the property located at 6701 Highway 10 (PID 34-32-25-12-0009) (the Leased Area).
- 2. Term. The term of this Lease is from:
 - Lease Period 1: December 1, 2021, through May 31, 2022,
 - And;
 - Lease Period 2: June 1, 2022, through May 31, 2023,
 - And:
 - Option Period - Lease Period 3: June 1, 2023, through May 31, 2024 (the "Option")

The Tenant shall provide Notice the Landlord that it wants to exercise the Option on or before March 1, 2023. If no Notice to exercise the Option is provided by the Tenant to the Landlord on or before March 1, 2023 the Option is terminated.

If Tenant desires to end this Lease after a period of one year, Tenant may do so by providing Landlord with 90 days prior written notice. However, in no event may Tenant terminate this Lease earlier than December 31, 2022. Notwithstanding the Lease Term, Landlord may terminate this Lease at any time at Landlord's sole option upon 90 days prior written notice to Tenant.

3. Use. The Leased Area may only be used for storage of Tenant's inventory and/or customer's boats. The Leased Area may not be used for employee parking or any other use without Landlord's written permission. No signage shall be installed by Tenant in or on the Leased Area. Tenant shall conduct its business and control its agents, employees, invitees and visitors in such a manner as not to create waste, odors, nuisance, or interfere with, annoy or disturb any other tenant of Landlord or Landlord's employees and agents in its operation of the 6701 Highway 10 property. Tenant acknowledges that the Leased Area is not fenced except along the rear of the property or otherwise secured in any manner and Landlord makes no representations as to the security of the Leased Area.
4. Access. To the extent reasonably practicable, the Leased Area shall be accessed by Tenant through the gate on the east fence of Outdoor Storage Area D (See attached Lease Reference Map) located at the rear of 6745 Highway 10. A 15-foot-wide through lane between the rear of the building at 6701 Highway 10 and the Leased Area must be maintained at all times for emergency vehicle access and for City access to the rear of the 6701 building.
5. Rent. Monthly rent shall be paid by Tenant to Landlord upon execution of this Lease for Lease Periods 1, 2 and the Option (Lease Period 3). Monthly Rent for each Lease Period and the Option are as follows:
 - Lease Period 1- December 1, 2021 – May 31, 2022 - \$373.89 / month
 - Lease Period 2 – June 1, 2022 – May 31, 2023 - \$385.11 / month
 - Option (Lease Period 3) June 1, 2023 – May 31 2024 - \$396.66 / month
6. Maintenance and Improvements. Tenant is solely responsible for routine maintenance of the Leased Area during the term of the Lease, including trash removal. Tenant shall not damage the existing parking surface, normal wear and tear excepted. Any damage to the Leased Area by Tenant, its employees, agents, customers or guests shall be repaired by Tenant at its sole cost. In the event

Tenant does not complete said repairs, Landlord may do so and invoice the cost of such repairs to Tenant plus 15% for overhead incurred by Landlord. The Leased Area is provided "as is" and Landlord is not obligated to make any improvements to the existing property as part of this Lease. Tenant shall not make any improvements to the Leased Area without Landlord's written permission.

7. Assignment or subletting. Tenant may not assign, transfer, mortgage or encumber this Lease, and may not sublet, rent or permit occupancy or use of the Leased Area, or any part thereof, by any third party.
8. Entry by Landlord. Landlord, its employees, agents or representatives may enter the Leased Area at all reasonable hours to inspect or make repairs. Tenant waives any claim for damages or for any injury or inconvenience or for interference with Tenant's business, and any other loss occasioned thereby.
9. Hold Harmless and Liability Insurance. Except in the case of the negligence of Landlord, its agents or its employees, Tenant agrees to indemnify, save, hold harmless and defend Landlord against all claims, losses or liabilities for injury or death to any person or for damage to or loss of use of any property arising or resulting from the occupancy or use by Tenant of the Leased Area. Landlord shall not be liable to Tenant, its agents, employees, representatives, customers or invitees for any personal injury, death or damage to property caused by theft, burglary, fire or for any other cause occurring on or about the Leased Area. All property kept, stored or maintained within the Leased Area shall be so kept, stored or maintained at the sole risk of the Tenant. Tenant further agrees to defend and indemnify Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. Further, in no event shall Landlord be liable for damages caused by Tenant or Tenant's employees or agents. The provisions of this Paragraph shall survive the expiration or termination of this Lease with respect to any damage, injury, death, breach or default occurring prior to such expiration or termination.

During the Lease Term and any extension thereof, Tenant shall at all times have in full force and effect a policy of general public liability insurance in the amount of the greater of \$2,000,000.00 or the maximum liability for tort liability pursuant to Minnesota Statutes Section 466.04 and any amendments thereto, which insurance shall insure Landlord and Tenant against liability for acts of Landlord and Tenant.

10. Hazardous Materials. Tenant shall not bring hazardous materials onto, or otherwise store hazardous materials on, the Leased Area other than the fuel that is properly contained and secured in fuel tanks in the boats and other equipment stored in the Leased Area. 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 the purpose of) the Comprehensive Environmental Response, Compensation and Liability Act, and so-called Superfund law, or any federal state or local statute, law, ordinance, code rule regulation, order or decree 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 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 Premises, of any Hazardous Material. This paragraph shall survive expiration or termination of this Lease.

11. Default. If Tenant shall be declared bankrupt or insolvent according to law or if Tenant shall make an assignment for the benefit of its creditors or if Tenant shall violate or default in any other covenants, agreements, stipulations or conditions herein and such violation or default shall continue for five days after written notice from Landlord of such violation or default, then and in such case Landlord lawfully may immediately, or at any time thereafter, and without notice or demand, enter into and upon the Leased Are, or any part thereof, in the name of the whole, and repossess the same and expel Tenant 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 Landlord shall have all remedies and recourse which might otherwise be used by Landlord for any breach of covenants contained in this Lease.

12. 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 at the addresses set forth below for each party, 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.

Landlord: City Administrator
City of Ramsey
7550 Sunwood Drive
Ramsey, Minnesota 55303

Landlord's Premier Commercial Realty
Agent 299 Coon Rapids Blvd. NW
Coon Rapids, MN 55433

Tenant: Mille Lacs Motor Sports II, Inc.
6781 Highway 10 N.W.
Ramsey, MN 55303

Either party may, by written notice to the other party, designate a different address to which notices must be sent. Such written notice designating a different address must state the party's newly designated address and must be provided by following the above notice requirements. Commencing on the 10th day after a party gives notice designating a new address to which notices must be sent, the newly designated address shall be the party's address for the purpose of all communication, demands, notices or objections permitted or required to be given or served under this Lease.

13. Entire Agreement. This Lease constitutes the entire agreement between the parties relating to the subject matter described herein. The terms of this Lease are contractual and are intended to be legally binding. This Lease supersedes any and all prior agreements between the parties relating to the subject matter described herein. No party has relied upon any statements, representations, or promises that are not set forth in this Lease. No changes to this Lease will be valid or enforceable unless they are in writing and signed by both parties.

CITY OF RAMSEY

By: _____
Mark E Kuzma, Mayor

Date: _____

By: _____
Kurtis G. Ulrich, City Administrator

Date: _____

MILLE LACS MOTOR SPORTS II, INC.

By: _____
Tom Dehn, President

Date: _____

Exhibit A

6640 141ST AVE NW

6745 HIGHWAY 10 NW



6701 HIGHWAY 10 NW

Highway 10

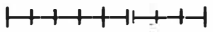


6701 Highway 10 NW Lease Area

Legend

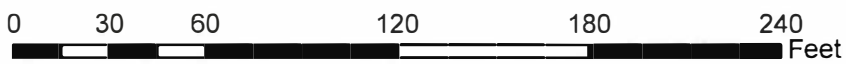
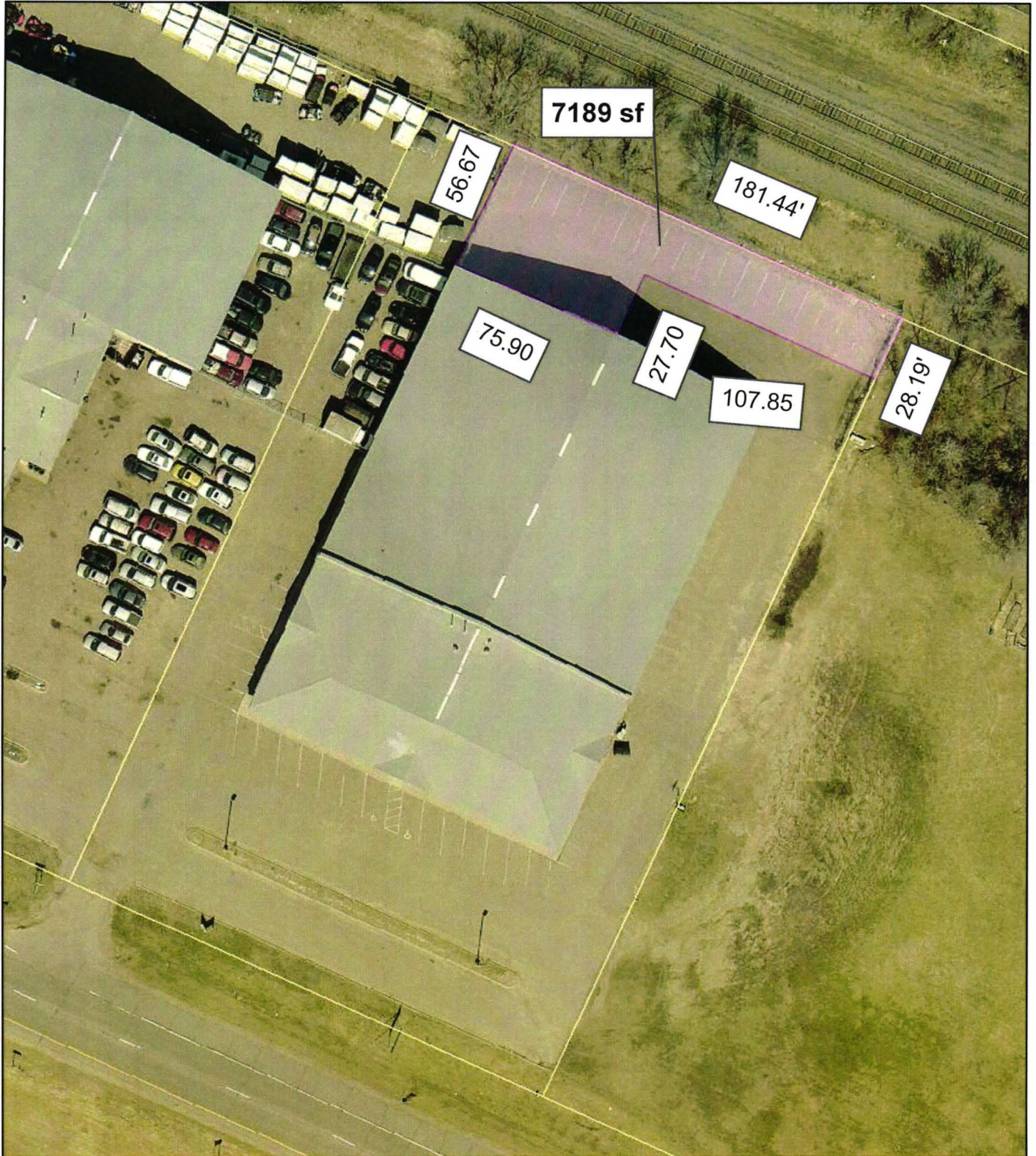
-  Lease Area
-  Buildings
-  Parcels

0 15 30 60 Feet



1 in = 60 feet

Exhibit B
6701 HWY 10 Lease Area



Lease Reference Map

A: 22,000 SF, Power Lodge, Outdoor

B: 15,000 SF, Power Lodge, Outdoor

C: 3,200 SF, Power Lodge, Outdoor

D: 12,000 SF, Power Lodge, Outdoor

E: 7,900 SF, Power Lodge, Indoor

F: 2,150 SF, RM Golf Carts, Indoor

