

LEASE AGREEMENT

THIS LEASE is made this 8th day of January, 2024, between the City of Grand Rapids by and through its City Council (" Landlord") and Ray's Sports & Marine— David Hernesman (" Tenant").

RECITALS

Landlord hereby leases to Tenant, and Tenant hires and takes from Landlord the Premises located in the City of Grand Rapids, County of Itasca, State of Minnesota, (" the Premises") legally described on Exhibit "A" attached.

THIS LEASE is made upon the following terms and conditions which the Landlord and Tenant covenant and agree to keep and perform;

I. USE

The Premises shall be used and occupied by Tenant as a facility for open storage of boats and similar equipment, and shall not be used in a matter which will unduly disrupt or interfere with the use of adjoining Premises by Landlord.

II. TERM

The Term of this Lease shall be three (3) one-year terms commencing on January 1st, 2024.

III. RENT

Tenant shall pay to the Landlord, at such place as shall be designated by Landlord, rent in advance, in the sum of \$2,500.00 per year, before the first day of the Term, to be made payable to the Grand Rapids City Finance Department.

IV POSSESSION

Landlord covenants that possession of the remises will be delivered to Tenant at the commencement of the Term Tenant will keep and maintain the Premises during the Term, and quit and deliver the Premises to Landlord at the end of the Term or at any previous termination thereof for any cause, in as good order and condition and state or repair, reasonable use and wearing thereof and inevitable accidents excepted, as now exists. Tenant shall keep and store all boats or any other item a safe distance from the electrical substation located up on the same property as to be determined by City staff.

V. MAINTENANCE

Tenant shall keep said Premises continually in a neat, clean and respectable condition and shall provide such maintenance as required by municipal authority. All garbage and refuse of any kind shall be removed at Tenant's expense. Tenant will not make or suffer any waste thereon, and will not assign or sublet said Premises or any part thereof without written consent of Landlord.

VI TAXES AND UTILITIES

Tenant shall pay all real estate taxes or assessments levied against said Premises due to Tenant's occupancy as a non-governmental entity.

VII. IMPROVEMENTS AND ALTERATIONS

The Premises consists of bare land with no improvements. Subject to Landlord's prior approval, which shall not be unreasonably withheld, Tenant may place fences or such other similar items used or useful in connection with the operation of Tenant's business on the Premises. All work done in connection therewith shall comply with all applicable laws, ordinances, codes and regulations. All such things hereafter installed by Tenant shall remain the property of Tenant and in the case of damage or destruction thereto by fire or other causes, Tenant shall have the right to recover Tenant's own loss from any insurance company with which Tenant has insured the same. Tenant may remove all or any such things at any time during the term of the Lease, and shall do so upon termination of this Lease, provided, however, that upon removal of such equipment the order, condition and state of repair of the Premises shall be the same as of the commencement of this Lease, and shall not have been disturbed or affected by details of installation or removal of said equipment.

VIII. INDEMNITY AND INSURANCE

Tenant shall indemnify Landlord for any loss or casualty to the Premises occasioned by negligence or fault of Tenant or Tenant's employees or invitees, and further will obtain a policy of liability insurance against any loss or injury suffered by anyone relating to the Premises because of the negligence or fault of Tenant or because of the condition or operation of the business therein in the sum of 1, 000,000.00, naming Landlord as an additional insured thereon. Tenant shall provide a copy of said liability insurance policy or policies for the inspection of Landlord upon request of Landlord.

IX QUIET ENJOYMENT

Tenant, on paying the rent provided herein and upon performance of all the terms and conditions of the Lease on its part to be performed, shall at all times during the term hereof peacefully and quietly have, hold and enjoy the Premises.

X CANCELLATION

If the monthly payments or any of them, whether they are demanded or not, are not paid when they become due; or if any other terms of this Agreement be violated by Tenant, then Landlord shall have the right to cancel this Lease at once, and re-enter and take possession of said Premises immediately, and without any previous notice of intention to re-enter, under such terms and conditions as allowed by law.

Either party may terminate the Lease without cause upon at least six (6) months written notice to the other at anytime during its term. Upon termination without cause, rent shall be pro-rated to the termination date.

This instrument has been executed by the parties as of the day and year written above.

LANDLORD:

GRAND RAPIDS CITY COUNCIL

BY: _____

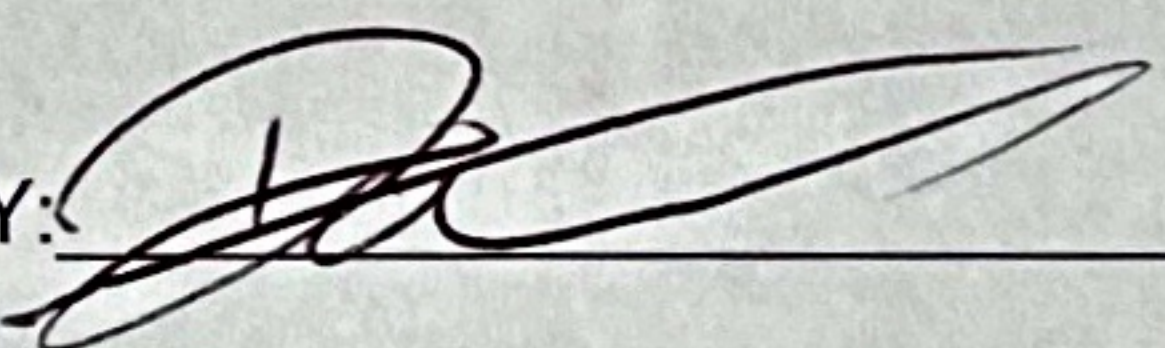
It's Mayor

ATTEST: _____

City Administrator

TENANT:

RAY' S SPORT & MARINE

BY:  _____

Its: President

EXHIBIT A

Property Description:

Lots 7-12, Block 22, 3rd Division and East ½ Vacated N-S Alley, Grand Rapids, Minnesota

150 feet by 150 feet lot size

