

LEASE AGREEMENT

THIS LEASE AGREEMENT, by and between the City of Grand Rapids, Minnesota a municipal corporation, hereinafter referred to as "Lessor", and Independent School District No. 318, Grand Rapids, Minnesota, hereinafter referred to as "Lessee", entered into this first day of July, 2021.

RECITALS

WHEREAS, Lessor owns and operates the IRA Civic Center; and

WHEREAS, Lessee has determined that the IRA Civic Center is a suitable facility for conducting Lessee's various academic and athletic programs and ceremonial events; and

WHEREAS, Lessee wishes to lease the IRA Civic Center, on occasion in its entirety and on other occasions specific portions thereof; and

WHEREAS, Lessor and Lessee wish to enter into this Lease Agreement for the purpose of establishing the terms and conditions pursuant to which Lessee shall lease the IRA Civic Center or portions thereof;

NOW THEREFORE, for good and valuable mutual consideration, Lessor and Lessee mutually agree as follows:

ARTICLE - AGREEMENT TO LEASE

1.1 Lease Agreement: In consideration of and subject to the mutual covenants, conditions and obligations of this Lease Agreement to be kept and performed, including the obligation to lease, Lessor does hereby lease to Lessee the IRA Civic Center solely to the extent specified in this Lease Agreement.

1.2 Lessee's Right of Possession and Use: Lessee shall have the right to possess and use the IRA Civic Center for the purposes, to the extent and at the times set forth in Exhibit A attached hereto and incorporated herein by reference. Lessee's right to possess and use the IRA Civic Center shall be intermittent and confined to those portions of the IRA Civic Center specifically identified in Exhibit A or necessary to carry out Lessee's intended uses as identified in Exhibit A. Lessor and its licensees shall have the right to enter upon and use the IRA Civic Center at all times not inconsistent with Exhibit A. Lessee shall at all times comply with all statutes, ordinances, codes and regulations of any governmental authority concerning the use of the premises. Lessee shall not permit any hazardous or dangerous activity to be conducted at the IRA Civic Center or any activity which will increase insurance risks for premiums on the premises.

1.3 Schedule of Use: Lessee shall submit to Lessor annually before April 1 a schedule of all proposed ice uses for the following year, which schedule shall be subject to Lessor's approval. Lessee's ice uses shall be given priority scheduling by the Lessor.

1.4 Supervision, Crowd Control:

a. Safety: Lessor shall be responsible to summon appropriate medical personnel in the event any such persons require medical attention.

b. Crowd Control. Lessee shall monitor and oversee spectator activity for the purpose of maintaining orderly behavior and compliance with any policies for the use of the IRA Civic Center which may be promulgated by Lessor from time-to-time. Lessor shall provide City Police Officer services at the request of Lessee during boys' high school hockey games and tournaments. Reimbursement to Lessor of said Police Officer services is deemed included in the rental amount set forth in Paragraph 2.1 hereof. City Police Officers are present for the purpose of maintaining order and security for the safety of persons in attendance by enforcing all applicable ordinances and statutes and arresting persons suspected of violation of law.

1.5 Parking Lot: Lessee, its participants, staff and spectators shall have the right to use the IRA Civic Center parking lot in conjunction with Lessee's activities and events at the IRA Civic Center, subject to parking lot utilization policies which may be promulgated by Lessor from time-to-time. Said use shall be in common with other invitees of Lessor who may be using the IRA Civic Center.

1.6 Concessions: Lessor retains the exclusive right to operate all concessions at the IRA Civic Center, either through representatives of Lessor or Lessor's assignees. This Lease Agreement does not confer upon Lessee the right to operate concessions at the IRA Civic Center.

ARTICLE II – LEASE

2.1 Lease: Lessee shall pay to Lessor monthly, in advance, the sum of \$14,335.50 payable on the first day of each month of the year commencing July 1, 2021 through June 30, 2022 (\$172,026.00 annually). Lease payments shall be payable to the order of the City of Grand Rapids and mailed or delivered to such address as Lessor may designate from time-to-time.

2.2 Lease Adjustment: The amount of lease payments for the period of July 2022 through June 2023 shall be increased by three percent (\$177,186.00) The amount of lease payments for the period of July 2023 through June 2024 shall be increased by three percent (\$182,501.00). In addition, any increase or alteration in use by Lessee during 2021 - 2022 or subsequent years shall subject the payment amount to further review and renegotiation by the parties, provided that in no event shall the rents be decreased to less than the above amount or that stated in Section 2.1 together with the aforementioned annual three percent increases.

If hockey season is cancelled or altered due to a pandemic, any months 'In Pause' from November 1st through March 30th the monthly lease rates shall be reduced by 37%.

2.2.1 Lease Renegotiations: Lease renegotiations due to the increase or alteration in use by Lessees shall be conducted in accord with this Section. For the 2022-2023 lease period, the parties shall conduct any renegotiations during the month of March, 2022. If the parties are unable to reach agreement after any such renegotiation, then this agreement shall terminate as of June 30, 2022. For the 2023-2024 lease period, the parties shall conduct renegotiations during the month of March, 2023. If the parties are unable to reach an agreement after such renegotiations, then this agreement shall terminate as of June, 2023.

ARTICLE III – MAINTENANCE, REPAIR

3.1 Maintenance, Repair: Lessor shall at all times during the term of this Lease Agreement, at Lessor's own cost and expense, repair and maintain the IRA Civic Center, any improvements or alterations thereto, all fixtures and equipment therein, and the exterior of the building and the parking lot, except as otherwise provided in this Article.

3.2 Damages: Lessee shall reimburse Lessor for the reasonable cost to repair and restore the IRA Civic Center in the event of damage to the premises caused by negligence on the part of participants, coaches or other staff, or spectators who are in or upon the IRA Civic Center in conjunction with any of Lessee's activities or events.

3.3 Cleanup: Although Lessor retains ultimate responsibility for maintenance, Lessee shall perform routine clean up after its use of the premises, including proper storage of all equipment, pick up and proper disposal of litter, and clean up of kitchen areas and utensils.

3.4 Alterations, Improvements: Lessee shall not make alterations or improvements to the premises without the advance written consent of Lessor.

ARTICLE IV -UTILITIES

4.1 Utilities Services: Lessor shall furnish such heat, air conditioning, water, sewer, electricity and garbage collection as shall be necessary, in Lessor's judgment for the comfortable use and occupancy of the premises under normal conditions.

4.2 Conservation of Utilities: Lessee shall conserve heat, water, and electricity, and shall not neglect or misuse, water fixtures, electric lights, or other equipment or facilities furnished in conjunction with Lessor's provision of utilities pursuant to this Article.

ARTICLE V - TERM

5.1 Term: The term of this Lease Agreement shall be from July 1, 2021 through June 30, 2024, except that this Lease Agreement may terminate pursuant to the terms and conditions contained in Section 2.2.1 for any subsequent lease period.

ARTICLE VI - DEFAULTS

6.1 Default by Lessee: On the occurrence of either of the following: (a) a lease payment from the Lessee to the Lessor shall remain unpaid in whole or in part for more than thirty (30) days after it is due and payable; or (b) the Lessee's violation or default in any of covenants, agreements, stipulations or conditions herein, and such violation or default shall continue for a period of thirty (30) days after written notice from the Lessor of such violation or default; then it shall be optional for the Lessor to declare this Lease Agreement forfeited and the terms, including Lessee's right of use and possession of the IRA Civic Center, ended.

6.2 Default by Lessor: Lessor shall not be deemed to be in default under this Lease Agreement until the Lessee has given the Lessor written notice specifying the nature of the default, and the Lessor does not cure such default within thirty (30) days after receipt of such notice or within such reasonable time thereafter as may be necessary to cure such default where such default is of such character as to reasonably require more than thirty (30) days to cure.

ARTICLE VII - ASSIGNMENT, SUBLETTING

7.1 Lessee shall not assign any rights or duties under this Lease Agreement or sublet the leased premises, or any part thereof, nor allow any other person to occupy or use the leased premises without

the prior written consent of Lessor, which consent shall not unreasonably be withheld. A consent to one assignment, sublease or other occupation or use by any other person or entity shall not be a consent to any subsequent assignment, sublease, occupation or use by persons other than Lessee. This Lease Agreement shall not be assignable, as to the interest of Lessee, by operation of law, without the written consent of Lessor. If Lessor does give consent to assignment, subletting or occupation by another, such consent shall not release Lessee from its obligations hereunder unless a release is specifically given by Lessor.

ARTICLE VIII - LESSOR'S ACCESS

8.1 Lessor, its agents and employees shall have the right to enter the leased premises upon reasonable advance notice for the purpose of inspecting, repairing, altering or improving the leased premises, or for any other purpose not inconsistent with Exhibit A. There shall be no diminution of rent and no liability on the part of Lessor by reason of any inconvenience, annoyance or injury caused by Lessor's reasonable exercise of the rights reserved by Lessor in this Article.

ARTICLE IX - FIRE AND OTHER CASUALTY

9.1 If during the term of this Lease Agreement the leased premises or any portion thereof shall be damaged or destroyed by fire or other casualty so that the said leased premises or a portion thereof shall thereby be rendered unfit for use or occupation, Lessor shall have the option to either (a) repair such damage with all reasonable diligence and restore the premises to substantially the condition immediately prior to such event, and until said premises shall have been duly repaired and restored, the rent herein reserved, or a just and proportionate part thereof, according to the nature and extent of the injury which has been sustained, shall be abated, or (b) Lessor may terminate this lease and end the term thereof, and in case of such termination, the rent shall be paid to the date of such fire or casualty and all other further obligations on the part of either party hereto shall cease.

ARTICLE X - HOLDING OVER

10.1 Any holding over by Lessee of the leased premises after the expiration or termination of the term of this Lease Agreement without consent of Lessor shall constitute a default by Lessee hereunder and Lessee shall be liable and responsible for all damages and costs sustained by Lessor thereby. Said holding over shall constitute Lessee to be a tenant from month-to-month, subject to all the conditions, provisions and obligations of this Lease Agreement and so far as the same can be applicable to a month-to-month tenancy.

ARTICLE XI - INDEMNIFICATION, INSURANCE

11.1 Indemnity: Lessee shall protect, defend, hold harmless and indemnify Lessor against any and all claims, actions, losses, costs, expenses and liabilities, including reasonable attorneys fees for defense, arising out of or in any way related to Lessee's use of the premises or any of Lessee's activities or events, save when said claim, action, loss, cost, expense or liability is proximately caused solely and exclusively by the negligence or breach of this Lease Agreement by Lessor. In case of any action or proceeding brought against Lessor by reason of a claim covered by this Paragraph 11.1, upon notice from Lessor, Lessee covenants to defend such action or proceeding by counsel reasonable satisfactory to Lessor .

11.2 Insurance: Lessee shall maintain through the term of this Lease Agreement a policy of comprehensive general liability insurance with limits of at least \$1,000,000 per person, \$1,000,000 per

occurrence, or Lessor's statutory limits of liability pursuant to Minnesota Statutes, whichever is greater. As to each such policy Lessor shall be named as an additional insured. Said policy of insurance shall be evidenced by a certificate of insurance which shall be placed on file with Lessor by Lessee prior to commencement of occupancy of the premises by Lessee. Each such policy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving Lessor thirty (30) days advance written notice of such change. The policy shall also contain a contractual liability endorsement evidencing insurance coverage for Lessee's indemnification obligation to Lessor under this Lease Agreement.

11.3 Liability to Lessee: Lessor shall not be liable to Lessee or to any employee, student or invitee of Lessee for any claim or cause of action arising out of death, injury, damage to property occurring in, on or about the leased premises except for damages attributable exclusively to the negligence or breach of this Lease Agreement by Lessor, its employees or agents, by a court of competent jurisdiction.

11.4 Liability Limits Not Waived: Nothing in this Article XI shall cause either Lessor or Lessee to be subject to liability in excess of any statutory limits of liability applicable to Lessor or Lessee.

ARTICLE XII - MISCELLANEOUS

12.1 Notices: All notices herein provided for shall be sent by registered mail, postage prepaid, return receipt requested, and shall be deemed to have been given when sent, and if by Lessee to Lessor shall be addressed to Lessor at the place herein provided for the payment of rent, and if given by Lessor to Lessee shall be addressed to: Superintendent, Independent School District No. 318, Administration Building, 820 NW 1st Avenue, Grand Rapids, MN 55744.

12.2 Waiver, Modification: No waiver of any condition, covenant, right or option of this Lease by Lessor shall be deemed to imply or constitute a further waiver of any like condition or covenant of said Lease Agreement. No amendment or modification of this Lease Agreement shall be valid or binding unless expressed in writing and executed by duly authorized representatives of the parties in the same manner as the execution of this Lease.

12.3 Representations: Neither Lessor nor any agent or employee of Lessor has made any representations or promises with respect to the leased premises or the IRA Civic Center except as herein expressly set forth, and no rights, privileges, easements or licenses are required by Lessee except as herein expressly set forth.

12.4 Cumulative Rights: No right or remedy herein conferred on and reserved to the Lessee or the Lessor is intended to be exclusive of any other right or remedy hereof provided by law, but each shall be cumulative in addition to every other right or remedy given herein or not or hereafter existing by law or in equity or by statute.

12.5 Approvals: Wherever the Lessor's or the Lessee's approval or consent shall be required herein, such approval or consent shall not be arbitrarily or unreasonably conditioned, delayed, or withheld and shall be deemed to have been given, unless within twenty (20) days of the request therefor, the Lessor or the Lessee, as appropriate, notifies the requesting party that the Lessor or the Lessee, as appropriate, is denying such approval or consent, stating in such notice that reasonable grounds therefor.

12.6 Successors, Assigns: This Lease Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns. However, nothing in this paragraph shall be deemed to avoid the necessity of Lessee obtaining written consent from Lessor to assign or sublet this Lease Agreement.

12.7 No Partnership: Nothing contained in this Lease Agreement shall be deemed or construed to create a partnership or joint venture of or between Lessor and Lessee or to create any other relationship between the parties hereto other than that of Lessor and Lessee.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

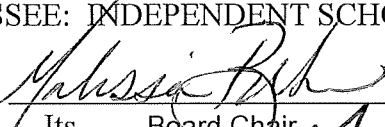
LESSOR: CITY OF GRAND RAPIDS

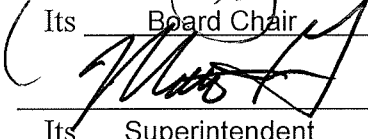
BY: _____
Its Mayor

BY: _____
Its City Clerk

Date: _____

LESSEE: INDEPENDENT SCHOOL DISTRICT NO 318

BY:  _____
Its Board Chair

BY:  _____
Its Superintendent

Date: 7/19/21

EXHIBIT A

ICE USES:

- Boys Hockey
- Girls Hockey
- Cheerleader's practice (non-priority schedule)
- 70 hours of non-prime hours for physical education classes

DRY FLOOR USES:

- All boys and girls hockey ticket sales
- Exclusive locker room use for boys and girls hockey
- Year-around hockey equipment storage
- Exclusive storage area (skate sharpening room)
- Use of locker rooms for visiting football teams
- Use of upper lobby for ski team practice
- High School Graduation ceremonies
- Emergency evacuation holding area in case of emergency school closing
- 115 hours of dry floor activities, i.e. prom, baseball, tennis, lacrosse

