

**Lease Agreement for 2020-2022 for Rental Property
Located at 411 5th Avenue NW
New Prague, MN. 56071**

By this agreement made and entered into on January 1, 2020, between Thomas W. Masberg (“Tenant”), and CITY OF NEW PRAGUE (“Lessor”), Lessor leases to Tenant the premises situated at 411 5th Avenue NW, New Prague, MN 56071, Scott County, Minnesota, together with all appurtenances, for a term of three (3) years commencing on January 1, 2020, and ending on December 31, 2022. Following this term, the lease may be renewed on a month-to-month basis or some other mutually-agreeable term at the request of the Tenant.

1. **Rent.** Tenant agrees to pay, without demand, to Lessor as rent for the demised premises the sum of \$575/month for calendar year 2020 and \$575/month for calendar year 2021 and \$600/month for calendar year 2022 for the term of the lease in advance on the first day of each month the lease is in effect for the commercial building located at 411 5th Avenue NW.
2. **Term and Commencement Date.** This lease shall begin on January 1, 2020. The term of this lease is three (3) years and shall terminate on December 31, 2022. Effective January 1, 2020, either party may terminate this lease and all further rights of obligations hereunder for any reason, by providing thirty (30) days’ written notice to the other of such termination.
3. **Security Deposit.** On execution of this lease, Tenant shall deposit with Lessor Five Hundred Dollars (\$500.00), as security for the faithful performance by Tenant of the terms of this lease agreement, to be returned to Tenant, with interest as provided by law, on the full and faithful performance by Tenant of the provisions of this lease agreement.
4. **Quiet Enjoyment.** Lessor covenants that on paying the rent and performing the covenants contained in this lease agreement, Tenant shall peacefully and quietly have, hold, and enjoy the demises premises for the agreed term, except as otherwise provided herein.
5. **Use of Premises.**
 - a. The demised premises shall be used and occupied by Tenant exclusively as a storage facility for semi-trucks and/or trailers with no outside storage.
 - b. Tenant shall comply with all the laws, ordinances, rules and orders of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of the demised premises during the term of this lease.
6. **Number of Occupants.** Tenant agrees that the demised premises shall be occupied only by Tenant and the clientele of Tenant through the normal course of business operations without the prior, express, and written consent of Lessor.
7. **Condition of Premises.** Tenant stipulates that it has examined the demised premises, including the grounds and all buildings and improvements, and that they are, at the time of this lease, in good order, good repair, safe, clean, and in tenantable condition.

8. **Assignment and Subletting.**

- a. Without the prior, express, and written consent of Lessor, Tenant shall not assign this lease, or sublet or grant any concession or license to use the premises or any part of the premises.
- b. A consent by Lessor to one assignment, subletting, concession or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession or license.
- c. An assignment, subletting, concession or license without the prior written consent of lessor, or an assignment or subletting by operation of law, shall be void and shall, at Lessor's option, terminate this lease.

9. **Alterations and Improvements.**

- a. Tenant shall make no alterations to the building on the demised premises or construct any building or make other improvements on the demised premises without the prior, express and written consent of Lessor.
- b. All alterations, changes, and improvements built, constructed, or placed on the demised premises by Tenant, including fixtures removable without damage to the demised premises and movable personal property, shall, unless otherwise provided by written agreement between Lessor and Tenant, be the property of Tenant and may be removed from the demised premises at the expiration or earlier termination of this lease.

10. **Damage to Premises.** If the demised premises, or any part of the demised premises, shall be wholly or partially damaged by fire or other casualty, except by the willful act of Lessor, Lessor's employees, or agent, such damage shall be promptly repaired by Tenant; except to the extent that Lessor shall decide not to rebuild or repair the demised premises, in which event all insurance proceeds payable with respect to such casualty shall belong to Lessor.

11. **Dangerous Materials.** Other than items for the business operations of Tenant, Tenant shall not keep or have on the demised premises any article or thing of a dangerous, flammable or explosive character that might unreasonably increase the danger of fire on the demised premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

12. **Utilities.** Tenant shall be responsible for arranging and paying for all utility services (water, sanitary sewer, electric, storm sewer, telephone, natural gas, garbage, internet, cable tv, etc.) required on the premises.

13. **Real Estate Taxes.** Lessor shall pay all real estate taxes against the demised premises which are due and payable during the time of the lease period.

14. **Insurance.** In the event of damage to the demised premises by fire or other casualty, Tenant shall promptly give notice of such damage to Lessor and the insurance company.

15. **Damage to the Demise Premises.** If the demised premises are damaged by fire or other casualty, the insurance proceeds paid on account of such damage shall be paid to Lessor. Notwithstanding the previous sentence, insurance proceeds paid on account of damages to Tenant's inventory, fixtures or other property shall be paid to Tenant.
16. **Injury or Damage Occurring on the Demised Premises.**
- a. LIABILITY. Lessor shall be free from liability and claims for damages by reason of injuries occurring on or after the date of this agreement to any person or persons or property while on or about the demised premises. Tenant shall defend and indemnify Lessor from all liability, loss, costs and obligations, including reasonable attorneys' fees, on account of or arising out of any such injuries. However, Tenant shall have no liability or obligation to Lessor for such injuries which are caused by the negligence or intentional wrongful acts or omissions of Lessor.
 - b. LIABILITY INSURANCE. Tenant shall, at Tenant's own expense, procure and maintain liability insurance against claims for bodily injury, death and property damage occurring on or about the demised premises in amounts of \$500,000 per occurrence, \$1,000,000 aggregate and naming Lessor as an additional insured.
17. **Insurance, Generally.** The insurance which Tenant is required to procure and maintain pursuant to this agreement shall be issued by an insurance company or companies licensed to do business in the State of Minnesota. The insurance shall be maintained by Tenant at all times during the term of this lease agreement. Tenant agrees to provide a copy of all insurance policies maintained by Tenant as required by this lease agreement to the Lessor. Tenant agrees that all policies of insurance required by this lease agreement shall contain a statement that such policies shall not be cancelled unless the issuing insurer mails sixty (60) days' written notice to the Lessor and ten (10) days for non-payment. Lessor shall be named as an additional insured on all such policies.
18. **Maintenance and Repair.**
- a. Tenant will at Tenant's sole expense, perform routine maintenance and keep the demised premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal of this lease. In particular, Tenant shall keep the fixtures in the demise premise or on or about the demised premises in good order and repair; keep the furnace clean; and keep the leased property free from dirt, debris, weeds and snow in the winter.
 - b. Major maintenance and repair of the demised premises may be a shared 50/50 responsibility between the Tenant and Lessor. Lessor may, at Lessor's sole discretion, may share in repairs to the plumbing, heating apparatus, and electric and gas fixtures whenever damage or deterioration to such items shall have occurred if deemed economically feasible and cost effective in the opinion of the Lessor.

- c. The Lessor agrees to remove snow around the perimeter of the building and driveway entrance off 5th Avenue NW when the Fire/Ambulance parking lot is plowed. Snow removal adjacent to the garage doors and building entrance(s) shall be the tenant's responsibility.
- d. The Tenant shall be responsible for mowing the grass adjacent to the west and south sides of the building and keeping the demised premises clear of any weeds.
19. **Animals.** Tenant shall keep no domestic or other animals on or about the demised premises without the prior, express and written consent of Lessor.
20. **Right of Inspection.** Lessor and Lessor's agents shall have the right at all reasonable times during the term of this lease and any renewal of this lease to enter the demised premises for the purpose of inspecting the premises and all buildings and improvements on the premises.
21. **Display of Signs.** During the last sixty (60) days of this lease, Lessor or Lessor's agent shall have the privilege of displaying the usual "For Sale" or "For Rent" or "Vacancy" signs on the demised premises and of showing the property to prospective purchasers or tenants.
22. **Subordination of Lease.** This lease and Tenant's leasehold interest under this lease are and shall be subject, subordinate, and inferior to any liens or encumbrances now or hereafter placed on the demised premises by Lessor, all advances made under any such liens or encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions of such liens or encumbrances.
23. **Holdover by Tenant.** Should Tenant remain in possession of the demised premises with the consent of Lessor after the natural expiration of this lease, a new tenancy from month to month shall be created between Lessor and Tenant which shall be subject to all the terms and conditions of this lease agreement but shall be terminable on ninety (90) days' written notice served by either Lessor or Tenant on the other party.
24. **Surrender of Premises.** At the expiration of the lease term, Tenant shall quit and surrender the demised premises in as good state and condition as it was at the commencement of this lease, reasonable use and wear excepted.
25. **Default.** If any default is made in the payment of rent, or any part of the rent, or any other amounts required to be paid by Tenant hereunder, at the times specified in this lease, or if any default is made in the performance of or compliance with any other term or condition of this lease, the lease, at the option of Lessor, shall terminate and be forfeited, and Lessor may re-enter the premises and remove all persons from the premises. Tenant shall be given notice of any breach or default. Termination and forfeiture of the lease shall not result if, within 30 days of receipt of such notice, Tenant has corrected the default or breach or, if such breach or default is for a reason other than the payment of money, has taken action reasonably likely to effect such correction within a reasonable time.

26. **Abandonment.**

- a. If at any time during the term of this lease Tenant abandons the demised premises or any part of the demised premises, Lessor may at Lessor's option, enter the demised premises by any means without being liable for any prosecution for such entering, and without becoming liable to Tenant for damages or for any payment of any kind whatever, and may, at Lessor's discretion, as agent for Tenant, relet the demised premises, or any part of the demised premises, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at Lessor's option, hold Tenant liable for any difference between the rent that would have been payable under this lease during the balance of the unexpired term, if this lease had continued in force, and the net rent for such period realized by Lessor by means of such reletting.
- b. If Lessor's right of re-entry is exercised following abandonment of the premises by Tenant, then Lessor may consider any personal property belonging to Tenant and left on the premises to also have been abandoned, in which case Lessor may dispose of all such personal property in any manner Lessor shall deem proper and is hereby relieved of all liability for doing so.

27. **Miscellaneous.**

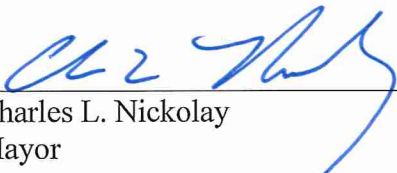
- a. This agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
- b. It is specifically declared and agreed that time is of the essence of this lease agreement.
- c. The covenants and conditions contained in this lease agreement shall apply to and bind the heirs, legal representatives, and assigns of the parties, and all covenants are to be construed as conditions of this lease.
- d. In the event that any action is filed in relation to this lease agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.
- e. This lease agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this lease agreement shall not be binding upon either party except to the extent incorporated in this lease agreement.
- f. Any modification of this lease agreement or additional obligation assumed by either party in connection with this lease agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

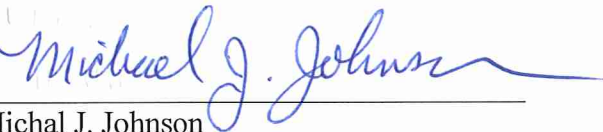
In witness whereof, each party to this lease agreement has caused it to be executed at New Prague, Minnesota on the date indicated below.

NOTICE: THIS IS A LEGALLY BINDING CONTRACT BETWEEN LESSOR AND TENANT. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

The undersigned, owner of the above property, does hereby approve the above Agreement and the lease thereby made.

LESSOR: CITY OF NEW PRAGUE

By: 
Charles L. Nickolay
Its: Mayor

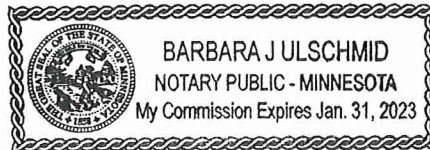
By: 
Michal J. Johnson
Its: City Administrator

Dated: January 7, 2020

STATE OF MINNESOTA)) ss.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this 7th day of January, 2020 by Charles L. Nickolay, Mayor, and Michael J. Johnson, City Administrator, of the CITY OF NEW PRAGUE, a Minnesota municipal corporation, on behalf of the corporation.

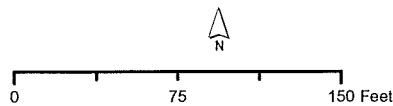

Notary Public



Site Map



Prepared by:
City of New Prague
Planning Department
Date: 6/28/12
Disclaimer: For Reference Purposes Only.



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