

LEASE AGREEMENT

THIS LEASE, made and entered into this 20th day of May 2019, by and between the City of Thief River Falls, a Minnesota Municipal Corporation, hereinafter referred to as "Lessor," and Thief River Falls Amateur Hockey Association, hereinafter referred to as "Lessee", WITNESSETH:

1. PREMISES. Lessor hereby leases unto Lessee and Lessee hereby hires from Lessor the Ralph Engelstad Arena, 525 Brooks Avenue North, Thief River Falls, MN, ice sheet, and the Huck Olson Memorial Ice Arena ice sheet and daily use of scheduled locker rooms, according to the rental rates and terms set forth below. Specifically excepted from this lease agreement are the following areas: All concession areas, concession stands, mechanical rooms, office area, ticket booth area, fitness rooms, press box and storage areas (hereafter "Premises").

Lessor shall follow separate existing Thief River Falls Amateur Hockey Association concession's agreement

2. POLICIES. Lessee agrees to abide by all statutes and ordinances, and all regulations now or hereafter established by Lessor, all of which are made a part hereof.

3. TERM. The term of this lease shall be for five years and shall begin on October 1, 2019. Dates of ice availability are subject to adjustment from year to year and Lessor will notify Lessee of any changes in the opening and closing schedule as soon as the same are known to Lessor. For 2019, the Ralph Engelstad Arena shall be open the 1st Tuesday after Labor Day in September.

3.1. Renewal. Notice of renewal shall be given to Lessor in writing prior to June 1, 2024.

3.2. Termination. Either party may terminate this lease agreement at the end of each lease term by giving written notice to the other party at least 30 days prior to the October 1st end of the lease term. The lease and its terms shall also terminate if Lessee no longer is using the arena for practice and games and provides written notice of the same to Lessor. Lessor reserves the right to terminate the lease agreement with or without cause.

4. RENT. Ice rental rates include the cost of resurfacing the ice sheet prior to use (if required by Lessee) and after the use of the ice sheet by Lessee.

4.1. Tournament Ice. Rental of the ice sheet(s) shall be in the amount of \$75.00 per hour for five (5) years, together with any other applicable fees. Tournament ice is defined as a minimum of four (4) teams competing over a two or more day time period. Rent due shall be payable by Lessee to Lessor in full fifteen (15) days after invoiced amount during the rental term. Tournament ice rental includes necessary locker rooms to accommodate the visiting team(s) and are to be available one hour prior to game time. Visiting team(s) shall vacate the locker rooms used after game time(s) to accommodate the arena schedules.

4.2. Practice & Game Ice. Rental of the ice sheet(s) shall be in the amount of

- Year 1 - \$80.00/hour for the dates of October 1, 2019 to March 31, 2020
- Year 2 - \$85.00/hour for the dates of October 1, 2020 to March 31, 2021
- Year 3 - \$90.00/hour for the dates of October 1, 2021 to March 31, 2022
- Year 4 - \$95.00/hour for the dates of October 1, 2022 to March 31, 2023
- Year 5 - \$100.00/hour for the dates of October 1, 2023 to March 31, 2024

Practice and game ice rental include necessary locker rooms to accommodate the visiting team(s) and are to be available one hour prior to game time. Visiting team(s) shall vacate the locker rooms used after game time(s) to accommodate the arena schedules.

4.3. Preseason & Postseason Ice. Pre and post season ice are dates outside of October 1st to March 31st. The ice sheet rental rate will be \$125.00 per hour for year 1. Thereafter will be negotiated and agreed upon between the parties hereto.

5. UTILITIES. Lessor shall provide the following utilities at no additional cost: heat, water, electricity, garbage, sewer and Wi-Fi.

It is understood that Lessor does not warrant that any of the utility services will be free from intermittent interruption from causes beyond the reasonable control of Lessor. Such intermittent interruption of service shall never be deemed an eviction or disturbance of Lessee's use and possession of the Premises, or render Lessor liable to Lessee for damages by abatement of rent or otherwise, or relieve Lessee from performance of Lessee's obligations under this Lease; provided, however, that Lessor understands and agrees that ongoing and persistent interruption of service may frustrate the purpose of Lessee's reason for leasing the Premises and such interruption of services would substantially impair the benefit of Lessee's bargain.

6. REPAIR. Lessor shall be responsible for all repairs to the Premises unless such damage to be repaired is due to the actions or inactions of Lessee, its employees, agents, guest, contractors, or visitors, in which case, Lessee shall be responsible to reimburse Lessor for all repair costs.

7. ALTERATIONS. Alterations include any changes or modifications to the facilities electrical system, mechanical system, or structure. Lessee shall not make any alterations or additions to the Premises without the written consent of Lessor. Any permitted alterations or additions by Lessee shall be paid for in full by Lessee and Lessee shall not allow any liens to attach to the Premises. Should the permitted alterations or additions be performed by city personnel, Lessee shall remain responsible for the cost of labor and materials to install and remove the alterations. Any labor performed by City personnel shall be billed at the gross rate the employee is being paid. Any permitted alterations or additions shall be done to Lessor's specifications and standards. Lessor, at its option, may require Lessee to remove any alterations or additions, at Lessee's cost, and to return the Premises to the condition existing prior to termination of the lease.

8. POSSESSION. Lessee shall take possession of the Premises in its present condition, without any liability or obligation on the part of Lessor to make any alteration, improvements or repairs of any kind.

9. USE. During the term of this Lease, Lessee shall only use the Premises for the following purpose: ice hockey practices and games. Any additional use of the Premises shall require the written approval of Lessor.

10. ACCESS. Lessee shall permit Lessor and Lessor's agents to have access to and to enter the Premises at all reasonable times. Lessor shall adopt policies related to Lessee's access and Lessee agrees to abide by the same.

11. PRIORITY OF USE OF ICE SHEETS. Lessee recognizes that the use of ice sheet times shall be determined by Lessor. Lessor shall deliver a proposed schedule to Lessee each lease year. Arena use dates shall then be deemed to be frozen or static. Lessee shall provide Lessor the schedule of Lessee of each lease year by July 1st. The dates selected by Lessee shall then be firm and set on the arena(s) schedule. Lessor shall then be free to schedule any dates from thereon, other than those scheduled or selected by Lessee.

12. INSURANCE.

12.1. Lessee shall be responsible for insuring its own personal property within the Premises and Lessor shall have no responsibility for any damage to, loss of, or theft of Lessee's or any of Lessee's invitees personal property.

12.2. Lessee shall, during the term of this lease, at its expense, maintain a policy or policies of public liability insurance with respect to the Premises in which Lessee and Lessor shall be covered by being named as additional insured parties under reasonable limits of liability of not less than \$1,500,000 for injury or death to any one person, \$1,500,000 for injury or death to more than one person, and \$1,000,000 with respect to damages to property, including the building on the Premises.

12.3. Lessee shall not do anything in or about the Premises which will in any way impair or invalidate the obligation of the insurer under the above policy or policies of insurance.

12.4. The insurance which Lessee is required to maintain shall be insured by an insurance company licensed to do business in the State of Minnesota and acceptable to Lessor. The insurance policy shall provide for not less than ten (10) days written notice to the Lessor before cancellation, non-renewal, termination or change in coverage, and Lessee shall deliver to Lessor a duplicate original or certificate of such insurance policy or policies.

12.5 Lessee hereby waives and releases any claims, liabilities, and causes of action against Lessor, its elected officials, agents, and employees, for loss or damage to, or destruction of, any of the personal property whether that of Lessee, invitees, guests, patrons or others in, upon, or about the Premises resulting from fire, explosion, or other perils, whether included or not included in standard extended coverage insurance, whether caused by the negligence of any said persons or otherwise.

13. DEFAULT. If Lessee shall default in the payment of rent or in the performance of any of the terms, conditions or covenants of this Lease, Lessor shall provide Lessee with written notice of default. Upon receipt, Lessee shall have ten (10) business days to cure. In the event that Lessee does not timely cure such default, Lessor shall have the right to declare this Lease immediately forfeited and the said term ended, Lessee agrees that Lessor shall be allowed to re-enter said Premises, with or without process of law, and to remove all persons or property therefrom, and Lessor shall not be liable for damages by reason or such re-entry or forfeiture.

14. HOLD HARMLESS. Lessee shall hold harmless Lessor from any liability for damages to any person or property in or upon the Premises, including the person and property of Lessee and those using the Premises on behalf of Lessee, and from all damages resulting from Lessee's failure to perform the covenants of this Lease.

Lessor shall hold harmless Lessee from any liability of any nature, including to the person and property of Lessor, and from all damages resulting from Lessor's failure to perform the covenants of this Lease.

15. ASSIGNMENT OR SUBLETTING. Lessee shall not assign this Lease or sublet all or any portion of the Premises, except for during full rental of early or late weekly ice.

16. GENERAL.

16.1 The Lease does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee, the sole relationship between the parties hereto being that of Lessor and Lessee.

16.2 Vending Machines. There are vending machines presently located on the Premises. The vending machines shall be allowed to operate and Lessee shall not be entitled to the proceeds of the vending machines. Additional vending machines shall not be placed on the Premises by Lessee.

16.3 Cleanup. Lessor retains ultimate responsibility for maintenance. Lessee shall perform routine pick up after its use of locker rooms, ensuring locker room and shower area floors are clear of any debris or items and all equipment is properly removed

IN WITNESS WHEREOF, The parties hereto have executed this Lease the day and year first above written.

CITY OF THIEF RIVER FALLS

By: B. Dahl

Its: Mayor

By: Angela Hipp

Its: City Administrator

THIEF RIVER FALLS AMATEUR HOCKEY ASSOCIATION

By: Kip O'Leary

Its: President