

COMMERCIAL LEASE AGREEMENT

1. THE PARTIES. This Lease Agreement is made and entered into on 5/18, 2026, by and between:

The Landlord: Aleksandar Tomovic and Andjela Tomovic, as joint tenants, of 16783 Oster Point Rd, Cold Spring, Minnesota, 56320

AND

The Tenant: Rocori High School with a mailing address of 534 5th Ave. North, Cold Spring, Minnesota, 56320 (hereinafter referred to as the "Tenant").

2. GRANT OF LEASE. Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed and observed by Tenant, does hereby lease to Tenant and Tenant does hereby lease from the Landlord the property described herein (the "Leased Premises") with all of the improvements located thereon.

3. LEASED PREMISES. The Leased Premises is described as follows: building of 2400 square feet located at 203 10th Street NW, Cold Spring, Minnesota, 56320, legally described as:

Lot 1, Block 2, Cold Spring Business Park, Stearns County, Minnesota

Along with use of the parking lot, driveway, and grass area, the total lot being approximately 3/4 acre (the "Premises"). A CNC machine and all tools on the Premises are included with rent, subject to Tenant's duties to maintain and repair such items as provided herein.

4. INITIAL TERM. This Lease shall commence on the Commencement Date below, and expire at Midnight on June 30, 2027 ("Initial Term").

Commencement Date. This lease shall commence on July 1, 2026 (the "Commencement Date").

5. OPTION TO EXTEND. Tenant shall have the right to extend this Lease Agreement by giving written notice via certified mail to the Landlord no less than 90 days prior to the expiration of the Initial Term or any subsequent Renewal Period. The Tenant shall have a total of 5 Renewal Periods which will continue to abide by the same covenants, conditions and provisions as provided in this Lease Agreement.

Automated Renewal Period 1 begins on July 1, 2027 and ends on June 30, 2028.

6. DETERMINATION OF RENT. Unless otherwise subject to increase as set forth herein, Tenant agrees to pay and Landlord agrees to accept at such place as Landlord may, from time to time direct Tenant, by written notice to deliver on or before the 1st day of each year (the "Payment Period") base rent in the amount of \$46350, 000 per year, consisting of \$39,552 for lease of 2,400 sq. ft. at \$16.48

per square foot per year and \$6,798 for lease of the CNC machine, beginning on the Commencement Date

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include, without limitation, real estate, and personal property taxes and assessments, management fee(s), heating, air conditioning, HVAC, paving, re-striping, and sewage expenses. Tenant agrees to pay one-hundred percent (100%) of the following expenses during the entire term of the Lease and renewals therefore: all operating materials and supplies used by Tenant, lawn care, snow removal, cleaning and custodial, security, insurance, consumables for CNC.

12. UTILITIES. The Landlord shall be responsible for establishing, maintaining, and paying for any utilities necessary to operate Tenant's business. Utilities include but are not limited to electricity, natural gas, propane, and water.

13. TENANT'S BUSINESS LIABILITY INSURANCE. The Tenant shall provide and maintain personal liability and property damage insurance for its business. The Tenant will designate the Landlord as an "additional insured". The Tenant will provide the Landlord with a copy of such insurance certification or policy prior to taking possession of the leased premises. The insurance must, at minimum, protect and indemnify the Landlord of any injury, death, or property damage to occur on the property, or resulting from Tenant's business operations, to the limits of \$2,000,000.00 per occurrence. In the event that Tenant fails to obtain insurance required hereunder and fails to maintain the same in force continuously during the term, Landlord may, at Landlord's discretion, obtain insurance sufficient to satisfy this agreement and charge the Tenant for same as additional rent. Furthermore, Tenant agrees not to keep upon the premises any articles or goods which may be prohibited by the standard form of fire insurance policy, and in the event the insurance rates applicable to fire and extended coverage covering the premises are increased as a result of any use of the premises by Tenant, then Tenant shall pay to Landlord, upon demand, such increase in insurance premium, or Tenant's proportionate share of any such increase, caused by said use.

14. UPKEEP. The Tenant shall be responsible for all repairs and maintenance due to normal wear and tear on the Premises, particularly items which need immediate attention including but not limited to, the replacement of light bulbs, the normal repair and cleaning of windows, cleaning of bathrooms, clearing of toilets, etc. The Tenant shall properly maintain the premises in a good, safe and clean condition and shall properly and promptly remove all rubbish and hazardous wastes and see that the same are properly disposed of according to all local, state or federal laws, rules regulations or ordinances. Tenant agrees to pay all expenses incurred for the maintenance and repair of the CNC machine and all tools located on the Premises. In the event that the leased premises is damaged as a result of any neglect or negligence of Tenant, Tenant's employees, agents, business invitees, or any independent contractors serving the Tenant or in any way as a result of Tenant's use and occupancy of the premises, then the Tenant shall be primarily responsible for seeing that the proper claims are placed with the Tenant's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for seeing that the building is safeguarded and that all proper notices with

respect to said damage, are made in a timely fashion, including notice to the Landlord, and the party or parties causing said damage.

23. **DAMAGE TO LEASED PREMISES.** In the event the building housing the leased premises is destroyed or damaged as a result of any fire or other casualty which is not the result of the intentional acts or neglect of Tenant and which precludes or adversely affects the Tenant's occupancy of the leased premises, then in every such cause, the rent herein set forth shall be abated or adjusted according to the extent to which the Premises have been rendered unfit for use and occupation by the Tenant and until the demised premises have been put in a condition at the expense of the Landlord, at least to the extent of the value and as nearly as possible to the condition of the premises existing immediately prior to such damage. It is understood, however, in the event of total or substantial destruction to the Premises that in no event shall the Landlord's obligation to restore, replace or rebuild exceed an amount equal to the sum of the insurance proceeds available for reconstruction with respect to said damage.

The Tenant shall, during the term of this Lease, and in the renewal thereof, at its sole expense, keep the interior of the leased premises in as good a condition and repair as it is at the date of this Lease, reasonable wear and use excepted. This obligation would include the obligation to replace any plate glass damaged as a result of the neglect or acts of Tenant or Tenant's guests or invitees. Furthermore, the Tenant shall not knowingly commit nor permit to be committed any act or thing contrary to the rules and regulations prescribed from time to time by any federal, state or local authorities and shall expressly not be allowed to keep or maintain any hazardous waste materials or contaminates on the premises. Tenant shall also be responsible for the cost, if any, which would be incurred to bring Tenant's contemplated operation and business activity into compliance with any law or regulation of a federal, state or local authority.

24. **HAZARDOUS MATERIALS LAWS.** Shall mean any and all federal, state, or local laws, ordinances, rules, decrees, orders, regulations, or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under, or about the Premises, the Building, or the Property, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Hazardous Materials Transportation Act, any other law or legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing.

25. **TENANT'S DEFAULT AND POSSESSION.** In the event that the Tenant fails to pay rent and expenses, or any part thereof, as set forth herein, when due and payable, or is otherwise in default of any other terms of this Lease for a period of more than 15 days, after receiving notice of default, then the parties hereto expressly agree and covenant that the Landlord may declare the Lease terminated and may immediately re-enter said premises and take possession of the same together with any of Tenant's personal property, equipment or fixtures left on the premises which items may be held by the Landlord as security for the Tenant's eventual payment and/or satisfaction of rental defaults or other defaults of Tenant under the Lease. It is further agreed, that if the Tenant is in default, that the Landlord shall be entitled to take any and all action to protect its interest in the personal property and equipment, to prevent the unauthorized removal of said property or equipment which threatened action would be deemed to constitute irreparable harm and injury to the Landlord in violation of its security

interest in said items of personal property. Furthermore, in the event of default, the Landlord may expressly undertake all reasonable preparations and efforts to release the Premises including, but not limited to, the removal of all inventory, equipment or leasehold improvements of the Tenant's, at the Tenant's holder of such mortgage, or the Landlord under such Lease shall agree that this Lease shall not be divested or in any way affected by foreclosure, or other default proceedings under said mortgage, obligation secured thereby, or Lease, so long as the Tenant shall not be in default under the terms of this Lease. Tenant agrees that this Lease shall remain in full force and effect notwithstanding any such default proceedings under said mortgage or obligation secured thereby.

Tenant shall, in the event of the sale or assignment of Landlord's interest in the building of which the Premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Landlord covering the Premises, attorn to the purchaser and recognize such purchaser as Landlord under this Lease.

31. **SIGNAGE.** Tenant shall not place on any exterior door, wall or window of the premises any sign or advertising matter without Landlord's prior written consent and the approval of the local municipality. Thereafter, Tenant agrees to maintain such sign or advertising matter as first approved by Landlord in good condition and repair. Furthermore, Tenant shall conform to any uniform reasonable sign plan or policy that the Landlord may introduce with respect to the building. Upon vacating the premises, Tenant agrees to remove all signs and to repair all damages caused or resulting from such removal.

32. **CONDITION OF PREMISES/INSPECTION BY TENANT.** The Tenant acknowledges they have had the opportunity to inspect the Premises and acknowledges with its signature on this Lease that the Premises are in good condition and comply in all respects with the requirements of this Lease. The Landlord makes no representation or warranty with respect to the condition of the premises or its fitness or availability for any particular use, and the Landlord shall not be liable for any latent or patent defect therein. The Tenant represents that Tenant has inspected the premises and is leasing and will take possession of the premises with all current fixtures present in their "as is" condition as of the date hereof.

33. **AMERICANS WITH DISABILITY ACT.** Per 42 U.S. Code 12183 if the Tenant is using the Premises as a public accommodation (e.g. restaurants, shopping centers, office buildings) or there are more than 15 employees the Premises must provide accommodations and access to persons with disabilities that is equal or similar to that available to the general public. Owners, operators, Landlords, and Tenants of commercial properties are all responsible for ADA compliance. If the Premises is not in compliance with the Americans with Disability Act any modifications or construction will be the responsibility of the Tenant.

34. **RIGHT OF ENTRY.** It is agreed and understood that the Landlord and its agents, having given the appropriate notice to Tenant, shall have the complete and unencumbered right of entry to the Premises at any time or times for purposes of inspecting or showing the Premises and for the purpose of making any necessary repairs to the building or equipment as may be required of the Landlord under the terms of this Lease or as may be deemed necessary with respect to the inspection,

maintenance or repair of the building. In accordance with State and local laws, the Landlord shall have the right to enter the Premises without the consent of the Tenant in the event of an emergency.

LANDLORD SIGNATURE:

_____ Date _____
Aleksandar Tomovic

_____ Date _____
Andjela Tomovic

TENANT SIGNATURE:

ISD #750 School District: ROCORI HIGH SCHOOL

By Board Chair: Date _____ Date _____

Superintendent: Date _____ Date _____