

## GROUND LEASE

This Ground Lease (this “**Lease**”) is made effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between Rinc 2, Corp., a Minnesota non-profit corporation (“**Rinc 2**”), and Independent School District No. 832 (“**ISD 832**”).

WHEREAS, ISD 832 owns the real property located at 8678 – 75<sup>th</sup> Street North, Grant (the “**City**”), Minnesota 55082, legally described on Exhibit A attached hereto (the “**ISD 832 Property**”);

WHEREAS, Rinc 2 desires to lease from ISD 832 and ISD 832 desires to lease to Rinc 2 the portion of the ISD 832 Property legally described on Exhibit A attached hereto (the “**Leased Property**”); and

WHEREAS, Rinc 2 intends to construct, at its sole cost and expense, a hockey arena (the “**Arena**”) on the Leased Property, and it is the intent of the parties hereto to sever ownership of the Arena from the Leased Property and enter into this Lease, which the parties intend to be a ground lease only.

NOW THEREFORE, in consideration of the mutual promises set forth below, the parties to this Lease hereby agree as follows:

1. Recitals and Exhibits a Part Hereof. The recitals set forth above and all exhibits attached hereto shall be deemed a part of this Lease and are hereby incorporated herein by reference.
2. Lease. In consideration of the Rent (as hereinafter defined) and other sums to be paid by Rinc 2 and of the other terms, covenants and conditions on Rinc 2’s part to be kept and performed, ISD 832 hereby leases to Rinc 2, and Rinc 2 hereby takes and hires, the Leased Property. Rinc 2 is acquiring its leasehold interest in and accepts possession of the Leased Property in its current “AS IS, WHERE IS, WITH ALL FAULTS AND DEFECTS” condition. To the fullest extent permitted by law and with the sole exception of any express representation or warranty provided for in this Lease, ISD 832 hereby specifically disclaims any representation or warranty, whether express, implied or statutory, whether oral or written, with respect to the Leased Property. Furthermore, by executing this Lease, Rinc 2 acknowledges the following: (i) Rinc 2 is not relying upon any representation and warranty of ISD 832 or any party related to ISD 832 (excluding only the express representations and warranties set forth in this Lease); (ii) the Leased Property may contain defects unknown to ISD 832; (iii) Rinc 2 bears the sole responsibility to inspect the Leased Property and review all information pertaining to the Leased Property; and (iv) Rinc 2 is assuming all risks concerning the Leased Property.
3. Duration and Possession.
  - a. The term of this Lease (the “**Term**”) shall be for the period commencing on \_\_\_\_\_, 2016 (the “**Commencement Date**”), and expiring on June 30, 2036, except as otherwise provided herein. The first lease year shall be for a period

commencing on the Commencement Date and ending on June 30, 2017. Each lease year after the first lease year shall be a successive period of twelve (12) calendar months. Each lease year is hereinafter referred to as a "**Lease Year**."

- b. Provided Rinc 2 is not in default of any of the terms and conditions of this Lease beyond any applicable cure period, Rinc 2 shall have the option to renew the lease of the Leased Property for an additional twenty (20) years by giving written notice to ISD 832 90 days prior to June 30, 2036. After June 30, 2056, the lease may be renewed for an additional term at the mutual agreement of both parties.
- c. Rinc 2 may begin occupying the Leased Property, and shall commence construction of the Arena, promptly after (i) receipt of the Approvals (as hereinafter defined) and (ii) Rinc 2 has provided evidence reasonably satisfactory to ISD 832 that Rinc 2 has obtained the necessary funding for the construction of the Arena and has furnished to ISD 832 the development budget for the project and an executed construction contract.

#### 4. Rent.

- a. Base Rent. During the Term, Rinc 2 shall pay to ISD 832 "**Base Rent**" in the sum of \$1.00 per year.
- b. Additional Rent. As used herein, "**Additional Rent**" means any charge, fee or expense (other than Basic Rent) payable by Rinc 2 under this Lease, however denoted. Rinc 2 shall pay all Additional Rent described in this Lease within ten (10) business days after receiving ISD 832's invoice for such Additional Rent. Base Rent and Additional Rent are sometimes hereinafter collectively referred to as "**Rent**".

#### 5. Taxes and Assessments.

- a. As Additional Rent hereunder, Rinc 2 shall pay to ISD 832, within ten (10) business days of ISD 832's invoice therefor, all taxes and assessments of every type or nature assessed against or imposed upon all or any portion of the Leased Property during the Term, including without limitation, the following:
  - i. All taxes and assessments upon the Leased Property or any part thereof and upon any personal property, trade fixtures and improvements located on the Leased Property including installments thereof and interest thereon, or any tax or charge levied in lieu of such taxes and assessments;
  - ii. All taxes, charges, license fees and or similar fees imposed by reason of the use of the Leased Property by Rinc 2;

- iii. All excise, transaction, privilege, license, sales, use and other taxes upon the Rent or other payments hereunder, the leasehold estate of either party or the activities of either party pursuant to this Lease; and
  - iv. All taxes assessed against and levied upon trade fixtures, furnishings, furniture, equipment and all other personal property of Rinc 2 contained in or placed by Rinc 2 on the Leased Property.
- b. Without limiting the foregoing, Rinc 2 shall be obligated to pay to ISD 832 as Additional Rent hereunder any of the above-described taxes and assessments with respect to the ISD 832 Property to the extent any of such taxes and assessments are levied as a result of Rinc 2's use and occupancy of the Leased Property, it being acknowledged by the parties hereto that the Leased Property does not constitute a separate tax parcel.
6. Maintenance and Repairs. Rinc 2 acknowledges that, with full awareness of its obligations under this Lease, Rinc 2 has accepted the condition, state of repair and appearance of the Leased Property. Rinc 2 agrees that, at its sole cost and expense, it shall put, keep and maintain the Leased Property, including the Arena and any other buildings, structures and other improvements thereto or thereon, in a good and safe condition and repair and good appearance (subject to ordinary wear and tear), and shall make all repairs and replacements necessary thereto. Without limiting the foregoing, Rinc 2 shall promptly make all structural and nonstructural, foreseen and unforeseen, ordinary and extraordinary changes, replacements and repairs of every kind and nature, and correct any patent or latent defects in the Arena, which may be required to put, keep and maintain the Arena in compliance with the foregoing maintenance and repair standards. All repairs shall be performed in compliance with all applicable Legal Requirements (as hereinafter defined). Rinc 2 will keep the Leased Property and Arena orderly and free and clear of rubbish. ISD 832 shall not be required to (a) furnish any services or expend any funds with respect to the Leased Property or the Arena, except to the extent service or funds are required as a result of ISD 832's or its partners, agents, employees' or contractors' gross negligence or willful misconduct or (b) maintain, repair or rebuild, or to make any alterations, replacements or renewals of any nature to the Arena, the Leased Property, or any part thereof, whether ordinary or extraordinary, structural or nonstructural, foreseen or not foreseen, or to maintain the Arena, the Leased Property or any part thereof in any way or to correct any patent or latent defect therein, except to the extent service or funds are required as a result of ISD 832's or its partners, agents, employees' or contractors' gross negligence or willful misconduct. Rinc 2 hereby expressly waives any right which may be provided for in any law in effect as of the Commencement Date or which may thereafter be enacted to make repairs at the expense of ISD 832 or to terminate this Lease by reason of the failure of ISD 832 to perform any obligations with respect to the repair or condition thereof, except as provided herein. As used herein, "**Legal Requirements**" shall mean, collectively, (i) all laws, statutes, codes, regulations, rules, ordinances, orders, policy directives, judgments and/or decrees (including, without limitation, all building and zoning codes and regulations and all requirements under permits, licenses, consents and/or approvals), in effect from time to time, of all federal, state, local, county and other governmental authorities (or

judicial or administrative bodies) having authority over the Arena or the Leased Property, any portion thereof, the use thereof, Rinc 2 or ISD 832, and (ii) all declarations, covenants, restrictions and agreements to which the Leased Property is now subject or may, by, through or under the actions of Rinc 2 (or with the approval of Rinc 2), become subject.

7. City Sewer and Water and Utilities. ISD 832 shall allow access to the Leased Property to enable connection to city water and sewer and utilities services. All such utilities must be separately metered and billed to Rinc 2. Rinc 2 shall be responsible for all costs and expenses related to such connection and ongoing city water and sewer and utilities usage and maintenance. Under no circumstances shall ISD 832 be responsible for any interruption of any utility service.
8. Use of Premises. Rinc 2 shall use the Leased Property solely and exclusively to build and operate the Arena and for no other purposes without the prior written approval of ISD 832, which approval may be granted or withheld in ISD 832's sole and absolute discretion.
9. Preference for ISD 832's Use of Arena. The parties hereto acknowledge and agree that the primary "operation" of the Arena will include renting out all or portions of the Arena to various schools, school districts, hockey and other athletic associations and other parties for purposes that include, without limitation, ice hockey practices and ice hockey games. At all times during the Term of this Lease (and any renewal(s) thereof), ISD 832 shall be entitled preferential scheduling in connection therewith. In addition, no outside group may have their ice time start at the arena thirty minutes prior to the start of the high school day, nor for thirty minutes after the end of the school day. This is to provide a smooth transition of students and the outside groups traveling and parking in the same parking lot. In addition, ISD 832 shall receive preferential fees with a discount of 5%. Rinc 2 acknowledges and agrees that the provisions of this Section 9 are a material consideration for ISD 832's entering into this Lease and, absent the provisions of this Section 9, ISD 832 would not have entered into this Lease.
10. Access Areas. For so long as Rinc 2 has the right to occupy the Leased Property, Rinc 2 shall have the right to access the Leased Property over the roadways, driveways and public entryways, as well as the use of three parking lots, all of which are depicted on Exhibit C attached hereto (collectively, the "Access Areas"). Rinc 2 shall utilize the parking lot located immediately to the southwest of the Leased Property as its main parking lot. The parking lots adjacent to the tennis courts and Wildwood Elementary School shall be used only as overflow parking. Rinc 2 agrees to work in conjunction with ISD 832 so as to not interfere with ISD 832's normal activities on the ISD 832 Property, including activities occurring outside of the normal school day. ISD 832 shall be responsible for normal maintenance and repairs of the Access Areas. ISD 832 retains the right to restrict access and use of all Access Areas as needed for the occupancy and use of other ISD 832 properties by ISD 832, ISD 832 students, and other local community members. ISD 832 reserves to right to modify or relocate the Access Areas from time to time during the Term of this Lease only with 30 days written notice to Rinc 2. Also, the restriction will only be allowed to the extent that replacement access/parking is provided and/or to the extent we can still operate the arena.

11. Leasehold Incidentals. Rinc 2 shall have the right to make improvements to the Leased Property at its sole cost and expense, as allowed by the City and ISD 832, and to place signage on the Leased Property at its sole cost and expense and subject to the approval of the City and ISD 832; provided, however, that once construction of the Arena is completed, Rinc 2 shall not make any alterations to the Arena that increase the footprint of the Arena without the prior written consent of ISD 832, which consent not be unreasonably withheld, conditioned or delayed.

Rinc 2 shall use commercially reasonable efforts to complete construction of the Arena within one (1) year from commencement of the same. Rinc 2 shall not be held to the time requirement due to any delay or failure to perform its obligations hereunder, other than a payment obligation, due to any cause beyond its reasonable control including without limitation, acts of God or of the public enemy, including terrorists, acts of the government in its sovereign capacity, fires, floods, epidemic, strikes, picketing or boycotts, or any other circumstances caused by natural occurrences or third party actions beyond the reasonable control and without the fault or negligence of the party whose performance is affected ("Force Majeure Events"); provided that the affected party provides the other party prompt notice of the applicable circumstance and uses commercially reasonable efforts to re-commence performance as promptly as possible; provided, further, that if the duration of such Force Majeure Event exceeds thirty (30) days, the other party may terminate this Agreement upon delivery of written notice to the affected party.

12. Termination.

- a. Rinc 2 shall have the option to terminate this Lease upon thirty (30) days' written notice to ISD 832 upon the occurrence of any of the following events:
  - i. The denial by the City of any applications for an amended Conditional Use Permit of the ISD 832 Property, or the failure of Rinc 2 to obtain any of the other Approvals;
  - ii. The assignment or transfer of ISD 832's interest in the Leased Property; or
  - iii. Rinc 2's failure to obtain funding for the construction of the Arena.
- b. ISD 832 shall have the right to terminate this Lease upon thirty (30) days' written notice to Rinc 2 upon the occurrence of any of the following events:
  - i. The denial by the City of any applications for an amended Conditional Use Permit of the ISD 832 Property, or the failure of Rinc 2 to obtain any of the other Approvals;
  - ii. Failure by Rinc 2 to obtain funding for the for the construction of the Arena;

- iii. The Leased Property is not well maintained or managed in accordance with this lease or becomes either a community disruption or nuisance as determined by ISD 832 in its sole discretion;
- iv. Rinc 2 fails to obtain and maintain the insurance required under this Lease;
- v. Any other material breach of this Lease;
- vi. Default by Rinc 2 on any obligation (whether owed to ISD 832 or any other party);
- vii. The bankruptcy, insolvency, appointment of receiver or similar type action relating to Rinc 2;
- viii. Liquidation or dissolution of Rinc 2; or
- ix. Failure of Rinc 2 to complete at least fifty percent (50%) of the construction of the Arena (as reasonably determined by ISD 832) within one (1) year from the receipt of the Approvals, subject to delays out of the control of Rinc 2 such as any delay or failure to perform its obligations hereunder, other than a payment obligation, due to any cause beyond its reasonable control including without limitation, acts of God or of the public enemy, including terrorists, acts of the government in its sovereign capacity, fires, floods, epidemic, strikes, picketing or boycotts, or any other circumstances caused by natural occurrences or third party actions beyond the reasonable control and without the fault or negligence of the party whose performance is affected ("Force Majeure Events"); provided that the affected party provides the other party prompt notice of the applicable circumstance and uses commercially reasonable efforts to re-commence performance as promptly as possible; provided, further, that if the duration of such Force Majeure Event exceeds thirty (30) days, the other party may terminate this Agreement upon delivery of written notice to the affected party.

In the event of a breach of this Lease by Rinc 2, ISD 832 shall have all remedies available in law or equity. In addition, in the event the Leased Property is not well maintained or managed in accordance with this lease, or becomes either a community disruption or nuisance, Rinc 2 shall be responsible for any and all costs (as Additional Rent hereunder) of either remedying the problem or demolishing the Arena and returning the site to a clean, usable and safe condition, which costs shall constitute Additional Rent hereunder. Promptly after execution of this Lease, Rinc 2 shall establish an escrow account in the amount of \$500,000 to apply towards any of Rinc 2's repair, restoration or demolition obligations contained in this Lease. Rinc 2 may draw monies out of this fund for architect and construction costs.

13. Liens. Rinc 2 shall keep the Leased Property free from any mechanics', materialmen's, designers' or other liens arising out of any work performed, materials furnished or

obligations incurred by or for Rinc 2 or any person or entity claiming by, through or under Rinc 2. Rinc 2 will notify ISD 832 in writing thirty (30) days prior to commencing any improvements or alterations to the Leased Property, or any portion thereof, in order to provide ISD 832 the opportunity to record and post notices of non-responsibility or such other protective notices available to ISD 832 under applicable law. If any such liens are filed and Rinc 2, within fifteen (15) days after Rinc 2 receives written notice of such filing, does not release the same of record or provide ISD 832 with a bond or other security satisfactory to ISD 832 protecting ISD 832 and the Leased Property against such liens, ISD 832, without waiving its rights and remedies based upon such breach by Rinc 2 and without releasing Rinc 2 from any obligation under this Lease, may cause such liens to be released by any means ISD 832 deems proper, including, but not limited to, paying the claim giving rise to the lien or posting security to cause the discharge of the lien. In such event, Rinc 2 will reimburse ISD 832, as Additional Rent, for all amounts ISD 832 pays (including, without limitation, reasonable attorneys' fees and costs).

14. Insurance.

- a. Leased Property Insurance. Rinc 2 shall, throughout the Term, at its own cost and expense, procure and maintain insurance which covers the Arena and the Leased Property against fire and wind and storm damage and such other risks as may be included in the broadest form of extended coverage insurance as may from time to time be available, including endorsements for vandalism and malicious mischief and full replacement cost coverage, in amounts sufficient to prevent ISD 832 or Rinc 2 from becoming a co-insurer within the terms of the applicable policies. Both ISD 832 and Rinc 2 shall be named insureds and loss payees under the policy as their respective interests may appear.
- b. Public Liability Insurance. Rinc 2 shall, throughout the Term, at its own cost and expense, procure and maintain comprehensive broad term general public liability insurance insuring ISD 832 and Rinc 2 against all claims or liability for personal injury, death or property damage arising from the ownership, use, occupancy, misuse or condition of the Arena and the Leased Property, whether or not caused wholly or partially by Rinc 2 or ISD 832, or their individual or collective agents, servants or employees. Such insurance will provide protection of at least \$5,000,000.00 for bodily injury or death to any one person, at least \$10,000,000.00 for any one accident or occurrence and at least \$5,000,000.00 for property damage.
- c. Increases in Amount of Coverages. ISD 832 may, but not more often than once every Lease Year, require Rinc 2 to increase the amount of insurance protection required to be afforded hereunder to the extent ISD 832 reasonably believes it necessary to protect the interest of the parties under this Lease. Such insurance, however, may not exceed one hundred twenty percent (120%) of the amount of such insurance protection required to be provided by Rinc 2 during the preceding Lease Year.

- d. Insurance Obtained by ISD 832. Rinc 2 agrees to notify the ISD 832 in writing if it is unable to procure all or some of the insurance required hereunder, and in such event ISD 832 may, but shall not be obligated to, procure such insurance on behalf of Rinc 2. In such event, Rinc 2 shall pay to ISD 832, as Additional Rent hereunder, the amount of any such premiums within ten (10) business days of receipt ISD 832's invoice therefor.
- e. Insurance Companies. All policies of insurance provided for or contemplated by this Section 14 shall be written by an insurance company rated at least "A" in Best's Insurance Guide for the type of insurance required in this Lease, or, in case any insurance rating service replaces or revises Best's, a rating which is most comparable to an "A" rating in Best's. All insurance policies shall name ISD 832 and Rinc 2 as insureds or additional insured and loss payees, as their respective interests may appear, and shall provide that the policies cannot be cancelled without thirty (30) days' prior written notice to the parties. In addition, all of such policies shall contain endorsements by the respective insurance companies waiving all rights of subrogation, if any, against ISD 832 and Rinc 2.
- f. Evidence of Insurance. On or before the Commencement Date and not less than ten (10) business days prior to the date Rinc 2 is required to obtain any policy of insurance required by this Section 14, Rinc 2, will deliver to ISD 832 copies of all policies of insurance required by this Section 14, or certificates evidencing the existence and amounts of such insurance. No copy of a policy or certificate or insurance shall be acceptable to ISD 832 unless it unequivocally states that the policy (or certificate) may not be cancelled or coverage reduced without at least thirty (30) days' prior written notice to ISD 832 from the insurance carrier. Rinc 2 acknowledges that it is of material import to ISD 832 that Rinc 2 provide satisfactory evidence to ISD 832 at all times that the insurance required by this Section 14 has been obtained. Therefore, if at any time Rinc 2 does not provide ISD 832 with required copies of policies or certificates of insurance and maintain such policies of certificates current at all times, then Rinc 2 irrevocably appoints ISD 832 as Rinc 2's attorney-in-fact, coupled with an interest, to acquire and maintain such insurance on Rinc 2's behalf without necessity of prior notice to Rinc 2. In such event, Rinc 2 shall pay to ISD 832, as Additional Rent hereunder, the amount of any such premiums within ten (10) business days of receipt ISD 832's invoice therefor.
- g. Effect of Insurance. The providing of insurance by Rinc 2 required by this Section 14 will not otherwise reduce or limit Rinc 2's liability or obligations under this Lease. Rinc 2 shall not take out separate insurance concurrent in form or contributing in the event of loss with that required in this Section 14 to be furnished by or which may reasonably be regarded to be furnished by Rinc 2, unless ISD 832 is included therein as a named insured with loss payable as in this Lease provided.
- h. Indemnification. Rinc 2 agrees to indemnify, defend (with counsel reasonably acceptable to ISD 832) and hold harmless ISD 832, and ISD 832's partners, agents,



employees and contractors, from and against any and all claims, demands, losses, liabilities, causes of action, suits, judgments, damages, costs and expenses (including attorneys' fees and costs incurred in the investigation, defense and settlement of claims or remediation of environmental contamination) (collectively, "**Claims**"), arising from any occurrence in, on or about the Leased Property, the use and occupancy of the Leased Property, or from any activity, work, or thing done, permitted or suffered by Rinc 2, its agents, employees, contractors, shareholders, partners, invitees, sublessees or assignees in or about the Leased Property or due to any other act or omission of Rinc 2, its sublessees, assignees, invitees, employees, contractors and agents, or from Rinc 2's failure to perform its obligations under this Lease, except to the extent service or funds are required as a result of ISD 832's or its partners, agents, employees' or contractors' gross negligence or willful misconduct. The furnishing of insurance required hereunder shall not be deemed to limit Rinc 2's obligations under this Section 14(h). ISD 832 shall not be liable to Rinc 2, and Rinc 2 hereby waives all Claims against ISD 832 and the other indemnified parties, for any damages arising from any act, omission or neglect of any other occupant or invitee of the Leased Property and in no event shall ISD 832 or any of the other indemnified parties be liable for any injury or interruption to Rinc 2's business or any loss of income therefrom under any circumstances and neither ISD 832 nor any of the other indemnified parties shall be liable for any indirect or consequential losses or damages suffered by Rinc 2, in all cases except to the extent service or funds are required as a result of ISD 832's or its partners, agents, employees' or contractors' gross negligence or willful misconduct. Notwithstanding the foregoing, in addition to Rinc 2's obligation to defend ISD 832 as set forth herein, ISD 832 shall at all times during any such defense have the right, at Rinc 2's cost and expense, to retain its own counsel in connection with any such matters in the event Rinc 2 fails to defend ISD 832. [We would like to strike this last sentence, however if it must stay in add the previous language].

15. Fire or Other Casualty. If the Arena is damaged by earthquake, hurricane, tornado, flood, landslide, fire, acts of war, terrorism, terrorist activities or other casualty, Rinc 2 shall promptly notify ISD 832 of such damage and Rinc 2 shall, at its election and at its sole cost and expense, either (a) proceed with diligence to rebuild, replace and repair the Arena in such manner as to restore same to the same or better condition, as nearly as possible, as existed immediately prior to such casualty, or (b) (i) demolish the remainder of the Arena and remove all debris in connection therewith from the Leased Property and (ii) undertake all environmental clean-up necessitated by such demolition. If Rinc 2 elects option (a) in this Section 15, Rinc 2 shall commence such restoration of the Arena within ninety (90) days following the date of the casualty (or if such 90-day period is not practicable as soon as reasonably practicable thereafter but in any event no later than 180 days following the date of the casualty) and thereafter diligently work to complete such restoration. If Rinc 2 elects option (b) in this Section 15, Rinc 2 shall commence such demolition within thirty (30) days following the date of the casualty and shall diligently work to complete the same.

16. Condemnation or Eminent Domain. If the whole or any part of the Leased Property shall be taken or condemned by any competent authority for any public use or purpose, either through any proceeding or by settlement, ISD 832 shall be entitled to an award based on the taking of or injury to the fee simple estate in the Leased Property as covered by and subject to this Lease and Rinc 2 shall be entitled to an award based on any loss or reduction of the leasehold estate, loss or reduction of the arena or interruption of business and the costs of any alterations or restoration resulting from any such taking. If the whole of the Leased Property be taken, or if such portion thereof be taken that in the good faith judgment of Rinc 2 the remainder is rendered unsuitable for its purposes, then Rinc 2 shall be relieved of its obligation to pay Rent and perform its other covenants hereunder from and after the date of such taking, and Rinc 2 shall surrender the remaining portion of the Leased Property, if any, to ISD 832 as of such date; provided, however, that such release and surrender shall in no way prejudice or interfere with Rinc 2's right to an award for Rinc 2's loss or damage as herein above provided; provided, further, that in such event Rinc 2 shall promptly demolish the remainder of the Arena and remove all debris in connection therewith from the Leased Property and undertake all environmental clean-up necessitated by such demolition. If only a portion of the Leased Property be taken and in the good faith judgment of the Rinc 2, the remainder is not rendered unsuitable for its purposes, then: (a) this Lease and all its provisions shall continue in full force and effect, and (b) Rinc 2 shall restore or replace the Arena on the remaining portion of the Leased Property, with such changes in the design of the Arena as Rinc 2 may deem desirable, to a complete unit or units of quality and value as near as possible to that existing immediately prior to such taking, except that Rinc 2 shall not be obligated to expend funds beyond the amount of the net condemnation award (after legal expenses) paid to the Rinc 2. Termination of this Lease because of condemnation shall be without prejudice to the rights of either ISD 832 or Rinc 2 to recover from the condemner compensation and damages for the injury and loss sustained by them as a result of such taking, and Rinc 2 shall have the right to make a claim against the condemning authority for loss of profits, loss of the arena, loss of its leasehold or damage to its business by the taking or condemnation; provided, however, such reservation of right is as to the condemner, and no right shall exist by reservation or otherwise to make such claim against ISD 832.

17. Surrender of the Leased Property. Upon the expiration or earlier termination of this Lease, whether by reason of lapse of time, forfeiture, or otherwise, Rinc 2 shall immediately surrender possession of the Leased Property and, at ISD 832's election, all fixtures and improvements then on the same (including without limitation, the Arena) to ISD 832 in good order, condition, and repair, ordinary wear and tear and loss by insured casualty with effective waiver of subrogation excepted, and all fixtures and improvements on the Leased Property shall automatically become the property of ISD 832 without any obligation on the part of ISD 832 to compensate Rinc 2 therefor. ISD 832 shall also become the owner automatically of any construction and other warranties relating to the Arena, and no further instrument or assignment shall be necessary. If possession is not immediately surrendered, ISD 832, with or without process of law, may re-enter the Leased Property and repossess the same or any part thereof and remove therefrom using such methods as are allowed by law all persons and property without being deemed guilty of any unlawful act or liable for damages by reason of such re-entry for forfeiture and without prejudice to any other legal

remedy available to ISD 832. Notwithstanding anything to the contrary contained in this Lease, in the event ISD 832 does not elect to take possession of and title to all fixtures and improvements located on the Leased Property (including, without limitation, the Arena) upon the expiration or earlier termination of this Lease, Rinc 2 shall promptly, at its sole cost and expense, demolish the same, remove all debris in connection therewith from the Leased Property, undertake all environmental clean-up necessitated by such demolition and restore the Leased Property to the condition, as nearly as possible, as existed immediately prior to the commencement of this Lease.

18. Environmental.

- a. For purposes of this Lease, “**Environmental Laws**” shall mean any and all federal, state, and local statutes, ordinances, and regulations relating to the environment respecting the storage, treatment, disposal, handling, and release of any Hazardous Substances. “**Hazardous Substance**” means any substance designated pursuant to the Clean Water Act, Title 33 U.S.C. Section 1321, any element, compound, mixture, solution, or substance designated pursuant to the Clean Water Act, Title 33 U.S.C. Section 1321, any element, compound, mixture, solution, or substance designated pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, Title 42 U.S.C. Section 9602, any hazardous waste having the characteristics identified under or listed pursuant to the Resource Conservation and Recovery Act, Title 42 U.S.C. Section 6921, any toxic pollutant listed under Section 307(a) of the Clean Water Act, Title 33 U.S.C. Section 1317(a), any hazardous air pollutant listed under Section 112 of the Clean Air Act, Title 42 U.S.C. Section 7412, any imminently hazardous chemical substance or mixture with respect to which the Administrator of the Environmental Protection Agency has taken action pursuant to Section 7 of the Toxic Substances Control Act, Title 15 U.S.C. Section 2606, any “Hazardous Waste,” “Hazardous Substance,” “Pollutant,” or “Contaminant,” as defined in the Minnesota Environmental Response and Liability Act, Minnesota Statutes, Section 115B.02, any element, compound, mixture, solution, or substance defined as hazardous waste or as a hazardous substance under any current or future federal, state, or local statute, ordinance, or regulation relating to the environment, and any medical or infectious waste regulated by any federal, state, or local laws, statutes, or regulations.
- b. Rinc 2 covenants that it will not transport, store, use, generate, treat, or dispose of any Hazardous Substances on the Leased Property except as authorized by and in accordance with Environmental Laws. Rinc 2 will comply with any periodic reporting requirements concerning the use, storage, disposal, or transportation of any Hazardous Substances. Rinc 2 agrees to indemnify, defend, and hold ISD 832 harmless from any loss, damage, costs and expenses, including all attorneys’ fees, arising out of or in any manner relating to the generation, transportation, treatment, storage, manufacture, emission, use, or disposal of any Hazardous Substances on or in the Leased Property during the Term. This warranty and indemnity will survive the expiration or earlier termination of this Lease.

19. Financial Statements. Not later than sixty (60) days after the close of each calendar year (or Rinc 2's fiscal year, if applicable), Rinc 2 shall deliver to ISD 832 audited financial statements with respect to the operations of the Leased Property and such other financial information as may be reasonably required by ISD 832, provided, that if audited financial statements are not available at such time, Rinc 2 may deliver unaudited statements prepared in accordance with generally accepted accounting principles consistently applied and certified to be true and correct by Rinc 2's chief financial officer, and chief executive officer.
20. Resolution of Issues. Both parties agree that the President of Rinc 2 and the Superintendent or designee of ISD 832 have the authority to decide all issues on behalf of their respective organizations with regard to the terms of this Lease. In the event the President of Rinc 2 or the Superintendent or designee deems the resolution of issues to be of such import, Board of Directors action by either party may be required. Amendments to this Lease and authorization of expenditures by ISD 832 shall require ISD 832 Board of Directors approval.
21. Naming Rights. Rinc 2 and ISD 832 shall work jointly to determine a mutually acceptable name for the Arena, which name must be approved by each respective Board of Directors.
22. Signage. Rinc 2 and ISD 832 shall work jointly to determine mutually acceptable signage for the Arena, which signage may require approval by each respective Board of Directors.
23. No Transfer. Rinc 2 is prohibited from making any Transfer (as hereinafter defined) of its interest in this Lease or the Leased Property to any third party, except for the purposes of obtaining funding for the property through a mortgage, without the prior written consent of ISD 832, which consent may be granted or withheld in ISD 832's sole and absolute discretion. As used herein, "**Transfer**" shall mean any assignment, ~~mortgage~~, pledge, transfer, sublease, license, or other encumbrance or conveyance (voluntarily, by operation of law or otherwise) of this Lease or the Leased Property or any interest in this Lease or the Leased Property. The term "Transfer" also includes any assignment, ~~mortgage~~, pledge, transfer or other encumbering or disposal (voluntarily, by operation of law or otherwise) of any ownership interest in Rinc 2 that results or could result in a change of control of Rinc 2.
24. Joint Application to the City of Grant. ISD 832 and Rinc 2 agree, at Rinc 2's sole cost and expense, to submit a joint application to the City for an amendment to ISD 832's current Conditional Use Permit with respect to the ISD 832 Property in order to obtain the necessary permit(s) to improve the Leased Property with the Arena. This joint application in no way makes Rinc 2 and ISD 832 partners in the improvement of the Leased Property or makes ISD 832 responsible for any liabilities or profits relating to the Leased Property or the Arena. This Lease shall not be construed to give rise to any employment relationship between Rinc 2 and ISD 832 or its employees. Rinc 2 agrees to diligently pursue and seek to obtain all entitlements, permits and approvals (including, without limitation, the above-referenced Conditional Use Permit amendment) necessary for the construction and operation of the Arena (collectively, the "**Approvals**").

25. Notices. All communications, demands, notices, or objections permitted or required to be given or served under this Lease shall be in writing and shall be deemed to have been duly given or served if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, and addressed to a party to this Lease, to the address set forth below, or if to a person not a party to this Lease, to the address designated by a party to this Lease in the foregoing manner. Any party may change its address by giving notice in writing, stating its new address to any other party as provided in the foregoing manner. Commencing on the tenth (10<sup>th</sup>) day after the giving of such notice, such newly designated address shall be such party's address for the purpose of all communications, demands, notices, or objections permitted or required to be given or served under this Lease.

Rinc 2:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

ISD 832:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

26. Amendment, Modification or Waiver. No amendment, modification, or waiver of any condition, provision, or term of this Lease shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or their duly authorized representatives and specifying with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by any party of any default of another party must be in writing and shall not affect or impair any right arising from any subsequent default. Nothing herein shall limit the remedies and rights of the parties hereto under and pursuant to this Lease.
27. School District Policies. All ISD 832 policies remain in effect for the duration of this Lease.
28. No Partnership or Joint Venture. ISD 832 and Rinc 2 agree that this Lease is not intended to be nor shall it be construed as a joint venture or partnership between ISD 832 and Rinc 2, nor a loan from ISD 832 and Rinc 2. Nothing contained in this Lease, or in any other

document or instrument made in connection with this transaction, shall be deemed or construed to create a partnership, loan, tenancy-in-common, joint tenancy, joint venture, other common enterprise, or co-ownership by or between ISD 832 in its role as lessor hereunder and Rinc 2 in its role as lessee hereunder. ISD 832 and Rinc 2 have been represented by experienced legal counsel who have advised each of the rights and duties of a lessor and lessee.

29. Severability. Each provision, section, sentence, clause, phrase, and word of this Lease is intended to be severable. If any provision, section, sentence, clause, phrase, or word of this Lease shall be held or deemed to be or, in fact, shall be inoperative or unenforceable, as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision, section, sentence, clause, phrase, or word in question inoperative or unenforceable in any other case or circumstance, or rendering any other provision, section, sentence, clause, phrase, or word of this Lease inoperative or unenforceable to any extent whatsoever. Any provision, section, sentence, clause, phrase, and word of this Lease which is determined to be inoperative or unenforceable shall be adjusted and reformed rather than voided, if possible, in order to achieve the intent of the parties hereto. Any provision, section, sentence, clause, phrase, and word of this Lease which is determined to be inoperative or unenforceable which cannot be adjusted and reformed shall be voided. The inoperability or unenforceability of any one or more provisions, sections, sentences, clauses, phrases, or words of this Lease shall not affect the remaining portions of this Lease or any part thereof.
30. Survival. All of Rinc 2's obligations under this Lease accruing prior to expiration or other termination of this Lease survive the expiration or other termination of this Lease. Further, all of Rinc 2's release, indemnification, defense and hold harmless obligations under this Lease survive the expiration or other termination of this Lease, subject to applicable statute of limitation.
31. Merger Clause. This Lease and the Exhibits attached hereto and made a part hereof contain the entire agreement of the parties with respect to the subject matter of this Lease, and supersede all prior negotiations, agreements and understandings with respect thereto. No party hereto has relied upon any representations, warranties, undertakings, promises, or agreements not set forth in this Lease (whether oral, implied or otherwise). There have been, and are, no covenants, agreements, representations, warranties, or restrictions between the parties with regard thereto, other than those set forth or provided for herein.
32. Captions, Headings, or Titles and Reference to Gender, Singular or Plural. All captions, headings, or titles in the paragraphs, sections, or subsections of this Lease are inserted for convenience of reference only and shall not constitute a part of this Lease or as a limitation of the scope of the particular paragraphs, sections, or subsections to which they apply. Where appropriate, the feminine gender may be read as the masculine gender or the neuter gender, the masculine gender may be read as the feminine gender or the neuter gender, and

the neuter gender may be read as the masculine gender or the feminine gender. Words shall be interchangeable with respect to singular or plural.

33. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be considered one and the same Lease and shall become effective when one or more counterparts have been signed by, and delivered to, both parties.
34. Minnesota Law. This Lease shall be construed and enforced in accordance with the laws of the State of Minnesota.
35. Binding Effect. The terms, covenants, conditions, and agreements herein contained shall run with the Leased Property and shall bind and inure to the benefit of the parties hereto and their respective representatives, successors, and assigns.
36. Interpretation. It is acknowledged that in preparation of this Lease, indistinguishable contributions have been made by representatives of both ISD 832 and Rinc 2, and that ISD 832 and Rinc 2 each waives any and all rights, either at law or in equity, to have this Lease, or any term or provision herein contained, construed in favor of either party over the other party.
37. Brokers. Rinc 2 and ISD 832 each represents and warrants to the other that no realtors, brokers, or agents were involved in the negotiation and execution of this Lease. Rinc 2 hereby indemnifies ISD 832 and agrees to hold ISD 832 harmless from and against the claim of any realtor, broker, or agent with whom Rinc 2 may have dealt with regard to this Lease or the Leased Property. ISD 832 hereby indemnifies Rinc 2 and agrees to hold Rinc 2 harmless from and against the claim of any realtor, broker, or agent with whom Rinc 2 may have dealt with regard to this Lease or the Leased Property.
38. Attorneys' Fees. If Rinc 2 defaults in the performance or observance of any of the terms, conditions, covenants or obligations contained in this Lease, or if ISD 832 incurs any fees or out-of-pocket costs in any litigation, negotiation or transaction arising out of this Lease, in which Rinc 2 causes ISD 832 to be involved or concerned, Rinc 2 agrees to reimburse ISD 832 up to \$5000, as Additional Rent hereunder, for the attorneys' fees and costs incurred thereby, whether or not any suit is actually filed.

*[Signature page follows.]*

IN WITNESS WHEREOF, the parties have executed this Ground Lease effective as of the date first-above written.

Dated: \_\_\_\_\_

INDEPENDENT SCHOOL DISTRICT NO. 832

By \_\_\_\_\_  
Mark Larson

Its \_\_\_\_\_

Dated: \_\_\_\_\_

RINC 2 CORP., a Minnesota non-profit corporation

By \_\_\_\_\_  
Alexander W. Rogosheske

Its \_\_\_\_\_



## **EXHIBIT A**

### **Legal Description of ISD 832 Property**

THAT PT S1/2-NE1/4 WHICH LIES WLY & NWLY OF NWLY LN OF DNR TRAIL  
(FORMERLY SOO LN RR) & LIES NLY OF NLY LN R/W PLAT #19 EXC THEREFROM  
SD S1/2-NE1/4 PARCEL DESC AS FOLL:COM AT A PT DIST 1113.2FT W & 33FT N OF E  
B< COR SD SEC 28 WHICH PT IS ON N R/W LN CTY RD #2 TO POB THN N DIST 100FT  
THN E DIST 177.95FT TO WLY R/W LN OF RR THN SWLY WITH ANG 52DEG11' & ALG  
WLY R/W LN SD RR DIST 127FT TO N R/W LN SD CTY RD #2 THN W ALG N R/W LN  
SD CTY RD #2 DIST 100FT TO POB SUBJ TO EASE SUBJ TO RESTRICTIVE  
COVENANTS SECTION 28 TOWNSHIP 030 RANGE 021

Parcel Number 28.030.21.13.0001

## **EXHIBIT B**

### **Depiction of Access Areas**

City of Grant: Future Land Use and Zoning Zoning Districts A1 - Agricultural Large Scale A2 -  
Agricultural Small Scale R1 - Single Family Residential GB - General Business AP -  
Agricultural Preserves Overlay Source: Metropolitan Council, TKDA

City of Grant  
P.O. Box 577  
Willernie, MN 55090



Phone: 651.426.3383  
Fax: 651.429.1998  
Email: clerk@cityofgrant.com

Application Date:	
Fee: \$200	Escrow: \$1000

## OTHER LAND USE / ZONING APPLICATION

The purpose of this application is to provide an opportunity for an applicant to work with city staff through pre-application or due diligence activities. This process enables the applicant to save time and expenses in reaching general agreement with the city and planning department as to the objectives of the regulations within the city's ordinances and comprehensive plan.

<b>PARCEL IDENTIFICATION NO (PIN):</b> 28.030.21.13.0001 <b>LEGAL DESCRIPTION:</b> See Attached		<b>ZONING DISTRICT &amp; COMP PLAN LAND USE:</b> A1-Agricultural Large Scale <b>LOT SIZE:</b> +-60 acres
<b>PROJECT ADDRESS:</b> 8678 75th Street North Grant, MN 55082	<b>OWNER:</b> Name: ISD 832 Address: 1520 Mahtomedi Ave City, State: Mahtomedi, MN 55115 Phone: 651-407-1200 Email:	<b>APPLICANT (IF DIFFERENT THAN OWNER):</b> Alexander Rogosheske 105 Hardman Court, Suite 110 South St. Paul, MN 55075
<b>DESCRIPTION OF REQUEST:</b> To allow the construction of an ice arena facility on the western portion of this property.		
<b>EXISTING SITE CONDITIONS:</b> This site currently has the Wildwood Elementary school on the southeastern portion and the rest is open fields to the west, and some low/wetland to the north. It is the fields to the west of the school, more specifically, between the newly constructed baseball field and the current lacrosse/soccer fields is where the ice arena facility will be located.		
<b>APPLICABLE ZONING CODE SECTION(S):</b> <i>Code sections relating specifically to land use and zoning:</i> <ol style="list-style-type: none"><li>Chapter 30, Subdivisions</li><li>Chapter 32, Zoning</li><li>Comprehensive Plan</li></ol>		

Application for: **Land Use/Zoning Review**  
City of Grant

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This assistance does not grant any project approvals and no formal action will be taken in conjunction with the assistance related to this application. A separate process for obtaining city approval and/or necessary permits may be required, depending on the request. This application is not subject to state statute 15.99 and the subsequent rules as stated within the city's ordinance. This application is specifically to request technical assistance from the city, or its consultants, relating to zoning or land use investigations within the City.

**No formal review by the Planning Commission or City Council shall be performed in conjunction with this application.**

This application must be signed by ALL owners of the subject property or an explanation given why this not the case.

*We, the undersigned, have read and understand the above.*

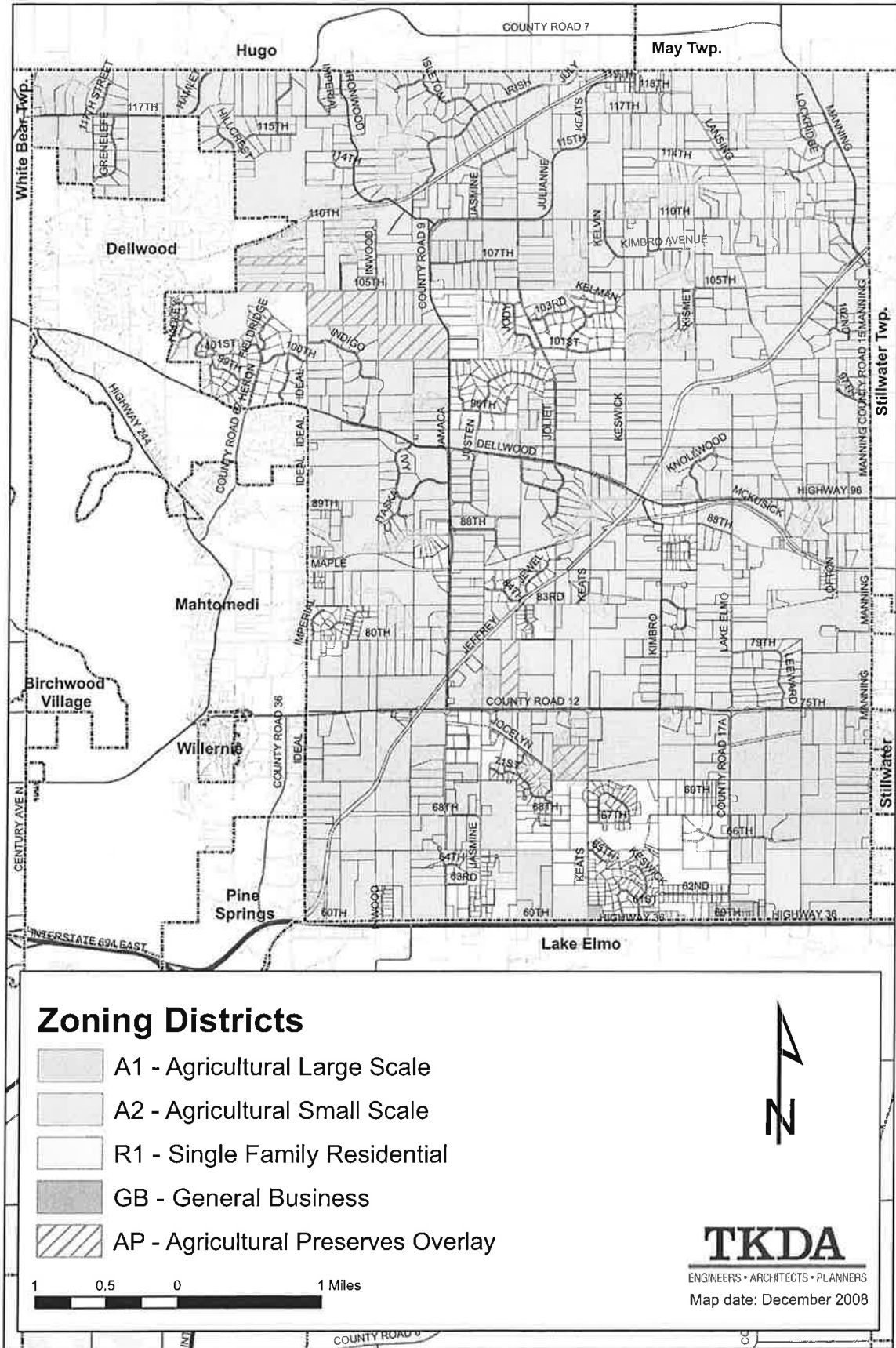
\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Date

# City of Grant: Future Land Use and Zoning

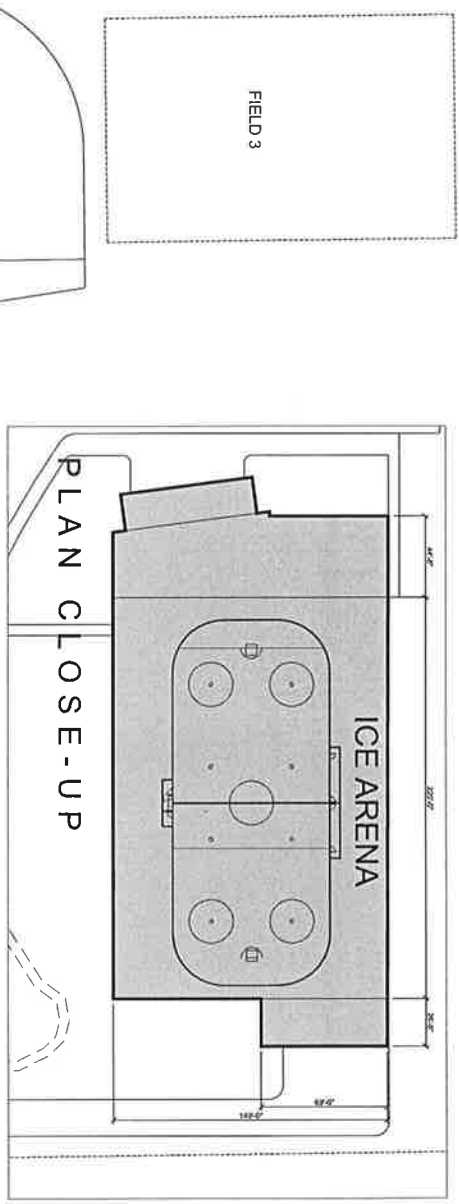




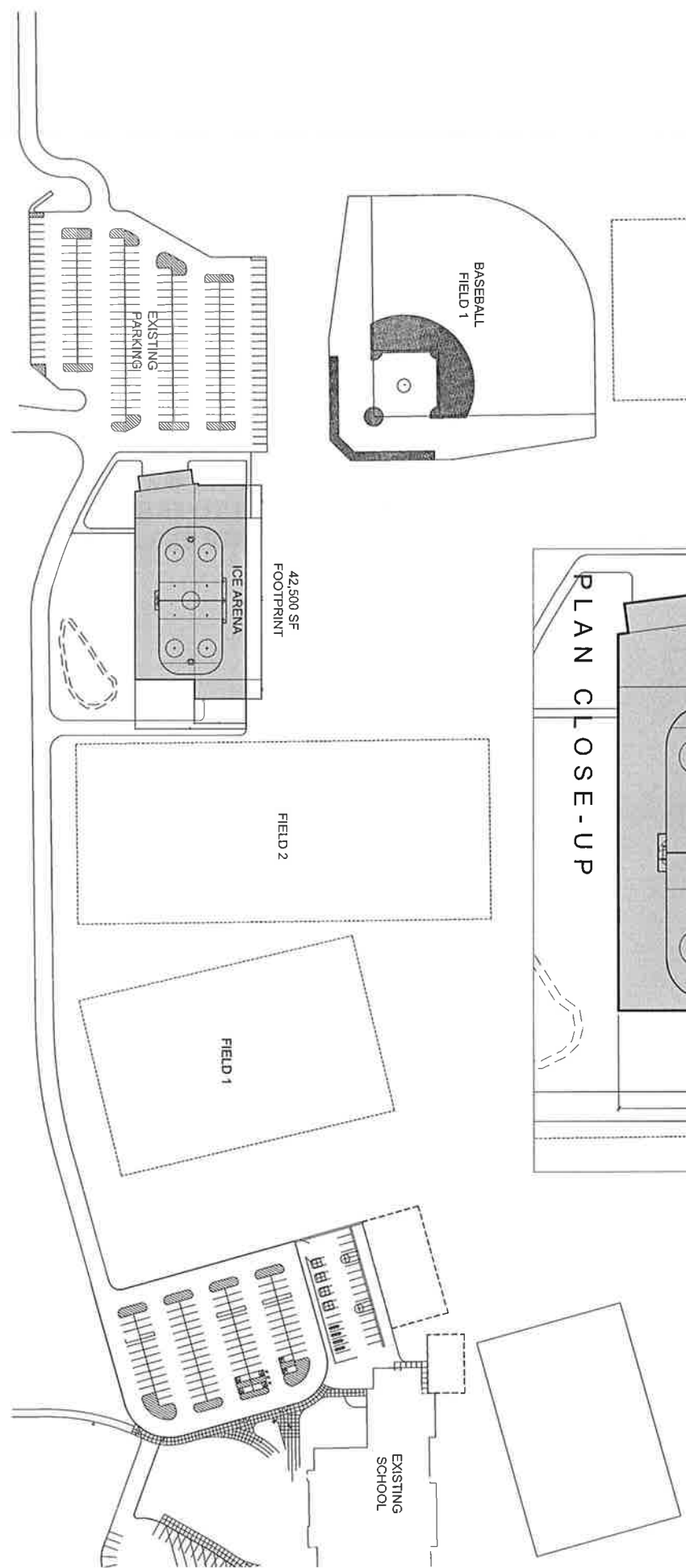
## Legal Description

The below abbreviated legal description for parcel number 28.030.21.13.0001 is taken from Washington County's website:

**THAT PT S1/2-NE1/4 WHICH LIES WLY & NWLY OF NWLY LN OF DNR TRAIL (FORMERLY SOO LN RR) & LIES NLY OF NLY LN R/W PLAT #19 EXC THEREFROM SD S1/2-NE1/4 PARCEL DESC AS FOLL:COM AT A PT DIST 1113.2FT W & 33FT N OF E B< COR SD SEC 28 WHICH PT IS ON N R/W LN CTY RD #2 TO POB THN N DIST 100FT THN E DIST 177.95FT TO WLY R/W LN OF RR THN SWLY WITH ANG 52DEG11' & ALG WLY R/W LN SD RR DIST 127FT TO N R/W LN SD CTY RD #2 THN W ALG N R/W LN SD CTY RD #2 DIST 100FT TO POB SUBJ TO EASE SUBJ TO RESTRICTIVE COVENANTS SECTION 28 TOWNSHIP 030 RANGE 021**



- ICE ARENA CONCEPT PROGRAM:
- MAIN ICE ARENA PROVIDES SEATING FOR 1,200
  - 4 YOUTH TEAM ROOMS
  - 2 VARSITY LEVEL TEAM ROOMS
  - COACHES ROOMS
  - LOBBY
  - MANAGEMENT OFFICE
  - PUBLIC RESTROOMS
  - CONCESSIONS
  - ICE RESURFACER/MECHANICAL/REFRIGERATION ROOM



292DESIGNGROUP