

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and effective the 1st day of May, 2018, by and between JAN H SWANEPOEL ("Landlord") and MN Auto Depot LLC, a Minnesota limited liability company ("Tenant").

Landlord is the owner of land and improvements commonly known and numbered as 1420 West 3rd avenue, suite 1, Shakopee, Minnesota, being 882 square feet, (the "Building") and legally described as follows:

All that part of Outlot "C" and Outlot "B", Husman Addition to the City of Shakopee, Scott County, Minnesota, lying North of a line drawn parallel with and 320 feet North of and measured at right angles to the North line of the NE ¼ of Section 11, Township 115, Range 23, and South of a line drawn parallel with and 520 feet North of and measured at right angles to the North line of said NE ¼ of Section 11, Township 115, Range 23, Scott County, Minnesota.

The leased portion consists of the following space:

Office (some common area required for unisex restroom)	<u>362</u>	sq. ft.
Cold warehouse/garage door dock area	<u>520</u>	sq. ft.
TOTAL	<u>882</u>	sq. ft.

Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, it is agreed:

1. **Term.** Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord beginning 1 July, 2018, and ending 30 April, 2019. Thereafter, this lease shall continue with the same terms as a month-to-month tenancy, subject to changes made by at least one month's written notice effective before next rental payment is due.

2. **Rental.** Tenant shall pay to Landlord during the Initial Term base rent of \$1,250.00 per month, payable in advance beginning 1 July, 2018, and on the first day

of each month thereafter. Rent for \$1250, 2018, shall be prorated from the date of occupancy to the end of 30 April, 2019. Rent shall be paid to Landlord at 1420 West 3rd avenue, Shakopee, Minnesota, 55379.

3. **Damage Deposit.** Tenant has paid Two Thousand Dollars (\$1,250.00) as and for a damage and security deposit, which amount will be refunded to Tenant without interest upon termination of this lease, if Tenant leaves the premises in good order. If there are, in fact, damages, Landlord will provide an itemization with estimated costs showing a deduction from the damage deposit.

4. **Common Area Maintenance Charges.** In addition to the base rent specified above, Tenant shall pay within ten days of receipt of a notice from Landlord specifying the monthly amount due for:

- a. lighting and maintenance for the parking area;
- b. snow removal;
- c. lawn and landscaping maintenance;
- d. any increase in real estate taxes over the 2018 taxes.

These common area maintenance charges shall be calculated by Landlord according to Tenant's leased space as compared to 100% of the leased space in the entire building.

5. **Use of Leased Premises.** Tenant shall operate truck rental business and office within the leased premises. The tenant shall have grass access to park the rental trucks and unconstructive parking for one vehicle in the enclosed area.

6. **Sublease and Assignment.** Tenant shall have no right to sublease or assign this Lease.

7. **Repairs.** During the Lease term, Tenant shall make, at Tenant's expense, all necessary repairs to the Leased Premises.

8. **Alterations and Improvements.** Tenant, at Tenant's expense, shall have the right, following Landlord's consent, to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense.

10. **Insurance.**

A. If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act or negligence of Tenant or any of Tenant's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance.

B. Tenant shall maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by Landlord, such insurance to afford minimum protection of not less than \$1,000,000.00 combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall be listed as an additional insured on Tenant's policy or policies of comprehensive general liability insurance, and Tenant shall provide Landlord with current Certificates of Insurance evidencing Tenant's compliance with this Paragraph. Tenant shall obtain the agreement of Tenant's insurers to notify Landlord that a policy is due to expire at least ten (10) days prior to such expiration. Landlord shall not be required to maintain insurance against thefts within the Leased Premises or the Building.

11. **Utilities.** Tenant shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used by Tenant on the Leased Premises during the term of this Lease unless otherwise expressly agreed in writing by Landlord. In the event that any utility or service provided to the Leased Premises is not separately metered, Landlord shall pay the amount due and separately invoice Tenant for Tenant's pro rata share of the charges. Tenant shall pay such amounts within fifteen (15) days of invoice. Tenant acknowledges that the Leased Premises are designed to provide standard office use electrical facilities and standard office lighting. Tenant shall not use any equipment or devices that utilize excessive electrical energy or which may, in Landlord's reasonable opinion, overload the wiring or interfere with electrical services to other tenants.

12. **Signs.** Following Landlord's consent, Tenant shall have the right to place on the Leased Premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions. Landlord may refuse consent to any proposed signage that is, in Landlord's opinion, too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant.

13. **Entry.** Landlord shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

14. **Building Rules.** Tenant will comply with the rules of the Building adopted and altered by Landlord from time to time and will cause all of its agents, employees, invitees and

visitors to do so; all changes to such rules will be sent by landlord to Tenant in writing. The initial rules for the Building are attached hereto as Exhibit "A: and incorporated herein for all purposes.

15. **Damage and Destruction.** Subject to Section 9(A) above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

16. **Default.** If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Tenant by landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant by landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated, giving Tenant written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.

17. **Quiet Possession.** Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

18. **Condemnation.** If any legally constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the

condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

19. **Subordination.** Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request. In the event that Tenant should fail to execute any instrument of subordination herein required to be executed by Tenant promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such instrument in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

20. **Brokers.** Tenant represents that Tenant was not shown the Premises by any real estate broker or agent and that Tenant has not otherwise engaged in any activity which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

21. **Waiver.** No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

22. **Memorandum of Lease.** The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a memorandum of Lease to be recorded for the purposes of giving record notice of the appropriate provisions of this Lease.

23. **Headings.** The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

24. **Successors.** The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

25. **Consent.** Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

26. **Performance.** If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenant shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the lesser of twelve percent (12%) per annum or the then highest lawful rate. If this Lease terminates prior to Tenant's receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenant on demand.

27. **Compliance with Law.** Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

28. **Final Agreement.** This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by all parties.

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

LANDLORD



Jan Hendrik Swanepoel

TENANT

By



Isai Cuellar
It's Chief Manager

PERSONAL GUARANTY

All of the terms of this Lease are personally guaranteed by _____.

Dated: _____, 2018.

Signed _____

Print name _____