

**LEASE AGREEMENT
EDGETEK HOCKEY
(Pro Shop Space)**

This LEASE AGREEMENT ("Lease") is made and entered into as of this ____ day of _____, 2020 (the "Commencement Date"), by and between the CITY OF SHAKOPEE, a Minnesota municipal corporation ("Landlord"), and Edgetek Hockey, ("Tenant").

IN CONSIDERATION OF the mutual agreements herein expressed, the parties agree as follows:

1. Premises. Landlord hereby leases to Tenant and Tenant leases from Landlord, for the term and upon the conditions hereinafter provided, a portion of the Shakopee Ice Arena located at 1225 Fuller Street South, Shakopee, Minnesota consisting of approximately 400 square feet of front office space. (the "Premises"). The Premises are depicted on the attached Exhibit A. Tenant and its agents, employees and invitees have the non-exclusive right, along with Landlord and others designated by Landlord, to the free use of the common areas in the Shakopee Ice Arena and the land on which it is located, including the parking lot, main entrance, lobby, hallways, bathrooms, and other similar public areas and access ways. Landlord may change the common areas if the changes do not materially and unreasonably interfere with Tenant's access to the Premises or use of them. Tenant agrees to abide by Landlord's rules and regulations with respect to the Premises and common areas in the Shakopee Ice Arena and the Landlord's property, including but not limited to parking regulations.

2. Term. The lease term ("Lease Term") shall commence on April 1st, 2020 and end on March 31st, 2025 ("Initial Term"), unless ended earlier. The term is for 5 years with an opt out option after year 3. To opt out the Tenant must notify Landlord in writing before the end of year 2 if not returning for years 4-5.

3. Payments. For the Lease Term, Tenant will pay 10% of gross revenues quarterly derived from all sales out of the leased space. Tenant will supply the Landlord with quarterly sales reports for audit purposes. Tenant agrees to pay Landlord \$7,000 for existing skate sharpening machine and all on-hand pro shop inventory prior to April 1, 2020. Tenant agrees to sharpen 320 pairs of Shakopee Ice Arena rental skates each year at no cost, and each additional pair at a 50% discount.

4. Tenant Improvements. Tenant shall construct, at Tenant's sole expense, a pro shop space on the Premises. The Tenant Improvement Plans will be prepared by 292 Architects Inc.. Any alteration, addition or improvement made to the Premises (other than Movable Equipment, furniture and other trade fixtures owned by Tenant) will at once become the property of Landlord and will be surrendered to Landlord upon expiration or earlier termination of this Lease. Tenant shall complete Tenant Improvements on or before April 1, 2020. Continued progress to further enhance facility may be ongoing beyond April 1, 2020.

5. Tenant's Use of Premises. Tenant shall use the Premises to operate a Pro Shop providing goods and services to include but limited to: skate sharpening and repair, sale of hockey and figure skating proshop items, apparel, etc. Tenant shall not create a nuisance or use the Premises for any illegal or immoral purposes. The Landlord retains the right to review and approve any retail items to be sold by Tenant on the Premises.

6. Compliance With Laws. Landlord warrants that prior to opening on April 1st, 2020 the physical condition of the Premises will comply with all applicable laws, ordinances, rules and governmental regulations (“Applicable Laws”). During the Lease Term, Landlord shall comply with all Applicable Laws regarding the physical condition of Premises, except to the extent Tenant must comply with Applicable Laws. Tenant shall comply with all Applicable Laws regarding the physical condition of the Premises to the extent the Applicable Laws pertain to the particular manner in which Tenant uses the Premises or to the lawful use of the Premises, such as laws governing maximum occupancy and illegal business operations. In addition:

- a. Tenant shall follow applicable laws regarding age, discrimination policies for staff hired to work within the Premises.
- b. Tenant shall fully comply with all applicable acts and regulations relating in any way to worker’s compensation, social security, unemployment insurance, hours of labor, wages, working conditions, Immigration Reform and Control Act of 1986, and other employer-employee related subjects.
- c. Tenant shall comply with all applicable laws when providing all services authorized hereunder to its customers and patrons.
- d. Tenant shall ensure all furnishings, fixtures and equipment comply with local laws, Building Codes and regulations for installations, as applicable.

7. Services and Utilities. Landlord shall provide at its expense:

- a. Heating, ventilation and air conditioning (HVAC) for the Premises to maintain comfortable temperatures for Tenant’s use of the Premises;
- b. Electricity to the Premises in reasonable amounts necessary for Tenant’s use of the premises, storage, lighting, and HVAC;
- c. Trash disposal from building receptacles; and
- d. Maintenance of common areas in the Shakopee Ice Arena, not part of the Premises.

8. Tenant Access to Premises. Tenant and its employees, agents and invitees shall have access to the Premises on a schedule to be mutually agreed to in writing by Tenant and the Shakopee Ice Arena Manager. Upon termination of this Lease, Tenant must return to Landlord all keys and locking devices for the Premises and the Shakopee Ice Arena.

9. Interruption of Services. Landlord explicitly does not warrant that any services Landlord supplies to the Premises under this Lease will not be interrupted. Services may be interrupted because of accidents, repairs, alterations, improvements, or any reason beyond the reasonable control of Landlord. No interruption shall be considered an eviction or disturbance of Tenant’s use and possession of the Premises, shall make Landlord liable to Tenant for damages, shall be a cause for Tenant’s abatement of rent, or shall relieve Tenant from performing any of Tenant’s Lease obligations.

10. Tenant's Use and Care of Premises. Tenant shall:

- a. Keep the Premises and fixtures in good order;
- b. Make repairs and replacements to the Premises needed because of Tenant's misuse or primary negligence; and
- c. Comply with all applicable environmental laws.
- d. Tenant shall maintain and clean the Premises on a regular daily basis based on customer usage. This includes cleaning, mopping, disinfecting, and depositing trash into proper building receptacles.
- e. Tenant shall collect all deposits and fees for its customers.
- f. The Tenant shall cooperate with the Landlord's Staff assigned to oversee the Shakopee Ice Arena.
- g. Public WIFI will be available with no guarantee of up time.
- h. Tenant shall pay for and provide any security measures necessary to secure its equipment, appliances and space (e.g. locks, gates, etc.) and provide access to the Shakopee Ice Arena Manager.
- i. Tenant shall be responsible for any losses due to theft, employee errors, vandalism or power failures occurring on the Premises caused solely by Tenant.
- j. Tenant shall follow the City's no smoking and tobacco policy and premises policies, which regulate permissible activities and does not allow any smoking within the Shakopee Ice Arena building or surrounding property.
- k. Tenant shall be responsible to hire, train and supervise appropriate and adequate staffing to operate the training area.
- l. Due to the fact that Tenant shall be in contact with minors at the Shakopee Ice Arena, Tenant shall maintain and implement a hiring process that provides for a criminal background check for Tenant's staff working at the Premises throughout the term of this Lease.

11. Landlord Repairs. Except for repairs and replacements Tenant is required to make under Section 10, Landlord shall pay for and make all other repairs and replacements to the Premises.

12. Time for Repairs. Landlord repairs shall be made within a reasonable time (depending on the nature of the repair or replacement needed) after Landlord receives notice or has actual knowledge of the need for a repair or replacement.

13. Surrender of the Premises. Upon the termination of this Lease, Tenant shall surrender the Premises to Landlord in the same broom clean condition that the Premises were in on the Commencement Date except for:

- a. Ordinary wear and tear;
- b. Damage by the elements, fire, and other casualty unless Tenant would be required to repair such damage under Section 10;
- c. Damage arising from any cause not required to be repaired or replaced by Tenant; and
- d. Alterations as permitted by this Lease unless consent to such alterations was conditioned on their removal.

Upon surrender, Tenant shall remove from the Premises its personal property, trade fixtures, and any alterations required to be removed under Section 15 and shall repair any damage to the Premises caused by their removal. Any items not removed by Tenant as required shall be considered abandoned. Landlord may dispose of abandoned items as Landlord chooses and bill Tenant for the cost of their disposal, minus any revenues received by Landlord from their disposal.

14. Alterations. Except with respect to the Tenant Improvements, Tenant shall not make alterations without Landlord's advance written consent, following the same process as provided in Section 4. "Alterations" means additions, substitutions, installations, improvements, and similar changes to the physical condition of the Premises. Landlord's consent shall not be unreasonably withheld or unduly delayed for nonstructural Alterations to the Premises that do not adversely affect the Shakopee Ice Arena appearance, value, and structural strength. Alterations shall be made solely at Tenant's expense. Alterations shall belong to Landlord when this Lease ends, except for those Alterations required to be removed by Tenant as a condition of Landlord's consent to such alterations.

15. Insurance. The Tenant shall provide the Landlord a Certificate of Insurance naming the Landlord as an additional insured and have liability insurance in place in an amount equal to the statutory maximum liability of a government unit with the State of Minnesota as set forth in state law, which is currently \$1,000,000 for each occurrence and \$1,000,000 general aggregate.

16. Tenant Indemnification. Tenant shall indemnify, defend, and hold Landlord harmless from claims for any personal injury, death, or property damage for incidents occurring in, on, or about the Premises or Shakopee Ice Arena that are caused by the negligence or willful misconduct of Tenant, its agents, employees or invitees. When a claim is the result of joint negligence or willful misconduct of Tenant and Landlord or Tenant and a third party unrelated to Tenant, except Tenant's agents, employees or invitees, Tenant's duty to defend, indemnify, and hold Landlord harmless shall be in proportion to Tenant's allocable share of the joint negligence or willful misconduct.

17. Landlord Indemnification. Subject to the maximum liability of Landlord under Minnesota Statutes, Section 466.04 and exceptions to liability under Minnesota Statutes, Section 466.03, Landlord shall indemnify, defend, and hold Tenant harmless from claims for personal injury, death

or property damage for incidents occurring in, on or about the Premises or Shakopee Ice Arena that are caused by the negligence or willful misconduct of Landlord, its agents or employees. When a claim is the result of the joint negligence or willful misconduct of Landlord and Tenant or Landlord and a third party unrelated to Landlord, except Landlord's agents or employees, Landlord's duty to defend, indemnify, and hold Tenant harmless shall be in proportion to Landlord's allocable share of the joint negligence or willful misconduct.

18. Tenant's Default. Any of the following events shall constitute a default by the Tenant ("Default"):

- a. Tenant's failure to pay Rent within five (15) days after it becomes due;
- b. Tenant's failure to perform any other Tenant obligation after a period of twenty (20) days from the date Tenant is notified by the Landlord that such obligation must be performed;
- c. Tenant's abandoning or vacating the Premises if Tenant fails to timely pay the Rent by the due date; or
- d. Tenant's failure to vacate or stay any of the following within thirty (30) days after they occur:
 - i. A petition in bankruptcy is filed by or against Tenant.
 - ii. Tenant is adjudicated as bankrupt or insolvent;
 - iii. A receiver, trustee, or liquidator is appointed for all or a substantial part of Tenant's property; or
 - iv. Tenant makes an assignment of this Lease for the benefit of creditors.

19. Landlord's Remedies. In addition to the remedies given in this Lease or under the law, Landlord may do any one or more of the following if Tenant commits a default under Section 20:

- a. Terminate this Lease, in which case Tenant shall immediately surrender the Premises to Landlord;
- b. Enter and take possession of the Premises either with or without the process of law and remove Tenant, with or without having ended the Lease; and
- c. Alter locks and other security devices at the Premises or the Shakopee Ice Arena.

Tenant waives any and all claims for damages by reason of Landlord's reentry, repossession, or alteration of locks or other security devices and for damages by reason of any legal process.

20. No Surrender. Landlord's exercise of any of its remedies or its receipt of Tenant's keys shall not be considered an acceptance of surrender of the Premises by Tenant. A surrender must be agreed to in a writing signed by both parties.

20. Tenant's Liability for Rent Upon Act of Default. If Landlord terminates this Lease or ends Tenant's right to possess the Premises because of a Default by Tenant, Landlord may hold Tenant liable for Rent and other indebtedness accrued until the date the Lease ends. Tenant shall also be liable for the Rent and other indebtedness that otherwise would have been payable by Tenant during the remainder of the Lease Term had there not been a Default, reduced by any sums Landlord receives by reletting the Premises during the Lease Term.

In addition to its responsibility for Quarterly Rent, Tenant shall also be liable for the following expenses incurred by Landlord in the event of a Default by Tenant:

- a. Reasonable broker's fees paid or incurred by Landlord for reletting part or all of the Premises;
- b. The cost of removing and storing Tenant's property;
- c. The cost of minor repairs, alterations, and remodeling necessary to put the Premises in a condition reasonably acceptable to a new tenant; and
- d. Other necessary and reasonable expenses incurred by Landlord in enforcing its remedies, including attorney or collection fees.

21. Default by Landlord. Landlord's failure to perform or observe any of its Lease obligations after a period of thirty (30) business days from the date of Landlord's receipt of written notice of its failure to perform a lease obligation shall constitute an event of Landlord Default. If such obligation cannot reasonable be completed within thirty (30) business days, Landlord shall not be considered to be in default if Landlord takes affirmative steps to address the problem in a reasonable time period. An event of Landlord Default shall result in Tenant's ability to pursue any remedies given in this Lease or under the law.

22. Self Help in Event of Default. If Tenant commits an act that constitutes an act of default under this Lease, Landlord may, without being obligated and without waiving the default, cure the default. Landlord may enter the Premises to cure the default. Tenant shall pay the Landlord upon demand, all costs, expenses, and disbursements incurred by the Landlord, to cure the default.

23. Survival of Rights and Remedies. The remedies permitted by Sections 21, 23 and 25, and the parties' indemnities in Section 18 and 19 shall survive the termination of this Lease.

24. Covenant of Quiet Enjoyment. Landlord covenants that it has the right to make this Lease for the Lease Term and covenants that if Tenant shall pay the monthly rent and perform all of the covenants, terms, and conditions of this Lease to be performed by Tenant, Tenant shall, during the Lease Term, freely, peaceably, and quietly occupy and enjoy the full possession of the Premises.

25. Mechanics Liens. Tenant shall, within twenty (20) days after receiving notice of any mechanic's lien for material or work claimed to have been furnished to the Premises on Tenant's behalf or at Tenant's request, discharge the lien, or post a bond equal to the amount of the disputed claim with companies reasonably satisfactory to Landlord. If Tenant posts a bond, it shall contest the validity of the lien. Tenant shall indemnify, defend, and hold Landlord harmless from losses incurred from any mechanics liens. If Tenant does not discharge the lien or post bond within the

twenty-day period, Landlord may pay any amounts, including interest and legal fees, to discharge the lien. Tenant shall then be liable to Landlord for the amounts paid by Landlord, and Tenant shall reimburse Landlord, in full, within thirty (30) days after receipt of notice from Landlord.

26. Landlord's Right of Entry. Landlord and its agents, officials, and employees, may enter the Premises at reasonable times, and at any time in the case of an emergency, without charge, liability, or abatement of Rent, to:

- a. Make repairs, alterations, improvements, and additions either required by the Lease or advisable to preserve the safety and physical condition of part or all of the Premises or Shakopee Ice Arena;
- b. Post notices of non-responsibility;
- c. Remove alterations made by Tenant in violation of the Lease; and

Notwithstanding the foregoing, Landlord's entry is conditional upon Landlord:

- a. Giving Tenant at least twenty-four (24) hours advance notice, except in an emergency;
- b. Promptly finishing any work for which it entered; and
- c. Causing the least practical interference to Tenant's use.

27. Signs. With respect to the Premises, Tenant can install a logo sign above opening of leased space and a window film sign facing exterior walkway. Tenant will also be allowed one advertisement on Reach locker rooms screens, one dasher board on each rink (total 2), an in-ice logo (based on availability) and other areas per Landlord approval. Tenant shall not place or have placed any other signs, listings, advertisements, or any other notices anywhere else in the Shakopee Ice Arena.

28. No Third-Party Beneficiaries. Neither this Lease nor any provision of this Lease shall create any right in favor of or impose any obligation upon any person or entity other than the parties to this Lease and their respective successors and permitted assigns.

29. Entire Agreement. This Lease contains the entire agreement of the parties hereto with respect to the Premises and supersedes and terminates all prior discussions, negotiations, understandings, arrangements, and agreements between the parties relating to this Lease. This Lease may be modified only by a writing executed by and delivered to both parties.

30. Landlord's Negative Warranties. Landlord makes no warranties, express or implied, as to the suitability of the Premises for Tenant's purposes. It is agreed that Tenant has either inspected the Premises, or been afforded reasonable opportunity to inspect them, and accepts the Premises "As Is." Landlord makes no warranty, express or implied, as to the economic viability of the Tenant's use of the Premises.

31. Survival of Remedies. The representations and covenants of the parties under this Lease and the remedies of either party for a breach of such representations and covenants shall survive the termination of this Lease.

32. Waiver. The waiver of any of the rights or remedies arising under the terms of this Lease on any one occasion by any party shall not constitute a waiver of any rights or remedies with respect to any subsequent breach or default of the terms of this Lease. The rights and remedies provided or referred to under the terms of this Lease are cumulative and not mutually exclusive.

33. Governing Law. This Lease shall be interpreted and construed according to the laws of the State of Minnesota.

34. Conflict of Interest. Tenant represents and warrants that no member, official, officer, or employee of Landlord has or shall have any interest, direct or indirect, in this Lease.

35. Severability. If any portion of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected and the rights and obligations of the parties under this Agreement shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

36. Taxes and Other Charges. Tenant shall pay when due all taxes, assessments, license fees, permit fees or other charges or fees that may be levied or assessed during the term of this Lease on account of the transaction of business by Tenant on the Premises. Tenant recognizes and agrees that the word "taxes" as used in this Section includes any tax which may be imposed and required to be collected pursuant to Minnesota Statutes, Section 272.01, subd. 2, or similar successor statute, for the privilege of using and possessing the Premises, in the same amount and to the same extent as though Tenant were the owner of the Premises.

37. Notices. All notices required under this Agreement must be in writing and provided to the designated contact person for the other party. The parties shall keep each other informed in writing of any change in the designated contact person. At the time of the execution of this Agreement, the following persons are the designated contacts:

Edgetek Hockey

Eli Golder, Owner

410 W. 78th St. PO Box 2

Chanhassen, MN 55317

eli.golder@edgetekhockey.com

952-237-3553

City Contact

Troy Ciernia, Recreation Facilities Manager

1255 Fuller Street

Shakopee MN 55379

tciernia@shakopeemn.gov

952-452-9522

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed by their duly authorized representatives as of the day and year first above written.

EdgeTek Hockey

Date: _____

Authorized Signature

CITY OF SHAKOPEE

Date: _____

City Administrator

Mayor

City Clerk

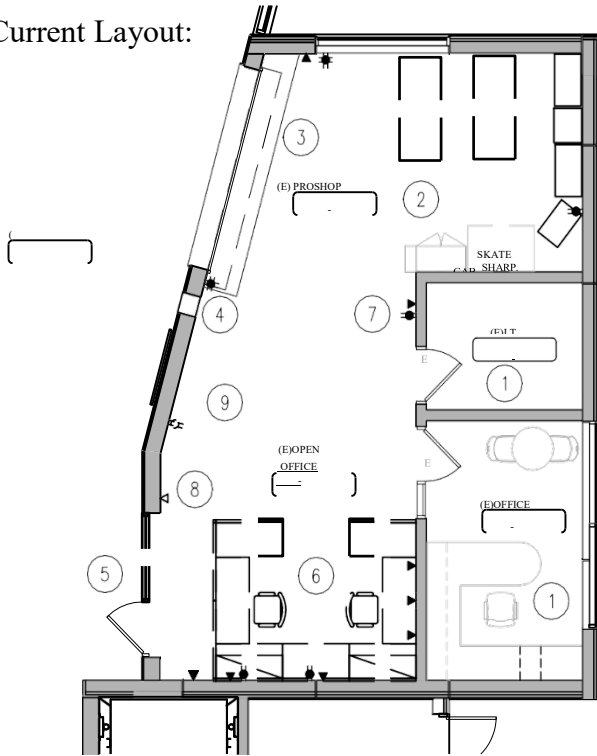
STATE OF MINNESOTA)
) SS.
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, the Mayor and City Clerk of the City of Shakopee, a Minnesota municipal corporation, on behalf of the municipal corporation.

Notary Public

EXHIBIT A

Current Layout:



Post Modification Layout for Pro Shop:

