

ATHLETIC FIELDS LEASE AGREEMENT

THIS ATHLETIC FIELDS LEASE AGREEMENT (“Lease”) was entered into this ___ day of September, 2013 between the Metropolitan Airports Commission (“Commission”), a public corporation of the State of Minnesota, as Lessor or Grantor, and the City of Blaine (“City”), a Minnesota Municipal Corporation as Lessee or Grantee.

WITNESSETH:

WHEREAS, the Commission has determined that it currently has no specific airport use suitable for the property described in this Lease and is authorized to lease or license the property for compatible uses; and

WHEREAS, the City and Commission entered into a license agreement for use of these athletic fields on February 19, 2002 which is hereby terminated by this new Lease being executed; and

WHEREAS, the City desires to lease the property shown on attached Exhibit A from the Commission as described in Section 1 of this Agreement; and

WHEREAS, the City desires to lease the property to operate athletic fields on the property; and

WHEREAS, the Commission has determined that the authorized use under this Lease would not interfere with airport operations; and

WHEREAS, the execution of any subsequent lease will be based on a new determination by the Commission and the FAA that the property is not needed for exclusive aviation use during the proposed lease period and that the use of the area for recreational purposes does not conflict with the safe operation of the airport; and

WHEREAS, this Lease has been approved by the Commission on March 19, 2012; and

WHEREAS, this Lease has been approved by the City.

WHEREAS, this Lease shall have an effective date of January 1, 2012.

NOW THEREFORE, in consideration of the mutual covenants hereinafter stated, the parties hereto agree as follows:

1. PROPERTY. The Commission grants to City this Lease to occupy and use, subject to the terms and conditions stated herein, a portion of the lands constituting Anoka County-Blaine Airport in Anoka County, Minnesota (the “Property” or “Premises”), more particularly described as:

That part of the East Half of the Northwest Quarter of the Southwest Quarter and of the Northeast Quarter of the Southwest Quarter of Section 21, Township 31, Range 23,

Anoka County Minnesota which lies westerly of County State Aid Highway No. 52 (Radisson Road) according to Anoka County Highway Right-of-Way Plat No. 62 on file and of record in the office of the Anoka County Recorder and which lies northerly of the following described Line X;

Commencing at the Northwest corner of the South Half of said Section 21; thence easterly along the north line thereof 661.21 feet to the northwest corner of said East Half of the Northwest Quarter of the Southwest Quarter; thence southerly along the west line thereof to its intersection with a line 1294.00 feet southerly of and parallel with said north line of the South Half and the point of beginning of Line X to be described; thence easterly along said parallel line 279.49 feet; thence northerly, deCitycting 90 degrees to the left, a distance of 144.00 feet; thence easterly, deCitycting 90 degrees to the right, a distance of 182.00 feet; thence northerly, deCitycting 90 degrees to the left, a distance of 210.00 feet; thence easterly, deCitycting 90 degrees to the right, a distance of 411.00 feet; ; thence southerly, deCitycting 90 degrees to the right, a distance of 110.00 feet; thence easterly, deCitycting 90 degrees to the left, a distance of 338.00 feet; thence southeasterly, deCitycting 45 degrees to the right, a distance of 258.00 feet; thence easterly, deCitycting 45 degrees to the left, a distance of 284.00 feet; thence northeasterly, deCitycting 25 degrees to the left, a distance of 362.64 feet to the westerly line of said County State Highway No. 52 and said Line X there terminating and as designated on the attached Exhibit A and made a part hereof.

Said lease land is subject to the rights of the County for County Road Number 87 right-of-way as shown on construction plans and County Half Section Maps.

Said Lease Land contains 49.27 acres more or less; 3.00 acres of which is subject to existing easement for County Road Number 87.

And as designated as "Lease Area 1" on the plat attached hereto as Exhibit A and made a part hereof.

2. USE AND TERM. The Premises may be occupied and used by the City for recreational purposes as follows:

Solely for the maintenance and operation of athletic fields, including ball diamonds, soccer , football, rugby and Lacrosse fields and associated ancillary uses.

Use of the Premises hereunder and improvements made in furtherance of such use shall at all times comply with clearance requirements under FAA regulations and state zoning requirements.

The initial term of this Lease shall be three years, commencing January 1, 2012 and terminating on December 31, 2014. This Lease will automatically extend for two additional one year renewal options. Either party may elect to cancel a renewal option by

giving notice to the other party at least sixty days before each renewal option year commences. The Commission does not have any obligation to reimburse City for any improvements City makes to the Premises.

3. ASSIGNMENT OF LEASE: The City shall not assign or transfer this Lease, nor permit this Lease to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part. The City shall not sublease the whole or any part of the Premises.

4. CONSTRUCTION AND MAINTENANCE.

City, subject to plans to be approved by the Commission shall design, construct and thereafter maintain and operate, repair and replace as necessary the personality, equipment and fixtures of a non-permanent nature as are incident to the development of the deminsed premises, including grading, seeding or sodding as required and construction of physical improvements thereto and thereon, all at no cost to the Commission and subject to removal by Licensee of all personality, equipment and fixtures and, if necessary, the restoration of the premises on termination of this Lease . All plans to incident to the grading and construction of and relating to replacement of or alterations to the facilities shall require Commission staff approval, and in addition, all construction, repair and replacement plans must meet the requirements of the Federal and State regulatory agencies for clearance and protection of approaches in respect to the airport. All work shall be carried on at such time or times and under such control as the Commission's Airport Manager may impose to coordinate the same with the necessary continuous operation of the airport. The City shall adequately fence the premises to prevent unauthorized access to the airport operational areas.

5. RENT. As rent for the Premises the City shall pay annually on an amount of \$50,000 per year to MAC in advance by January 1 of each year for the first two years of the Lease and increasing at a rate of 2% per year thereafter. The rental rate must be consistent with the federal revenue diversion policy. Thus, the rental amount may be changed during the term of the Lease in order to maintain compliance with federal revenue diversion policy upon sixty (60) days written notice from the Commission to the City, at which time City may elect to pay such additional rent or terminate the Lease.

City shall pay for all water, sanitary sewer, gas, electricity, telephone, refuse collection, and storm sewer charges, environmental charges and fees, or other similar charges used on or attributable to the Premises, together with any taxes, penalties, interest or surcharges associated with such utilities and charges.

City shall pay all applicable fees including, but not limited to, license fees, regulatory fees, waste fees, and other charges, if any, imposed by any other governmental authority during the Term of this Lease upon or related to the Premises, buildings, improvements or other property located thereon, or upon City's use or occupancy, for whatever term

deemed applicable to City by that governmental authority. City shall pay these amounts without deduction or set-off against Rent to be paid under this Lease.

6. INSURANCE. City shall either maintain insurance, a standard term policy or policies of insurance in amounts as hereinafter set out against public liability and property damage, including advertising and products liability, or (ii) provide self-insurance of equivalent protection. Such policy or policies shall be in the amount of at least statutory limits provided by Minn. Stat. 466, or as such Statute may be amended or modified from time to time, which currently requires one million five hundred thousand dollars (\$1,500,000) per accident or occurrence or five hundred thousand dollars (\$500,000) per person. Such policy or policies shall provide for a minimum of ten (10) days written notice of cancellation, be primary and non contributory and name MAC as an additional insured by endorsement or terms and conditions of the policy or policies.

If City allows other contractors, agents or vendors to utilize the area designated in this agreement, City of Blaine shall endeavor to verify policies in place in the amount of the following insurance from each. The insurance below does not limit the liability of contractors, agents or vendors of City to MAC.

1. Worker's Compensation to statutory limits. The policy or policies shall contain a waiver of subrogation against MAC by endorsement or terms and conditions of the policy or policies.
2. Employer's Liability with limits of at least \$100,000 each accident bodily injury by accident, \$500,000 policy limit bodily injury by disease, and \$100,000 each employee bodily injury by disease.
3. Comprehensive General Liability on an occurrence basis with a combined single limit of \$2,000,000 and a general aggregate of \$5,000,000. The policy or policies shall name MAC as an additional insured and be primary and non contributory by endorsement or terms and conditions to the policy or policies.
4. Commercial Automobile Liability/Inland Marine, for owned, non-owned, hired, leased or rented vehicles or equipment with limits of at least \$1,000,000 single limit. The policy or policies shall name MAC as an additional insured by endorsement or terms and conditions of the policy or policies.
5. Property on an all risk basis to the full replacement cost of the property. The policy or policies shall contain a waiver of subrogation against MAC by endorsement or terms and policy or policies.

7. INDEMNIFICATION. To the extent provided by law, City hereby indemnifies and agrees to defend, protect, and hold harmless MAC from and against any and all losses, liabilities, fines, lawsuits, charges, damages, injuries, penalties, response costs, claims, demands and actions of bodily injury or property damage whatsoever paid, incurred or asserted against, or threatened to be asserted against MAC, by reason of any and all of

City operations hereunder and City shall be responsible and answerable for such damages whether or not said persons are, agents, licensees, managers, or employees of City, except when caused by the negligent or intentional act or omission of MAC. If caused by the negligent or intentional act or omission of MAC, to the extent provided by law, MAC agrees to indemnify, defend, and hold harmless City in kind as outlined hereunder. Such indemnification by each party, and the obligations hereunder, shall survive cancellation, termination or expiration of the terms of this agreement and shall not exceed the limits provided by Minn. Stat. Chapter 466, or other applicable laws.

8. FAA AND MNDOT. Execution and continuation of this Lease is conditioned upon approval and agreement of the FAA and MN/DOT, Division of Aeronautics that the development and use of such lands for recreational purposes would not conflict with aircraft operations to and from the airport and would comply with the clearance and approach requirements presently applicable at said airport.
9. COMPLIANCE WITH LAWS. The City shall comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, or of agencies, departments or divisions of either, or of the Commission relating to the Premises and the use thereof or relating to control of ground and air traffic, aircraft operations and the general use and operation of the airport; and the City shall see to the payment of any all taxes, assessments, license fees or other charges that may be legally levied, assessed or made during the term of this Lease or any extension thereof by reason of the uses hereby permitted of the Premises. City shall provide evidence of compliance with such laws to the Commission upon request of the Commission.
10. HEIGHT. The City expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth, and other objects on the Premises to a height that will not constitute an obstruction as determined by the standards in Federal Aviation Regulation, Part 77. In the event the aforesaid covenants are breached, the Commission reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the City. Further, the City agrees that no lights will be permitted (including automobile headlights) or installed on the Premises which will have a detrimental effect on control tower operations or otherwise affect night operations.
11. FLIGHT OF AIRCRAFT. The City expressly agrees for itself, its successors and assigns to prevent any use of the Premises which might interfere with the landing and taking off of aircraft from the Airport or to the flight of aircraft over the Premises or otherwise constitute a hazard, or interfere with air navigation and communication facilities presently or in the future serving the Airport. In the event the aforesaid covenant is breached, the Commission reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of the City.

12. WITHOUT PREJUDICE. It is understood that grant of this Lease and use of the Premises is conditioned upon and shall be without prejudice to the rights of the Commission as owner and operator of the aforesaid public airport of which the subject Premises constitute a part.
13. NONDISCRIMINATION. The City for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the City shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The City for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or nation origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that the City shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

14. COMMISSION RESERVATIONS. Commission reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the City, and without interference or hindrance.

Commission reserves the right, but shall not be obligated to the City, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the City in this regard.

15. COMMISSION RIGHT OF ENTRY. Commission shall at all times and through its agents and employees or contractors have a right of entry upon the Premises, as may be necessary in the development, maintenance and operation of the airport, including for the purpose of wildlife management. Further, the Commission reserves the right to install and maintain on the Premises such utility lines, conduits, pipes and facilities as may be necessary to the development, maintenance and operation of said airport, provided Commission shall at its cost and expense, repair any damages and restore any portion of the Premises damaged by reason of such installation and maintenance. However, if the City causes the need for such repair, construction, installation, or maintenance, the Commission will not pay to repair or restore any part of the Premises.

16. REQUIRED NOTICE. Incident to use and occupancy of the Premises hereunder, the City will advise those making use of or coming on the Premises and the parents of those children making use of the Premises that Commission has no responsibility in respect to maintenance, care, policing, control and supervision of the premises so long as this Lease is in effect. The City will post signage visible to property users that the Premises are owned by the Metropolitan Airports Commission.

17. ENVIRONMENTAL OPERATING CONDITIONS.

Any materials/waste (hazardous or otherwise) generated from City's use and occupancy of the Premises are the property of the City and must be removed by the City. Waste disposal must follow all county, state and federal regulations. MAC is not the owner, generator or the party responsible for removal/disposal of this waste/material.

City shall also notify MAC of any spills or dumping, regardless of the amount, occurring on Airport property to which the City has knowledge. If MAC incurs costs related to a spill or other environmental expense related to City's operations at the Airport, unless due to the negligence of MAC, MAC will bill City for all MAC's costs. City shall pay MAC within thirty (30) days of invoice.

18. NOTICE

All notices or communications between Commission and City shall be deemed sufficiently given or rendered if in writing and delivered to either party (i) personally, (ii) by registered or certified mail return receipt requested, or (iii) by nationally recognized overnight courier service. Except as otherwise specified herein, all notices and other communications shall be deemed to have been duly given (a) the date of receipt or rejection if given personally, (b) three (3) business days after the date of posting if given by certified or registered mail, or (c) the first (1st) business day after the date of posting if delivered by a nationally recognized courier delivery service. Notices hereunder may be given by the respective attorneys for any of the parties. Addresses for all notices are as follows:

Commission: Metropolitan Airports Commission
Attn: Roy Fuhrmann
6040 28th Avenue South
Minneapolis, MN 55450

City: City of Blaine
Attn: Director of Parks and Recreation Services
10801 Town Square Drive NE
Blaine, MN 55449-8101

Either party may change the party's address for notice by providing written notice to the other party.

19. WAIVER

The waiver by Commission or City of any breach of any term of this Lease shall not be deemed a waiver of any prior or subsequent breach of the same term or any other term of this Lease.

20. COMMITMENTS TO FEDERAL AND STATE AGENCIES

Nothing in this Lease shall be construed to prevent Commission from making such commitments as it desires to the Federal Government or the State of Minnesota in order to qualify for the expenditure of Federal or State funds on the Airport.

21. ENTIRE AGREEMENT.

This Lease represents the entire agreement between the parties and supersedes any prior agreements regarding the Premises or any part thereof.

22. FAA REQUIRED LANGUAGE.

The Grantors, for themselves, their heirs, successors or assigns, do hereby reserve for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface to the premises herein conveyed. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Anoka County-Blaine Airport

As a condition of this conveyance the Grantees, for themselves, their heirs, successors and assigns, do hereby agree to prohibit the erection of structures or growth of natural objects that would constitute an obstruction to air navigation as defined in FAR Part 77.

As a further condition of this conveyance, the Grantees, for themselves, their heirs, successors, and assigns, do hereby further agree that they will not use or permit or suffer use of the land first above described in such a manner as to create electrical interference with radio communication between the installation upon the aforesaid airport and aircraft or as to make it difficult for pilots to distinguish between the airport lights and others or as to result in glare in the eyes of flyers using the said airport, or as to impair visibility in the vicinity of the airport, or as otherwise to endanger the landing, takeoff, or maneuvering of aircraft.

As a further condition of this conveyance, the Grantees, for themselves, their heirs, successors or assigns, do hereby further agree that they will not use or permit or suffer use of the land first above described in such a manner as to create a potential for attracting birds and other wildlife which may pose a hazard to aircraft.

23. COMMERCIAL PARCEL.

City agrees to cooperate with MAC in the redevelopment of an approximately 5 acre parcel in the northeast portion of the Property (“Commercial Parcel.”), further described on Exhibit B. Notwithstanding, anything in this Agreement, MAC hereby reserves the right to lease the Commercial Parcel (subject to City’s Right of First Refusal detailed below) to any third party and immediately terminate City’s leasehold interest to said Commercial Parcel with sixty days advance notice, and reduce City’s rent proportionate to the reduction of square footage to City’s leasehold interest to the Property. City shall receive no compensation if MAC exercises this right regarding the Commercial Parcel.

City shall have a right of first refusal (the “Right of First Refusal”), as defined in this Section 23, to lease The Commercial Parcel as depicted on Exhibit B. This Right First Refusal shall only last for the initial lease term of three years. Such Right of First Refusal shall be exercisable by City only if no event of default of City under this Agreement then exists as of the date of MAC’s notification to City of the Offer (as defined below). If MAC receives a bona fide offer (the “Offer”) from a prospective tenant to lease all or any part of The Commercial Parcel, MAC shall give City written notice of such fact, setting forth in such notice all of the material terms and conditions of such Offer. After MAC notifies City in writing of such an Offer, City shall have sixty (60) days from the date of such notice to exercise the Right of First Refusal by written notice to MAC which includes evidence of an official action by the Blaine City Council to exercise this Right of First Refusal. If City exercises the Right of First Refusal, City shall be required to lease all of the Commercial Parcel space that is the subject of the Offer as well as meet or exceed the Net Effective Rate (as defined herein below) of the Offer. If City fails to notify MAC of its election to exercise the Right of First Refusal within the aforesaid sixty day period, the Right of First Refusal shall lapse and no longer be exercisable by City.

Upon any exercise by City of the Right of First Refusal in accordance herewith, MAC and City shall promptly execute another separate lease whereby City leases such space that is subject of the Offer. This existing Lease shall remain in full effect, except that any portion of the Commercial Parcel that City leases from MAC through this Right of First Refusal or any portion the Commercial Parcel that MAC leases to a third party shall no longer be part of this existing Lease the rent shall be adjusted in accordance with this Section 23 of this Lease. If City fails or refuses to exercise such Right of First Refusal with respect to such space the subject of such Offer, then such Right of First Refusal shall lapse as to such then applicable third party Offer, time being of the essence with respect to the exercise thereof, and MAC may thereafter lease the applicable space, in whole or in part, to the prospective tenant identified in such Offer on the terms set forth in the Offer or on terms for a Net Effective Rate (as defined herein below) which is not lower

than that offered to City pursuant to the Offer by more than twenty percent (20%). It hereby agreed that, as used herein, the term "Net Effective Rate" shall mean the actual rental rate to be received by MAC per year, on the average, during the proposed term. If a non fixed rental rate is proposed in the Offer, the minimum annual guarantee amount may be used to determine the actual rental rate or any other method MAC deems reasonable in its sole judgment. IN WITNESS WHEREOF, the parties hereto have signed this Lease Agreement the day and year written below.

METROPOLITAN AIRPORTS COMMISSION

Roy Fuhrmann
Vice President, Management & Operations

Date _____

CITY OF BLAINE

Tom Ryan
Mayor

Clark Arneson
City Manager

Date _____

LESSOR NOTARY

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

This instrument was acknowledged before me on the _____ day
of _____, 2013, by _____ as the
authorized representative of the Metropolitan Airports Commission.

(Notarial Seal)

Notary Public

CITY NOTARY

STATE OF MINNESOTA)
) SS
COUNTY OF _____)

This instrument was acknowledged before me on the _____ day of
_____, 2013, by _____, and _____ the
Mayor and City Manager of the City of Blaine, on behalf of this Municipal Corporation

(Notarial Seal)

Notary Public

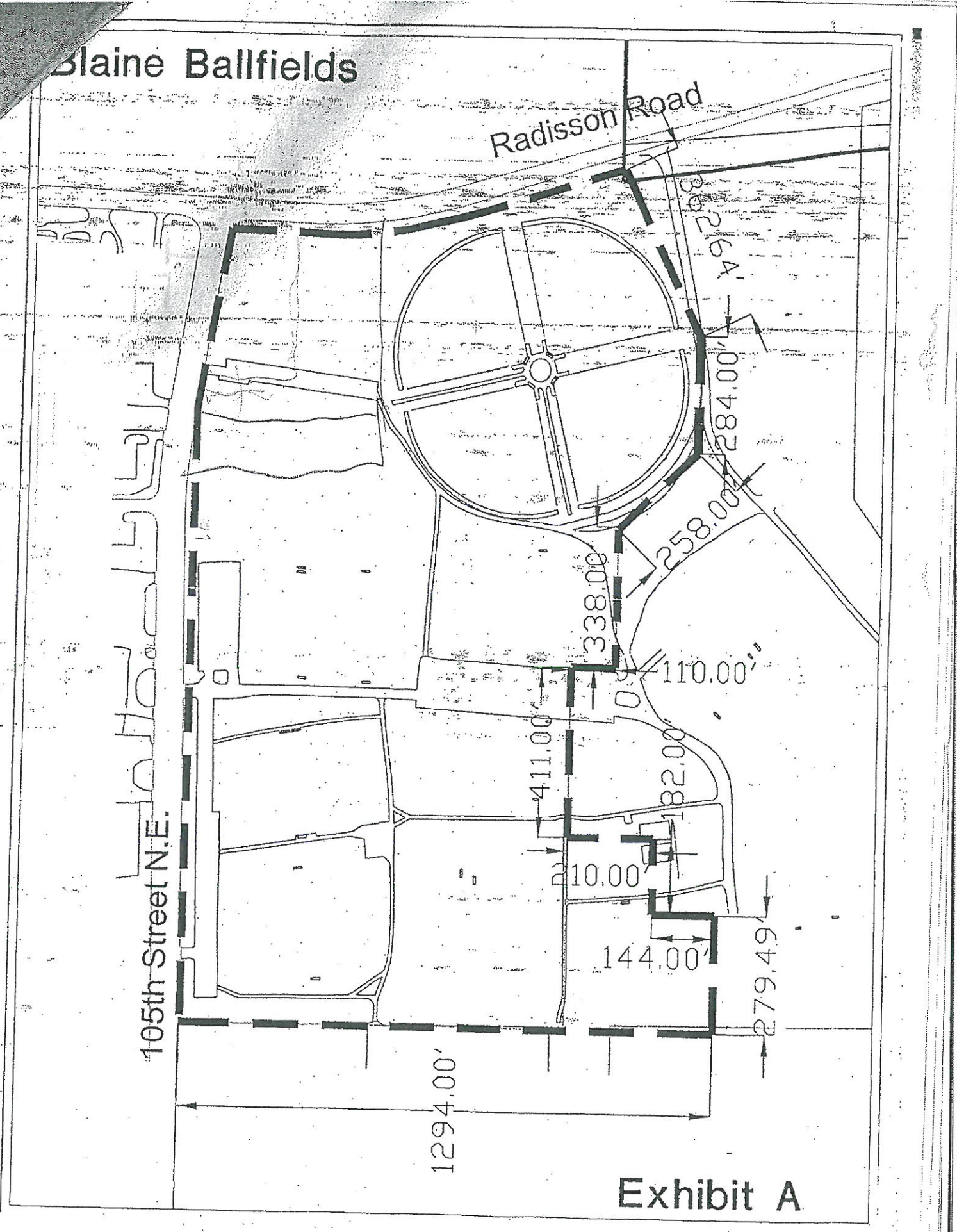
Blaine Ballfields

Radisson Road

105th Street N.E.

1294.00'

Exhibit A



Blaine Ballfields

1050 North N.E.

Redison Road

1294.00

411.00

338.00

144.00

182.00

110.00

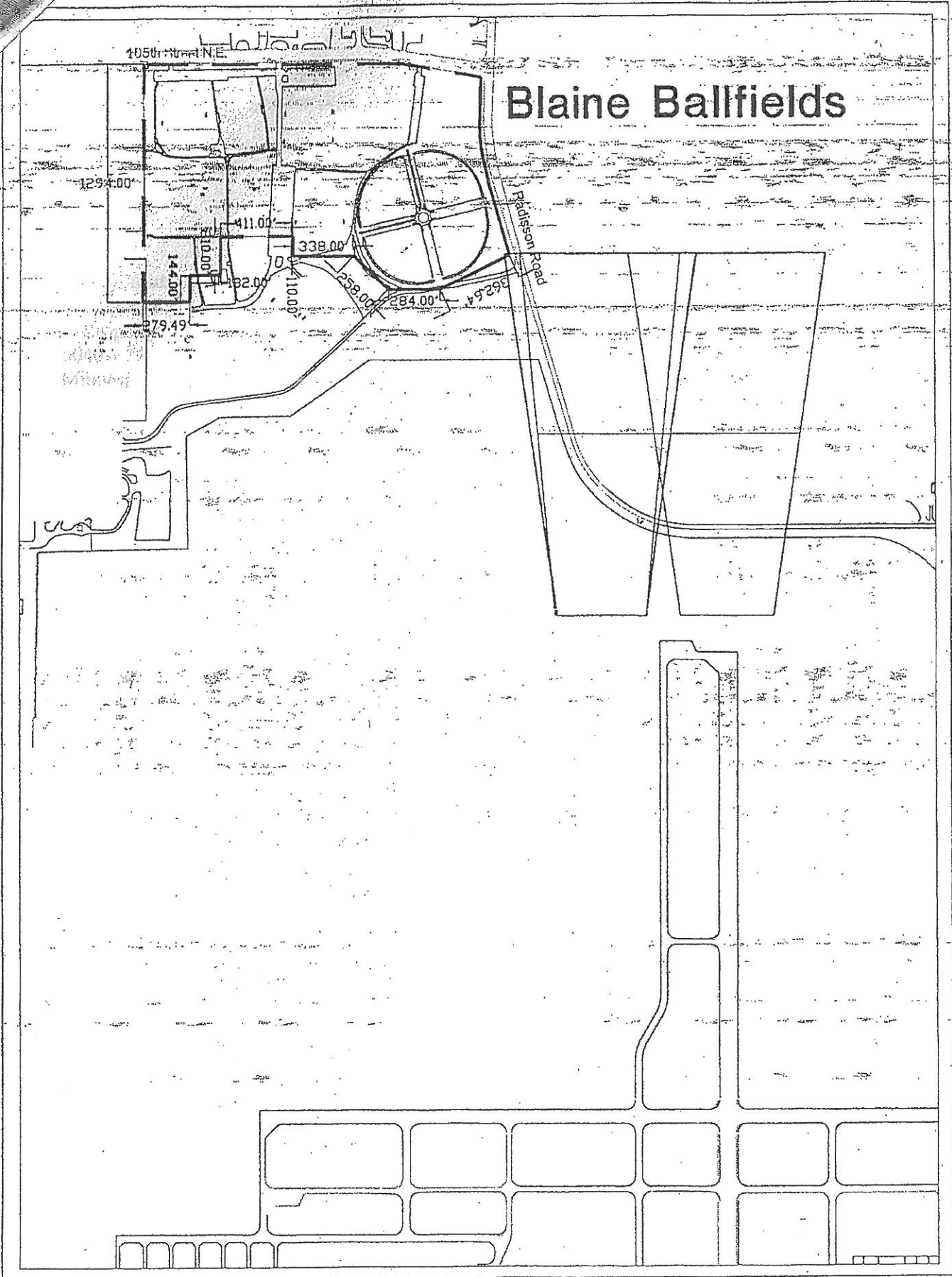
258.00

284.00

429.64

79.49

Mitney



ANOKA COUNTY AIRPORT

