



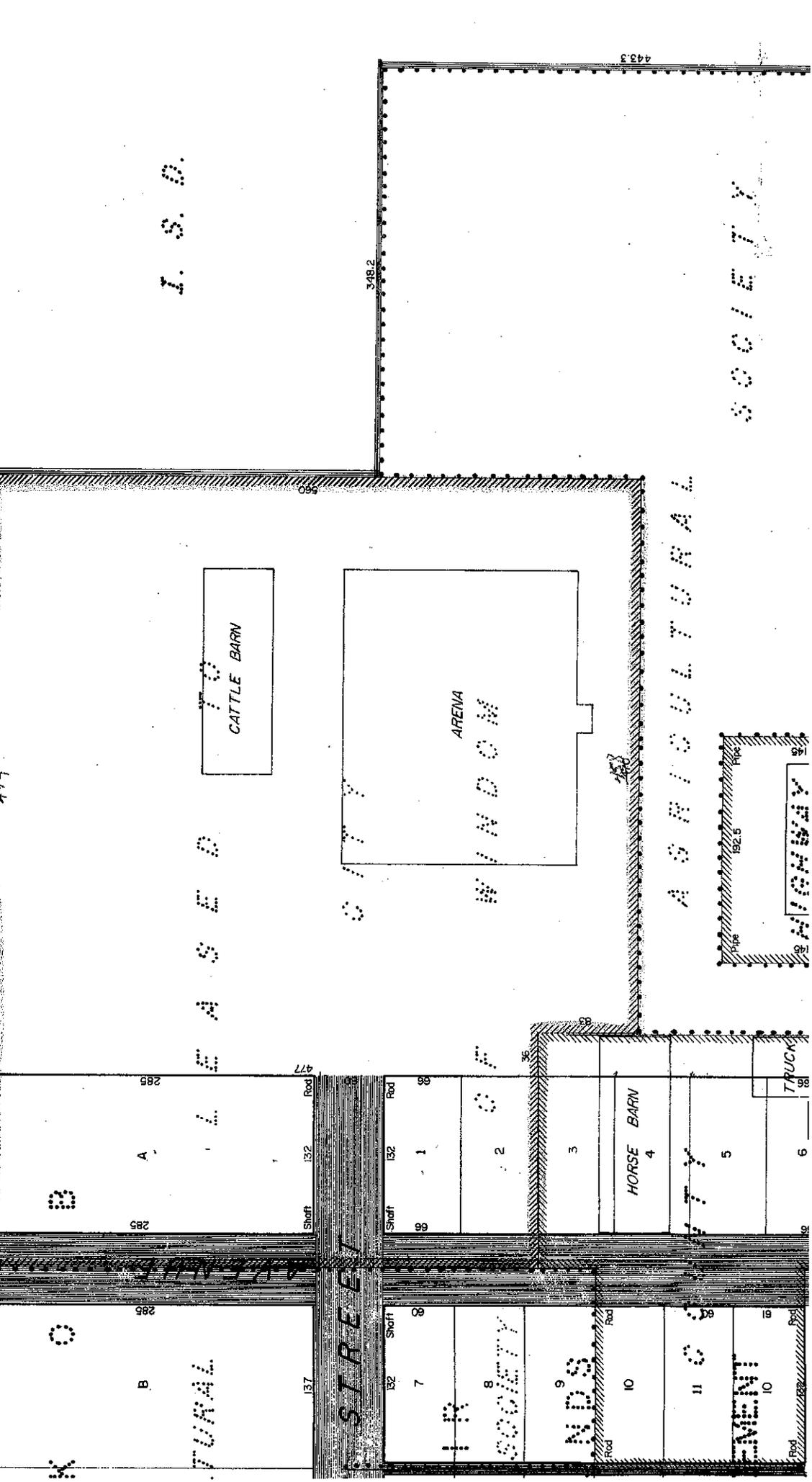
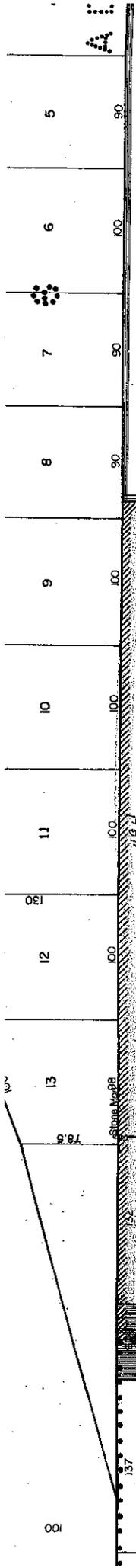
**Special City Council Meeting
Tuesday, August 28, 2012
City Council Chambers
7:00 p.m.**

AGENDA

Call to Order
Pledge of Allegiance

1. Windom Arena - Long Range Planning
2. New Business
3. Old Business
4. Adjourn





I. S. D.

CATTLE BARN

ARENA WINDOW

HORSE BARN

TRUCK

AGRICULTURAL

SOCIETY

STREET

LEASE

TO

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City of Windom, Minnesota

Capital Improvement Plan

2013 thru 2017

PROJECTS BY DEPARTMENT

| Department | Project# | Priority | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|----------------------------------|-----------|----------|---------------|----------------|----------------|---------------|----------------|----------------|
| Arena | | | | | | | | |
| Door Replacement | ARENA 001 | 2 | 7,000 | 10,000 | | | | 17,000 |
| Restroom Remodeling | ARENA 002 | 1 | 10,000 | | | | | 10,000 |
| Arena Seating & Accessibility | ARENA 003 | 2 | 10,000 | | | | | 10,000 |
| Racquetball Court Rehabilitation | ARENA 004 | 2 | | 15,000 | | | | 15,000 |
| Zamboni | ARENA 005 | 2 | | 5,000 | | | | 5,000 |
| Locker Room Expansion | ARENA 006 | 2 | | 75,000 | | | | 75,000 |
| Rink Panel Replacement | ARENA 007 | 2 | | 70,000 | | | | 70,000 |
| Install Rink Floor | ARENA 008 | 3 | | 340,000 | | | | 340,000 |
| Roof Repair/Rehabilitation | ARENA 009 | 1 | | | 160,000 | | | 160,000 |
| Parking Lot Rehabilitation | ARENA 010 | 2 | | | | 55,000 | | 55,000 |
| Livestock Building/Riding Rink | ARENA 011 | 3 | | | | | 200,000 | 200,000 |
| Carpet Replacement | ARENA 012 | 2 | 5,000 | | | | | 5,000 |
| Arena Total | | | 32,000 | 515,000 | 160,000 | 55,000 | 200,000 | 962,000 |
| GRAND TOTAL | | | 32,000 | 515,000 | 160,000 | 55,000 | 200,000 | 962,000 |

COTTONWOOD COUNTY AGRICULTURAL SOCIETY

CITY OF WINDOM

COTTONWOOD COUNTY ARENA OPERATING AGREEMENT

1 This Agreement is made and entered into this 4th day of December, 1985.
2 by and between the Cottonwood County Agricultural Society, a corporation hereinafter
3 referred to as "Fair Board", party of the first part, and the City of Windom, Minnesota,
4 a municipal corporation, hereinafter referred to as "The City", party of the second
5 part;

PREAMBLE

6 WHEREAS, the Fair Board is the owner of a tract of land situated in the South-
7 east Quarter of the Northeast Quarter (SE $\frac{1}{2}$ NE $\frac{1}{2}$) of Section Twenty-six (26), Township
8 One Hundred Five (105), Range Thirty-six (36), generally described as the "Fair
9 Grounds", and;

10 WHEREAS, said fair grounds is located in the City of Windom, and;

11 WHEREAS, a lease agreement has been entered into on the 4th day of December,
12 1985, said lease agreement updating the previous existing lease which is now null
13 and void, which was dated December 7, 1974; and;

14 WHEREAS, the parties have agreed under the terms of that lease entered into
15 on the 4th day of December, 1985, that as one of the terms of said lease an
16 Operating Agreement shall be entered into and shall become part of said lease, but
17 shall be amendable from time to time pursuant to the terms of the Operating Agreement,
18 and;

19 WHEREAS, it has been agreed that the City of Windom shall operate an Arena
20 built under that lease agreement of December 7, 1974, and;

21 WHEREAS, the parties desire to continue the operation of that Arena under the
22 terms of this Operating Agreement;

23 NOW THEREFORE, it is hereby agreed that the following shall be the terms of
24 the Operating Agreement as set forth in the lease of December 4, 1985.

1.

25 MANAGEMENT PARTICIPATION

26 It is hereby agreed that the City of Windom shall operate said Arena and that
27 the City of Windom shall be entitled to appoint an Arena Commission to oversee the
28 day to day operations and to assist the elected city officials of the City of
29 Windom in the operation of said Arena. It is agreed that the City of Windom may
30 from time to time change the number of members on said Arena Commission as appointed
31 by the City of Windom but shall at all times accept as members of the Arena
32 Commission, in an advisory capacity, a maximum of two members of the Fair Board.

1 It is agreed that the City of Windom shall hire an Arena manager and said
2 Arena manager shall be in charge of the lease property at all times, as to the
3 day to day operation, and subject to the directions of the Arena Commission
4 and the City of Windom. Said management jointly with a Fair Board representative
5 shall extend to that period of time when the Arena Building is occupied for the
6 purposes of the Cottonwood County Fair as set forth in the subsequent provisions of
7 this agreement, and shall have the power to make alterations to the building as re-
8 quired by the parties hereto during said "fair period" and shall determine the
9 reasonable operation of said building and shall manage said building during the
10 Cottonwood County Fair.

11 The City of Windom shall during the operation of the Arena building by the
12 City of Windom provide all labor necessary for the operation of the Arena. During
13 the period when the Arena is used for Fair Board purposes the City shall provide a
14 manager or an assistant manager during all hours except the hours of 11 P. M. to
15 7:00 A. M. The Fair Board agrees to provide security for said building and
16 maintenance for said building during the hours of 11:00 P. M. to 7:00 A. M. during
17 that two week period, as set forth in the subsequent provision, when the Arena is
18 used for Fair Board purposes in conducting the Cottonwood County Fair. The Arena
19 Manager jointly with a Fair Board representative shall also have supervision of
20 those employees hired by the Fair Board during the period of conducting the
21 Cottonwood County Fair.

22 11.

23 FAIR BOARD RENTAL PERIOD

24 The Cottonwood County Agricultural Society, or their successor shall be en-
25 titled to the use of the Arena building for a period of fourteen (14) days, with
26 ten (10) days to consist of three (3) days prior to and four (4) days during which
27 the fair is officially in session, and three (3) days immediately subsequent to
28 the conclusion of the Cottonwood County Fair in each and every year. In addition
29 to the above mentioned ten (10) days the Cottonwood County Agricultural Society
30 shall be entitled to the use of the Arena building for a period of four (4) days,
31 which need not be consecutive, which must be negotiated with the Arena manager,
32 in such a fashion as to not interfere with events scheduled in said Arena building
33 by the Arena manager or the City of Windom prior to the request for the additional
34 days.

1 This use of the building by the Fair Board for a period of fourteen (14)
2 days, in addition to the \$1.00 per year rental as stated in the lease shall
3 constitute the terms of payment by the City of Windom to the Cottonwood County
4 Agricultural Society as and for the lease payment under that lease dated the
5 4th day of December, 1985.

6 It is further agreed that the Fair Board may sublease the Arena building
7 or any portion thereof for the ten (10) day period referred to as the "fair",
8 and may sublease for the additional four (4) days upon approval of the Arena
9 Commission.

10 Should the Fair Board hold over or extend their use of the building beyond
11 the ten (10) days, or require days in addition to the ten (10) day fair period
12 and the four (4) additional days, they shall pay rental to the City of Windom
13 according to the then current Arena rental rates.

111.

14 REPAIR AND MAINTENANCE

15 It shall be the responsibility of the City of Windom, at all times during
16 their usage, and at all times during the usage by the Cottonwood County Agricultural
17 Society to make repairs and maintenances to the building. It shall be the decision
18 of the City of Windom to determine when repair and maintenance are needed, who shall
19 perform said work, the method of payment for such work, and the selection of repair
20 materials, costs, and selection of repairmen and labor.

21 IV.

OPERATING COSTS

22 It shall be the responsibility of the City of Windom to pay all operating
23 costs on said building. The Cottonwood County Agricultural Society on approval of
24 the Cottonwood County Commissioners herein agrees to pay for utilities and operating
25 costs the sum of Five Thousand Five Hundred Dollars (\$5,500.00) per year, payable
26 on or before the 31st day of December in each year, with said rate to remain in
27 full force and effect for a period of five (5) years from the date hereof. Said
28 operating costs or imbursements shall be renegotiated every five (5) years from the
29 date of this lease. Said agreement in no way releases the Fair Board from their
30 continuing obligation to promptly pay, in full the utility bills incurred by said
31 Fair Board in the operation of other buildings owned by the Fair Board.

1 In addition the Cottonwood County Agricultural Society agrees to waive
2 building rental fees for horse shows in lieu of past and future utility bills
3 incurred during the fair.

V.

4 INSURANCE

5 The City of Windom shall be responsible to keep in force all insurance
6 considered necessary for the repair, maintenance, and replacement of said building,
7 and any additional insurance the City of Windom deems necessary for the purposes of
8 building coverage. The City of Windom shall also be responsible to purchase
9 liability insurance in amounts and for specific coverage items as deemed necessary
10 by the City of Windom. The City of Windom agrees to hold harmless the Cottonwood
11 County Agricultural Society for any and all items of damage, unless caused by the
12 willful, reckless, heedless actions of the Cottonwood County Agricultural Society,
13 their agents, or employees. The Cottonwood County Agricultural Society agrees to
14 refrain from using said building or any part thereof, for any event or type of
15 usage specifically prohibited by the City of Windom insurance policies for building
16 replacement or liability unless in writing by the building manager.

17 In the event any building usage specifically prohibited by the City of Windom's
18 insurance policy shall be allowed, the building manager shall require a proof of
19 insurance by written insurance binder or deposit of insurance policy to cover the
20 insurance needs as deemed necessary by the City of Windom.

21 The Fair Board shall provide "special event" insurance for any event held
22 during their periods of occupancy that is not covered by the existing City insurance
23 policy on this building.

VI.

24 SCHEDULING

25 The Cottonwood County Arena Commission, and the City of Windom shall be
26 responsible for the scheduling of all events in the Arena except for the events
27 scheduled during the ten (10) day period known as the "fair".

VII.

IMPROVEMENTS

1
2 The City of Windom shall be responsible for determining the need and the
3 method of payment of all improvements made to said facility during the term of
4 this lease. The City of Windom may, by agreement seek participation in the cost
5 of said improvement from the Cottonwood County Agricultural Society or other public
6 or private entities.

VIII.

OPTION TO PURCHASE

7
8 There is extended herein by means of this agreement, an option in favor of
9 the City of Windom to purchase said property upon the termination of the lease or
10 in the event for any reason the lease is cancelled, at a negotiated purchase price.
11 Said purchase price may be paid over a period of time, if agreed to by the parties.
12 If not agreed to, said purchase price shall be due and payable upon the exercising
13 of the option. This option shall extend for a period of 120 days from official
14 notice of the termination of the lease, and for a period of 120 days from the
15 expiration of this lease, or the expiration of any unrenewed option to extend the
16 lease.

IV.

PUBLIC ADDRESS AND BROADCASTING FACILITIES

17
18 The public address system as exists on this date has been installed and paid
19 for by the City of Windom. Any alteration of said public address system proposed
20 by the Fair Board shall be presented to the building manager. All changes will be
21 implemented only upon the approval, direction and under the supervision of the
22 building manager. All costs for said modifications shall be paid by the party
23 instituting said request for modification by billing from the City of Windom.
24 Said billing shall be paid within 60 days of receipt of said billing.

X.

ADDITIONAL MANPOWER

25
26 It shall be the responsibility of the Fair Board to provide all manpower
27 in excess of the manager and/or assistant manager during those periods when the
28 building is considered leased to the Fair Board.

XI.

EQUIPMENT AND AMENITIES

29
30 All equipment, including telephone facilities, broadcasting facilities, and
31 public address facilities are the property of the City of Windom.

1 Use of electrical equipment or Arena telephones by the Fair Board shall be
2 reimbursed to the Cottonwood County Arena Commission at actual costs, promptly
3 within 30 days of submission of the bill. If said reimbursement is not paid with-
4 in 30 days, the City of Windom may, at their descretion, charge 1½% per month on
5 the unpaid balance as and for carrying charges. Said interest rate is agreed to as
6 being reasonable by the Cottonwood County Agricultural Society. At all times when
7 the building is considered leased to the Cottonwood County Agricultural Society,
8 said lease of the building does not extend to those areas presently subleased to
9 other entities, as the racquetball courts and the archery range. Said Fair Board
10 usage does apply to the Arena manager's office and said Arena manager's office is
11 included in the leased premises for Fair Board usage during their rental period,
12 primarily for ticket sales.

13 XII.
MUTUALLY OWNED EQUIPMENT

14 The parties have mutually purchased 30 animal retention stalls and an enter-
15 tainment stage. The Fair Board shall have the right to use of said equipment during
16 all times of Fair Board usage of the buildings with no cost for said usage. The
17 City shall not be responsible for installing or removal of said items during Fair
18 Board usage. At time other than Fair Board usage the City shall be entitled to
19 usage and control of said items with no payment to Fair Board for such usage. City
20 may charge rental for usage at all times other than Fair Board usage. Said rental
21 proceeds shall belong to the party in possession during the rental period of such
22 equipment. The City shall have the right to store such equipment in Fair Board
23 buildings other than this Arena during times said equipment is not used in the Arena.

24 Each party shall maintain the equipment at their own cost during that party's
25 time of usage.

26 From time to time additional equipment may be purchased in a joint manner and
27 said agreement may be amended to provide for terms of usage, storage, rental and
28 repair.

30 XIII.
SEATING CAPACITY

31 No changes to the present seating capacity shall be made by any parties with-
32 out written permission of the City Council of the City of Windom. No seating

1 for any event shall exceed that seating as established by the State Fire Marshal
2 as being within the safe occupancy range of this building. Failure to abide by
3 this term shall cause cancellation of the Fair Board lease for that portion of
4 the lease period when such violation of terms remain unaltered.

XIV.

AMENDMENTS TO THIS AGREEMENT

5
6 It is hereby mutually agreed that the City of Windom, through the Arena
7 Commission and the Cottonwood County Agricultural Society may hold at least one
8 meeting per year, between the months of January 1 through March 31, in each and
9 every year for the purposes of determining needed amendments to this agreement.
10 Said amendments that are agreed to shall be presented to the City Council of the
11 City of Windom, by the Cottonwood County Arena Commission for ratification. The
12 City of Windom herein agrees to provide services for the recording of amendments
13 and rewriting of this agreement.

14 All amendments to this agreement must be approved by recorded motion of the
15 City Council of the City of Windom and by recorded motion of the Cottonwood County
16 Agricultural Society to become binding and operational. All amendments must be in
17 writing by modification of this document or addendum to this document.

18 CITY OF WINDOM

COTTONWOOD COUNTY AGRICULTURAL SOCIETY

19 By: John L. Galle, Sr.
20 Its Mayor

By: Maurice Mitchell
Its President

21 By: Donn W. Nelson
Its Clerk

By: Herman Vossen
Its Secretary

MANAGEMENT CONTRACT

WHEREAS the Cottonwood County Fair Board, hereafter called Board, is the authorized representative of Cottonwood County for the purposes of rental and maintenance of buildings at the Cottonwood County Fair Grounds, and;

WHEREAS, the Cottonwood County Arena Commission, hereafter called Commission is the authorized representative of the City of Windom for the purposes of management and maintenance of the Arena located in the Cottonwood County Fair Grounds; and

WHEREAS, the Board has occasions to rent, for the purpose of horse boarding certain buildings fitting this use at the times when the Commission is conducting horse related activities at the Arena; and

WHEREAS, the Board finds the Commission to have suitable personal and facilities to negotiate these rents, collect these rental fees, and supervise the use of said rental buildings;

NOW THEREFORE, it is hereby agreed that the Board authorizes the Commission or their representative to negotiate the rental, collect the rent and supervise the use of said buildings at all times when said Commission or their representative finds it necessary for their Arena purposes or desirable for the efficient use of said buildings by the Board, without any liability on behalf of said Commission or the City of Windom for damages to said facilities or failure of renters to fully pay said rental.



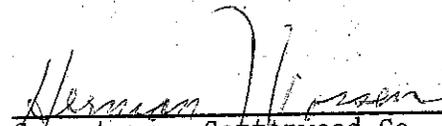
Chairman - Cottonwood Co. Arena Comm.



Chairman - Cottonwood Co. Fair Board



Secretary - Cottonwood Co. Arena Comm.



Secretary - Cottonwood Co. Fair Board

Cottonwood County Agricultural Society
City of Windom, Minnesota

LEASE

THIS AGREEMENT, made this 4th day of December, 1985, by and between the Cottonwood County Agricultural Society, a corporation hereinafter referred to as "Fair Board", party of the first part, and the City of Windom, Minnesota a municipal corporation hereinafter referred to as "City", party of the second part.

WITNESSETH, that the said party of the first part, in consideration of the rents and covenants hereinafter mentioned, does hereby remise, lease and let unto the said party of the second part, and the said party of the second part does hereby hire and take from the said party of the first part, the following described premises situated in the County of Cottonwood, and the State of Minnesota, viz:

Beginning at the NW corner of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, thence South at right angles and parallel to the West line of the NE $\frac{1}{4}$ a distance of 477 feet. Thence East at right angles a distance of 36 feet. Thence South at right angles a distance of 83 feet. Thence East at right angles and parallel to the North line of the NE $\frac{1}{4}$ a distance of 457 feet, more or less, to a point on a line intersecting the East line drawn parallel with the distant 13 feet West of the East line of 8th Avenue extended North; thence North at right angles a distance of 560 feet, more or less to the North line of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 26, thence West along said North line of SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 26 to the point of beginning.

AND

Lots 1 and 2 Block 1 Ringkob and Pope's Addition; and Lot A Ringkob and Pope's Addition.

which is part of the party of the first part's land located in the Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 26, Township 105, Range 36, generally abutted by the East line of 7th Avenue extended on the East, by the South line of 14th Street extended on the South; by the West line of 9th Avenue extended on the West; by the North line of the Southeast quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 26, Township 105, Range 36 on the North, and contains part of Lots 1 and 2 in Block 1, in Ringkob and Pope's Addition to the City of Windom, Blocks A, B, and C, in Ringkob and Pope's Addition to the City of Windom, and Lots 7, 8, and 9 in Fairground Rearrangement in the City of Windom.

To Have and to Hold, the above rented premises unto the said second party, their heirs and assigns, subject to the conditions and limitations hereinafter mentioned for and during the full term of Forty (40) years from and after the 31st day of December, 1985, the term of this Lease ending the 31st day of December 2025.

At the conclusion of the 40 year lease period, (December 31, 2025) this lease can be renegotiated for a renewal period by mutual agreement of the parties.

Party of the first part will convey to the party of the second part an easement for egress and ingress over and across 8th Avenue extended North to the above subject property.

The said second party agrees to and with the said first party to pay as rent for the above mentioned premises, for and during the full term of this Lease, the sum of One Dollar (\$1.00) per year, payable on or before the 1st of each year.

In addition to the above terms and conditions the parties herein agree to enter into an agreement which shall be called an "operating agreement" which shall describe the manner of operation, events, methods of amendment to said agreement, membership on the City Commission operating said leased property, method of gaining permission to alter or add to said building and such other terms as shall be contained in the "operating agreement".

It is Further Agreed, By and between the parties as follows: That should the said second party fail to make the above mentioned payments as herein specified, or to pay any of the rent aforesaid when due, or fail to fulfill any of the covenants herein contained, then and in that case said first party may re-enter and take possession of the above rented premises, and hold and enjoy the same without such re-entering working a forfeiture of the rents to be paid by the said second party for the full term of this lease.

And the said second party also covenants and agrees to and with the said first party that they will at the expiration of the time as herein recited, quietly yield and surrender the aforesaid premises to the said first party, or their heirs or assigns in as good a condition and repair as when taken, reasonable wear and tear and damage by the elements alone excepted.

And the said first party covenants that the said second party, on paying the rent and performing the covenants aforesaid, shall peaceably and quietly have, hold and enjoy the said remised premises and the said second party agrees to maintain and occupy the building thereon for the term aforesaid. In the event of any rents due hereon being collected by suit, the second party further agrees to pay all expenses which may be incurred thereby.

Words used in this instrument in the masculine gender include the feminine and neuter. The singular includes the plural and the plural the singular.

IN TESTIMONY WHEREOF, Both parties have hereunto set their hands the day and yea. hereinbefore written.

CITY OF WINDOM

COTTONWOOD COUNTY AGRICULTURAL SOCIETY

By: John L. Galle, Sr.
Its Mayor

By: Maurice Mitchell
Its Pres

By: Donn W. Nelson
Its Clerk

By: Herman J. Vossen
Its Secretary

STATE OF MINNESOTA

COUNTY OF COTTONWOOD

On this 4th day of December, 1985, before me, Sharron Tibodeau, a notary public within and for said County and State, personally appeared the City of Windom, by John L. Galle, Sr., Its Mayor, and Donn W. Nelson, Its Clerk to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Sharron Tibodeau
Notary Public, Cottonwood Co., MN
SHARRON TIBODEAU
NOTARY PUBLIC - MINNESOTA
COTTONWOOD COUNTY
My Commission Expires Apr. 30, 1988

STATE OF MINNESOTA

COUNTY OF COTTONWOOD

On this 4th day of December, 1985, before me, a notary public within and for said County, personally appeared Maurice Mitchell and Herman J. Vossen to me personally known, who, being each by me duly sworn they did say that they are respectively the Pres and the Secr. of the corporation names in the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Cottonwood Ctn Fair and said Maurice Mitchell and Herman J. Vossen acknowledged said instrument to be the free act and deed of said corporation.

Sharron Tibodeau
Notary Public, Cottonwood Co., MN
SHARRON TIBODEAU
NOTARY PUBLIC - MINNESOTA
COTTONWOOD COUNTY
My Commission Expires Apr. 30, 1988

LEASE

THIS AGREEMENT, Made and entered into this 24 day of December, 1974 by and between Cottonwood County Agricultural Society, a corporation hereinafter referred to as the "Fair Board", party of the first part, and the City of Windom, Minnesota, a municipal corporation, hereinafter referred to as the "City", party of the second part;

PREAMBLE

The Fair Board is the owner of a tract of land in the Southeast Quarter of the Northeast Quarter of Section 26, Township 105, Range 36 generally abutted by the East line of Seventh Avenue extended on the East, by the South line of Fourteenth Street extended on the South; by the West line of Ninth Avenue extended on the West and by the North line of the Southeast Quarter of the Northeast Quarter of Section 26, Township 105, Range 36 on the North. In addition, the Fair Board is the owner of Lots 1, 2, 3, 4, 5 and 6, all in Block 1 in Ringkob and Pope's Addition to the City of Windom, Blocks A, B and C in Ringkob and Pope's Addition to the City of Windom and Lots 7, 8, 9, 10, 11 and 12 in Fairgrounds Rearrangement in the City of Windom. The property is used for County Fair purposes. There is situated on the fairgrounds a grandstand seating approximately 2,000 people.

The Fair Board proposes to lease the grandstand area to the City and the City proposes to erect a building 200 feet by 250 feet over the grandstand, such building to be used for County Fair purposes during the time that the County Fair is in session and to be used by the City for a variety of public purposes including exhibitions, conventions, theatre, all sports, skating and the like during the time that the Fair is not in session. The proposed building will be insured, maintained and managed by the City under the direction of the Windom Arena Commission; the Fair Board shall be entitled to appoint one-third of the members of the Windom Arena Commission subject to the approval of the Board of County Commissioners of Cottonwood County.

In addition to the area required for the building, it will be necessary that the City have access to an area around the building together with a parking area on the fairgrounds sufficient to park cars. It will also be necessary that the City have access to the building from the public streets involved.

The City proposes to borrow approximately \$600,000.00 from the Farmers Home Administration, such loan to be amortized over a period of 30 years, with interest as specified by FHA at the time of loan approval, and requiring approximately equal annual amortization payments. The loan will be secured by Revenue Bonds issued by the City of Windom.

The Fair Board will participate in payments toward debt reduction so long as funds for such purpose are annually allotted to it by the Cottonwood County Board of Commissioners from tax funds.

NOW, THEREFORE, In consideration of the premises and of the mutual covenants and agreements of the parties, it is hereby understood and agreed:

1) That the Fair Board will lease to the City the following described premises:

All that part of the Southeast Quarter of the Northeast Quarter of Section 26, Township 105, Range 36; Block A of Ringkob and Pope's Addition to the City of Windom and Lots 1, 2, 3 and 4 all in Block 1 of Ringkob and Pope's Addition to the City of Windom bounded by the following described lines:

On the North by the North line of the South Half of the Northeast Quarter, Section 26, Township 105, Range 36;

On the East by a line drawn parallel with and distant 13 feet West of the East line of Eighth Avenue extended North;

On the South by a line drawn parallel with and distant 560 feet South of the North line of the South Half of the Northeast Quarter, Section 26, Township 105, Range 36, being 60 feet South of the existing grandstand;

On the West by the East line of Tenth Avenue;

Being a tract approximately 560 feet North and South and 625 feet East and West, and containing 8.03 acres more or less.

Together with an easement for ingress and egress over and across Eighth Avenue extended North to the above described property.

All as more particularly shown on a portion of the map of the City of Window hereto attached and marked Exhibit "A".

for a period of 50 years from and after December 1, 1974. This lease can be re-negotiated for a renewal period by mutual agreement of the parties.

2) The Fair Board shall have the exclusive use of the leased property described herein for a term ^{beginning} / one week before ^{ending} the Cottonwood County Fair and / three days after the close of the Fair.

3) During all of the year except the time above set forth for use by the Fair Board, the City shall have the full use and occupancy of said leased property; provided, however, that the Fair Board shall have an easement for access to other parts of the fairgrounds over and across the East 60 feet of the South 110 feet of the leased property.

4) The Fair Board will pay to the City \$5,500.00 annually, to be paid on or before December 31 in each year, commencing with the year 1975, to be applied by the City to annual payments required for reduction of arena indebtedness until the initial construction loan has been repaid, so long as and/or provided said sum of \$5,500.00 is allotted to and received by the Fair Board out of tax funds of Cottonwood County for the purpose of debt reduction of said building in addition to funds required by the Fair Board to operate the Cottonwood County Fair.

5) The City will provide all insurance, maintenance and management of the building to be constructed and for the grandstand presently existing or any replacement thereof. Any insurance benefits collected by the City for damage done to the grandstand will either be applied to repair or replacement of the grandstand or turned over to the Fair Board. The City will also carry liability insurance relating to the operation of the building.

6) The Fair Board will grant to the City any and all necessary easements for ingress and egress and installation of public utilities; installation of public utilities shall be

provided without charge by the City of Windom.

7) The City may improve other areas of the fairgrounds by grading, graveling, hard surfacing, lighting and the like with the approval of the Fair Board, such approval to be granted absolutely if the improvement is required by governmental regulation.

8) Upon completion of payment of the initial construction loan, secured by general revenue bonds of the City, the City and Fair Board shall each proportionately share in the annual net profit of the arena in the ration of dollars paid toward debt reduction, improvements and maintenance on and for said arena by the City and Fair Board during the period of operation of said arena up to the time of the initial construction loan has been repaid with the Fair Board's investment to include \$54,000.00 which is considered to be the value of the land and improvements owned by the Fair Board at the initiation of this lease. The City's share of said debt reduction, improvements and maintenance shall include labor of City employees expended on construction or maintenance of said arena at a standard hourly billing in addition to materials furnished or purchased for said arena by the City, but the City's share of said debt reduction, improvements and maintenance shall only be such sum which is over and above gross profits of the arena - i.e. the arena shall pay all expenses incidental to its operation including management, maintenance, improvements and debt reduction out of gross revenues and any deficit which is paid in any year by the City shall then be considered toward determining the ratio of money paid by the City and Fair Board.

9) The City shall have the right to alter the grandstand located on said premises so as to make the said grandstand and building comply with any and all building regulations, fire and safety regulations and the like promulgated by the State of Minnesota.

10) At the expiration of the lease, the City at its option may remove all removable property in the nature of ice

making equipment, ice rink, kitchen, amusement devices and the like.

11) The Fair Board agrees to remove the existing wooden structures under the grandstand and to remove the existing wooden fence abutting the grandstand when requested by the City.

IN WITNESS WHEREOF, the parties have caused these presents to be executed in their corporate names the day and year first above written.

COTTONWOOD COUNTY AGRICULTURAL
SOCIETY

By Maurice Mitchell
President

By James A. Clark
Secretary

CITY OF WINDOM, MINNESOTA

By Wm. L. ...
Mayor

By W. W. ...
Clerk