

MANAGEMENT AGREEMENT FOR MCKINLEY PARK

AGREEMENT made this 31st day December, 2025 by and between the Township of Breitung, a municipal corporation existing pursuant to the laws of the State of Minnesota ("Owner"), and _____, an independent contractor, ("Manager").

RECITALS

WHEREAS, the Owner owns certain premises known as McKinley Park (the Park) a recreation area with campsites, picnic area, beach, and related amenities on Lake Vermilion located at 5563 Hoodoo Point Road, Soudan, MN 55782;

WHEREAS, Owner desires to contract with an independent contractor for the operation and management of the Park on the terms and conditions set forth in this Management Agreement ("Agreement"); and

WHEREAS, _____, represents that he/she desires to manage the premises as an independent contractor in accordance with the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the premises and mutual covenants herein set forth, the Owner and Manager enter into this Agreement for the management of McKinley Park, the specific terms and conditions of which are as follows:

Section One Term of Agreement

This Agreement shall be effective for one year commencing on January 1, 2026 and shall terminate on December 31, 2026. With an option to renew for one year and extended through December 31, 2027, unless either party gives the other written notice of its intention not to renew on or before November 30, 2026. No cause need be given for non-renewal of the Agreement; both parties stipulate that neither is under a renewal obligation with respect to this Agreement nor hereby waive any claim(s) that they might have against the other on account of such non-renewal.

Contract shall be in effect upon satisfactory completion of a criminal background check by the local police department.

This instrument may be amended or modified only by an instrument of equal formality, signed by all duly authorized representatives of the parties.

Section Two

Purpose and Use of Premises

The premises have been developed as and for a campground, park and for recreational purposes. The Park premises include 70 campsites with utility hook-ups, a public beach, picnic area, showers, boat launch, store, and related amenities. Manager has inspected the Park prior to entering into this Agreement and hereby represents that they are capable of maintaining the Park in a condition at least equal to its present condition and of operating it in a manner consistent with its previous operation.

Owner hereby grants to _____, subject to all provisions of this Agreement, the right to the full access and operation of the Campground or Premises, including all buildings and related site facilities and amenities located at 5563 Hoodoo Point Road, Soudan, Minnesota 55782.

Manager shall permit the township, its officials, employees, or agents to access and inspect the premises at any time. Manager shall not change the locks or otherwise prohibit or inhibit the township access to any portion of the premises. The Public Works Supervisor shall be exclusively responsible for the design of keying systems, lock changes, key fabrication, and key distribution. Manager shall promptly return all keys to the Town Clerk upon termination of this agreement. In addition, Manager shall permit the township full access to the premises for maintenance, repairs, and upgrades to the premises.

Manager shall not make any alterations or improvements to the Property that are not herein described without the prior written consent of the Owner and upon the terms and condition which may be imposed by the Owner. Manager agrees to pay to the township upon demand the reasonable costs incurred by the owner to repair any damage done to the premises by manager, its employees, volunteers, servants, agents, contractors, invitees, and licensees during the term of this agreement. Manager shall not remove any tree without the written permission from the township. This does not include trees that have substantial damage or fallen due to wind or storm damage.

Manager may, at its sole cost and expense, make suitable improvements or alterations to the Premises upon advance written approval from the Owner. All such improvements if not removed by host at the end of the term (excluding appliances and equipment plugged into an electricity source) shall become the property of the Owner. Prior to commencing any improvements or alterations, Manager shall submit to the Owner a Project Proposal Request along with detailed plans. These documents shall be submitted to the Owner at least thirty (30) days before the planned commencement of the work. No work may begin on any approved project until all necessary building permits are secured. All construction shall conform to state law and all applicable building codes. Manager further agrees that not less than thirty (30) days prior to commencement of any construction, alteration or improvement on said Premises, Manager will provide the Owner with sufficient proof of

required insurance, including worker's compensation. Such proof of insurance must be filed with the Town Clerk before the commencement of any construction hereunder.

Manager acknowledges and agrees that there shall be no smoking or use of tobacco, alcohol, or cannabis whatsoever in any building on the premises

Section Three

Manager Responsibilities

Manager shall have overall responsibility for the operation and management of the Park, subject to the conditions or limitations set forth herein, and to the requirements of any law or administrative enactment applicable to the premises. Without limiting the foregoing, Manager shall be responsible for leasing of camp sites and collecting rent thereon, for maintaining the beach, picnic area, and various amenities in good order and in suitable condition for their customary use; for operating the Park store; and for recording, reporting, and forwarding all revenues collected from all Park activities to the Owner all as more fully and specifically described herein:

Manager agrees to operate the Campground with the following schedule:

Camping season shall commence on May 1 and end with the close of business on September 30

A. Leasing of Campsites:

Manager shall be responsible for all leasing activity related to campsites and shall use his best efforts to secure campers for all available sites from May 1st through September 30th. Manager shall give preference in leasing to lessees and to long term (seasonal) leases over short term (less than one month) leases. Manager shall be responsible for developing an appropriate form of lease and for determining the terms of such leases including the rents and payment schedules, termination provisions, and any other terms which in the Manager's opinion are necessary to promote the enjoyment of the Park by its patrons and the overall profitability of the Park, all of which shall be subject to approval by the Owner. Manager shall be responsible for screening of campers and for evicting campers should eviction be necessary. Manager agrees to consult with Owner prior to commencing any eviction action.

Manager shall handle all incoming reservations, phone calls, and processing beginning on February 1 of each year for the duration of this Agreement. It is also expected the Manager staffs the office for Monthly Reservations for each season, and reviews and returns calls and emails during the Monthly Reservation period. Manager will respond as soon as possible and within 24 hours to requests for reservation and/or additional customer service questions during the summer season.

Manager agrees to charge camping rates approved by the Township, as provided at the commencement of this contract.

Manager is required to adopt and enforce a campground policy approved by the Owner prior to the start of each summer season that outlines the camping patron's responsibilities including, but not

limited to, pet owner responsibilities. The campground policy shall include actions taken if policy is violated. The parties acknowledge that any amendments to the campground policy shall be submitted to the Town Clerk for review and approval by the Town Board.

Manager acknowledges and agrees that all reservations and all reservation data collected during the term of this agreement are the property of the township and manager shall hold all information associated with the reservations in strict confidence and all such information shall not be used by manager except to fulfill its obligations under this agreement. Manager shall not utilize reservation information stored by manager and provided by the Owner to communicate with any individual except to provide stay related information to the individual.

Owner agrees to provide a suitable computer or tablet and printer to manager to be used for the sole purpose of maintaining the reservation system and providing receipts to campers

B. Cleaning and Maintenance:

Manager shall be responsible for maintaining the Park premises in good, sanitary, and neat order, condition, and repair. Manager's responsibilities shall include, but not be limited to the following: cleaning and servicing the restrooms at least once daily, cleaning the store, picnic shelters, fish cleaning shack, playground, and periodically raking the beach as necessary to keep these areas in suitable condition for safety, public enjoyment and recreational use; picking up of litter, cutting grass, and removal of debris throughout the Park; and performing minor maintenance and repairs such as repairs to screens, docks, tie-downs, picnic tables, and campsites. The washroom facilities will also be checked prior to office closing and cleaned as needed. Manager must also abide by all applicable cleanliness guidelines released by Federal and State agencies. Manager is responsible for identifying pests including bugs, spiders, rodents, and dangerous plant species and coordinating their removal; if the manager is unable to mitigate a pest problem, owner will be contacted to enlist the services of a professional exterminator. Owner shall assist Manager with spring set-up activities such as placing tables at the sites, hooking up water, putting in docks, etc., and with closing related tasks in the fall. If, for any reason, Owner does not assist with such opening and closing activities, Owner agrees that the cost of hiring assistance for such activities shall be considered an operating expense payable by Owner. Additionally, owner agrees to undertake all necessary major maintenance and repair at the park.

Owner shall provide lawn mowers and hand tools; gasoline for tools can be procured from the Soudan Store and charged to the owner's account at that business. Owner shall provide all necessary supplies for cleaning and the proper supplies for campers' enjoyment including but not limited to: cleaning products, paper towels, and hand soap. Manager shall provide a list of items to be ordered to the township clerk on a weekly basis. Upon the completion of this contract, Manager shall return to the township all unused supplies, tools, and equipment. Manager is expected to use, clean, and maintain Owner-provided equipment in a respectable and orderly fashion. Normal wear and tear is expected; abuse of equipment will require repair paid for by Manager.

C. Sewage Collection:

Manager shall arrange for sewage collection service to campsites at least two times per week. Manager may opt to conduct the collection using the owner's honey-wagon tank and his/her own utility vehicle or to enlist the services of another entity; if an outside entity is utilized, Manager is responsible for the costs of such contract.

D. Manager On-Site:

The Manager shall live at the Park from the Friday of Memorial Day weekend through the Monday of Labor Day Weekend. It will be at the Managers discretion should they choose to live at the Park any other time the Park is open. Owner shall provide one campsite for such purpose without charge, provided that Manager shall provide his/her own camper; Manger's site shall be clearly marked, and its location shall be posted at the campground office.

In the event that the Manager must be away from the Park for more than a few hours at any one time, Manager shall arrange for an adult to remain on-site during their absence. The costs of any such substitute coverage shall be the exclusive responsibility of Manager. In no event shall Manager be away from the Park for more than 24 hours without notifying Owner and obtaining Owner's approval for such absence which approval shall not be unreasonably withheld.

Manager shall be available by cell-phone at all times during which the Park is open, i.e., from May 1st through September 30th. Manager shall not reside on Park premises from October 1st through April 30th.

E. Park Staff and Service Providers:

Manager may employ such persons or entities as Manager deems necessary to carry out his responsibilities under this Management Agreement, provided that all such persons or entities shall have an employment relationship solely with the Manager and Manager shall be solely liable for such persons' or entities' salaries or wages, payroll taxes, benefits, insurance, and the like.

F. Park Revenues:

Manager shall be responsible for collecting and depositing all revenues from Park activities, including, but not limited to, revenues from campsite or picnic area rentals; dump station fees, parking fees, boat launching fees, showers and laundry, air conditioning, and electricity; and any and all other charges or fees assessed to patrons of the Park for any purpose whatsoever, into the account established by the Owner for this purpose. At Owner's request, Manager shall provide a bond in an amount determined adequate by the Owner to insure the return of any revenues lost, stolen, or otherwise diverted.

G. Park Store:

Manager shall operate the Park store for the convenience of the Park patrons. Manager will be expected to sell standard items associated with camping including firewood and ice; manager may sell ice, soda, confections, candy, chips, ice cream, coffee, laundry detergent, liquid propane, apparel, games, books, and similar items. No alcohol-, cannabis-, or tobacco- related products shall be sold in the Park store or otherwise on Park property. Manager shall be responsible for maintaining the

store accounts. Manager shall be responsible for paying any applicable taxes or other fees owed on account of store sales. The Manager will retain all profits from the sale of store items; Manager accepts total financial responsibility for any operating deficit they incur during the operation of the campground pursuant to this agreement. The Manager is responsible for providing their own shelving, refrigeration units, or other such equipment necessary to display and sell any items they choose; such pieces of equipment are expected to be kept in good working order, secured safely, and without damage to the premises.

During the summer season, the campground office will be open daily for camper check-in and check-outs, general assistance as requested or needed, along with performing all routine maintenance, as required. The following office hours shall be in effect for the summer season (The Friday before Memorial Day Weekend – Labor Day Monday), Owner desires a minimum 6 hours/day:

Monday: _____
Tuesday: _____
Wednesday: _____
Thursday: _____
Friday: _____
Saturday: _____
Sunday: _____

The following office hours shall be in effect for the shoulder seasons (May 1st through the Thursday before Memorial Day Weekend and the Tuesday following Labor Day through September 30th) Owner desires a minimum of 3 hours/day:

Monday: _____
Tuesday: _____
Wednesday: _____
Thursday: _____
Friday: _____
Saturday: _____
Sunday: _____

H. Complaints:

Owner shall provide Manager a form for Park patrons' use in registering complaints or concerns regarding the Park's facilities or operations. Manager shall provide a copy of such form to each campsite renter upon his arrival at the Park and shall have such forms readily accessible to Park patrons in the Park store.

I. Inspection:

Prior to the opening of the Park in May and no less often than weekly during the season, Manager shall thoroughly inspect the Park, including the beach and dock areas, for any concealed dangers or

hazardous conditions and shall post or otherwise provide appropriate warning of such for the safety of Park patrons.

J. Liens:

Manager shall keep the premises and every part thereof and all buildings and other improvements at any time located thereon free and clear of any and all mechanics,' material men's and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any Park operations.

Section Four Compensation

Owner agrees to pay the Manager, as and for such services pursuant to this contract as follows:

1. \$ _____ for the 2026 season
2. One campsite provided to manager at No Charge; host cannot sublet or allow others to use their site without prior approval from owner
3. Compensation will be made bi-weekly on the dates that the township treasurer designates on the 2026 pay schedule, with payments beginning with the first payday of the month of May and ending with the first payday of the month of November. Payments will be divided equally among the bi-weekly payment schedule.
4. Final payment will be held until the final submission of all required payments and paperwork and after a final walkthrough of the entire campground has been completed with manager and public works staff in attendance

Section Five Operating Expenses

The Owner shall be financially responsible for all necessary utilities to the premises, including but not limited to electric service, water service, and trash collection. During the winter season, seasonal water will be discontinued for all campsites. The Owner shall also be responsible for landline telephone, internet services, and/or other utilities or services not specifically mentioned in this agreement. The township shall provide no less than one business telephone line to be used exclusively for the campground.

The Manager shall be responsible for the merchandise for sale in the Park store, all fees and taxes related to park store sales, and for the payment of sewage pumping contracts should they choose to utilize such a service.

The Manager is expected to work directly with vendors as necessary for the smooth operation of the park including but not limited to On Systems for Wi-Fi services, CTC for phone & internet services, A1 Services for sanitary waste services, and G-Men for trash services

Owner shall provide Management a \$1,000 stipend to be used for the benefit of McKinley Park Campground's campers and public visitors. Stipend should be used to purchase items to be retained as Owner's property for the benefit of McKinley Park Campground patrons and visitors. Such items may include but are not limited to recreational water toys & devices, community-use recreation equipment such as basketballs, basketball nets, tables, chairs for use around fire pits, or other items as management sees fit.

Section Six Records and Reports

Manager shall submit all receipts for payments made from the operating account during the previous week as well as deposit receipt(s) showing proper deposit of all revenues. Owner or owner's designee shall periodically review and audit all Park accounts and Manager shall cooperate fully with such review and audit.

Manager shall submit a bi-weekly report for the previous week to the Town Clerk; report should contain campsite occupancy, revenues, and expenses, as well as a narrative report of any significant incidents or issues. Reports will be presented as part of the regular monthly meeting, managers are encouraged and may be required to attend.

Upon completion of the camping season, Manager agrees to provide to the township a detailed written report, which includes, but is not limited to the following: inventory of sales (washer/dryer/showers, boat launch fees), inventory of township property, maintenance, and upkeep logs, lodging reservations, list of needed maintenance, and after-action report addressing continuing problems, successes, improvements suggested for next season and lessons learned. Manager must the regular October board meeting to confirm the intent to continue as manager and answer any questions the board may have regarding the final report.

Manager shall notify the Clerk-Treasurer in writing of any incident or injury or loss or damage to the Premises or any of Manager's participants or invitees occurring within the Premises during the term of this Agreement, except for damage to Manager's personal property. Such written report shall be in a form acceptable to the Township's Claims Investigator and Adjuster.

Section Seven Old Settlers' Day

On that day each year designated as OLD SETTLERS' DAY, all beach and picnic area fees are to be waived for Breitung Township residents and guests. Manager shall cooperate fully with Owner in preparing for and hosting any and all special activities in celebration of Old Settlers' Day. Manager agrees that waived fees and charges are not to be considered as revenues in determining Manager's compensation.

Section Eight Termination

This contract will terminate on the date specified under Section One unless terminated prior thereto in accordance with any of the following provisions:

- A. Non-performance.** If Manager or Owner fails to fulfill any one or more of their respective obligations under this Agreement, the other party may terminate this Agreement upon fifteen (15) days' written notice, provided that prior to such termination, the party claiming the breach must offer to meet with the allegedly breaching party in a good faith effort to resolve the alleged breach. If the allegedly breaching party refuses to meet or if after meeting the parties are unable to resolve the matter to their mutual satisfaction, then either party may terminate the agreement by serving written notice of such termination on the other party. Such termination shall take effect fifteen (15) days from the date the notice is received unless an earlier or later termination date is agreed to by the parties. In any subsequent breach, the party alleging the breach shall not be obligated to offer to meet and discuss the matter with the breaching party and may elect to proceed immediately to notify the breaching party of termination.
- B. Financial Mismanagement.** If Manager fails to perform his financial responsibilities under this Agreement, or if Owner has reason to believe that Manager has acted improperly with respect to Park funds, Manager may be terminated immediately, provided that prior to termination Owner shall inform Manager of the reasons for such termination and provide Manager with an opportunity to respond thereto. Improper use of Park funds shall include, but not be limited to, use of Park funds to purchase items or services not necessary for the maintenance or operation of the Park or conversion of any Park revenues or property to the personal use or benefit of any person or entity other than the Owner.
- C. Inappropriate or Illegal Conduct.**
The township may unilaterally terminate or suspend this agreement immediately if the township believes in good faith that the health, welfare, or safety of the premises, its occupants, users, or neighbors would be placed in immediate jeopardy by the continuation of this agreement. Any unlawful conduct on the part of Manager or anyone acting on Manager's behalf or at Manager's direction, or any conduct which is inappropriate in light of, or

inconsistent with, the Manager's responsibilities or is likely to adversely affect the safety or reputation of the Park or its patrons' enjoyment thereof shall be grounds for immediate termination. Owner may consider Manager's behavior when off duty and/or away from the Park. The township, in addition to other rights or remedies it may have, shall have the immediate right of reentry to the premises. In the event of immediate termination of this agreement, the township may remove all persons and property from the premises. All personal property remaining on the premises after five (5) days written notice shall become the exclusive property of the township.

Upon termination of this Agreement, Owner shall pay Manager all compensation due and owing under this Agreement provided, however, that Owner may delay payment of all such amounts until Manager has vacated the Park and may reduce such compensation by any amount reasonably necessary to restore the Park premises to the condition, they were in at the time Manager assumed responsibility therefore under this Agreement, usual wear and weathering excepted.

Upon expiration or early termination of this agreement for any reason, Manager shall remove all its personal property from the premises pursuant to this section. All personal property remaining on the premises after manager surrenders possession to the township shall become the exclusive property of the township.

Upon expiration or termination of this agreement for any reason, manager shall remit to the township within five (5) business days the following:

1. Dates, organization names, contact person(s), and contact information relating to all future rentals, permits, and uses of the premises or any portion of the premises authorized by Contract.
2. Copies of any permits, agreements, or other documents relating to all future rentals, permits, and uses of the premises or any portion of the premises authorized by contractors
3. Accounting of all fees collected relating to all future rentals, permits, and uses of the premises or any portion of the premises authorized by manager
4. Check reimbursing the township in full for all fees collected and other amounts due to the township under this agreement, including but not limited to deposits and fees relating to all future rentals, permits, and uses of the premises or any portion of the premises authorized by manager
5. Such other information reasonably requested by township

Section Nine

Independent Contractor Status, Insurance, and Indemnity

Owner and Manager acknowledge and agree that Manager is an independent contractor, and not an employee of Owner, and that Manager will have no authority to bind Owner or otherwise incur liability on behalf of Owner except as may be specifically provided for herein. Owner will have no obligation whatsoever to provide any employee benefits or privileges of any kind or nature to Manager; Manager shall not be entitled to unemployment compensation, workers' compensation, health insurance, other

fringe benefits, or the like. Further, Manager agrees that Owner is not responsible to collect or withhold any federal, state, or local taxes, including income tax and Social Security, and that any and all taxes imposed, assessed, or levied as a result of this Agreement on Manager shall be paid solely by Manager.

If the Manager hires any employees, such employees shall be the sole responsibility of the Manager and shall not constitute employees of the Township. Manager is solely responsible for the safety of his person or property or that of his employees and is at liberty to obtain insurance for his own account as against any such liabilities. Manager agrees to indemnify Owner and hold Owner harmless for any injuries or damages suffered by Manager or his employees or agents in connection with or arising from Manager's performance under this Agreement and for any injuries or damages to any person or property arising from the negligent or wrongful conduct of Manager, his employees, or agents.

It is highly recommended that the manager purchase a commercial liability insurance policy from a reputable insurance source; additional insurance information to be announced based on recommendations of League of Minnesota Cities Insurance Trust.

Section Ten Compliance with Laws

Manager shall be responsible for complying with all applicable laws, rules, regulations, ordinances, and the like, including obtaining all necessary fees, permits, licenses, and authorizations, the costs of which shall be considered an operating cost, provided that Owner has approved the same. Copies of all such permits, fees, licenses, and authorizations shall be provided to Owner.

If manager receives a request for data under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, Manager will immediately notify the township of said request, consult with township and allow township to respond to such data request.

Section Eleven Attorneys' Fees

In any action to enforce the terms of this Agreement, the prevailing party shall be awarded reasonable costs and attorneys' fees upon demand.

Section Twelve Notices

All notices, demands, or writings in this Agreement provided to be given by either party shall be delivered to the same in person or, if mailed, shall be deemed to have been given when postmarked and addressed as follows.

To Owner: Township of Breitung, PO Box 56, Soudan, MN 55782

To Manager: _____

Section Thirteen

Signatures

Manager: _____

Owner: Breitung Township

Signature-

Chairman of the Board-Matthew Tichel

Name Printed

[illegible]

MINNESOTA)
) ss.
OF ST. LOUIS)

__ day of December, 2025, before me, a notary public within and for said State of Minnesota,
appeared Matthew Tichel, Chairman of the Board, Breitung Township, County of Washington,
herein and who executed the foregoing instrument, and acknowledged that he executed the same
as his/her free act and deed.

Notary Public

Notary Public

On this ____ day of December, 2025, before me, a notary public within and for said County, personally appeared Matthew Tuchel, Chairman of the Board, Breitung Township to be the person described herein and who executed the foregoing instrument, and acknowledged that (s)he executed the same as his/her free act and deed.