

**LEASE AGREEMENT – 411 WATER STREET  
Northfield Arts Guild**

**THIS LEASE AGREEMENT** (the “Lease” or “Agreement”) is dated this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the **CITY OF NORTHFIELD**, a municipal corporation under the laws of the State of Minnesota (the “City” or the “Landlord”), and **NORTHFIELD ARTS GUILD**, a nonprofit corporation under the laws of the State of Minnesota (the “Tenant”); (collectively the “Parties”).

WHEREAS, the City is the owner of certain real property with a building thereon located at 411 Water Street in the City of Northfield, Minnesota; and (the “Building” or “Property”); and

WHEREAS, Tenant wishes to lease a certain portion of the Building designated herein; and

WHEREAS, the Landlord is willing to lease to Tenant the certain portion of the Building designated herein for the purposes stated herein subject to the terms, covenants, and conditions contained in this Agreement.

**NOW, THEREFORE**, in consideration of the terms and conditions of this Lease, Landlord and Tenant agree as follows:

**ARTICLE ONE  
Definitions and Terms**

As used in this Lease, the following terms shall have the specific meanings set forth below:

- 1.1 “Commencement Date” means February 1, 2025.
- 1.2 “Expiration Date” means January 31, 2027, except as otherwise provided in this Agreement.
- 1.3 “Premises” means the approximately 3,856 square feet of the Building as designated herein and depicted on Exhibit A, which is attached hereto and incorporated herein by reference.
- 1.4 “Landlord” means the City of Northfield, having as the address for notice purposes: 801 Washington Street, Northfield, MN 55057; Attention: City Administrator.
- 1.5 “Tenant” means Northfield Arts Guild, having as the address for notice purposes: 304 Division Street South, Northfield, MN 55057; Attention: Susan Carlson.

**ARTICLE TWO**  
**Demising Clause and Permitted Use**

2.1 Demise. Landlord leases to Tenant and Tenant leases from Landlord the Premises on the terms and conditions contained in this Lease.

2.2 Permitted Use.

- a. Tenant shall have the right to occupy and use the Premises during the Lease Term for office and meeting space. Tenant shall have the right to use the Premises exclusively during the Term for the purpose stated herein and for no other purpose, unless such other use or purpose is authorized in writing by Landlord, provided however that such permitted use does not constitute a hazard to other Tenants or to the Landlord and provided further that any storage use of the Premises does not occupy an area greater than Thirty percent (30%) of the floor area of the Premises.
- b. In the event Landlord enters into a purchase agreement to sell the Property at any time during the Term, this Lease shall automatically terminate following Thirty (30) days written notice thereof from Landlord to Tenant. Tenant shall vacate the Premises within the Thirty (30) day notice period removing all of Tenant's personal property therefrom and restoring the Premises to its pre-Lease condition, reasonable wear and tear excepted. Tenant understands and acknowledges that Landlord acquired the Property for the purpose of redeveloping the Property on a future date for a project as directed by the City Council of Landlord. Tenant understands, acknowledges and agrees that Landlord may exercise its rights to not renew or to terminate this Lease as provided herein at such time as it determines to proceed with a purchase agreement to sell the Property for the redevelopment of the Property. Tenant agrees that at such time as this Agreement expires or terminates, Tenant will not meet the definition of a "displaced person" under 49 C.F.R. § 24.2(a) because Tenant is "[a] person who initially enters into occupancy of the property after the date of its acquisition for the project" as set forth in 49 C.F.R. § 24.2(a)(iv)(B).
- c. Tenant acknowledges that the Premises are in a condition satisfactory to Tenant's purposes. Tenant accepts, acknowledges and agrees that the Premises herein described are in an "as is", "with all faults" condition and agrees that Landlord has not made, and does not hereby make any representation, warranty or covenant, expressed or implied, with respect to the condition, quality, durability, capability, or suitability of the Premises or against any patent or latent defects therein. The Tenant agrees that Landlord shall not be liable to the Tenant for any liability, claim, loss, damage or expense of any kind or nature caused directly or indirectly by the Premises or the inadequacy thereof for any purpose, or for any deficiency or defect therein, or for the use, operation or maintenance thereof, or for any repairs, servicing, adjustments, replacement, or expenses thereto or for any damage whatsoever and howsoever caused. The Landlord shall have no responsibility with regard to any failure of or damage to Tenant's personal

property or improvements within the Premises, if any. Tenant understands and acknowledges that this Lease grants it only a right to use the Premises for the purposes stated herein, and does not confer any permanent property rights with respect to the Premises or any Landlord authorized improvements to be constructed thereon upon Tenant.

- d. Tenant shall not use or operate or permit the use or operation of the Premises in violation of any Federal, State, County or City laws, ordinances, rules or regulations, or contrary to the provisions of the applicable insurance policies and warranties covering the same. Tenant, by acceptance of this Agreement, agrees to abide by the terms hereof and to indemnify Landlord for any losses occurring as a result of such use in violation of said terms, laws, rules and ordinances.
- e. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein, which will in any way increase the existing rate of or affect any fire or other insurance upon the Premises or any of its contents, or cause a cancellation of any insurance policy covering the Premises or any part of the Premises or any of its contents.
- f. Tenant shall at all times keep the Premises and the Building common areas outside of the Premises in a neat and orderly condition during any use thereof.
- g. Tenant shall not use or allow the Premises to be used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises, in the Building or upon the Property. More specifically, Tenant shall not use or store any noxious chemicals on the Premises, except to the extent necessary for the Premises to be used for the purposes stated herein.
- h. Tenant shall not intentionally commit or allow to be committed any waste on, destruction of, or damage to, or nuisance on the Premises, Building or Property. Should the Tenant intentionally commit or allow to be committed any waste on or destruction of the Premises, Building or Property, the Tenant shall immediately restore the Premises, Building and Property to the original condition of the Premises, Building and Property at the inception of this Lease or as altered in accordance with plans and specifications as submitted to, and approved by the Landlord's City Administrator, or, alternatively, pay to Landlord the cost of restoring the Premises, Building and Property to the condition herein stated, payment to be made within 30 days from the date of written notice given by the Landlord to the Tenant of the amount of such costs.
- i. During the Lease Term and except as otherwise provided in this Agreement, Tenant shall, at Tenant's sole cost and expense, be responsible for the operation, repair, replacement, and maintenance of the Premises, including but not limited to any Tenant paid and Landlord approved improvements to the Premises.

- j. In the event that the Tenant fails to perform to the Landlord's satisfaction any of the above obligations or any other terms of this Agreement, the City may perform the work and shall invoice Tenant for all costs incurred by the City in performing such work. Invoices shall be due and payable within 30 days of the date of the invoice. The City may take any action it is authorized under law to take to recover such unpaid charges, including terminating this Lease.
- k. Tenant will be solely responsible for security of the Premises during the Lease Term and for any loss, damage, or destruction thereof. Tenant agrees that it will be solely responsible for security of any and all personal property located therein and for any loss, damage, or destruction thereof. Tenant hereby expressly waives any claims therefore against and indemnifies the Landlord for the same.
- l. Tenant shall, at Tenant's expense, obtain all necessary licenses and/or permits required for its use and operations on the Premises.

**ARTICLE THREE**  
**Term, Termination and Possession**

3.1 Term. This Lease shall be for a term beginning on the Commencement Date and ending on the Expiration Date, unless sooner terminated as provided in this Agreement (the "Lease Term"). Subject to Landlord's reservation of rights, Tenant shall be entitled to exclusive possession of the Premises on the Commencement Date through the Lease Term and shall give up possession and vacate the Premises on the Expiration Date or such other earlier termination date as provided in this Agreement.

3.2 Termination. Notwithstanding any provisions to the contrary contained in this Agreement, this Lease shall terminate upon; (a) the Expiration Date; (b) upon Thirty (30) days written notice by Landlord pursuant to Section 2.2.b.; or (c) upon uncured default, whichever comes first.

3.3 Action Upon Termination. If this Agreement expires or is terminated for any reason, Tenant shall remove all of its personal property from the Premises and peacefully surrender possession of the Premises to Landlord prior to the date of expiration or termination at Tenant's sole cost and expense. Failure of the Tenant to remove its personal property by such date shall constitute a waiver of the right to do so and such personal property shall be deemed abandoned and the items may then be disposed of or used at the discretion of the Landlord without compensation to Tenant. All improvements to the Premises that are not personal property are the property of the Landlord and there shall be no compensation for the same paid by Landlord to Tenant during the Term hereof or following expiration, termination or cancelation of this Agreement. Upon expiration, termination or cancelation of this Agreement, the Premises shall be returned to its pre-Lease condition, reasonable wear and tear excepted, unless an alternate condition is agreed upon in writing by Landlord. Tenant shall be responsible for the costs of repairs for any damages caused by Tenant to the Premise, Building or Property during the Term, including but not limited to damage caused by Tenant's removal of Tenant's personal property,

reasonable wear and tear excepted, as well as costs incurred by the Landlord to store or dispose of Tenant's personal property if Tenant abandons any of Tenant's personal property on the Property.

**ARTICLE FOUR**  
**Rent and Security Deposit**

4.1 Rent. Pursuant to Minnesota Statutes, section 471.941, and Northfield City Charter, Section 9.1, Tenant shall, for the entire Lease Term, pay to Landlord without demand, annual rent in the amount of One and No/100ths Dollars (\$1.00) (the "Rent") with said amount paid before February 1 of each year of the Lease Term. All payments by Tenant to Landlord pursuant to this Agreement shall be made to the address specified for Landlord herein.

4.2 Security Deposit. A security deposit of \$3,000.00 shall be paid by Tenant to Landlord upon execution of this Lease. The deposit shall be held by Landlord for the performance of Tenant's covenants and obligations under this Lease, it being expressly understood that the security deposit shall not be considered an advance payment of Rent or a measure of Landlord's damage in case of default by Tenant. Upon the occurrence of any event of default by Tenant or breach by Tenant of the terms and conditions of this Lease, Landlord may, from time to time, without prejudice to any other remedy, use the security deposit to the extent necessary to make good any arrears of Rent, to remove any items or clean the space after Tenant vacates, or to repair any damage or injury, or pay any expense or liability incurred by Landlord as a result of the event of default or breach, and any remaining balance of the security deposit shall be returned to Tenant upon termination of this Lease. If any portion of the security deposit is so used or applied, Tenant shall upon Ten (10) days written notice from Landlord, deposit with Landlord by cash or cashier's check an amount sufficient to restore the security deposit to its original amount.

4.3 Other Costs and Expenses. Unless expressly stated otherwise herein to the contrary, it is the intention of this Agreement that all costs and expenses of any nature or kind whatsoever, attributable to the Premises, including but not limited to any existing or future Tenant paid and Landlord approved improvements, shall be borne by Tenant and Tenant shall have the sole responsibility and liability for such costs and expenses, and the City shall not have any responsibility or liability therefor.

**ARTICLE FIVE**  
**Payment of Taxes**

5.1 While the Property is currently tax exempt and it is the intent of the Parties that the Property and Premises will remain the same during the Lease Term, in the event that taxes become applicable to the Property because of Tenat's use or activities within the Premises, Tenant shall pay all taxes, assessments and other governmental charges (collectively referred to as "Taxes") that accrue against the Premises during the Lease Term, which are the result of this Lease or Tenant's use of the Premises. Landlord shall pay such taxes when accrued and shall invoice Tenant for their portion of the same. Tenant shall make payment to Landlord within Thirty (30) days of the date of invoicing by Landlord.

5.2 Tenant shall be liable for all taxes, if any, levied or assessed against any personal property, improvements or fixtures placed on the Premises.

5.3 Tenant shall reimburse and hold Landlord harmless for any and all amounts Landlord may pay in satisfaction, release or discharge thereof attributable to this Lease.

**ARTICLE SIX**  
**Tenant's Responsibilities**

Tenant shall be responsible, at Tenant's cost and expense, for the following services, which services shall be performed at a frequency and level as needed and determined by Tenant, or as otherwise required by the City and in compliance with City of Northfield City Code:

6.1 Custodial and Cleaning Services. All cleaning and janitorial services within the Premises.

6.2 Pest Control. All pest control within the Premises.

6.3 Trash Removal. All trash collection, removal and proper disposal and recycling from within the Premises. Tenant shall use the Building dumpster for disposal of trash collected by Tenant from within the Premises. Landlord shall regularly haul away trash properly disposed of by Tenant in the dumpster serving the Building.

6.4 Licenses and Permits. All applicable licenses and permits, whether state, county or City as necessary or required for management, operation, repair, replacement and maintenance of the Premises, personal property therein, or any improvements located on the Premises.

6.5 Property Maintenance. Tenant's responsibilities for Premises maintenance are provided in Article Fourteen.

6.6 Other. Except as otherwise provided in this Agreement, Tenant is responsible, at Tenant's expense, for obtaining all services and paying corresponding expenses, of any kind or nature whatsoever, related to Tenant's use of the Premises.

**ARTICLE SEVEN**  
**Landlord's Responsibilities**

Landlord shall be responsible, at Landlord's cost and expense, for the following services, which services shall be performed at a frequency and level as needed and determined by Landlord:

7.1 Grounds and Snow. All snow and ice removal, plowing, landscaping, mowing, lawn care, and grounds-keeping at the entire Property.

7.2 Property Maintenance. With the exception of Tenant's responsibilities otherwise provided in Articles Six and Fourteen, Landlord, at Landlord's expense, is responsible for general Property maintenance other than within the Premises.

7.3 Pest Control. All pest control at the Property with the exception of within the Premises.

7.4 Trash. Landlord shall regularly haul away trash properly disposed of by Tenant in the dumpster serving the Building, except that Landlord may seek reimbursement from Tenant for the cost of the same attributable to the Premises pursuant to Article Eight of this Agreement.

## **ARTICLE EIGHT** **Utilities and Services**

8.1 Tenant Responsible for Utilities and Services. All utilities and services for the Premises are the responsibility of Tenant, at Tenant's expense, including but not limited to, electricity, fuel oil, gas services, telephone, water, sewer service, storm sewer service, cable or satellite television, internet, connection fees, or any other like utilities and services serving the Premises. Except as otherwise provided in this Agreement, all services required by Tenant shall be obtained, supplied and paid for by Tenant. If any utilities or services used by Tenant for the Premises cannot be billed directly to Tenant in Tenant's name, and the Landlord incurs the costs of such utilities for the Premises, such costs incurred by Landlord shall constitute additional operating expenses for which Tenant is responsible and shall be invoiced to Tenant for payment within Thirty (30) days of invoicing by Landlord.

8.2 No Warranty. Landlord does not warrant that any of the services referred to above or any other services upon or to the Premises will be free from interruption. Tenant acknowledges that any one or more of such services may be suspended if there is a strike, an accident, force majeure, or if repairs or improvements must be made for reasons beyond Landlord's control. Any such interruption or discontinuance of services shall never be deemed an eviction or disturbance of Tenant's use and possession of the Premises, or any part thereof, or render the Landlord liable to Tenant for damages by abatement of rent or otherwise, or relieve Tenant from performance of Tenant's obligations under this Lease.

## **ARTICLE NINE** **Subletting and Assignment**

9.1 Tenant shall not assign its interest in this Lease and shall not sublet any portion of the Premises, or any right or privilege provided under this Lease or use of the Premises, or suffer any other person to occupy or use any portion of the Premises without the written consent of Landlord, which consent may be withheld in Landlord's sole judgment and discretion. Any assignment or sublease shall be in a form approved by Landlord and shall incorporate therein the terms of this Agreement.

## **ARTICLE TEN** **Quiet Possession and Subordination**

10.1 Landlord covenants that Tenant, upon paying the Rent, Security Deposit, and performing the covenants under this Lease, shall peaceably and quietly have, hold and enjoy the Premises during the Lease Term.

10.2 This Lease is subject and subordinate to all present or future financial encumbrances on the Premises and Property, and is further subject to all present and future easements, conditions, contracts and encumbrances of record, and to all applicable laws, ordinances and governmental rules and regulations. Such subordination shall be self-executing without further act on the part of Landlord or Tenant; provided, however, that Tenant shall at any time hereafter, at the request of Landlord or any lien holder, regulatory agency, or any purchaser of the Premises or Property, execute any instruments that may be required, and Tenant hereby irrevocably authorizes Landlord to execute and deliver in the name of Tenant any such instrument if Tenant fails to timely do so in Landlord's reasonable judgment and discretion.

**ARTICLE ELEVEN**  
**Landlord's Reserved Rights**

11.1 Landlord reserves the following rights: (a) to take any and all measures necessary or desirable for the operation, safety, protection or preservation of the Premises, Building, and Property, including repairs, alterations, decorations, additions or improvements, whether structural or otherwise, in and about the Premises or any part of the Property; and (b) to enter to verify use of the Premises or perform cleaning or other Premises related maintenance services.

11.2 Notwithstanding any provision of this Agreement to the contrary, and without compensation to the Tenant therefore, the City, its employees and its agents shall have the right to enter the Premises at all times for all reasonable purposes, including without limitation, enforcing all applicable laws, regulations and/or ordinances, keeping the peace, and inspecting and improving the Premises, Building and Property.

11.3 The City may order the immediate cessation of any use, improvements, project or work that exceeds the scope of this Agreement or otherwise poses a threat to the life, health, safety or welfare of the public, or the Premises Building or Property.

11.4 Landlord may enter upon the Premises and may exercise any or all of the foregoing rights or any other rights provided in this Agreement without being deemed guilty of an eviction (actual or constructive) or disturbance of Tenant's use or possession and without being liable in any manner to Tenant and without abatement of Rent or affecting Tenant's obligations hereunder. Nothing in this Agreement shall be interpreted as requiring the City to perform any such acts independent of the requirements of the other provisions of this Agreement.

**ARTICLE TWELVE**  
**Landlord's Title**

12.1 Tenant acknowledges that this is an agreement to lease the Premises only and that the Tenant does not in any way acquire title to the Premises, Building or any portion of the Property, under or by virtue of this Agreement.

12.2 Without the prior written consent of Landlord, Tenant agrees not to do any act to encumber, convert, pledge, sell, assign, lease, lend, conceal, abandon, give up possession of, or destroy the Premises, Building or any portion of the Property.



**ARTICLE THIRTEEN**  
**Alterations and Improvements**

13.1 Landlord has made no promise to alter, remodel, repair, replace or improve the Premises, Building or Property, or any improvements thereon and has made no representation of the condition of the Premises, Building or Property, or any improvements thereon or the suitability of the Premises, Building or Property, or any improvements thereon for the purpose stated herein other than what is contained in this Lease.

13.2 Tenant shall not make material alterations, repairs, or replacement of the Premises or improvements to or within the Premises without the written consent of Landlord. Consent shall be obtained by submitting a written description to Landlord of the proposed alterations, repairs, improvements or replacements, including the location, size, proposed use, materials, color, and any other information that may be required by the Landlord. Landlord may approve, disapprove, require more information, or require certain modifications to the proposed alteration, repair, improvement or replacement at its sole judgment and discretion. Prior to or during the use of the Premises for the permitted purpose herein stated and prior to placing any improvements on or making any improvements to the Premises to accommodate the permitted purpose, Tenant shall present specific plans and specifications to the City Administrator of the Landlord, or the City Administrator's designated representative, for approval. If approved, that fact shall be noted on the plans and specifications submitted, which shall then be filed with the City Clerk of the Landlord. Plans and specifications shall be sufficiently detailed to show the materials to be used, the color of any interior/exterior paint, shape and size of the improvement(s), safety features, lighting, the presence of utilities, which may be affected by the work, and such other or different information as the Landlord may require. Tenant's final written proposal including a clear indication of Landlord's assent and signed by Landlord's City Administrator shall constitute written consent of Landlord. Unless otherwise agreed by both Parties, approved alteration, repair, improvement or replacement of the improvements shall be at the sole expense of Tenant.

13.3 Tenant shall allow no mechanic's liens to be incurred or filed against the Premises, Building, or Property. Tenant shall promptly pay for all alterations, repairs, replacements, and improvements, which it may make under this Lease that are approved by Landlord, and shall save and hold harmless Landlord from any and all losses, including attorneys' fees, incurred by reason of mechanic's liens or other claims for skill, labor or material furnished or performed, or claimed to have been furnished or performed, on account of any such alteration, repair, replacement, or improvement made by Tenant hereunder. Tenant may contest any such mechanic's liens and prosecute all proceedings for the purpose of such contest pursuant to Minn. Stat. § 514.01, et seq. Tenant shall indemnify and hold harmless Landlord against any loss or liability by reason of such contest.

13.4 Any leasehold alterations, repairs, replacements, or improvements to the Premises shall be and remain the property of Landlord and no compensation shall be paid to the Tenant regarding the same at any time during the Lease Term or following expiration, termination of cancelation of this Agreement.

13.5 Tenant shall, at Tenant's expense, make any alteration, repair, replacement, or improvement to the Premises, which are needed to maintain the Premises in their original condition or their condition as altered, if such alteration has been approved in writing by the Landlord. The Tenant shall at all times maintain the Premises, and any allowed improvements made thereto, in a good and safe condition.

**ARTICLE FOURTEEN**  
**Operation, Repairs and Maintenance**

14.1 Except as otherwise provided in this Agreement, Landlord, at Landlord's expense, is responsible for all major and minor exterior Property and Building maintenance, repairs and replacement, including walls, foundations, windows, HVAC, and roof. Except as otherwise provided in this Agreement, Tenant, at Tenant's expense, is responsible for all major interior building maintenance, repairs and replacement within the Premises, including flooring, lighting, plumbing, electrical, and HVAC. Landlord has not made any representations to Tenant that Landlord will undertake any such improvements on the Property other than general upkeep of the Property during the Term hereof, and Tenant accepts, acknowledges and agrees that the Premises herein described are in an "as is", "with all faults" condition.

14.2 Tenant, at its expense, shall keep the Premises in a safe and Leasable condition based on the purpose of this Agreement. If Tenant does not do so, Landlord may (but need not) restore the Premises to a safe and Leasable condition, but Landlord has no duty or obligation to do so, and Tenant shall pay the cost within Thirty (30) days of being billed by Landlord. This Article shall not apply to damage or destruction otherwise provided for in this Article Fifteen of this Agreement.

14.3 Except as otherwise provided in this Agreement, Tenant, at its expense, shall be responsible for all operating costs of the Premises as well as maintenance or repairs to the Premises.

14.4 Tenant shall bear maintenance or repair costs for damage to the Premises caused by acts or omissions of Tenant, its agents, employees, tenants, visitors, volunteers, contractors, guests, clients, customers, patrons or invitees.

14.5 At the expiration or termination of this Lease, the Premises will be returned to Landlord in good condition, reasonable wear and tear excepted.

**ARTICLE FIFTEEN**  
**Destruction or Damage**

15.1 Tenant Obligations. Tenant agrees:

- a. That it will obtain all necessary federal, state and local permits for its operations as necessary.

- b. That it will operate in accordance with all federal, state and local laws and regulations.
- c. That it will be solely responsible for security of the Premises and for any loss, damage, or destruction thereof.
- d. That it will keep the Premises in such repair as at the commencement of the Lease Term or may be put in during continuance thereof, reasonable wear and tear and damage by fire or extended peril coverage perils only excepted.
- e. That it will not injure, overload or suffer to be injured or overloaded the Premises or any part thereof.
- f. That it will not make or suffer any unlawful, improper or offensive use of the Premises or any use thereof contrary to any federal or state law or any ordinance of the City now or hereafter made, or which shall be injurious to any person or property or which shall be liable to endanger or affect any insurance on the said Premises.

15.2 Casualty Damage. If all or a substantial portion of the Premises is rendered un-Leasable by fire or casualty, and it is reasonably anticipated by Landlord that even though undertaken and pursued with all due diligence, it will require more than six (6) months to repair the Premises, then within Thirty (30) days after the fire or casualty, Landlord shall send a written notice of its determination to the Tenant. Then either Party may terminate this Lease as of the date of the fire or casualty by sending the other party a notice in writing of its election to so terminate within Fourteen (14) days after the date of the notice from the Landlord described above. During the period when the Premises are 50% or more un-Leasable due to fire or casualty such that all or a substantial portion of the Premises cannot be occupied or operated for the purposes stated herein, the Rent shall be abated on a prorated basis for the period during which the Premises is un-Leasable.

## **ARTICLE SIXTEEN**

### **Hold Harmless**

16.1 Indemnification. Tenant shall defend, indemnify and hold Landlord harmless from any liability, loss, cost, and obligations, including reasonable attorneys' fees, arising out of the condition, repair, maintenance, use, replacement, construction or operation of the Premises and any improvements located thereon, any subleases and sublessee uses, and any event uses, including but not limited to any accident or other occurrence causing or inflicting injury and/or damage to any person or property, happening or done, in, upon, or about the Premises or Property, or due directly or indirectly to this Lease, subleases, or the condition, maintenance, use or operation of the Premises or Property by Tenant, Tenant's employees, tenants, assignees, visitors, members, board, officers, agents, contractors, volunteers, clients, customers, patrons, quests, and invitees. The indemnification provision of this Article shall not apply to damages or other losses proximately caused by or resulting from the negligence or willful misconduct of Landlord. All indemnification obligations shall survive termination, expiration or cancellation of this Lease.

16.2 Assumption of Risk. Tenant knows, understands and acknowledges the risks and hazards associated with using the Premises, Building and Property for the purposes stated herein, including but not limited to subleasing and event uses of the Premises, Building and Property, and hereby assumes any and all risks and hazards associated therewith. Tenant hereby irrevocably waives any and all claims against the Landlord or any of its officials, employees or agents for any bodily injury (including death), loss or property damage incurred by Tenant as a result of using the Premises, Building or Property, including but not limited to subleasing and other uses of the Premises, Building and Property, except to the extent such claims arise out of the negligence or willful misconduct of Landlord, and Tenant hereby irrevocably releases and discharges the Landlord and any of its officials, employees or agents from any and all claims of liability, except to the extent such claims arise out of the negligence or willful misconduct of Landlord.

16.3 Hazardous Materials. Tenant agrees that it shall indemnify, defend and hold the Landlord, and its officials, agents and employees harmless from any claims, judgments, damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims and cost of cleanups) or loss including attorney's fees, consultant fees and expert fees that arise during or after the Term of this Lease from or in connection with the presence or suspected presence of toxic or hazardous substances in the soil, groundwater, or soil vapor on or under the Premises, Building or Property, which exist as a result of the operations, acts, defaults, omissions, negligence or willful misconduct of Tenant, its officers, employees, tenants, assignees, or agents. Tenant shall not use or engage in the manufacture of hazardous chemicals on the Premises.

16.4 No Third-Party Right of Action. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against Landlord or Tenant. Tenant's services under this Agreement are being performed solely for Landlord's benefit, and no other entity shall have any claim against Tenant because of this Agreement or the performance or nonperformance of services provided hereunder.

## **ARTICLE SEVENTEEN**

### **Holding Over**

17.1 Landlord's Rights. If Tenant without the consent of Landlord retains possession of the Premises or any part thereof after termination, expiration or cancelation of the Lease Term, then Landlord can elect to recover possession of the Premises by pursuing its rights under this Lease or at law. In such case, Landlord shall further be able to recover in damages for the period Tenant holds over an amount equal to \$1,500 per month computed on a daily basis until Landlord receives possession of the Premises and in addition thereto, Tenant shall pay Landlord all direct damages sustained by reason of Tenant's retention of possession. Alternatively, Landlord can elect to retain Tenant on a month to month tenancy, terminable by 30 days written notice from Landlord to Tenant, at a rent amount equal to \$1,500 per month.

## **ARTICLE EIGHTEEN**

### **Surrender of Possession**

18.1 Upon the termination of the Lease Term, Tenant shall immediately surrender the Premises (together with any alterations and improvements) to Landlord in good order, repair and

condition, ordinary wear and fire or casualty losses for which Tenant is not responsible excepted, and shall remove all equipment, trade fixtures and other items of Tenant's personal property from the Premises. Tenant shall pay Landlord upon demand the cost of repairing any damage to the Premises caused by such removal. Tenant shall leave the Premises in its pre-Lease condition, reasonable wear and tear and any approved improvements and alterations excepted. If Tenant fails or refuses to remove Tenant's personal property from the Premises, Tenant shall be presumed to have abandoned the personal property and Landlord may dispose of the same without incurring liability, at Tenant's expense, and without any compensation by Landlord to Tenant for such personal property or any improvements.

**ARTICLE NINETEEN**  
**Compliance with Laws, Ordinances and Regulations**

19.1 Throughout the Lease Term, Tenant, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, opinions, directives, regulations and requirements of all federal, state, City and other local governments having jurisdiction over the same.

19.2 Tenant shall likewise observe and comply with, or shall cause to be observed and complied with, all the requirements of all policies of commercial/comprehensive general liability, fire and other insurance at any time in force with respect to the Premises.

**ARTICLE TWENTY**  
**Insurance**

20.1 Personal Property Insurance Coverage. Tenant shall at all times during the term of this Lease, and at the Tenant's sole expense, insure all personal property owned or under the control of Tenant, which is situated on the Premises against loss or damage by fire and other perils as required by the Minnesota Standard Fire Insurance Policy and the Extended Coverage Endorsements for 100% of the full replacement thereof. Further, Tenant agrees to defend, indemnify, and hold Landlord harmless from any loss, claim, demand, or cause of action resulting from destruction to, or damage of, such personal property.

20.2 Liability Insurance Coverage. Tenant shall, at Tenant's expense, maintain in effect commercial general liability insurance covering both bodily injury and property damage with limits not less than \$1,000,000 per occurrence. The City of Northfield shall be named as additional insured. The Tenant's insurance policy and certificate shall not be canceled or its conditions altered in any manner without 10 days prior written notice to Landlord's City Clerk. The insuring company shall deliver to the City Clerk certificates of all insurance required, signed by an authorized representative, and stating that all provisions of the specified requirements are satisfied.

20.3 Landlord's Right to Pay Premiums on Behalf of Tenant. All of the policies of insurance referred to in this Section shall be written in a form satisfactory to Landlord and by an insurance company satisfactory to Landlord and licensed to operate in the State of Minnesota. If Tenant fails, either to effect such insurance herein called for or to pay the premiums therefor or to deliver such policies or certificates thereof to Landlord, Landlord shall be entitled, but shall have no

obligation, to effect such insurance and pay the premiums therefor. Such premiums shall be immediately repayable to Landlord by Tenant and failure to repay the premiums shall be an event of default.

20.4 Failure to Maintain Insurance. Failure by Tenant to maintain insurance as required herein during the Term hereof, shall constitute a default subject to termination of this Agreement pursuant to Article Twenty-One hereof.

20.5 Sublessees. Tenant shall require that all sublessees are covered by commercial general liability insurance coverage to the same extent as Tenant as provided herein, and that the Landlord has been named as an additional insured. No sublessee shall be allowed to set-up operations on the Premises until the Tenant has verified that the sublessee has the required commercial general liability insurance coverage as provided herein.

## **ARTICLE TWENTY-ONE**

### **Default and Remedies**

21.1 If Tenant shall default in the payment of any Rent, or in the payment of any other sum required to be paid by Tenant under this Lease, and such default shall continue for Ten (10) days after written notice to Tenant, or if Tenant shall default in the observance or performance of any of the other covenants or conditions in this Lease, which Tenant is required to observe or perform, and such default shall continue for Thirty (30) days after written notice to Tenant, or if a default involves a hazardous condition and is not cured by Tenant immediately upon written notice to Tenant, or if the interest of Tenant in this Lease shall be levied upon under execution or other legal process, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Tenant, or if any involuntary petition in bankruptcy shall be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed within Thirty (30) days following the filing thereof, or if a receiver shall be appointed for Tenant or any of the property of Tenant by any court and such receiver shall not be dismissed within Thirty (30) days from the date of appointment, or if Tenant shall make an assignment for the benefit of creditors, or if Tenant shall abandon or vacate the Premises, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease and thereupon at its option may, without notice or demand of any kind to Tenant or any other person, terminate this Lease and immediately repossess the Premises, in addition to all other rights and remedies provided at law or in equity. The provisions of this Section shall survive any termination of this Lease.

21.2 No right or remedy conferred upon or reserved to Landlord or Tenant by this Agreement shall be exclusive of any other right or remedy herein or by law provided; all rights and remedies conferred upon Landlord and Tenant by this Agreement or by law shall be cumulative and in addition to every other right and remedy.

21.3 If any action at law or in equity shall be brought by Landlord to recover any payments and/or costs to be made by Tenant under this Agreement or on account of any breach of this Agreement by Tenant or for the recovery of the possession of the Premises, Landlord shall be

entitled to recover from Tenant, as applicable, reasonable attorney's fees, the amount of which shall be fixed by the Court and shall be made a part of any judgment or decree rendered.

**ARTICLE TWENTY-TWO**  
**Notices**

22.1 All notices required under the terms of this Lease shall be deemed to have been properly served or given Three (3) days after their deposit in the United States mail if sent by registered or certified mail, return receipt requested, postage prepaid, or Two (2) days after deposit in a nationally recognized overnight courier service, addressed to Landlord or Tenant at the addresses identified below or to such other address within the continental limits of the United States and to the attention of such Party as the Parties may from time to time designate by written notice to the other.

If to Landlord: Ben Martig, City Administrator  
City of Northfield  
801 Washington St.  
Northfield MN 55057  
507-645-3009  
Ben.Martig@northfieldmn.gov

If to Tenant: Susan Carlson, President  
Northfield Arts Guild  
304 Division St. S.  
Northfield, MN 55057  
507-319 4033  
carlsonsmc@gmail.com

**ARTICLE TWENTY-THREE**  
**Signage**

23.1 Tenant shall be allowed to install a sign on the facade of the Building and within the Building outside the Premises subject to Landlord's approval of the signs' locations and sizes, which shall comply with the Landlord's sign ordinance. All signs shall be removable and temporary and in compliance with City Code. Any damages or costs incurred by the Landlord caused by the installation or removal of signs shall be the responsibility of the Tenant and shall be reimbursed to the Landlord within Thirty (30) days of invoicing the Tenant. All signage placed by Tenant on the Premises shall be removable and shall be subject to the following:

- a. All signs must comply with City ordinances and applicable law;
- b. Sign installation or removal shall be conducted by the City in a location approved by the City;
- c. All signs shall only be for purposes of identifying Tenant's name and must be approved by the City Administrator prior to use; and

- d. The Parties agree that the City, in permitting the Tenant to install a sign on the Premises, is not creating a forum for public speech protected by the United States or Minnesota constitutions. The City hereby reserves the right to reject any sign or other media placed upon the Property, Building, and Premises.

**ARTICLE TWENTY-FOUR**  
**Miscellaneous**

24.1 Voluntary and Knowing Action. The Parties, by executing this Lease, state that they have carefully read this Lease and understand fully the contents thereof; that in executing this Lease they voluntarily accept all terms described in this Lease without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

24.2 Authorized Signatories. The Parties each represent and warrant to the other that: (1) the persons signing this Lease are authorized signatories for the entities represented; and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Lease against it; each Party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

24.3 No Partnership, Joint Venture, or Fiduciary Relationship. Nothing contained in this Lease shall be interpreted as creating a partnership, joint venture, or relationship of principal and agent between the Parties, it being understood that the sole relationship created hereby is one of Landlord and Tenant. No third party is entitled in any way to rely upon any provision in this Lease. This Lease is intended solely for the benefit of Landlord and Tenant and no third party shall have any rights or interest in any provision of this Lease, or as a result of any action or inaction of the Landlord in connection therewith.

24.4 Records—Availability and Retention. Pursuant to Minn. Stat. § 16C.05, subd. 5, the Tenant agrees that the Landlord, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Tenant and involve transactions relating to this Lease. The Tenant agrees to maintain these records for a period of six years from the date of termination of this Lease.

24.5 Governing Law. This Lease shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Lease without regard to its choice of law or conflict of laws principles.

24.6 Data Practices. The Parties acknowledge that this Lease is subject to the requirements of Minnesota's Government Data Practices Act, Minn. Stat. c. 13.

24.7 Nondiscrimination. The provisions of any applicable law or ordinance relating to civil rights and discrimination shall be considered part of this Agreement as if fully set forth herein.



24.8 Dispute Resolution. Landlord and Tenant agree to negotiate all disputes between them in good faith for a period of 30 days from the date of notice of dispute prior to proceeding to formal dispute resolution or exercising their rights under law.

24.9 Force Majeure. The Parties shall each be excused from performance under this Agreement while and to the extent that either of them are unable to perform, for any cause beyond its reasonable control. Such causes shall include, but not be restricted to pandemic, fire, storm, flood, earthquake, explosion, war, pandemic, total or partial failure of transportation or delivery facilities, raw materials or supplies, interruption of utilities or power, and any act of government or military authority. In the event either party is rendered unable wholly or in part by force majeure to carry out its obligations under this Agreement then the party affected by force majeure shall give written notice with explanation to the other party immediately.

24.10 Interest City Officials. No elected or appointed official, officer, or employee of the Landlord shall during his or her tenure or employment and for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.

24.11 No Waiver. Any Party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Lease or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that Party's right to assert or rely upon the terms and conditions of this Lease. Any express waiver of a term of this Lease shall not be binding and effective unless made in writing and properly executed by the waiving Party.

24.12 Severability. The invalidity or unenforceability of any provision of this Lease shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Lease to the extent of its invalidity or unenforceability, and this Lease shall be construed and enforced as if the Lease did not contain that particular provision to the extent of its invalidity or unenforceability.

24.13 Headings and Captions. Headings and captions contained in this Lease are for convenience only and are not intended to alter any of the provisions of this Lease and shall not be used for the interpretation of the validity of the agreement or any provision hereof.

24.14 Survivability. All covenants, indemnities, guarantees, releases, representations and warranties by any party or parties, and any undischarged obligations of Landlord and the Tenant arising prior to the expiration of this Lease (whether by completion or earlier termination), shall survive such expiration.

24.15 Recitals and Exhibits. The recitals hereto and exhibits attached to this Lease are considered an integral part of it as if fully set forth within it.

24.16 Entire Agreement. All prior understandings, letters of intent, discussions and agreements are merged in the governing terms of this Lease, which is a complete and final written expression of the intent of the Parties superseding all prior agreements and understandings.

24.17 Modification/Amendment. Any alterations, variations, modifications, amendments or waivers of the provisions of this Lease shall only be valid when they have been reduced to writing, and signed by authorized representative of the Landlord and the Tenant.

**IN TESTIMONY WHEREOF**, as of the day and year first hereinabove written the Parties have executed this Lease.

**LANDLORD:**

**CITY OF NORTHFIELD**

By: \_\_\_\_\_  
 \_\_\_\_\_, Its \_\_\_\_\_

By: \_\_\_\_\_  
 \_\_\_\_\_, Its \_\_\_\_\_

**TENANT:**

**NORTHFIELD ARTS GUILD**

By: *Susan M Carlson*  
 Susan Carlson, Its President

STATE OF MINNESOTA    )  
   ) ss.  
 COUNTY OF RICE        )

The foregoing instrument was acknowledged before me this 7 day of January, 20 25, by Susan Carlson, as President of Northfield Arts Guild, a nonprofit corporation organized under the laws of the State of Minnesota, Tenant.



*Rachel Lynn Walker Norby*  
 Notary Public

**EXHIBIT A**

**DEPICTION OF PREMISES**

