

507.645.9358 (p)  
507.645.9350 (f)

*MDHattorneys.com*



**MOERSCH, DORSEY  
& HAHN**

**ATTORNEYS AT LAW**

325 Division St. S.  
P.O. Box 651  
Northfield, MN 55057

MARY L. HAHN  
[mhahn@MDHattorneys.co](mailto:mhahn@MDHattorneys.co)

September 8, 2025

Ben Martig  
Northfield City Administrator  
[ben.martig@northfieldmn.gov](mailto:ben.martig@northfieldmn.gov)  
801 Washington Street  
Northfield, MN 55057

David Bennett  
Northfield City Engineer  
[david.bennett@northfieldmn.gov](mailto:david.bennett@northfieldmn.gov)  
801 Washington Street  
Northfield, MN 55057

RE: New Lease Agreement between City of Northfield and  
Northfield Senior Citizens, Inc. d/b/a FiftyNorth, a nonprofit corporation

Gentlemen:

I am representing Northfield Senior Citizens, Inc., d/b/a FiftyNorth (NSC) regarding the above matter. Please send future communications concerning this issue to my attention.

On August 26, 2025, I asked Mr. Martig who to direct this correspondence to. I did not hear back. Please advise if I should be communicating with different individuals.

NSC wants to emphasize its goal of continued partnership with the City of Northfield. It hopes that lease negotiations will continue in that vein.

I enclose a proposed Term Sheet (Letter of Understanding), setting forth NSC's requests with respect to a new lease agreement with the City effective January 1, 2026.

NSC understands that the City is requesting a rent increase. We address this in the enclosed Term Sheet. NSC includes an additional requested change - the City would assume financial responsibility for the Wellness Center.

Next, NSC wants to take this opportunity to craft a lease agreement that is easier for the parties to understand. The current lease (enclosed) is difficult to understand in parts. At times, it has caused confusion regarding which party is responsible for which costs. This is a good time to clean this up.



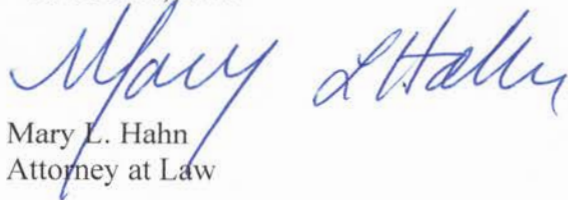
RE: Lease Agreement between City of Northfield and  
Northfield Senior Citizens, Inc. d/b/a FiftyNorth  
September 8, 2025  
Page 2

NSC requests that the lease issue be removed from any City Council agenda until the parties have reached agreement on new lease terms.

Please advise as to next steps. NSC would like to move promptly and efficiently toward a new lease agreement that is beneficial for the parties and the Northfield community. NSC looks forward to its continued partnership with the City of Northfield.

Regards,

**MOERSCH, DORSEY  
& HAHN, P.A.**



Mary L. Hahn  
Attorney at Law

MLH:jmh

Enclosures

cc w/enclosures: Carla Johnson, Executive Director, NSC *(via email)*

**LETTER OF INTENT (TERM SHEET)**  
**REGARDING NEW LEASE AGREEMENT EFFECTIVE JANUARY 1, 2026**

This Letter of Intent (Term Sheet) is entered into by and between the City of Northfield and Northfield Senior Citizens, Inc., d/b/a FiftyNorth (collectively referred to as the Parties).

**IDENTITY OF PARTIES:** Landlord is the City of Northfield, a municipality. Tenant is Northfield Senior Citizens, Inc., d/b/a FiftyNorth (NSC), a 501c3 nonprofit corporation organized and existing under the laws of the State of Minnesota.

**TRANSACTION:** The Parties intend to enter into a new Lease Agreement effective January 1, 2026, upon the terms set forth below. During lease negotiations, the Parties will honor their shared history and NSC's significance in the Northfield Community. The Parties will negotiate in good faith to achieve the goals stated herein.

**TENANT'S SIGNIFICANCE IN THE COMMUNITY:** NSC is a nonprofit senior center that plays a vital role in serving older adults in Northfield and the surrounding area. NSC fulfills a social and civic purpose. It provides an enriching environment in which to socialize, recreate, study and commune. It emphasizes educational development and physical health. NSC is a vital hub for wellness, connection and dignity for older adults in Northfield. The City recognizes that NSC provides significant value to the Northfield community.

**TENANT'S FINANCIAL POSITION:** NSC operates in a structural deficit in that every year its expenses exceed its revenue. NSC depends on investment withdrawals to fund its operations. The City is aware of NSC's financial condition. NSC has provided the City with all financial information which the City has requested.

**PERTINENT HISTORY OF THE RELATIONSHIP:** NSC has been in its current location since 2000. The Parties entered their first lease agreement in 2000. The 2000 lease agreement included certain terms that provided important guarantees and protections for NSC. In 2005, the parties entered into a new lease agreement, and many of these guarantees and protections were removed. The Parties now agree to reinstate said guarantees and protections.

The parties recognize and acknowledge the original goals in the creation of the Northfield Community Resource Center (NCRC), which currently houses NSC. The NSC was paid for in part by the citizens of Northfield through property taxes, gifts from over 1500 donors, individuals and local businesses and organizations, and by grants, bequests and fundraisers.

Five original partners – the City of Northfield, the Community Action Center of Northfield, the Northfield Senior Citizens Organization, the Three Rivers Community Action, Inc., and the Northfield Public School District -- worked to raise the necessary resources. An anonymous donor offered \$1 million dollars to the project on the condition that the City, its partners and the voters of Northfield would agree to a continuing shared collaboration. The Parties to this Letter of Intent will honor these original goals.

**NCRC IS PART OF THE PARKS AND RECREATION DEPARTMENT:** In 2022, the City assumed management of the Northfield Community Resource Center (NCRC) under Public Works, specifically within the Streets & Parks/Parks & Recreation Division. The NCRC is now considered one of the City's "indoor facilities" for purposes of management and capital planning. This designation allows local tax dollars, collected from residents of the Northfield community, to be used for maintaining the building and its surrounding grounds.

**GOALS:** The Parties will strive to work as a partnership rather than as commercial landlord and tenant. The City recently referred to NSC as a captive tenant. NSC is not a captive tenant. The City will negotiate future lease provisions as an equal partner to NSC. The City will reinstate certain guarantees and protections included in previous lease agreements of the parties as set forth below.

**LEASE PREMISES:** The Lease Premises encompasses approximately 18,028 square feet of space situated in the Northfield Community Resource Center, 1651 Jefferson Parkway, Northfield, Rice County, Minnesota, 55057. The Leased Premises include what is commonly referred to as the Wellness Center, defined below.

**LEASE TERM:** The Parties will negotiate a four-year lease term with options to renew. The first lease term will be effective January 1, 2026, through December 31, 2029. Thereafter, NSC will have the option to renew the lease agreement for three (3) additional 4-year terms.



**BASE RENT DURING INITIAL LEASE TERM:** NSC will have controlled rent. Rent will be based on the same rate per square foot regardless of how NSC uses the square footage in the Leased Premises. For the duration of the initial Lease Term, base rent will be \$12.00 per square foot, or \$18,028 per month.

NSC is currently paying \$7.78 per square foot, or \$12,000 per month. NSC's agreement to this significant rental increase is conditioned upon the fact that NSC will no longer be contributing any amount of the operating costs for the Wellness Center, as set forth below.

**BASE RENT FOR RENEWAL TERMS:** NSC will have the option to renew the lease agreement for three (3) additional four-year terms. Rent will be negotiated for each new term. These terms will be as follows:

First renewal term (Jan. 1, 2030 – December 31, 2033)

Second renewal term (Jan. 1, 2034 – December 31, 2037)

Third renewal term (Jan. 1, 2038 – December 31, 2041)

**WELLNESS CENTER:** The Wellness Center is situated within the Leased Premises. It is designated a City Park. It is an asset of the City's Park and Recreation Department. For that reason, the City will be responsible for the operating costs of the Wellness Center, like other parks in the community.

The Wellness Center consists of a warm water pool which serves the entire community, and a fitness center. The Wellness Center constitutes at least 80% of the total member usage of NRC. The City will assume full responsibility for all operating costs of the Wellness Center, including maintenance of the warm water pool. The new lease agreement will provide that NSC will have no further obligation to contribute to operating costs of the Wellness Center with the following limited exception: NSC will manage the Wellness Center in partnership with the City and NSC will provide staffing for the Wellness Center.

**CORRECTION OF INCONSISTENCIES IN CURRENT LEASE:** The parties' current lease dated April 1, 2025, contains certain ambiguities and inconsistencies, particularly between and among Paragraph 4 (Operating Costs for Senior Center) and Paragraph 8 (Maintenance and Repairs). The parties will work together to craft a clear and unambiguous lease agreement, particularly as it relates to the difference between operating costs and maintenance and repairs.

**CITY OPERATIONS SUBSIDY CLAIM:** NSC will not be responsible for any retroactive operating costs which the City may have incurred. The City's recent demand for retroactive operating costs is not authorized by the parties' previous lease agreements or by the lease agreement dated April 1, 2025.

**LANDLORD RESPONSIBILITIES:** The City will be responsible for all customary maintenance and repair of the leased premises including but not limited to the following: HVAC systems, heating and cooling, plumbing, electrical, window replacement and repairs, structural repairs, roof replacement and repairs, and maintaining the grounds and parking areas. The City will be responsible for janitorial services and related cleaning supplies, building and equipment maintenance, grounds maintenance including snow removal, snow plowing, lawn mowing, tree removal, telephone and communication services including WIFI, general insurance, gas, electricity, water, sewer, storm drainage and refuse disposal.

**DEFERRED MAINTENANCE:** There is deferred maintenance for the NCRS building, which the City has yet to address. The City will provide NSC a timeline setting forth when it intends to address deferred maintenance. Deadlines will be incorporated into the parties' lease agreement. The City will be solely responsible for the cost of deferred maintenance for the NCRS building. It will continue to maintain responsibility for the condition of the leased premises and the safety of all invitees.

**INFORMATION EXCHANGE:** If either party requests information, including documentation from the other party, relating to or necessary for future lease negotiations, the requested information will be promptly provided.

**NON-BINDING:** This Letter of Intent is not a legally enforceable agreement but a framework for further negotiation and documentation.

**ADDITIONAL TERMS:** The anticipated lease agreement may include other reasonable provisions, in addition to those outlined above, that the parties find mutually agreeable.

**DEADLINE FOR ENTERING INTO NEW WRITTEN LEASE AGREEMENT:** September 30, 2025, or soon thereafter as is mutually agreeable to the Parties.

**IT IS SO AGREED.**

CITY OF NORTHFIELD  
Landlord

NORTHFIELD SENIOR CENTER, INC.  
Tenant

BY: \_\_\_\_\_  
Its \_\_\_\_\_

BY: \_\_\_\_\_  
Its \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

## LEASE AGREEMENT

This LEASE (the "Lease") is dated as of this 1<sup>st</sup> day of April 2025, by and between **CITY OF NORTHFIELD** ("Landlord") and **NORTHFIELD SENIOR CITIZENS, INC.**, a nonprofit corporation under the laws of the State of Minnesota, d/b/a FiftyNorth ("Tenant").

WHEREAS, in consideration of the Rent hereinafter defined, and the covenants contained herein, Landlord and Tenant hereby agree:

### 1. Basic Lease Information/Definitions.

1.1	Premises	Approximately 18,028 square feet of space. The Premises is depicted on Exhibit A and identified as Senior Center in dark grey shading, attached hereto and incorporated herein by reference. (See Section 2.)				
1.2	Building	1651 Jefferson Parkway, Northfield, MN 55057 ("Property").				
1.3	Commencement Date	April 1 <sup>st</sup> 2024				
1.4	Term	<b>Nine (9) months</b> unless sooner terminated or extended pursuant to the terms and conditions of this Lease.				
1.5	Base Rent	Base Rent shall be the following amounts for the following periods of time: <table><tr><td><u>Period Covered</u></td><td><u>Monthly Rent</u></td></tr><tr><td>4/1/2025-12/31/2025</td><td>\$11,896.50</td></tr></table>	<u>Period Covered</u>	<u>Monthly Rent</u>	4/1/2025-12/31/2025	\$11,896.50
<u>Period Covered</u>	<u>Monthly Rent</u>					
4/1/2025-12/31/2025	\$11,896.50					
1.6	Utilities	Landlord shall pay direct to service provider Utilities defined in Section 6.				
1.7	Operating Costs	(See Section 4.)				
1.8	Tenant's Notice Address	1651 Jefferson Parkway, Suite HS-200, Northfield, MN 55057				
1.9	Landlord's Notice Address	City of Northfield (See Section 19.) 801 Washington St. Northfield, MN 55057				

### 2. Premises.

Landlord hereby leases to Tenant the Premises for the Term pursuant to the terms and conditions of this Lease.

### 3. Rent.

3.1. Base Rent. Tenant shall pay to Landlord the Base Rent identified in Section 1.5 of this Lease in advance on the first day of each calendar month during the Term mailed or delivered to **City of Northfield, 801 Washington St, Northfield, MN 55057**, or such other location as Landlord shall advise Tenant of from time to time, and Rent checks shall be made payable to "**CITY OF NORTHFIELD**". Should the Term commence or terminate on a day other than the first day or the last day of a calendar month, Landlord and Tenant agree that Base Rent for the first and last month of the Term shall be prorated and Base Rent for the remaining months shall be due and payable on the first of the month as provided above. Base Rent plus all other sums due and owing pursuant to this Lease shall be collectively called "Rent."

3.2. Late Payment. If any installment of Rent or any other sums due from Tenant is not received by Landlord within 5 days following the due date, Tenant will pay to Landlord a late charge equal to 5% of such overdue amount. Landlord and Tenant hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord would incur as a result of such late payment.



3.3 Taxes and Insurance. The Base Rent includes Tenant's payment for Tenant's share of real estate taxes, and insurance for the Building.

**4. Operating Costs for Senior Center.**

4.1 Reimbursement of Major Equipment Costs. The City of Northfield, as Landlord, and pursuant to Minnesota Statutes, section 471.935, may appropriate money to support the facilities, programs, and services of a public or private, nonprofit senior citizen center, and accordingly the Landlord shall pay fifty percent (50%) of the operating costs defined herein. The Tenant's Rent is intended to cover the other fifty percent of the operating costs

Additionally, the Landlord shall reimburse the Tenant for fifty percent (50%) of the cost of major equipment needed for operation of the senior center, with the City reimbursement portion not to exceed \$20,000 in any month without prior written approval of the City Administrator and subject to budgetary constraints. Examples of costs eligible for reimbursement include, but are not limited to, fitness equipment, projector and screen systems, flooring, interior partitions, interior doors and windows, and pool-related capital expenditures. Reimbursement by the City pursuant to this paragraph of the Tenant for the Premises, requires that the Tenant submit an itemized list of eligible costs to the City of Northfield Finance Director for review and reimbursement of the same, with reimbursement by the City to Tenant of approved and eligible costs as defined herein and subject to the limitations hereof within thirty (30) days of submittal.

4.2 Forecast of Major Equipment Needs. To assist the City in its planning for capital spending, no later than April 30 of each calendar year, Tenant shall provide Landlord with an estimate of its major equipment needs for each of the following two calendar years.

4.3 Capital improvement. The City shall follow the Capital Improvement Plan as adopted by the City Council. Including replacement of the pool dehumidification unit in 2025 at the City's expense.

4.4 Operating costs defined. "Operating Costs" means all costs which Landlord may incur in maintaining and operating the Building and the property on which it is located and, with respect to any calendar year, includes but is not limited to the following costs incurred by Landlord in such calendar year: (i) all personnel costs for the Landlord's employees who provide services for the benefit of all tenants in the Building; (ii) all utility costs; (iii) all costs of contract agreements with private service contractors for such things as garbage collection, snow removal, grass mowing, and other contract agreements which benefit the entire Building; (iv) all costs of general liability and property insurance premiums; (v) all costs of building maintenance and regular custodial services provided to the tenants of the Building; (vi) real estate taxes, fees or charges imposed by any governmental entity or annual installments of special assessments levied against the Building; (vii) all other costs which, under generally accepted accounting principles are expenses rather than capital improvements and which the Landlord will incur in owning, maintaining and operating the Building, exclusive of depreciation, interest or payments of principal on any debt to finance construction or other encumbrance; (viii) all costs of other capital expenditures made for repairs to the Building or purchase of equipment, which costs will be amortized over the expected life of such improvements; and (ix) all other costs, including pool chemicals and pool equipment, which the parties agree are generally considered costs of operating or maintaining a facility such as the Senior Center. Operating Costs do not include Tenant personnel or program costs, employee benefits, office equipment or office supplies.

4.5 Expense Reports and Budgets. Landlord shall provide Tenant with quarterly expense reports for Landlord's operation of the NCRC. Prior to setting the annual budget for operation of the NCRC, Landlord shall provide Tenant with a proposed budget sixty (60) days prior to adoption. Tenant may submit written comments concerning the proposed budget for consideration by the Northfield City Council and may meet with Landlord to discuss questions or concerns regarding operating costs and expenses. Tenant's written comments must be submitted to Landlord thirty (30) days prior to the meeting at which the NCRC budget will be considered by the Northfield City Council.

4.6 Capital Improvements The Landlord shall provide the City Council approved 5 year capital improvement plan for the NCRC by year end of 2025.

**5. Use.**

The Premises shall be used and occupied only for office, meeting space and governmental services. Tenant shall occupy the Premises, conduct its business and control its agents, employees, invitees and visitors in such a manner as is lawful, reputable and will not create a nuisance. Tenant shall not permit any waste on the Premises to be used in any way which would in the opinion of Landlord be extra hazardous on account of fire or which would in any way increase or render void the fire insurance on the Building. Tenant, at its sole cost and expense, shall comply with all laws, ordinances, orders, rules and regulations of state, federal, municipal or other agencies or bodies having jurisdiction over the use, condition or occupancy of the Premises. Tenant will comply with the rules and regulations of the Building adopted by Landlord. Landlord shall have the right at all times to change and amend the rules and regulations in any reasonable manner as may be deemed advisable for safety, care, cleanliness, preservation of good order and operation or use of the Building or the Premises.

**6. Utilities.**

Landlord shall be responsible for payment of the following utilities: gas, water, sewer, garbage, phone, internet and electricity. Tenant shall have no claim for rebate of rent on account of any interruption in service. Tenant shall at all times keep the Premises adequately heated to prevent the water pipes from freezing. Landlord shall not be liable for any interruption or failure in supply of any utility to the Premises.

**7. Condition of Premises.**

Tenant hereby accepts the Premises and any equipment thereon in their condition existing as of the Commencement Date or the date that Tenant takes possession of the Premises, whichever is later.

**8. Maintenance and Repairs.**

**8.1 Landlord's Obligations.** Landlord shall not be required to make any improvements, replacements or repairs of any kind or character to the Premises during the term of this Lease except as are set forth in this Section. Landlord shall maintain only the pool, pool locker rooms, HVAC system, phone system, common use data cabling, door access control, security system, plumbing, sewage, roof, foundation, parking and common areas, and the structural soundness of the exterior walls, exterior windows and doors, corridors, and other structures serving the Premises. Landlord recognizes the importance of senior programming within the community, and that providing that programming requires that the Building be operational for extended hours and on weekends. Landlord shall not be liable to Tenant, except as expressly provided in this Lease, for any damage or inconvenience, and Tenant shall not be entitled to any abatement or reduction of rent by reason of any repairs, alterations or additions made by Landlord under this Lease. Landlord does not warrant that any of the services referred to above or any other services that Landlord may supply 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, or if repairs or improvements must be made for reasons beyond Landlord's control. Any such interruption or discontinuance of service 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.

**8.2 Tenant's Obligations.** Tenant shall, at all times throughout the term of this Lease keep and maintain the Premises in a clean, safe, sanitary and first class condition and in compliance with all applicable laws, codes, ordinances, rules and regulations. Tenant's obligations hereunder shall include, but not be limited to, the maintenance, repair and replacement, if necessary, of all lighting fixtures and equipment, all interior walls, floor covering, ceiling tiles, partitions, doors and windows, including the regular painting thereof. The Tenant shall keep and maintain all portions of the Premises and areas adjoining the same, in a clean and orderly condition, free of accumulation of rubbish. Except as otherwise provided in this Lease, all services required by Tenant shall be supplied and paid for by Tenant. Tenant shall incorporate an Acknowledgement of City Support. FiftyNorth is required to acknowledge the City of Northfield support by using the City logo and following credit line in all printed materials, news releases, films, videos, electronic transmissions, and web sites:

"FiftyNorth and its programs are made possible in part through financial contributions by the City of Northfield."

FiftyNorth must also acknowledge the City of Northfield when written credit is not applicable, by providing oral credit before any ceremonial event and in media interviews that relates to explaining how the facility is funded and/or operated."

**9. Alterations and Leasehold Improvements.**

The Premises is rented "as is". Landlord has made no promise to alter, remodel, repair or improve the Premises and has made no representation of the condition of the Premises or the Building other than what is contained in this Lease. Tenant shall not make or allow to be made any alterations or physical additions in or to the Premises without first obtaining the written consent of Landlord's Facilities Manager, which consent may in the sole and absolute discretion of Landlord be denied. Any alterations, physical additions or improvements to the Premises made by Tenant shall at once become the property of Landlord and shall be surrendered to Landlord upon the termination of this Lease; provided, however, Landlord, at its option, may require Tenant to remove any physical additions and/or repair any alterations in order to restore the Premises to the conditions existing at the time Tenant took possession, all costs of removal and/or alterations to be borne by Tenant. This clause shall not apply to Tenant owned equipment or trade fixtures, which may be removed by Tenant at the end of the term of this Lease if Tenant is not then in default and if such equipment and fixtures are not subject to any other rights, liens and interests of Landlord.



**10. Insurance.**

10.1. Insurance Coverage. During the Term, Tenant will carry, at its own expense: (a) public liability insurance, in a form and with a company satisfactory to Landlord, (b) a bodily injury and property damage combined single limit policy of at least \$1,000,000 and (c) all other insurance necessary to keep the contents maintained on the Premises insured against fire and other casualty in amounts sufficient to enable Tenant to restore or replace the contents in case of loss by fire or other casualty. All such insurance policies shall be endorsed to name Landlord and Landlord's agent as additional insureds. Tenant shall provide Landlord with thirty (30) days prior written notice of any cancellation or material modification of the insurance policies required to be maintained by Tenant herein. In addition, such policies or certificates evidencing that such policies are in effect, shall be delivered to Landlord at the commencement of the Term and renewals shall be delivered at least ten (10) full days prior to the expiration or cancellation of any such policy. If the certificate of insurance has any disclaimers regarding additional insured status, Tenant shall provide an endorsement of the policy to Landlord and requested additional insured. If Tenant fails to comply with its covenant to maintain insurance as provided herein, Landlord may, at its option, cause insurance as aforesaid to be issued and, in such event, Tenant shall pay the premiums for such insurance as Additional Rent hereunder.

10.2. Indemnity. Landlord shall not be liable to Tenant for and Tenant does hereby release Landlord and its respective agents and employees from liability for any injury, loss or damages to Tenant or to any other person or property occurring upon the Property unless caused by Landlord's negligence or willful misconduct. Tenant agrees to indemnify, defend, and hold Landlord, Landlord's officers, directors, stockholders, employees and agents (collectively "Landlord Group") harmless against and from any and all liability, loss, costs, damages, expenses, including reasonable attorneys' fees, claims and demands, that may be brought against Landlord Group, for or on account of any damages, loss or injury to persons or property in or about the Property during the Term, or during any occupancy by Tenant prior to the Commencement Date or for any damages, loss or injury to persons or property caused by Tenant whatsoever, unless caused by Landlord's negligence or willful misconduct. For purposes of this Section, "Tenant" shall include Tenant, its employees, agents, servants, invitees, licensees, contractors and subcontractors. This indemnification shall survive the expiration or earlier termination of this Lease.

10.3. Waiver of Subrogation. To the extent permitted by law, and without affecting the coverage provided by insurance required to be maintained hereunder, Landlord and Tenant each waive any right to recover against the other for (a) damages to property, (b) damages to all or any portion of either or both of the Premises and the Property, (c) claims arising by reason of the foregoing, to the extent such damages and claims are insured against, or required to be insured against, by Landlord or Tenant under this Lease, or (d) claims paid by Tenant's workers' compensation carrier. This provision is intended to waive, fully and for the benefit of each party, any rights and/or claims which might give rise to a right of subrogation by any insurance carrier. The coverage obtained by each party pursuant to this Lease shall include, without limitation, a waiver of subrogation by the carrier which conforms to the provisions of this section.

**11. Tenant Assignment and Subletting.**

Tenant shall not assign, in whole or in part, this Lease, or allow it to be assigned, in whole or in part, by operation of law or otherwise or mortgage or pledge the same, or sublet the Premises, in whole or in part, without the prior written consent of Landlord, and in no event shall said such assignment or sublease ever release Tenant or any guarantor from any obligation or liability hereunder.

**12. Subordination/Estoppel Certificates.**

Tenant accepts this Lease, and the tenancy created hereunder, subject and subordinate to any underlying leases, mortgages, deed of trust, leasehold mortgages or other security interests now or hereafter a lien upon or affecting the Premises or any part thereof. Tenant shall, at any time hereafter, on request, execute any instruments that may be required by any mortgage, mortgagee, deed of trust, trustee, or underlying owner or Landlord hereunder to subordinate Tenant's interest hereunder to the lien of any such mortgages, deed or deeds of trust or underlying lease. Tenant agrees at any time and from time to time upon five (5) business days prior notice by Landlord to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and the dates to which Rent and other charges have been paid in advance, if any, and stating whether or not Landlord is in default in performance of any covenant, agreement or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge, and such other matters as Landlord may request, it being intended that any such statement hereunder may be relied upon by any third party not a party to this Lease. The failure of Tenant to execute any such instruments, leases or documents shall constitute a Default hereunder.

**13. Default.**

Tenant hereby agrees that the following shall be deemed to be events of default ("Default") by Tenant under this lease: (1) Tenant shall fail to pay when due any installment of rent or any other payment required pursuant to this Lease; (2) Tenant shall abandon any substantial portion of the Premises; (3) Tenant shall fail to comply with any term, provision or covenant of this Lease, other than the payment of rent, and the failure is not cured within ten (10) days after written notice to Tenant; (4) Tenant shall file a petition or if an involuntary petition is filed against Tenant, or becomes insolvent, under any applicable federal or state bankruptcy or insolvency law or admit that it cannot meet its financial obligations as they become due; or a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant; or Tenant shall make a transfer in fraud of creditors or shall make an assignment for the benefit of creditors; or (5) Tenant shall do or permit to be done any act which results in a lien being filed against the Premises or the Building and/or project of which the Premises are a part.

**14. Remedies for Tenant's Default.**

Upon the occurrence of a Default as defined above, Landlord may elect either (i) to cancel and terminate this Lease and this Lease shall not be treated as an asset of Tenant's bankruptcy estate, or (ii) to terminate tenant's right to possession only without canceling and terminating Tenant's continued liability under this Lease. Notwithstanding the fact that initially Landlord elects under (ii) to terminate Tenant's right to possession only, Landlord shall have the continuing right to cancel and terminate this Lease by giving three (3) days' written notice to Tenant of such further election, and shall have the right to pursue any remedy at law or in equity that may be available to Landlord.

In the event of election under (ii) to terminate Tenant's right to possession only, Landlord may, at Landlord's option, enter the Premises and take and hold possession thereof, without such entry into possession terminating this Lease or releasing Tenant in whole or in part from Tenant's obligation to pay all amounts hereunder for the full stated term. Upon such re-entry, Landlord may remove all persons and property from the Premises and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, without becoming liable for any loss or damage which may be occasioned thereby. Such re-entry shall be conducted in the following manner: without resort to judicial process or notice of any kind if Tenant has abandoned or voluntarily surrendered possession of the Premises; and, otherwise, by resort to judicial process. Upon and after entry into possession without termination of the Lease, Landlord may, but is not obligated to, relet the Premises, or any part thereof, to anyone other than the Tenant, for such time and upon such terms as Landlord, in Landlord's sole discretion, shall determine. Landlord may make alterations and repairs to the Premises to the extent deemed by Landlord necessary or desirable.

Upon such re-entry, Tenant shall be liable to Landlord as follows:

- A. For reasonable attorneys' fees incurred by Landlord in connection with exercising any remedy hereunder;
- B. For the unpaid installments of base rent, additional rent or other unpaid sums which were due prior to such re-entry, including interest and late payment fees, which sums shall be payable immediately;
- C. For the installments of base rent, additional rent, and other sums falling due pursuant to the provisions of this Lease for the period after re-entry during which the Premises remain vacant, including late payment charges and interest, which sums shall be payable as they become due hereunder;
- D. For all reasonable expenses incurred in releasing the Premises, including leasing commissions, attorneys' fees, and costs of alteration or repairs, which shall be payable by Tenant as they are incurred by Landlord; and
- E. While the Premises are subject to any new lease or leases made pursuant to this Section, for the amount by which the monthly installments payable under such new lease or leases is less than the monthly installment for all charges payable pursuant to this Lease, which deficiencies shall be payable monthly.

Notwithstanding Landlord's election to terminate Tenant's right to possession only, and notwithstanding any reletting without termination, Landlord, at any time thereafter, may elect to terminate this Lease, and to recover (in lieu of the amounts which would thereafter be payable pursuant to the foregoing, but not in diminution of the amounts payable as provided above before termination), as damages for loss of bargain and not as a penalty, an aggregate sum equal to the



amount by which the rental value of the portion of the term unexpired at the time of such election is less than an amount equal to the unpaid base rent, percentage rent, and additional rent and all other charges which would have been payable by Tenant for the unexpired portion of the term of this Lease, which deficiency and all expenses incident thereto, including commissions, attorneys' fees, expenses of alterations and repairs, shall be due to Landlord as of the time Landlord exercises said election, notwithstanding that the term had not expired. If Landlord, after such re-entry, leases the Premises, then the rent payable under such new lease shall be conclusive evidence of the rental value of the unexpired portion of the term of this Lease.

If this Lease shall be terminated by reason of bankruptcy or insolvency of Tenant, Landlord shall be entitled to recover from Tenant or Tenant's estate, as liquidated damages for loss of bargain and not as a penalty, the amount determined by the immediately preceding paragraph.

Neither acceptance of rent by Landlord, with or without knowledge of Default, nor the failure of Landlord to take action on account of any default hereof or to enforce its rights hereunder shall be deemed a waiver of any breach, and absent written notice or consent, said breach shall be a continuing one. In the event of a dispute between the parties hereto with respect to the enforcement of either party's obligations contained herein, the prevailing party shall be entitled to reimbursement of reasonable attorney's fees, costs and expenses incurred in connection therewith.

**15. Surrender/Hold Over.**

Tenant shall vacate the Premises at the expiration date or other termination of this Lease and shall remove all goods and effects not belonging to Landlord and shall surrender possession of the Premises and all fixtures and systems thereof in good repair, reasonable wear and tear excepted. If Tenant holds over and remains in possession of the Premises or any part thereof after the Expiration Date or the sooner termination of the Term or Tenant's right to possession hereunder, Tenant shall be deemed to hold the Premises as a tenant at sufferance, subject to all of the terms, conditions and covenants of this Lease, except that Gross Rent payable during such holdover period shall be an amount equal to one hundred fifty percent (150%) of the installments of Gross Rent payable at the time of such expiration or earlier termination. The provisions of this paragraph do not waive Landlord's right of re-entry or right to regain possession by actions at law or in equity or by any other rights hereunder.

**16. Destruction, Fire or Other Casualty.**

In case of damage to the Premises by fire or other casualty, Tenant shall give immediate notice thereof to Landlord, and Landlord, to the extent that insurance proceeds respecting such damage are subject to and, in fact, are under the control and use of Landlord, shall thereupon cause such damage to all property owned by Landlord to be repaired as promptly as possible at the expense of Landlord, due allowance being made for delay which may arise by reason causes beyond Landlord's control, and to the extent that the Premises are rendered untenable, the Rent shall proportionately abate, provided the damage above mentioned occurred without the fault or neglect of Tenant, Tenant's servants, employees, agents, contractors, licensees, invitees or visitors. Notwithstanding the foregoing, if such damage is due to the fault or neglect of Tenant or any of other said persons, the damage may be repaired by Landlord at Tenant's expense and there shall be no apportionment or abatement of Rent. In the event the damage shall be so extensive to the Premises as to render it uneconomical, in Landlord's opinion, to restore for the use of Tenant, or Landlord shall decide not to repair or rebuild the Premises, this Lease, at the option of Landlord, shall be terminated upon written notice to Tenant and the Rent shall, in such event, be paid to or adjusted as of the date of such damage and Tenant shall thereupon vacate the Premises and surrender same to Landlord, provided that no such termination shall release Tenant from any liability to Landlord arising from such damage or from any breach of the obligations imposed on Tenant hereunder.

**17. Eminent Domain.**

If the entire Premises shall be substantially taken for public purposes, or in the event Landlord shall convey or lease the Premises to any public authority under threat of condemnation or taking, this Lease shall thereupon terminate. In the event of a taking, lease or condemnation, whether or not there is a termination hereunder, Tenant shall have no claim against Landlord other than an adjustment of Rent to the date of taking, lease or condemnation, and Tenant shall not be entitled to any portion of any amount that may be awarded as damages or paid as a result or in settlement of such proceedings or threat. Notwithstanding the foregoing, Tenant may pursue its own claim against the condemning authority for any damages or award permitted under the laws of the State of Minnesota, to be paid to Tenant without diminution or reduction of the award, judgment or settlement received by Landlord.

**18. Rights of Access, Prospective Purchasers and Lenders.**

Landlord or its authorized agents shall at any and all reasonable times have the right to enter the Premises to inspect the same, to show the Premises to prospective purchasers, lessees, mortgages, insurers or other interested parties. Tenant shall, within five (5) days of Landlord's request therefore, provide Landlord with current information and statements regarding the financial condition of Tenant. Landlord shall have the right to use any and all means which Landlord may deem proper to open any door in an emergency without liability therefor. Tenant shall permit Landlord to erect, use, maintain and repair pipes, cables, conduits, plumbing, vents and wires in, to and through the Premises as often and to the extent that Landlord may now or hereafter deem to be necessary or appropriate for the proper use, operation and maintenance of the Building, provided the same does not unreasonably interfere with Tenant's use or operation of the Premises.

Landlord further reserves the following rights: (a) to maintain signs on the exterior or interior of the Building; (b) to designate and control all sources furnishing Building-related services to tenants; (c) to retain passkeys to all doors within and into the Premises; (d) during the last year of the Term to exhibit the Premises to prospective lessees; (e) to grant to anyone the exclusive right to conduct any particular business in the Building and schedule the use of Building shared services and common areas, provided such use does not interfere with Tenant's right to the use and peaceful enjoyment of the Premises; (f) to close the Building after regular working hours and on legal holidays and to effect such reasonable security measures as Landlord may deem appropriate and in the best interests of the Building and tenants; (g) to take any and all measures necessary or desirable for the operation, safety, protection or preservation of the Building, including repairs, alterations, decorations, additions or improvements, whether structural or otherwise, in and about the Building or any part thereof; (h) to prepare and improve tenant space adjacent to the Premises (both vertically and horizontally), and in such preparation and improvement Landlord may create dust, noise and vibrations reasonably necessary to the completion of the work, and may temporarily obstruct doors, entry ways, public spaces and corridors on the same floor as the Premises, and to interrupt or temporarily suspend Building Services or facilities; (i) to enter to verify use of the Premises; and (j) to unilaterally amend or add to Building Rules adopted by Landlord, following notification to Tenant and Tenant's opportunity to comment on amended or added Building Rules, except where prior notification is not reasonable. Landlord may enter upon the Premises and may exercise any or all of the foregoing rights 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.

**19. Notice.**

Any notices required to be served in accordance with the terms of this Lease shall be in writing and delivered to Tenant at the address identified in Section 1.8 and to Landlord at the address identified in Section 1.9. Either party may at any time designate by written notice to the other a change in the above addresses or addressees. All notices, demands and requests shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed by United States Postal Service registered or certified mail, return receipt requested, or deposited with a reputable overnight courier, at the time such notice, demand or request shall be deposited with the overnight courier.

**20. Patriot Act.**

Tenant represents to Landlord, and Landlord represents to Tenant, that the representing party is not (and such party is not engaged in this transaction on behalf of) a person or entity with which either party is prohibited from doing business pursuant to any law, regulation or executive order pertaining to national security ("Anti-Terrorism Laws") and such party has not violated and, to the best of such party's knowledge, it is not under investigation for the violation of any Anti-Terrorism Laws pertaining to money laundering. Anti-Terrorism Laws shall specifically include, but shall not be limited to, the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001", Pub. L. No. 107-56 (also known as the "U.S.A. Patriot Act"); Executive Order 13224; the Bank Secrecy Act, 31 U.S.C. Section 5311 et seq.; the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et seq.; the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et seq.; sanctions and regulations promulgated pursuant thereto by the Office of Foreign Assets Control ("OFAC"), as well as laws related to the prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

**21. Entire Agreement.**

It is expressly agreed by Tenant, as a material consideration for the execution of this Lease, that this Lease, with the specific references to written extrinsic documents, is the entire agreement of the parties: that there are, and were, no verbal



representations, warranties, understandings, stipulations, agreements or promises pertaining to this Lease or to the expressly mentioned written extrinsic documents not incorporated in writing in this Lease.

**22. Amendment.**

This Lease may not be altered, waived, amended or extended except by an instrument in writing signed by Landlord and Tenant.

**23. Miscellaneous.**

If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. All headings in this Lease are intended for convenience or reference only and are not to be deemed or taken as a summary of the provisions to which they pertain or as a construction thereof. Except as otherwise provided, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord, Tenant, and their respective heirs, distributees, executors, administrators, grantees, successors and assigns. This Lease contains all agreements of the parties with respect to any matters contained herein. No prior agreement, proposal or understanding pertaining to any such matter binding unless expressly incorporated herein. This Lease may be modified only in writing and signed by the parties in interest at the time of the modification. This Lease shall be governed by and construed in all respects in accordance with the laws of the State of Minnesota. Submission of this Lease by Landlord or Landlord's agent, or their respective agents or representatives to Tenant for examination and/or execution shall not in any manner bind Landlord and no obligations on Landlord shall arise under this Lease unless and until this Lease is fully signed and delivered by Landlord and Tenant; provided, however, the execution and delivery by Tenant of this Lease to Landlord or Landlord's agent, or their respective agents or representatives, shall constitute an irrevocable offer by Tenant to enter into this Lease on the terms and conditions herein contained, which offer may not be revoked for thirty (30) days after such delivery. 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. Throughout the Term of this Lease, 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. The parties acknowledge that this Lease is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.

**24. Signage.**

Any sign placed on the Building or grounds must be in conformance with the Landlord's sign criteria, if any, and approved in advance in writing by Landlord. Any sign placed on the Building must be in conformance with City municipal code and other codes governing the Building. Tenant, upon vacation of the Premises, or the removal or alteration of its sign for any reason, shall be responsible for the repair, painting or replacement of the Building fascia surface or other portion of the Building where signs are attached if such repair, replacement or repainting is necessary due to the removal of Tenant's signage. If Tenant fails to do so, Landlord may have the sign removed and the cost of removal shall be payable by Tenant within ten (10) days of invoice, and such obligation shall survive termination or expiration of this Lease.

*Remainder of Page Left Blank  
Signature Page to Follow*

IN WITNESS WHEREOF, Landlord and Tenant have signed and sealed this Lease as of the day and year first above written by their duly authorized partner or officer, as the case may be.

LANDLORD:

TENANT:

CITY OF NORTHFIELD

NORTHFIELD SENIOR CITIZENS, INC.

By: *Erica Zweifel*  
Erica Zweifel Its: Mayor

By: *Kathie Jents*  
President, Northfield Senior  
citizens, Inc Its: 4/4/2025



