

BUILDING SPACE LEASE

THIS AGREEMENT, made this 13 day of September, 2022, by and between the City of Vergas, a Minnesota municipal corporation, P.O. Box 32, 111 Main St, Vergas, MN 56587 hereinafter referred to as “Lessor” or “City,” and The Vergas Lions Club, hereinafter referred to as “Lessee.”

RECITALS

- A. The City provides community recreation, education and wellness services and programs at the “Vergas Event Center,” a municipal recreation facility owned and used by the City as part of its program of public recreation as authorized by Minn. Stat. 471.191 Subd. 1 (hereinafter the "Facility").
- B. The City has determined that it is advisable to lease the herein described portion of the Facility to Lessee, a nonprofit club, and has recommended to the Council that the City consent and agree to this Building Space Lease.

NOW THEREFORE, in consideration of the matters recited above, and of the mutual benefits and obligations set forth in this concession lease, and other good and valuable consideration, the City of Vergas as Lessor and the above identified Lessee do hereby agree as follows:

1. **LEASE.** Lessor does hereby remise, lease, and let unto Lessee, and Lessee does hereby hire and take from Lessor possession of the defined portion of the Facility consisting of the closet adjacent to the bar area of the Event Center hereinafter referred to as the "Premises," to have and to hold said premises just as they are without liability or obligation on the part of the Lessor of making any further alterations, improvements, or repairs of any kind on or about said premises, except as herein provided, for the term herein provided.

2. **TERM OF LEASE.** The term of this lease shall begin September 13, 2022 and end on December 31, 2023. There shall be no automatic renewal of this lease.

3. **RENT.** Lessee shall pay rent for the premises to the City of Vergas, on behalf of Lessor, the sum of \$1 per annum, payable upon the signing of this lease. Should Lessee fail to pay any expense allocated to Lessee by this lease, Lessor may pay the same and the amounts so paid by Lessor shall, at Lessor's option on notice to Lessee, be considered additional rent due and owing in full of Lessee to Lessor with the first installment of rent thereafter due and payable and may be collected and enforced as by law and this lease provided for failure to pay rent.

4. **LEGAL DESCRIPTION.** In the event it becomes necessary or desirable to record this lease at the office of the Otter Tail County Recorder, Lessee hereby authorizes Lessor to attach the legal description of the leased premises to this lease and hereby agrees to incorporate the same into the provisions of this lease.

5. **QUIET ENJOYMENT.** Lessee shall keep and maintain said premises during the aforesaid term and quit and deliver up said premises to Lessor peaceably and quietly at the end of any lease term, or at any previous termination thereof for any cause, in as good order, condition, and state of repair, reasonable use, and wear thereof, and inevitable accidents excepted, as the same now are.

6. **IMPROVEMENTS.** Lessee shall not remodel the premises in any manner, including but not limited to changing the dimensions of the interior or adding any additional square footage to the concession.

7. **COMMON AREAS.** Lessee shall have the right to use the common hallways, automobile parking areas, driveways, footways and loading facilities in the building area available for the nonexclusive use of the City, all to be subject to the terms and conditions of this Building Space Lease Agreement and to other reasonable rules for the use thereof prescribed by Lessor. Lessor shall have the right to make changes or revisions to the common areas of the building and building area and Lessor shall have the right to construct building alterations or additional buildings as Lessor shall deem appropriate in the sole discretion of Lessor.

8. **CONDITION OF PREMISES/UTILITIES.** Lessee will put and keep said premises continually in a neat, clean, and respectable condition.

9. **ENTRY BY LESSOR.** Lessee shall permit Lessor, their agents, contractors, or employees to enter said premises at all reasonable times to view them, or to make repairs, alterations, or improvements to the premises, building or parts, a part of which is herein leased, and insert such tools, appliances, and pipes as they may deem necessary for the purposes of making said repairs, alterations and improvements, Lessee hereby waives any and all claims and demands for loss or damage, or diminution of rent on account thereof, or on account of any obstruction to sidewalk, entrance, or windows. Lessee will also provide one key to the Lessor. Lessor will give notice prior to entry with said key.

10. **COMPLIANCE WITH LAW.** Lessee shall not commit or permit any action to be performed on the premises which will be in violation of any statute, regulation, or ordinance of any

governmental body or which will be in violation of any insurance policy carried on the premises.

11. **ASSIGNMENT/SUBLEASE.** Lessee may not assign this lease or sublet the premises or any part thereof, whether by voluntary act, operation of law or otherwise, without the prior written consent of Lessor in each instance. Written consent by Lessor to one assignment of the lease or to one subletting of the premises or any portion thereof shall not be a waiver of Lessor's rights under this lease as to any subsequent assignment or subletting.

12. **CASUALTY.** If fire or other casualty shall render the premises untenable, this lease shall terminate.

13. **NO PARTNERSHIP CREATED.** This Lease shall not be deemed to give rise to a partnership relationship and neither party shall have authority to obligate or bind the other in any manner whatsoever without the other party's written consent.

14. **HOLDOVER.** In the event that Lessee remains in possession of the premises after expiration of the lease term without the renewal or execution of a new lease, Lessee shall be deemed to be occupying the premises as a tenant from month to month, subject to all of the conditions, provisions, and obligations of this lease in so far as they are applicable to a month-to-month tenancy. Lessor does not waive its rights under such circumstances to any of the other terms of this lease.

15. **INSURANCE BY LESSEE.** Lessee shall assure that Lessee's use and occupancy is covered by any and all necessary insurance.

16. **LESSOR DEFAULT.** Lessor shall not be deemed to be in default under this lease until the Lessee has given written notice specifying the nature of the default and the Lessor does not cure such default within thirty (30) days after receipt of such notice or within such reasonable time thereafter as may be necessary to cure such default where such default is of such a character as to reasonably require more than thirty (30) to cure.

17. **HOLD HARMLESS/INDEMNITY.** Except in the event of negligence or intentional act of the Lessor, their agents or its employees, the Lessee agrees to save, hold harmless, defend, and indemnify the Lessor against any liability for damages to any person or property in or about the premises, or as a result of Lessee's occupancy of the premises. Except in the event of negligence or intentional act of the Lessor, its agents or its employees, Lessor and shall not be liable to the Lessee, its agents, employees, representatives, customers, or invitees for any personal injury, death, or damage to property caused by theft, burglary, water, gas, electricity, fire, or any other cause

occurring in or about the premises. All property kept, stored, or maintained on the premises shall be so kept, stored, or maintained at the sole risk of Lessee.

18. **LIENS.** Lessee agrees to promptly pay all sums of money in respect of labor, services, materials, supplies, or other equipment furnished or alleged to have been furnished to Lessee in or about the premises. Lessee hereby covenants and agrees that the Lessee will not permit or allow any mechanics or materialmen's liens to be placed on the Lessor's interest in the premises during the term hereof. Notwithstanding the previous sentence, however, in the event that such lien shall be so placed on the Lessor's interest, the Lessee shall take all necessary steps to see that it is removed within thirty (30) days of its being filed; provided, however, that the Lessee may contest any such lien provided the Lessee first posts a surety bond, in favor of and insuring the Lessor, in an amount equal to One Hundred Twenty-five percent (125%) of the amount of any such lien.

19. **COSTS/ATTORNEY FEES.** If any action at law or in equity shall be brought in court to recover any rent under this lease or for or on account of any breach of or to enforce or interpret any of the covenants, terms, or conditions of this lease or for the recovery of the possession of the premises, Lessor shall be entitled to recover from Lessee its reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment or decree rendered.

20. **SUCCESSORS AND ASSIGNS.** This lease shall be binding on and shall inure to the benefit of the parties hereto and their respective assigns and successors.

21. **AMENDMENT/MODIFICATION.** No amendment, modification, or waiver of any condition, provision, or term of this lease shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or by its duly authorized representative, and specifying with particularity the extent and nature of such amendment, modification or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default.

22. **SEVERABLE.** Each provision, section, sentence, clause, phrase of this lease is intended to be severable. If any provision, section, sentence, clause, phrase, or word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this lease. This lease shall be construed and enforced in accordance with the laws of the State of Minnesota.

23. **LESSEE DEFAULT.** If any term, condition, or covenant of this lease to be by Lessee

kept or performed, shall be violated or neglected then, and in any of such said cases, the Lessee does hereby authorize and fully empower Lessor, or Lessor's agents, to cancel and annul this lease after 5 days notice for breach of the obligation to pay rent, and after 10 days notice of default for any other incident of default, during which periods Lessee has the right to cure such default, and if such default is not so cured by Lessee the Lessor shall have the right thereafter to re-enter and take possession of said premises by force, if necessary, without any other notice of intention to re-enter and remove all persons and their property therefrom, and to use force and assistance in affecting and perfecting such removal as Lessor may deem advisable to recover full and exclusive possession of all of the said demised premises whether in possession of Lessee or of third persons, or vacant; or, Lessor or Lessor's agent may, at its option, after such default or violation of condition or covenant re-enter and take possession of said premise, without such re-entry working a forfeiture of the rents to be paid and covenants to be kept by Lessee for the full term of this lease. In such case Lessor shall be obligated to attempt to mitigate its damages.

24 **INTERPRETATION.** This agreement has been made following negotiations and review by the parties, and it is, therefore, not to be construed against either party because of its draftsmanship. This lease should be construed according to the laws of the State of Minnesota.

25. **MINNESOTA GOVERNMENT DATA PRACTICES ACT.** Lessee must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to (1) all data provided by the City pursuant to this Agreement, and (2) all data, created, collected, received, stored, used, maintained, or disseminated by Lessee pursuant to this Lease agreement. Lessee is subject to all the provisions of the Minnesota Government Data Practices Act, including but not limited to the civil remedies of Minnesota Statutes Section 13.08, as if it were a government entity. In the event Lessee receives a request to release data, Lessee must immediately notify the City. Lessee agrees to defend, indemnify, and hold the City, its officials, officers, agents, employees, and volunteers harmless from any claims resulting from Lessee's officers,' agents,' partners,' employees,' volunteers,' assignees,' unlawful disclosure and/or use of protected data. The terms of this paragraph shall survive the cancellation or termination of this Lease agreement.

26. **COMPLETE AGREEMENT.** This lease contains the entire understanding of the parties hereto with respect to the lease of the concession contemplated hereby.

27. **EXECUTION.** This Building Space Lease Agreement may be executed by the parties in separate counterparts and delivered by e-mail in .pdf format, by facsimile and/or by printed

document, each separately executed counterpart of which shall be considered as an original of this Agreement and shall be afforded the same force and effect as a duly signed original and each of which shall be binding upon the parties hereto, even if an executed counterpart is delivered only by e-mail in .pdf format or by facsimile.

(2 separate signature pages attached)

LESSOR: CITY OF VERGAS,
THE CITY OF VERGAS, MINNESOTA

By: Julie Bruhn
Its: Mayor

By: Julie Lammers
Its: City Clerk

STATE OF MINNESOTA)
):ss
COUNTY OF OTTER TAIL)

On this _____ day of _____, 20_____, before me, a Notary Public, within and for said County, personally appeared Julie Bruhn, Mayor and Julie Lammers, City Clerk, who executed the foregoing instrument on behalf of the City of Vergas, a Minnesota municipal corporation.

NOTARY STAMP

Notary Public
My commission expires:

THIS INSTRUMENT WAS DRAFTED BY:
RAMSTAD, SKOYLES & WINTERS, P.A.
Thomas P. Winters
City Attorney
114 Holmes Street West
Detroit Lakes, MN 56501
(218) 847-5653