



LEASE

THIS LEASE, made as of the 1st day of January, 2022 by and between the City of Princeton, a Minnesota Municipal Corporation (hereinafter call "LESSOR") and Sherburne State Bank, a corporation (hereinafter called "LESSEE"), witnesseth:

1. The LESSOR agrees to lease to the LESSEE the following:
 - a. One parking stall in the City of Princeton parking lot area located in a portion of Lot 9, Block 5, Original Townsite of Princeton, Mille Lacs County, Minnesota; said stall to correspond subsequently to the stall outlined on the attached Exhibit A, and
 - b. That portion of Lot 8, Block 5, Original Townsite of Princeton, Mille Lacs County, Minnesota, consisting of the "Drive-through" facility as outlined on the attached Exhibit A.
2. The term of said Lease shall be in effect for a minimum of three (3) years and a maximum of five (5) years and shall expire on December 31st of the last year.
3. This lease may be terminated by either party on the 31st day of December on after providing the other party with written notice sent to the addresses noted in Provision 11.
4. The annual rent for the property leased herein shall increase by a factor of three percent (3%) annually and be pursuant to the schedule noted below:

Payment Schedule

2022	\$2,166
2023	\$2,231
2024	\$2,298
2025	\$2,366
2026	\$2,439

Annual rent is due on or before February 1 of each lease year.

5. LESSEE may sublet the leased property described herein to a business occupying the location at 136 North Rum River Drive, Princeton, Mille Lacs County, Minnesota. LESSEE shall notify LESSOR a minimum of thirty (30) calendar days prior to commencement of the sublet and shall provide LESSOR with the contact information of the SUB LESSESS. LESSEE may use the parking stall referenced in Provision 1a above for the installation and maintenance of a sign identifying the name of the LESSEE's business pursuant to the signage provisions of the City of Princeton's Zoning Ordinance. LESSEE shall maintain necessary utility service to the parking stall under such other portions of Block Five (5), Original Townsite of Princeton as LESSOR might own. LESSEE shall be liable for all installation and maintenance costs of any signage erected pursuant to this lease.
6. The LESSEE agrees:
 - a. To pay the rent at the times and in the manner stated above.

- b. To hold harmless and indemnify the LESSOR from and against all loss, liability, or expense that may be incurred by reason of any negligence of LESSEE or any accident connected with the improvements place upon any of the leased premises described hereinabove.
 - c. To pay all utility costs on the leased premises.
 - d. To keep the improvements on the leased premises in good and safe condition and in conformance with all applicable City ordinances and State and Federal laws.
 - e. To maintain LESSOR’S portion of the parking and driveway area surrounding the leased property.
7. The LESSOR agrees:
- a. To allow LESSEE to peaceably hold and enjoy said leased premises.
8. LESSEE shall pay all real and/or personal property taxes arising out of improvements made by LESSEE on the leased premises.
9. Upon termination of this lease, LESSEE shall, within thirty (30) days of written notice from the LESSOR, remove all improvements located on the parking stall described under Provision 1a above and all improvements located on the “drive-thru” area as described under Provision 1b, except any cement paving which is at similar grade level to surrounding pavement. All such improvements removed shall remain the property of the LESSEE. Pursuant to this section, LESSEE shall restore both sites to a condition as good as or better than they were at the time of the initial lease. Said restoration shall be at LESSEE’S expense.
10. The terms of this lease shall apply to and bind the heirs, successors, executors and assigns of the parties to this lease.
11. This Agreement constitutes the entire Agreement between the parties and any modifications or alterations hereof shall be in writing and signed by both parties. Notices shall be sent to:

City of Princeton
City Administrator
705 North Second Street
Princeton, MN 55371

Sherburne State Bank
12500 Sherburne Avenue
PO Box 428
Becker, MN 55308

IN WITNESS WHEREOF, the parties have executed this lease the date first written above.

CITY OF PRINCETON (LESSOR)

By: _____
Thom Walker, Mayor

By: _____
Michele McPherson, City Administrator

SHERBURNE STATE BANK (LESSEE)

By: _____
Candice E Hanson, Chief Operations Officer

State of Minnesota, County of Mille Lacs

This instrument was acknowledged before me on _____, by Thom Walker as Mayor and by Michele McPherson, City Administrator of the City of Princeton.

Title (and Rank): _____
My Commission expires: _____
(month/day/year)

State of Minnesota, County of Mille Lacs

This instrument was acknowledged before me on _____, by Candice E Hanson as Chief Operations Officer of Sherburne State Bank.

Title (and Rank): _____
My Commission expires: _____
(month/day/year)

EXHIBIT A

