

City of Minot

BROADWAY CIRCLE COMMERCIAL LEASE AGREEMENT

1. The Parties:

- a. This commercial lease agreement ("Agreement") is made by and between:

Landlord: City of Minot, ND
PO Box 5006
Minot, ND 58702-5006

Tenant: Pathfinder Services of ND (PSND)
PO Box 758
Minot, ND 58702-0758

- b. The Landlord and the Tenant are each referred to herein as a "Party", and collectively as the "Parties."

2. Description of Leased Property:

- a. The Landlord agrees to lease to the Tenant the following described properties:

- i. A three (3) unit commercial building consisting of 101 19th Ave SW (12,045 sq ft) – Suite A (4,545 sq ft), Suite B (5,575 sq ft), and Suite C (1,925 sq ft) – collectively referred to as the "Commercial Building"; and
- ii. A family homeless shelter consisting of 15 19th Ave SW (8,335 sq ft) – hereinafter referred to as the "Family Homeless Shelter"; and
- iii. A seventeen (17) unit apartment complex for low to moderate income (LMI) households consisting of 45 19th Ave SW – 17 (16,168 sq ft) – hereinafter referred to as the "LMI Apartment Complex."

- b. The Commercial Building, Family Homeless Shelter, LMI Apartment Complex shall collectively be referred to herein as "Broadway Circle." The total square footage for the entire Broadway Circle lot is 103,255 sq ft.

3. Term:

- a. The term of this Agreement shall be for an Affordability Period of twenty (20) years, starting on November 1, 2025, and expiring at midnight on October 31, 2045 ("Term").

4. Possession of Broadway Circle:

- a. Tenant may take possession of Broadway Circle on November 1, 2025, for the purpose of moving in their possessions and setting up the Premises, so long as all insurance requirements as indicated paragraph "15. Indemnification, Insurance and Bonding" and "Exhibit A," are fully in place.

5. Rent:

- a. During the term of the Affordability Period, the Tenant agrees to pay to the Landlord rent in the amount of four thousand five hundred dollars (\$4,500) per month ("Rental Payments").
- b. Tenant has the unilateral right to increase or decrease the amount of Rental Payments on an

annual basis in order to decrease the price of its Option (see paragraph "16. Option to Purchase"). Tenant shall provide written notice to Landlord of any change in Rental Payments by December 1st of each year to take effect the following calendar year. The Rental Payment shall never go below \$4,500.

- c. The Landlord will waive Rental Payments through March 2026 so long as Tenant applies any and all program income that would have been paid to Landlord as rent to acquiring equipment, services, and installing fixtures necessary to open and operate Broadway Circle. Tenant shall provide Landlord receipts on or before April 1, 2026 demonstrating what equipment, services, and fixtures were purchased with the program income for November 1, 2025 through March 2026. Rental obligations will resume April 1, 2026, unless the Parties agree otherwise in writing.
- d. Rental Payments are due on the first (1st) of each month. Payments can be delivered to the Landlord at 10 3rd Ave SW, Minot, ND 58701 or mailed to City of Minot, PO Box 5006, Minot, ND 58702-5006.
- e. If Rental Payments are not received within five (5) days of the due date, Landlord will assess a late fee of five percent (5%) of the monthly rent. As stated in the "13. Termination" clause of this Agreement, if Tenant fails to pay rent within fifteen (15) days of the due date, Landlord may declare Tenant to be in breach and shall have the option to terminate this Agreement.
- f. If Tenant elects to not exercise its Option (see paragraph "16 Option to Purchase"), at the conclusion of the Affordability Period, this Agreement, including the Rent terms, can be renegotiated as long as the property continues to serve the public as intended at the beginning of the initial Affordability Period (see paragraph "11. Permitted Uses"). If Tenant no longer desires to serve the public as described in Paragraph 11. of this Agreement, Landlord shall have the option to terminate this Agreement.

6. **Security Deposits:**

- a. Tenant will not be required to pay a security deposit to Landlord.
- b. Landlord will transfer any security deposit received from existing tenants of the Commercial Building to Tenant.

7. **Utilities:** Tenant shall be responsible for all utilities serving Broadway Circle, including but not limited to electricity, gas, water, and sewer.

8. **Maintenance and Repairs:** Tenant and Landlord shall have the following responsibilities regarding regular maintenance and repairs at Broadway Circle:

- a. Tenant Responsibilities:
 - i. Tenant shall be responsible for all regular interior and exterior maintenance, replacements, and repairs at Broadway Circle including, but not limited to the following: plumbing, electrical, HVAC, doors, windows, window treatments, floors, ceilings, and interior walls, snow removal, landscaping, lawn care, playground area maintenance and repairs, refrigerators, washer/dryers, dishwashers, signage, parking lot line painting, gutter cleaning/ repair/replacement, and any other regular property maintenance, repairs, and replacements necessary to keep Broadway Circle operated and maintained in a manner consistent with the standards of a reasonably prudent property owner and landlord.
 - ii. Tenant shall promptly perform any maintenance and make all repairs and replacements necessary to maintain Broadway Circle in compliance with all applicable laws, ordinances, and regulations. If Tenant cannot perform maintenance or make a

necessary repair or replacement within thirty (30) days of discovery of the need to maintain, repair, or replace, they shall promptly notify Landlord of the timeframe in which they perform the maintenance or cure the defect.

- iii. Tenant shall promptly notify Landlord of any need for repairs or maintenance that are Landlord's responsibility under this Lease. Tenant's failure to provide such notice shall constitute a waiver of any claim against Landlord for failure to perform required maintenance or repairs to the extent such failure by Landlord is due to Tenant's failure to provide timely notice.
- iv. Tenant will assist Landlord with tracking any warranty work that needs to be completed at Broadway Circle.

b. **Landlord Responsibilities:**

- v. Landlord shall prioritize funding to assist in the repair of the structural portions of Broadway Circle including the parking areas, driveways, walkways, exterior lighting, exterior walls, and roofs. Notwithstanding the foregoing, if any maintenance or repairs become necessary due to the intentional destruction of property or negligence of Tenant, its employees, agents, customers, licensees, or invitees, Tenant shall pay to Landlord the cost to complete such maintenance or repairs.
- vi. Tenant shall permit Landlord and its authorized representatives to enter the Broadway Circle at reasonable times following reasonable notice (except in emergencies when no notice shall be required) to inspect Broadway Circle and to make any repairs, replacements, or improvements that Landlord is required or permitted to make.
- vii. Landlord shall provide Tenant with all construction and other warranty information in its possession regarding Broadway Circle.
- viii. If Tenant does not exercise its Option under paragraph 16, upon the expiration or earlier termination of this Agreement, Tenant shall surrender Broadway Circle in good condition and repair, reasonable wear and tear excepted, and shall repair any damage to Broadway Circle caused by the removal of Tenant's property.

9. **Property Taxes:** Tenant shall pay all property taxes assessed to any addresses located at Broadway Circle.

10. **Commercial Leases Assignments:**

- a. The Tenant agrees to assume the City's commercial leases for:
 - i. Hibachi Express, LLC, dba Oishii Ramen – 101 19th Ave. SW, Suite A
 - ii. The Welcome Table, dba The Lord's Cupboard – 101 19th Ave. SW, Suite B
- b. Tenant is authorized to rent the commercial space located at 101 19th Ave. SW Suite C, which is currently vacant.
- c. Rental payments received by Tenant are considered program income and must be used in accordance with 24 CFR § 570.504.

11. **Permitted Uses:**

- a. Tenant agrees to use Broadway Circle for the following purposes:
 - i. *The Commercial Building.* These suites can be used for commercial space which may include food services, a childcare center, or office space. No space in this building can be used for temporary or permanent housing. If Tenant rents the commercial space, rental payments received by Tenant are considered program income and must be used in

accordance with 24 CFR § 570.504.

- ii. *Family Homeless Shelter.* The Family Homeless Shelter must be operated according to the Shelter and Housing Standards outlined in 24 CFR § 576.403.
- iii. *LMI Apartment Complex.* This building must be rented to residents who are at or below the eighty percent (80%) income level as identified by the Department of Housing and Urban Development guidelines, which are released on an annual basis. Rental payments received by Tenant are considered program income and must be used in accordance with 24 CFR § 570.504.

12. **Tenant's Holding Over:** If Tenant remains in possession of Broadway Circle after this Agreement expires, and Landlord accepts rent from Tenant, this Agreement shall be deemed renewed on a month-to-month basis with all other terms and conditions of this Agreement remaining in effect until otherwise agreed in writing.

13. **Termination:**

- a. If a Party fails to comply with any of the material provisions of this Agreement, other than Tenant's covenant to pay Rent, or materially fails to comply with any duties imposed on a Party by statute, the non-breaching Party will advise the breaching Party in writing of the event justifying a suspension or termination under this paragraph and grant the breaching Party a reasonable amount of time not to exceed thirty (30) days to respond.
- b. If within thirty (30) days after receipt of such notice, the alleged breaching Party has not either corrected the alleged breach or, in the case of failure which cannot be corrected in thirty (30) days, has begun in good faith to correct said failure and thereafter proceed diligently to complete the correction, the non-breaching Party may declare the breaching Party to be in default of this Agreement and proceed to suspend or terminate this Agreement.
- c. If Tenant fails to pay rent within fifteen (15) days of the date and time payable under the terms of Paragraph "5. Rent" of this Agreement, Landlord may declare Tenant to be in breach and Landlord shall have the option to terminate this Agreement.

14. **Notice:**

- a. Any notice, request, instruction or other document to be given hereunder to either Party by the other shall be in writing and delivered personally or sent by certified or registered mail, postage prepaid, to the addresses set forth in this Agreement.
- b. A Party may change the address to which notices are to be sent to it by giving written notice of such a change of address to the other Party in the manner provided for giving notice.
- c. Any such notice, request, instruction or other document shall be conclusively deemed to have been received and be effective on the day on which it was personally delivered or, if sent by certified or registered mail, on the day on which it was received and signed for.
- d. Notices shall be addressed as follows:

City of Minot:
Attn: City Clerk
Address: PO Box 5006, Minot, ND 58702-5006
Phone: 701-857-4752
Email: clerk@minotnd.gov

Pathfinder Services of ND:
Project Contract Manager: Jacki Harasym, Lead Co-Executive Director

Address: PO Box 758, Minot, ND 58702-0758
Phone: 701-837-7500
Email: finance@pathfinder-nd.org

15. Indemnification, Insurance and Bonding:

- a. Tenant agrees to indemnify Landlord and hold it harmless from any and all claims for damage or injury to persons or property, including costs of defense against such claims, arising out of or as a result of any transaction or occurrence on or about Broadway Circle during the term of this Agreement, or any breach of Tenant in the performance of any of Tenant's obligations.
- b. Tenant must maintain the insurance and bonding for itself and its subcontractors, through companies authorized to offer insurance coverage in North Dakota, as set forth in the attached Exhibit A.
- c. Landlord must maintain the property insurance for the Broadway Circle and Tenant shall timely reimburse Landlord for the costs of annual premiums of such insurance.

16. Option to Purchase: The Landlord hereby grants to Tenant the exclusive and irrevocable option to purchase Broadway Circle, and all of the Landlord's right, title, and interest in and to the same, by way of the Landlord transferring title to Tenant after completion of the Term (the "Option").

- a. During the Term of this Agreement, the Landlord may not enter into a purchase sale agreement with any other party for Broadway Circle without prior written agreement of Tenant waiving its Option.
- b. Tenant shall exercise its Option by written notice to the Landlord of its intention to exercise the Option no less than sixty (60) days prior to expiration of the Term.
- c. Tenant and Landlord agree to sign all documents necessary to effectuate the transfer should Tenant decide to exercise its Option.
- d. The purchase price of the Broadway Circle shall be \$1,300,000 (the "Purchase Price"). Tenant's Rental Payments under this Agreement, shall be credited as partial payment of the Purchase Price for the Broadway Circle. Tenant shall pay the difference of \$1,300,000 minus the Rental Payments paid under this Agreement, which shall be due at the time of closing, or as otherwise agreed to by the Parties in writing. The total amount Tenant shall pay for the Option shall not exceed \$1,300,000.
- e. The Parties shall equally share any closing costs. Each Party will pay its own professional and legal fees and expenses associated with the transfer of the property. At closing, Landlord agrees to make, execute, and deliver to Tenant a good and sufficient quit claim deed for Broadway Circle.

17. Binding Effect: The terms of this Agreement, including the recitals above, are considered binding and effective promises, agreements, and covenants, fully enforceable by the Parties. This Agreement shall inure to the benefit of the Parties and any of their heirs, successors, personal representatives, officers, and assigns of each.

18. Parties' Representations and Warranties: The Parties represent and warrant that the following representations are material inducements for the Parties to enter into this Agreement:

- a. Landlord is a municipal corporation with a home rule charter, existing and

in good standing under the laws of the State of North Dakota; it has all the necessary power and authority to enter into this Agreement and carry out the transactions contemplated herein; and that the execution and delivery hereof and the performance by Landlord of its obligations hereunder will not violate or constitute a default under the terms and provisions of any agreement, law or court order to which Landlord is a party or by which Landlord is bound.

- b. That Tenant is a non-profit organization, has all the necessary power and authority to enter into this Agreement and carry out the transactions contemplated herein; and that the execution and delivery hereof and the performance by Tenant of its obligations hereunder will not violate or constitute a default under the terms and provisions of any agreement, law or court order to which Tenant is a party or by which Tenant is bound.
- c. All actions required to authorize Landlord and Tenant to enter into this Agreement have been taken, and this Agreement is valid and enforceable in accordance with its terms.
- d. Each person executing this Agreement on behalf of Landlord and Tenant have the full power and authority to bind the Parties to the terms hereof.
- e. The following Exhibits are included and incorporated as if fully set forth herein:
 - i. **Exhibit A:** Insurance and Bonding Requirements
 - ii. **Exhibit B:** City of Minot Standard Terms and Conditions

19. **Modification:** The Parties agree that this document contains the entire agreement between the Parties, and this Agreement shall not be modified, changed, altered or amended in any way except through a written amendment signed by both Parties.

20. **Entire Agreement:** This Agreement sets forth all the covenants, promises, agreements, conditions, and understandings between the Parties, oral or written, relating to the subject matter of this Agreement. Neither Party has made any representations or promises not expressly contained herein. No subsequent alterations, amendments, changes, or additions to this Agreement shall be binding upon a Party unless reduced to writing and signed by a Party's authorized representative.

City of Minot:



By: Mark Jantzer

Title: Mayor, City of Minot

Date: October 30, 2025

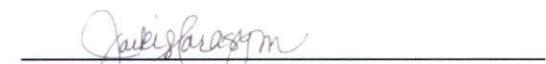
Attest:



By: Mikayla McWilliams

Title: City Clerk

Pathfinder Services of ND:



By: Jacki Harasym

Title: Lead Co-Executive Director

Date: 10/29/2025

Attest:



By: Samantha Koons

Title: Board of Director President

Date: 10/30/2025

Date: 10/29/2025

Attest:



By: David Lakefield

Title: Finance Director, City of Minot

Date: 10-30-2025

REMAINDER OF PAGE INTENTIONALLY BLANK

Exhibit A
Insurance and Bonding Requirements

- a. Commercial general liability, including premises or operations, contractual and products or completed operations coverages (if applicable), with minimum liability limits of \$2,000,000 per occurrence.
- b. Property insurance insuring the full and true replacement value of all Tenant's real property and personal property located on or in the buildings in which the leased premises are located for all losses.
- c. Automobile liability, including owned (if any), hired, and non-owned automobiles, with minimum liability limits of \$500,000 per person and \$2,000,000 per occurrence.
- d. Workers' Compensation coverage meeting all statutory requirements. The policy must provide coverage for all states of operation that apply to the performance of this Agreement. For the purposes of this Agreement, the only state of operation is North Dakota.
- e. Employer's liability or "stop gap" insurance of not less than \$2,000,000 as an endorsement on the worker's compensation or commercial general liability insurance.
- f. Professional errors and omissions with minimum limits of \$2,000,000 per claim and in the aggregate. PSND must continually maintain such coverage during the Affordability Period and for three (3) years thereafter.

The insurance coverage listed above must meet the following additional requirements:

- g. Any deductible or self-insured retention amount or other similar obligation under the policies is the sole responsibility of PSND. The amount of any deductible or self-retention is subject to approval by the City.
- h. This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the City.
- i. The duty to defend, indemnify, and hold harmless the City under this Agreement shall not be limited by the insurance required in the Agreement.
- j. The City shall be endorsed on the commercial general liability policy on a primary and noncontributory basis, including any excess policies (to the extent applicable), as additional insured. The City shall have all the benefits, rights, and coverage of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this Agreement or by the contractual indemnity obligations of PSND.
- k. A "Waiver of Subrogation" waiving any right of recovery the insurance company may have against the City.
- l. PSND shall furnish a certificate of insurance to the City before commencement of this Agreement.
- m. Failure to provide insurance as required in this Agreement is a material breach of the contract, entitling the City to terminate this Agreement immediately.
- n. PSND shall provide thirty (30) days' notice of any cancellation or material change to the policies or endorsements. PSND shall provide on an ongoing basis a certificate of insurance during the term of the Agreement. A renewal certificate will be provided ten (10) days prior to coverage expiration. An updated, current certificate of insurance shall be provided within ten (10) days in the event of any change in policy.

Exhibit B
City of Minot Standard Terms and Conditions

1. **Applicable Law/Venue:** This Agreement and all provisions herein shall be construed and enforced in accordance with the laws of the State of North Dakota. Venue for any action arising out of this Agreement shall be adjudicated in Ward County District Court.
2. **Severability:** If any immaterial provision of this Agreement is declared to be illegal or unenforceable by a court of competent jurisdiction, the validity of the remaining terms is unaffected and, if possible, the rights and obligations of the Parties are to be construed and enforced as if this Agreement did not contain that term. If a material provision of this Agreement is declared to be illegal or unenforceable by a court of competent jurisdiction, then the parties will reopen the contract for good faith negotiations to resolve the material provision.
3. **Counterparts:** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument. Electronic and scanned signatures shall be valid and binding.
4. **Headings:** Any headings or subheadings preceding the texts of the several parts hereof shall be solely for the convenience of reference and shall not constitute a part of this Agreement, nor shall it affect its meaning, construction or effect.
5. **Force Majeure:** Neither Party shall be liable for any delay or failure to perform its obligations under this Agreement if such delay or failure results from causes beyond its reasonable control, including but not limited to acts of God, natural disasters, labor disputes, or government actions.
6. **Independent Contractor Status:** This Agreement does not create any employer-employee relationship. Tenant is an independent contractor, and the Landlord is not responsible for benefits, payroll, taxes or insurance for Tenant staff.
7. **Survival:** The terms and conditions of this Agreement shall survive execution of any additional documents contemplated by this Agreement unless the subsequent documents clearly reference this Agreement and contain a statement or statements that the terms and conditions of this Agreement are amended or are suspended.
8. **Waiver:** The Landlord's failure to act with respect to a breach by Tenant does not waive its right to act with respect to subsequent or similar breaches. Any failure of the Landlord to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.