

Commercial Lease Agreement

This lease is made between:
Little Sand Group Homes
Herein called the Lessor and

Independent School District #118
Herein called the Lessee.

Lessee hereby offers to lease from the Lessor and premises situated on County Road 4, Remer, County of Cass, and State of Minnesota, described as:

Little Sand Group Homes
7646 Little Sand Lane NE
Remer MN 56672

Upon the following TERMS and CONDITIONS:

Term and Rent: Lessor to lease to Lessee the above premises for a term of **twelve (12) months** commencing **July 1st, 2026** and terminating **June 30th, 2027** as provided herein. Lessee shall pay to Lessor, without deduction or offset and prior to notice or demand and for the use and occupancy of the leased premises, a monthly rental of **\$1100.00** payable in advance on the 1st day of each and every calendar month thereafter in advance.

(A) All rental payments shall be made to Lessor, at the following address:
5910 Little Sand Lane NE, Remer MN 56672

Use: Lessee shall use and occupy the premises for: **Public School Class Rooms**, the premises shall be used for no other purpose. Lessor represents that the premises may lawfully be used for such purpose. The staff and residents of Little Sand Group Homes will have access to the building during the lease agreement - not to interfere with school hours.

Maintenance and Repair of Premises:

- The Lessor shall, at the Lessor's sole cost and expense, through the term of this Lease and any renewal term, maintain the Property fit for use as Public School Class Rooms, including the foundations, exterior walls, and roof of the premises, all plumbing, sewage, and electrical systems, as well as any HVA and/or heating and cooling systems serving the premises, as well as the water treatment system (including water softener), in good repair.
 - The Tenant, at its own expense, shall maintain the interior of the premises at all times subject to ordinary wear and tear and damage by casualty and condemnation excepted, and in a clean, sanitary, and safe condition.
- **Alterations:** Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to, or about the premises. Lessor's written consent shall not be unreasonably withheld.

Ordinances and Statutes: Lessee shall, at Lessee's sole cost comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, pertaining to the use of said premises and shall faithfully observe in said use all municipal ordinances, state and federal statutes now in force or which may hereafter be in force and observe and maintain all Environmental standards.

Assignment and Subletting: Lessee shall not assign this lease or sublet any portion of the premises without prior written consent of the Lessor, which shall not be unreasonable withheld. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this lease.

Utilities: The Lessee has agreed to have a phone line and internet connection run to the building at their costs and they will maintain the monthly bills. All applications and connections for necessary utility services on the demised premises shall be made in the name of the Lessor. The Lessor shall be solely liable for utility charges as they become due, including those for heat and electricity.

- Lessee's Indemnification. Lessee agrees to protect, indemnify, and save the Lessor harmless from and against any and all claims, and against any and all loss, cost, damage, or expense, including but without limitation, reasonable attorneys' fees, arising from:
 - Premises. Any injury or damage to any person or property sustained in or about the premises during the term of this Lease or any extension or renewal thereof; provided, however, Lessee's obligations under this Paragraph shall not apply to the extent caused by any entry in or around the premises by Lessor, its agents, contractors or employees (hereinafter "Lessor Entry") or caused by the negligence or willful misconduct of Landlord, its agents, contractors or employees, or Landlord's failure to maintain the premises as required by this Lease.
 - Negligence. Any injury or damage to any person or property to the extent caused by the negligence or willful misconduct of Lessee, its agents, contractors, or employees, however, Lessee's obligations under this Paragraph shall not apply to injury, death or damage resulting from any Lessor Entry to the extent caused by the negligence or willful misconduct of the Lessor, its agents, contractors or employees, or Lessor's failure to maintain the premises as required by this Lease.
 - Noncompliance. Noncompliance with any federal, state, or local laws, orders, and regulations.
 - Survival. This indemnity shall survive the expiration or earlier termination of this Lease for a period of two (2) years.
- Lessor's Indemnification. Lessor agrees to protect, indemnify, and save the Lessee harmless from and against any and all claims, and against any and all loss, cost, damage, or expense, including but without limitation, reasonable attorneys' fees, arising from:
 - Negligence. Any injury or damage to any person or property to the extent caused by the negligence or willful misconduct of Lessor, its agents, contractors, or employees; provided however, Lessor's obligations under this Paragraph shall not apply to injury or damage to the extent caused by the negligence or willful misconduct of Lessee, its agents, contractors, or employees.
 - Noncompliance. Noncompliance with any federal, state, or local laws, orders, and regulations.
 - Representations and Warranties. Any breach of Lessor's covenants, representations, or warranties in this Lease.
 - Survival. This indemnity shall survive the expiration or earlier termination of this Lease for a period of two (2) years.

Insurance: Lessee, at Lessee(s) sole cost and expense, but for the mutual benefit of Lessor and Lessee maintain public liability insurance, including liability against claims for personal injury, death, or property damage occurring in, upon, or about the premises and on any sidewalks directly adjacent to the premises. The limits of liability of such insurance shall meet the criteria and limits required by the School District #118.

Insurance: All such policies of insurance shall be issued in the name of the Lessee, with the Lessors named as additional insured. Evidence of the insurance of such policies shall be delivered to Lessor within thirty (30) days after the term of the Lease commences. Lessee shall obtain a written obligation on the part of each insurance company to notify Lessor in writing at least thirty (30) days prior to any cancellation or material change of coverage.

- **Casualty and Eminent Domain**

- **Casualty.** If the Premises, Building or other improvements on the Land shall be damaged or destroyed in whole or in part by fire or other casualty during the Lease term, unless this Lease is terminated as provided in this Section, Lessor shall promptly repair and restore the Premises, Building, or other improvements to a condition equal to its condition immediately prior to such damage or destruction and in conformity with and pursuant to all applicable requirements of law and duly constituted governmental authority. From the date of such casualty, until the Building is so repaired and restored, Rent and all other charges and items payable hereunder shall abate in such proportion as the part of the Premises destroyed or rendered untenable bears to the total Building. Lessor shall substantially complete any such repair and restoration within sixty (60) days after the casualty. If it reasonably appears that Lessor will be unable to substantially complete the repair and restoration within the 60-day period or if Lessor fails to substantially complete the repair and restoration of the Premises within the 60-day period, either Lessor or Lessee may terminate this Lease by giving thirty day (30) written notice to the non-terminate party at any time before the repair and restoration is substantially completed.
- **Eminent Domain.** If all of the Premises shall be taken by any public authority under the power of eminent domain or conveyed in lieu of condemnation, this Lease shall terminate as of the day possession is taken by the public authority, and Lessee shall pay Rent up to that date. If less than all of the Premises is taken and the taking would (a) materially interfere with Lessee's business in the Premises (in Lessee's reasonable judgment), or (b) would materially reduce available parking at the Premises in a manner that would interfere with Lessee's business operations (in Lessee's reasonable judgment), then Lessee shall have the option to terminate this Lease on the date the public authority takes possession, upon written notice to Lessor given within ninety days after the date of such taking.

Default. This should be added

- **By Lessee.** Lessee shall be deemed in default in the event Tenant shall: (i) fail to pay any Rent within ten business days after written notice of such default has been given to Tenant by Landlord; or (ii) fail to perform any of the other terms, conditions or covenants of this Lease to be performed or observed by Lessee for more than thirty (30) days after written notice of such default has been given to Lessee by Lessor (or such other reasonable time to cure as necessary if such default is not susceptible to cure within thirty (30) days and Lessee, upon receipt of such notice, promptly and diligently attempts to effect such cure), or (iii) be declared insolvent or

make any general assignment for the benefit of creditors, file or have filed against it a voluntary or involuntary petition in bankruptcy or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days). In the event of a Lessee default (which remains uncured beyond applicable cure period), upon notice to Lessee and in addition to any other remedies available at law or in equity, Lessor may cure Lessee's default as provided in this Section below, terminate this Lease, or re-enter and recover possession of the Premises without affecting Lessee's liability for past Rent and other charges due or future Rent or other obligations under the Lease and other charges to accrue hereunder. In the event that Lessor re-acquires possession of the Premises as a consequence of any such default, Lessor shall use reasonable efforts to mitigate its damages, and any rents collected by Lessor from reletting the Premises shall be credited to the fulfillment of the agreements of Lessee under this Lease; provided, however, in no event shall Lessee have any right to any payment from Lessor of any sums received by Lessor as a result of any relating of the Premises in excess of the Rent payable by Lessee hereunder.

- **By Lessor.** Lessor shall be deemed in default in the event Lessor: (i) fails to pay real estate taxes when due; (ii) fails to maintain the Premises in a manner that does not allow the Lessee to operate its business to the extent required of Lessor by the terms of this Lease; (iii) fails to maintain the foundations, exterior walls, and roof of the Premises in good repair within thirty (30) days after written notice by Lessee to Lessor; (iv) fails to maintain all plumbing (including water softener/water treatment system), sewage, and electrical systems serving the Premises in good repair within thirty (30) days after written notice by Lessee to Lessor; (v) fails to maintain the HVAC and/or heating and cooling systems serving the Premises in good repair within thirty (30) days after written notice by Lessee to Lessor; (vi) fails to perform any of the other terms, conditions, or covenants of this Lease, including the Work Obligations, to be performed or observed by the Lessor for more than thirty (30) days after written notice of such default has been given to Lessor by Lessee (or such other reasonable time to cure as necessary if such default is not susceptible to cure within thirty (30) days and Lessor, upon receipt of such notice, promptly and diligently attempts to effect such cure); or (vii) be declared insolvent or make any general assignment for the benefit of creditors, file or have filed against it a voluntary or involuntary petition in bankruptcy or a petition for reorganization or arrangement under any law relating to bankruptcy.
- **Remedies Cumulative.** The rights and remedies of Landlord and Tenant under this Lease shall be cumulative and the exercise of any of them shall not be exclusive of any other right or remedy provided by this Lease or allowed by law.
- **Non-Waiver.** The waiver by Lessor or Lessee of any breach of any covenant of this Lease shall be limited to the particular instance and shall not operate or be deemed to waive any future breach of the same or any other covenant on the same or any other occasion, nor operate as a waiver of Lessor's right to enforce the payment of subsequent installments of rent or any of Lessor's or Lessee's rights under this Lease by such remedies as may be appropriate. No extension of time, forbearance, neglect, or waiver on the part of Lessor or Lessee with respect to any one or more of the covenants, terms, or conditions of this Lease, shall be construed as a waiver of any of the other covenants, terms, or conditions of this Lease, or as an estoppel against Lessor or Lessee.

Lessor's Representations and Warranties

Lessor represents, warrants and covenants to Lessee that has full right and lawful authority to enter into and perform Lessor's obligations under this Lease for the initial term and all renewal terms, subject to the performance by Lessee of the terms and conditions of this Lease, Lessee shall peaceably have and enjoy, during the term hereof, the quiet and

undisturbed possession of the Premises and all other rights of Lessee under this Lease for the term of this Lease without interference or interruption by Lessor or any other person or persons lawfully or equitably claiming by, through or under the Lessor. The foregoing representations and warranties shall survive the expiration or earlier termination of this Lease

Notices - All notices to be given by Lessor or Lessee shall be by either email or in writing and shall be personally delivered, sent registered or certified mail, postage prepaid, or sent by a nationally recognized courier service, to the other party at the address in this Section (or to such other address as may be designated by notice to the other party) and shall be deemed given upon the earlier of (i) personal delivery, (ii) the date that is five business days after mailing by U.S. Mail, (iii) the date of delivery by courier, or (iv) the date of refusal to accept service:

If to Lessor: Little Sand Group Homes
Attn: Michelle Pepin
7646 Little Sand Lane NE
Remer, MN 56672

If to Lessee: Independent School District 118
Attn: Mark Morrison, Superintendent
316 Main St E
Remer, MN 56672

Security Deposit: The Lessor does not require a security deposit.

Option to Renew: Provided that Lessee is not in default in the performance of this lease, Lessee shall have the option to renew the lease for an additional term of commencing at the expiration of the initial lease term. All of the terms and conditions of the lease shall apply during the renewal term.

Subordination: This lease is and shall be subordinated to all existing and future liens and encumbrances against the property.

Counterparts/Facsimile Copies - This Lease may be executed in counterparts, all of which taken together shall constitute one and the same instrument. Lessor and Lessee agree that facsimile or other electronic executed copies of this Lease shall be binding.

Entire Agreement: The foregoing constitutes the entire agreement between the parties and may be modified only by writing signed by both parties. The following Exhibits, if any, have been made a part of this lease before the party's execution hereof:

LESSOR: Little Sand Group Homes
Address: 7646 Little Sand Lane NE
Remer, MN 56672

Signature: Michelle Lepin

Title: Executive Director

Dated: 6/4/26

LESSEE: Independent School District #118
Address: 316 Main St E
Remer, MN 56672

Signature: _____

Title: _____

Dated: _____

INVOICE

Little Sand Group Home
PO Box 40
Remer, MN 56672-0040

Littlesandquickbooks@gmail.com
+1 (218) 821-4061



Bill to
Independent School District #118
Remer, MN 56672

Ship to
Independent School District #118
Remer, MN 56672

Invoice details

Invoice no.: 999
Terms: Net 30
Invoice date: 06/04/2026
Due date: 07/04/2026

#	Product or service	Description	Qty	Rate	Amount
1.	LC	School Lease	12	\$1,100.00	\$13,200.00
				Total	\$13,200.00

