

AGREEMENT BETWEEN THE CITY OF CANNON FALLS, MINNESOTA AND THE CANNON FALLS AREA HISTORICAL SOCIETY FOR MANAGEMENT OF THE CANNON FALLS MUSEUM AND ADJACANT HOUSE

Agreement made August 5, 2025 (the “Effective Date”), between the City of Cannon Falls, Minnesota, hereinafter “City”, a Minnesota Municipal Corporation and Cannon Falls Area Historical Society, hereinafter “CFAHS” a 501 (c) 3 Minnesota, nonprofit corporation.

WHEREAS, the City and CFAHS find that it is in the best interest of the people of the City of Cannon Falls and the CFAHS that an agreement be initiated between the City and the CFAHS whereby the CFAHS shall operate and manage the Cannon Falls Museum (the “Cannon Falls Museum”); and

WHEREAS, by virtue of its purpose and interest the CFAHS is suited to the overall management and operation of the Cannon Falls Museum; and

WHEREAS, Minnesota Statutes 471.15 provides the City may operate a program of public recreation and expend funds for such; and Minnesota Statutes 471.16 and 471.191, et.al. provides that the City may cooperate and lease the operation and maintenance of recreational facilities to a nonprofit corporation; and

WHEREAS, the Cannon Falls Museum provides a forum for recreational activities to the residents of Cannon Falls, the region and state in addition to its purpose as a historical educational facility; and

WHEREAS, CFAHS is a nonprofit 501 (c) 3 Minnesota corporation, established for the purpose of the management of the Cannon Falls Museum.

NOW, THEREFORE, the parties to this Agreement, in consideration of the mutual covenants and stipulations set out herein, agree as follows:

Section One General Powers

- 1.1 This Agreement is entered into for the purpose of the CFAHS to carry out the recreational purpose of the City in the operation, maintenance and management of Cannon Falls Museum in accordance with Minnesota Statutes 471.15, 471.16 and 471.191, et. al. The Cannon Falls Museum is defined as the real property and structures located at 206 Mill Street West and 212 Mill Street West which include the 1888 Firehall, single family residence house and garage.
- 1.2 The CFAHS shall operate and manage the Cannon Falls Museum pursuant to the terms of this Agreement.

Section Two Term

- 2.1 This Agreement shall be effective August 5, 2025 until 31 December 2027, unless earlier terminated under the provisions of this Agreement, and shall be renewable for successive yearly periods through 2040.

Section Three Ownership of Property

- 3.1 The real property and structures located at the address of 206 Mill Street West, also known as the original firehall built in 1888 (the “Firehall”), shall be and shall at all times remain the sole and exclusive property of the City, and shall be placed on the City’s fixed asset inventory.

- 3.2 The property and structures located at the address of 212 Mill Street West, which contains a single family residence and garage (collectively, the “Dwelling”), was purchased with funds raised by the CFAHS and a loan from the City.
- 3.3 All items of personal property donated to the CFAHS or acquired exclusively with funds of the CFAHS, whether now existing or hereafter acquired, shall be owned by CFAHS and deemed personal property of CFAHS.

Section Four Financial Matters

- 4.1 Appropriations: The City may make annual appropriations during the term of this Agreement to subsidize the operations of and make improvements to the Cannon Falls Museum. The decision whether to make and the amount of the appropriation will be determined annually by the City Council in its sole discretion at the same time as the budget process. The 2025 operating appropriation from the City to the CFAHS is a lump sum payment of \$5,000. The City also agrees to cover the utility expense and insurance coverage for the Cannon Falls Museum.
- 4.2 Capital Program: The City may provide capital improvement contributions to the CFAHS in the form and amount determined solely by the City.
- 4.3 Use of Income: The CFAHS shall use income received from the operation of the Cannon Falls Museum solely for costs of operation, maintenance, and development of the Cannon Falls Museum. It will expend all income in a prudent and commercially reasonable manner. The CFAHS will remain a nonprofit corporation during the term of this Agreement. Annually, all income in excess of expenditures shall be used or dedicated by CFAHS for future operations, maintenance and improvements of CFAHS. No proceeds, donations, income or other funds related to the Cannon Falls Museum shall inure to the benefit of or be distributed to any individual including, but not limited to, CFAHS’ directors, officers, employees, agents or consultants, for any purpose unrelated to the operation and maintenance of the Cannon Falls Museum.
- 4.4 Debt: The CFAHS shall not incur any debt payable over a period of greater than one year without the City’s prior written approval. The Cannon Falls Museum may not in any way be used or pledged, in whole or in part, to secure any debt except as expressly authorized by the City Council.
- 4.5 Renovations/Improvement: CFAHS shall obtain consent from the City, in advance, for major structural renovations or for any renovation which may impact the historic nature and designation of the property.

Major structural renovations shall include, but not be limited to, the destruction, demolition, dismantling or relocation of any walls, built-in bookcases, cabinetry, sheetrock, wood trim, flooring, ceilings, plumbing systems, electrical systems or heating systems.

Prior to the initiation of renovations, CFAHS will submit any request authorizing the expenditure of funds for major structural renovations to the City Administrator. The City Administrator will review and determine the appropriate approval and authorization of the expenditures of funds related to major structural renovations.

The City Public Works Director shall inspect the properties for any structural damage, diseased trees, or major deficiencies and submit a report of findings to the City Administrator and CFAHS annually prior to the approval of the City's Annual Budget.

Section Five Director/City Administrator

- 5.1 The CFAHS shall appoint a designated representative for the Cannon Falls Museum who will supervise the overall operation of the Cannon Falls Museum. CFAHS shall inform the City Administrator of the designated representative and their contact information to coordinate communication about the properties.
- 5.2 The Designated Representative and the City Administrator shall function as a coordinating group between the City and the CFAHS.

Section Six Termination

- 6.1 This Agreement may be terminated by either party at any time for any reason or no reason upon 90 days written notice.
- 6.2 The City may terminate this Agreement for a material breach by the CFAHS upon 30 days' notice; provided, however, that if such breach is curable, the CFAHS shall have 30 days to cure such breach, and upon such timely cure, the notice of termination shall not be effective.

Section Seven Independent Contractor Status

- 7.1 The CFAHS shall be the employer of all employees of the Cannon Falls Museum. No employee or agent of the CFAHS shall, in any way, be deemed to be an employee or agent of the City.

An independent contractor relationship is created by this agreement. Nothing within this document should be construed as creating an employee/employer relationship, partnership, joint venture or other business relationship between the City and the CFAHS or any of its directors, employees or agents.

The CFAHS, including its directors, employees and agents, is an independent contractor and is not entitled to nor will it receive any benefits normally extended to an individual employed by the City. The CFAHS will be responsible for payment of all applicable local, state and federal taxes and withholdings and the City accepts no responsibility for these payments and obligations.

The CFAHS is expected to conduct itself, at all times, in a manner of professionalism that reflects positively on the Cannon Falls Museum, the City, and the public.

Section Eight Corporate Structure

- 8.1 The CFAHS will make no changes in the corporate powers or structure of the CFAHS, or its bylaws, which would materially affect its ability to carry out the purposes and obligations imposed by this Agreement. Copies of the CFAHS bylaws shall be submitted to the City prior

to signing this Agreement. The CFAHS shall provide the City at least 180 days' written notice prior to initiating any process to amend or dissolve its corporate or nonprofit status.

Section Nine Insurance

- 9.1 The CFAHS shall maintain liability insurance coverage in an amount as required by state law for its liability of Cannon Falls Museum, including building and contents coverage. The City shall maintain property and liability coverage for the buildings, and both parties shall list the other as additionally insured on the policies.

Indemnification. CFASH shall indemnify and hold harmless the City and its officials, agents, and employees from third party claims for bodily injury, death, or property damage to the extent such claims arise out of CFAHS operations and do not arise out of the City's or the City's agents' or employees' breach of this Agreement, breach of Laws, negligence, or intentional misconduct.

- 9.2 The CFAHS shall provide workers' compensation insurance in the statutory limits required by Minnesota law.
- 9.3 The CFAHS shall cooperate in the implementation of any reasonable loss control recommendations of the City.

Section Ten Operational Covenants

- 10.1 Buildings and Property: Except as otherwise provided in this Agreement, the CFAHS shall have complete custody and administrative control of the Cannon Falls Museum and the CFAHS' personal property. However, the City will retain ownership of the Cannon Falls Museum.
- 10.2 Maintenance: The CFAHS will keep all real and personal property in a clean and well-maintained condition based upon the condition existing on the Effective Date.
- 10.3 Hours: The Cannon Falls Museum shall be open to the general public at such reasonable hours as are designated by the CFAHS, including Fridays, Saturdays and some holidays, subject to reasonable rules and regulations as determined by the CFAHS.
- 10.4 City Accessibility: All buildings and grounds will be accessible to City personnel upon request.
- 10.5 Records and Data Practices: Each party shall retain records relating to the Cannon Falls museum as required by applicable state and federal law. Each party expressly acknowledges that they are subject to the Minnesota Government Data Practices Act, Minn. Stat. ch. 13 (the "Act") and agree to cooperate in the event either party receives a request for data pursuant to the Act. Either party may inspect the other party's records relating to the Cannon Falls Museum upon reasonable notice.

**Section Eleven
Applicable Laws**

- 11.1 The parties shall comply with all applicable local, state, federal laws, ordinances, rules and regulations, including the Act.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

CITY OF CANNON FALLS

**CANNON FALLS AREA HISTORICAL
SOCIETY**

Matt Montgomery, MAYOR

PRESIDENT

Jon Radermacher, CITY ADMINISTRATOR

VICE PRESIDENT