

LEASE AGREEMENT

This LEASE (the "Lease") is dated as of this ____ day of October, 2021, by and between **NREF HERITAGE, LLC**, a Minnesota Limited Liability Company ("Landlord") and **NORTHFIELD HOSPITAL**, an instrumentality and municipally owned corporation of the City of Northfield ("Tenant").

WHEREAS, in consideration of the Rent hereinafter defined, and the covenants contained herein, Landlord and Tenant hereby agree:

1. Data Sheet. Basic Lease Information/Definitions.

1.1	<u>Premises</u>	2014 Jefferson Road, Suites C & D, Northfield, MN. Approximately 2,840 square feet of retail space depicted on Exhibit A attached hereto and incorporated herein by reference ("Premises").												
1.2	<u>Property</u>	The four buildings located at 2004, 2010, 2014, and 2018 Jefferson Road, Northfield, MN. Legally described on Exhibit B attached hereto and incorporated herein by reference ("Property").												
1.3	<u>Commencement Date</u>	November 15, 2021 or as soon as approved by City of Northfield												
1.4	<u>Term</u>	Sixty (60) months unless sooner terminated or extended pursuant to the terms and conditions of this Lease.												
1.5	<u>Base Rent</u>	<p>Base Rent shall be the following amounts for the following months:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Period Covered</u></th> <th style="text-align: center;"><u>Monthly Base Rent</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Months 1-12</td> <td style="text-align: center;">\$3,550</td> </tr> <tr> <td style="text-align: center;">Months 13 – 24</td> <td style="text-align: center;">\$3,657</td> </tr> <tr> <td style="text-align: center;">Months 25 –36</td> <td style="text-align: center;">\$3,766</td> </tr> <tr> <td style="text-align: center;">Months 37 – 48</td> <td style="text-align: center;">\$3,880</td> </tr> <tr> <td style="text-align: center;">Months 49 – 60</td> <td style="text-align: center;">\$3,996</td> </tr> </tbody> </table> <p>*Northfield Hospital & Clinics has already paid \$7,500 which shall be applied towards Monthly Base Rent for Year 1.</p>	<u>Period Covered</u>	<u>Monthly Base Rent</u>	Months 1-12	\$3,550	Months 13 – 24	\$3,657	Months 25 –36	\$3,766	Months 37 – 48	\$3,880	Months 49 – 60	\$3,996
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1.6	<u>Operating Expenses, Common Area Maintenance, Utilities, Property Taxes and Insurance</u>	In addition to Base Rent, Tenant is responsible for paying its utilities and CAM. When possible, utilities will be separately metered and be in the name of the Tenant. Tenant shall pay for their proportionate share of CAM expenses at the Property. The Property includes four retail buildings (2004, 2010, 2014 and 2018 Jefferson Road) that will be included in the CAM pool. CAM charges will include but are not limited to: garbage/recycling, lawn and grounds maintenance, snow removal, general repair and maintenance, property taxes, insurance, and property management fees. The CAM expenses are estimated to be \$6.75/sf per year. This is a good faith estimate from Landlord based on similar buildings and prior operating data from the previous owner. This number could be higher or lower depending on Tenant's use, weather, and other variables. Landlord will work with Tenant to try and minimize CAM and utility costs. Landlord will put together a yearly budget for the												

		building and bill tenant monthly for their portion of CAM and utilities. At the end of each year, expenses will be reconciled with actual amounts and any variance will be credited to Tenant by Landlord if over-billed or paid to Landlord by Tenant if under-billed. Estimated Cam expense for 2021 for this space would be \$1,597.50 per month. (See Section 3.)
1.7	<u>Tenant's Proportionate Share</u>	9.75% (2,840/29,114) (See Section 3.)
1.8	<u>Security Deposit</u>	\$3,550.00 (See Section 5.)
1.9	<u>Tenant's Notice Address</u>	(See Section 19.) Northfield Hospital & Clinics 2000 North Avenue Northfield, Minnesota 55057
1.10	<u>Landlord's Notice Address</u>	NREF Heritage, LLC C/O Bluewater Properties 107 6 th St W Northfield, MN 55057 (See Section 19.)

2. Premises.

Landlord hereby leases to Tenant the Premises for the Term pursuant to the terms and conditions of this Lease.

3. Rent and Rent Arrears.

3.1. Base Rent. Tenant shall pay to Landlord the Base Rent identified in Section 1.5 of this Lease in advance of the first day of each calendar month during the Term mailed to **NREF HERITAGE, LLC, c/o Bluewater Properties, 107 6th St W, Northfield, MN 55057**, or such other location as Landlord shall advise Tenant of from time to time, and Rent checks shall be made payable to "**NREF HERITAGE, LLC**". Should the Term commence or terminate on a day other than the first day or the last day of a calendar month, Landlord and Tenant agree that Base Rent for the first and last month of the Term shall be prorated and Base Rent for the remaining months shall be due and payable on the first of the month as provided above. Base Rent plus all other sums due and owing pursuant to this Lease shall be collectively called "Rent."

3.2. Operating Expenses. Tenant shall also pay as additional rent Tenant's Proportionate Share of the operating expenses of Landlord for the Building. Landlord may invoice Tenant monthly for Tenant's Proportionate Share of the estimated operating expenses for each calendar year, which amount shall be adjusted from time to time by Landlord based upon anticipated operating expenses. Within six (6) months following the close of each calendar year, Landlord shall provide Tenant an accounting showing in reasonable detail the computations of additional rent due under this Section. In the event the accounting shows that the total of the monthly payments made by Tenant exceeds the amount of additional rent due by Tenant under this Section, the accounting shall be accompanied by evidence of a credit to Tenant's account. In any event the accounting shows that the total of the monthly payments made by Tenant is less than the amount of additional rent due by Tenant under this Section, the accounting shall be accompanied by an invoice for the additional rent. Notwithstanding any other provisions in this Lease, during the year in which this Lease terminates, Landlord, prior to the termination date, shall have the option to invoice Tenant for Tenant's Proportionate Share of the operating expenses based upon the previous year's operating expenses. If this Lease shall terminate on a day other than the last day of a calendar year, the amount of any additional rent

payable by Tenant applicable to the year in which the termination shall occur shall be pro rated on the ratio that the number of days from the commencement of the calendar year to and including such termination date bears to 365. Tenant agrees to pay any additional rent due under this Section within ten (10) days following receipt of the invoice or accounting showing additional rent due. Tenant shall not pay its Proportionate Share of Operating Expenses in months 1-8 of the Term.

3.3. Definition of Operating Expenses. The term "operating expenses" includes all expenses incurred by Landlord with respect to the maintenance and operation of the Building, including, but not limited to, the following: maintenance, repair and replacement costs; electricity, fuel, water, sewer, gas and other common Building utility charges; equipment used for maintenance and operation of the Building; operational expenses; exterior window washing and janitorial services; trash and snow removal; landscaping and pest control; management fees, wages and benefits payable to employees of Landlord whose duties are directly connected with the operation and maintenance of the Building; all services, supplies, repairs, replacements or other expenses for maintaining and operating the Building or project including parking and common areas; improvements made to the Building which are required under any governmental law or regulation that was not applicable to the Building at the time it was constructed; installation of any device or other equipment which improves the operating efficiency of any system within the Premises and thereby reduces operating expenses; all other expenses which would generally be regarded as operating, repair, replacement and maintenance expenses; all real property taxes and installments of special assessments, including dues and assessments by means of deed restrictions and/or owners' associations which accrue against the Building during the term of this Lease and legal fees incurred in connection with actions to reduce the same; and all insurance premiums Landlord is required to pay or deems necessary to pay, including fire and extended coverage, and rent loss and public liability insurance, with respect to the Building.

3.4 Tenant's Proportionate Share. Tenant's Proportionate Share of Operating Expenses is defined in 1.7 of the Lease.

3.5. Late Payment. If any installment of Rent or any other sums due from Tenant is not received by Landlord within 10 days following the due date, Tenant will pay to Landlord a late charge equal to 5% of such overdue amount. Landlord and Tenant hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord would incur as a result of such late payment.

4. Utilities.

Tenant will promptly pay, directly to the appropriate supplier, the cost of all natural gas, electricity, water/sewer service and other utilities and services supplied to the Premises, together with any related installation or connection charges or deposits (collectively, "Utility Costs") incurred during the Term. If any services or utilities are jointly metered with other premises, Landlord will make a reasonable determination of Tenant's proportionate share of such Utility Costs and Tenant will pay such share to Landlord. Landlord reserves the right to participate in wholesale energy purchase programs and to provide energy to the Premises through such programs so long as the cost to Tenant is competitive.

5. Security Deposit.

The security deposit of \$3,550.00 shall be held by Landlord for the performance of Tenant's covenants and obligations under this Lease, it being expressly understood that the security deposit shall not be considered an advance payment of rental or a measure of Landlord's damage in case of default by Tenant. Upon the occurrence of any event of default by Tenant or breach by Tenant of Tenant's covenants under this Lease, Landlord may, from time to time, without prejudice to any other remedy, use the security deposit to the

extent necessary to make good any arrears of rent, or to repair any damage or injury, or pay any expense or liability incurred by Landlord as a result of the event of default or breach of covenant, and any remaining balance of the security deposit shall be returned by Landlord to Tenant upon termination of this Lease. If any portion of the security deposit is so used or applied, Tenant shall upon ten (10) days written notice from Landlord, deposit with Landlord by cash or cashier's check an amount sufficient to restore the security deposit to its original amount.

6. Use.

Tenant shall use and occupy the Premises solely for the purpose of an Urgent Care Clinic and for no other purpose. The Premises shall not be used for any illegal purpose, nor in violation of any valid law, ordinance or regulation of any governmental body, nor in any manner to create any nuisance or trespass, nor in any manner which will void the insurance or increase the rate of insurance on the Premises or the Building, nor in any manner inconsistent with the quality of the Building. Tenant acknowledges that Landlord has made no representations or warranties with respect to the suitability of the Premises for Tenant's proposed use. Tenant will comply with the rules and regulations of the Building adopted by Landlord. Current Building Rules and Regulations are described in Exhibit C attached hereto. Landlord shall have the right at all times to change and amend the rules and regulations in any reasonable manner as may be deemed advisable for safety, care, cleanliness, preservation of good order and operation or use of the Building or the Premises.

7. Condition of Premises.

Tenant hereby accepts the Premises and any equipment thereon in their condition existing as of the Commencement Date or the date that Tenant takes possession of the Premises, whichever is earlier.

8. Maintenance and Repairs.

8.1 Landlord's Obligations. Landlord shall perform Landlord's Work to the Premises as described in Exhibit D. Landlord shall maintain in good repair the exterior walls, roof, common areas, foundation, and structural portions of the Property provided such repairs are not necessitated or occasioned by Tenant, Tenant's invitees or anyone in the employ or control of Tenant.

8.2 Tenant's Obligations. Tenant shall, at all times throughout the term of this Lease keep and maintain the Premises (and immediate exterior) in a clean, safe, sanitary and first class condition and in compliance with all applicable laws, codes, ordinances, rules and regulations. Tenant's obligations hereunder shall include, but not be limited to, the maintenance, repair and replacement, if necessary, of all lighting fixtures and equipment, all interior walls, floor covering, ceiling tiles, partitions, HVAC equipment (repair only), and all doors (including overhead dock doors) and windows servicing the Premises, including the regular painting thereof.

9. Alterations, Signs, and Tenant Improvements.

Tenant shall not make or allow to be made any alterations, signs, or physical additions in or to the Premises without first obtaining the written consent of Landlord, which consent may in the sole and absolute discretion of Landlord be denied. Any alterations, signs, physical additions or improvements to the Premises made by Tenant shall at once become the property of Landlord and shall be surrendered to Landlord upon the termination of this Lease; provided, however, Landlord, at its option, may require Tenant to remove any physical additions and/or repair any alterations in order to restore the Premises to the conditions existing at the time Tenant took possession, all costs of removal and/or alterations to be borne by Tenant. This clause shall not apply to Tenant owned equipment or trade fixtures, which may be removed by Tenant at the end of the term of this Lease if Tenant is not then in default and if such equipment and fixtures are not subject to any other rights, liens and interests of Landlord.

Tenant shall be prohibited from allowing mechanic's liens or any other lien from encumbering the Property,

or any part thereof, including the Building and the Premises, and shall indemnify Landlord if any such liens are filed. Tenant shall cause any mechanic's liens or other liens to be released within ten (10) days of notice thereof. Should Tenant fail to take the foregoing steps within said ten (10) day period, then Landlord shall have the right, among other things, to pay said lien without inquiry into the validity thereof, and Tenant shall forthwith reimburse Landlord for the total expense incurred by Landlord in discharging said lien; provided, however, that Tenant shall have the right to contest, in good faith and with reasonable diligence, the validity of any such lien or claimed lien if Tenant shall give to Landlord such security as may be deemed satisfactory to Landlord to assure payment thereof within such ten (10) day period in order to prevent any sale, foreclosure, or forfeiture of the Property by reason of non-payment thereof; provided further, that on final determination of the lien or claim for lien, Tenant shall immediately pay any judgment rendered, with all proper costs and charges, and shall have the lien released and any judgments satisfied.

10. Insurance and Indemnification.

10.1. Insurance Coverage. During the Term, Tenant will carry, at its own expense: (a) public liability insurance, in a form and with a company satisfactory to Landlord, (b) a bodily injury and property damage combined single limit policy of at least \$1,000,000 and (c) all other insurance necessary to keep the contents maintained on the Premises insured against fire and other casualty in amounts sufficient to enable Tenant to restore or replace the contents in case of loss by fire or other casualty. All such insurance policies shall be endorsed to name Landlord and Landlord's agent as additional insureds. Tenant shall provide Landlord with thirty (30) days prior written notice of any cancellation or material modification of the insurance policies required to be maintained by Tenant herein. In addition, such policies or certificates evidencing that such policies are in effect, shall be delivered to Landlord at the commencement of the Term and renewals shall be delivered at least ten (10) full days prior to the expiration or cancellation of any such policy. If the certificate of insurance has any disclaimers regarding additional insured status, Tenant shall provide an endorsement of the policy to Landlord and requested additional insured. If Tenant fails to comply with its covenant to maintain insurance as provided herein, Landlord may, at its option, cause insurance as aforesaid to be issued and, in such event, Tenant shall pay the premiums for such insurance as Additional Rent hereunder.

10.2 Indemnity. Landlord shall not be liable to Tenant for and Tenant does hereby release Landlord and its respective agents and employees from liability for any injury, loss or damages to Tenant or to any other person or property occurring upon the Property unless caused by Landlord's negligence or willful misconduct. Tenant agrees to indemnify, defend, and hold Landlord, Landlord's officers, directors, stockholders, employees and agents (collectively "Landlord Group") harmless against and from any and all liability, loss, costs, damages, expenses, including reasonable attorneys' fees, claims and demands, that may be brought against Landlord Group, for or on account of any damages, loss or injury to persons or property in or about the Property during the Term, or during any occupancy by Tenant prior to the Commencement Date or for any damages, loss or injury to persons or property caused by Tenant whatsoever, unless caused by Landlord's negligence or willful misconduct. For purposes of this Section, "Tenant" shall include Tenant, its employees, agents, servants, invitees, licensees, contractors and subcontractors. This indemnification shall survive the expiration or earlier termination of this Lease.

10.3 Waiver of Subrogation. To the extent permitted by law, and without affecting the coverage provided by insurance required to be maintained hereunder, Landlord and Tenant each waive any right to recover against the other for (a) damages to property, (b) damages to all or any portion of either or both of the Premises and the Property, (c) claims arising by reason of the foregoing, to the extent such damages and claims are insured against, or required to be insured against, by Landlord or Tenant under this Lease, or (d) claims paid by Tenant's workers' compensation carrier. This provision is intended to waive, fully and for the benefit of each party, any rights and/or claims which might give rise to a right of subrogation by any insurance carrier. The coverage obtained by each party pursuant to this Lease shall include, without limitation, a waiver of subrogation by the carrier which conforms to the provisions of this section.

11. Tenant Assignment and Subletting.

Tenant shall not assign, in whole or in part, this Lease, or allow it to be assigned, in whole or in part, by operation of law or otherwise or mortgage or pledge the same, or sublet the Premises, in whole or in part, without the prior written consent of Landlord, which assignment shall not be unreasonably withheld, and in no event shall said such assignment or sublease ever release Tenant or any guarantor from any obligation or liability hereunder.

12. Subordination/Estoppel Certificates.

Tenant accepts this Lease, and the tenancy created hereunder, subject and subordinate to any underlying leases, mortgages, deed of trust, leasehold mortgages or other security interests now or hereafter a lien upon or affecting the Premises or any part thereof. Tenant shall, at any time hereafter, on request, execute any instruments that may be required by any mortgage, mortgagee, deed of trust, trustee, or underlying owner or Landlord hereunder to subordinate Tenant's interest hereunder to the lien of any such mortgages, deed or deeds of trust or underlying lease. Tenant agrees at any time and from time to time upon five (5) business days prior notice by Landlord to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and the dates to which Rent and other charges have been paid in advance, if any, and stating whether or not Landlord is in default in performance of any covenant, agreement or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge, and such other matters as Landlord may request, it being intended that any such statement hereunder may be relied upon by any third party not a party to this Lease. The failure of Tenant to execute any such instruments, leases or documents shall constitute a Default hereunder.

13. Default.

Tenant hereby agrees that the following shall be deemed to be events of default ("Default") by Tenant under this lease: (1) Tenant shall fail to pay when due any installment of rent or any other payment required pursuant to this Lease; (2) Tenant shall abandon any substantial portion of the Premises; (3) Tenant shall fail to comply with any term, provision or covenant of this Lease, other than the payment of rent, and the failure is not cured within ten (10) days after written notice to Tenant; (4) Tenant shall file a petition or if an involuntary petition is filed against Tenant, or becomes insolvent, under any applicable federal or state bankruptcy or insolvency law or admit that it cannot meet its financial obligations as they become due; or a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant; or Tenant shall make a transfer in fraud of creditors or shall make an assignment for the benefit of creditors; or (5) Tenant shall do or permit to be done any act which results in a lien being filed against the Premises or the Building and/or project of which the Premises are a part.

14. Remedies for Tenant's Default.

Upon the occurrence of a Default as defined above, Landlord may elect either (i) to cancel and terminate this Lease and this Lease shall not be treated as an asset of Tenant's bankruptcy estate, or (ii) to terminate tenant's right to possession only without canceling and terminating Tenant's continued liability under this Lease. Notwithstanding the fact that initially Landlord elects under (ii) to terminate Tenant's right to possession only, Landlord shall have the continuing right to cancel and terminate this Lease by giving three (3) days' written notice to Tenant of such further election, and shall have the right to pursue any remedy at law or in equity that may be available to Landlord.

In the event of election under (ii) to terminate Tenant's right to possession only, Landlord may, at Landlord's option, enter the Premises and take and hold possession thereof, without such entry into possession terminating this Lease or releasing Tenant in whole or in part from Tenant's obligation to pay all amounts

hereunder for the full stated term. Upon such re-entry, Landlord may remove all persons and property from the Premises and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, without becoming liable for any loss or damage which may be occasioned thereby. Such re-entry shall be conducted in the following manner: without resort to judicial process or notice of any kind if Tenant has abandoned or voluntarily surrendered possession of the Premises; and, otherwise, by resort to judicial process. Upon and after entry into possession without termination of the Lease, Landlord may, but is not obligated to, re-let the Premises, or any part thereof, to anyone other than the Tenant, for such time and upon such terms as Landlord, in Landlord's sole discretion, shall determine. Landlord may make alterations and repairs to the Premises to the extent deemed by Landlord necessary or desirable.

Upon such re-entry, Tenant shall be liable to Landlord as follows:

- A. For reasonable attorneys' fees incurred by Landlord in connection with exercising any remedy hereunder;
- B. For the unpaid installments of base rent, additional rent or other unpaid sums which were due prior to such re-entry, including interest and late payment fees, which sums shall be payable immediately;
- C. For the installments of base rent, additional rent, and other sums falling due pursuant to the provisions of this Lease for the period after re-entry during which the Premises remain vacant, including late payment charges and interest, which sums shall be payable as they become due hereunder;
- D. For all reasonable expenses incurred in re-letting the Premises, including leasing commissions, attorneys' fees, and costs of alteration or repairs, which shall be payable by Tenant as they are incurred by Landlord; and
- E. While the Premises are subject to any new lease or leases made pursuant to this Section, for the amount by which the monthly installments payable under such new lease or leases is less than the monthly installment for all charges payable pursuant to this Lease, which deficiencies shall be payable monthly.

Notwithstanding Landlord's election to terminate Tenant's right to possession only, and notwithstanding any re-letting without termination, Landlord, at any time thereafter, may elect to terminate this Lease, and to recover (in lieu of the amounts which would thereafter be payable pursuant to the foregoing, but not in diminution of the amounts payable as provided above before termination), as damages for loss of bargain and not as a penalty, an aggregate sum equal to the amount by which the rental value of the portion of the term unexpired at the time of such election is less than an amount equal to the unpaid base rent, percentage rent, and additional rent and all other charges which would have been payable by Tenant for the unexpired portion of the term of this Lease, which deficiency and all expenses incident thereto, including commissions, attorneys' fees, expenses of alterations and repairs, shall be due to Landlord as of the time Landlord exercises said election, notwithstanding that the term had not expired. If Landlord, after such re-entry, leases the Premises, then the rent payable under such new lease shall be conclusive evidence of the rental value of the unexpired portion of the term of this Lease.

If this Lease shall be terminated by reason of bankruptcy or insolvency of Tenant, Landlord shall be entitled to recover from Tenant or Tenant's estate, as liquidated damages for loss of bargain and not as a penalty, the amount determined by the immediately preceding paragraph.

Neither acceptance of rent by Landlord, with or without knowledge of Default, nor the failure of Landlord to take action on account of any default hereof or to enforce its rights hereunder shall be deemed a waiver of any breach, and absent written notice or consent, said breach shall be a continuing one. In the event of a dispute between the parties hereto with respect to the enforcement of either party's obligations contained herein, the prevailing party shall be entitled to reimbursement of reasonable attorney's fees, costs and expenses incurred in connection therewith.

15. Surrender/Hold Over.

Tenant shall vacate the Premises at the expiration date or other termination of this Lease and shall remove all goods and effects not belonging to Landlord and shall surrender possession of the Premises and all fixtures and systems thereof in good repair, reasonable wear and tear excepted. If Tenant holds over and remains in possession of the Premises or any part thereof after the Expiration Date or the sooner termination of the Term or Tenant's right to possession hereunder, Tenant shall be deemed to hold the Premises as a tenant at sufferance, subject to all of the terms, conditions and covenants of this Lease, except that Base Rent payable during such holdover period shall be an amount equal to one hundred fifty percent (150%) of the installments of Base Rent payable at the time of such expiration or earlier termination. The provisions of this paragraph do not waive Landlord's right of re-entry or right to regain possession by actions at law or in equity or by any other rights hereunder.

16. Destruction, Fire or Other Casualty.

In case of damage to the Premises by fire or other casualty, Tenant shall give immediate notice thereof to Landlord, and Landlord, to the extent that insurance proceeds respecting such damage are subject to and, in fact, are under the control and use of Landlord, shall thereupon cause such damage to all property owned by Landlord to be repaired as promptly as possible at the expense of Landlord, due allowance being made for delay which may arise by reason causes beyond Landlord's control, and to the extent that the Premises are rendered untenable, the Rent shall proportionately abate, provided the damage above mentioned occurred without the fault or neglect of Tenant, Tenant's servants, employees, agents, contractors, licensees, invitees or visitors. Notwithstanding the foregoing, if such damage is due to the fault or neglect of Tenant or any of other said persons, the damage may be repaired by Landlord at Tenant's expense and there shall be no apportionment or abatement of Rent. In the event the damage shall be so extensive to the Premises as to render it uneconomical, in Landlord's opinion, to restore for the use of Tenant, or Landlord shall decide not to repair or rebuild the Premises, this Lease, at the option of Landlord, shall be terminated upon written notice to Tenant and the Rent shall, in such event, be paid to or adjusted as of the date of such damage and Tenant shall thereupon vacate the Premises and surrender same to Landlord, provided that no such termination shall release Tenant from any liability to Landlord arising from such damage or from any breach of the obligations imposed on Tenant hereunder.

17. Eminent Domain.

If the entire Premises shall be substantially taken for public purposes, or in the event Landlord shall convey or lease the Premises to any public authority under threat of condemnation or taking, this Lease shall thereupon terminate. In the event of a taking, lease or condemnation, whether or not there is a termination hereunder, Tenant shall have no claim against Landlord other than an adjustment of Rent to the date of taking, lease or condemnation, and Tenant shall not be entitled to any portion of any amount that may be awarded as damages or paid as a result or in settlement of such proceedings or threat. Notwithstanding the foregoing, Tenant may pursue its own claim against the condemning authority for any damages or award permitted under the laws of the State of Minnesota, to be paid to Tenant without diminution or reduction of the award, judgment or settlement received by Landlord.

18. Rights of Access.

Landlord, or its authorized agents, may enter the Premises at reasonable times to inspect the same, to show the Premises to prospective purchasers, lessees, mortgagees, insurers or other interested parties, provided that entry shall not unreasonably interrupt Tenant's business operations and that prior notice is given when reasonably possible. Landlord, or its authorized agents, shall have the right to use any and all means necessary to open any door in an emergency without liability therefor. Tenant shall permit Landlord to erect, use, maintain and repair pipes, cables, conduits, plumbing, vents and wires in, to and through the Premises

as often and to the extent that Landlord may now or hereafter deem to be necessary or appropriate for the proper use, operation and maintenance of the Building.

19. Notice.

Any notices required to be served in accordance with the terms of this Lease shall be in writing and delivered to Tenant at the address identified in Section 1.9 and to Landlord at the address identified in Section 1.10. Either party may at any time designate by written notice to the other a change in the above addresses or addressees. All notices, demands and requests shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed by United States Postal Service registered or certified mail, return receipt requested, or deposited with a reputable overnight courier, at the time such notice, demand or request shall be deposited with the overnight courier.

20. Patriot Act.

Tenant represents to Landlord, and Landlord represents to Tenant, that the representing party is not (and such party is not engaged in this transaction on behalf of) a person or entity with which either party is prohibited from doing business pursuant to any law, regulation or executive order pertaining to national security ("Anti-Terrorism Laws") and such party has not violated and, to the best of such party's knowledge, it is not under investigation for the violation of any Anti-Terrorism Laws pertaining to money laundering. Anti-Terrorism Laws shall specifically include, but shall not be limited to, the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001", Pub. L. No. 107-56 (also known as the "U.S.A. Patriot Act"); Executive Order 13224; the Bank Secrecy Act, 31 U.S.C. Section 5311 et seq.; the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et seq.; the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et seq.; sanctions and regulations promulgated pursuant thereto by the Office of Foreign Assets Control ("OFAC"), as well as laws related to the prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

21. Renewal Option.

None.

22. Entire Agreement.

It is expressly agreed by Tenant, as a material consideration for the execution of this Lease, that this Lease, with the specific references to written extrinsic documents, is the entire agreement of the parties: that there are, and were, no verbal representations, warranties, understandings, stipulations, agreements or promises pertaining to this Lease or to the expressly mentioned written extrinsic documents not incorporated in writing in this Lease.

23. Amendment.

This Lease may not be altered, waived, amended or extended except by an instrument in writing signed by Landlord and Tenant.

24. Authority.

If Tenant executes this Lease as a corporation, limited partnership, limited liability company or any other type of entity, each of the persons executing this Lease on behalf of Tenant does hereby personally represent and warrant that Tenant is a duly organized and validly existing corporation, limited partnership, limited liability company or other type of entity, that Tenant is qualified to do business in the state where the Building is located, that Tenant has full right, power and authority to enter into this Lease, and that each person signing on behalf of Tenant is authorized to do so. In the event any such representation and warranty is false, all persons who execute this Lease shall be individually, jointly and severally, liable as Tenant. Upon Landlord's

request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing representations and warranties.

25. Miscellaneous.

If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. All headings in this Lease are intended for convenience or reference only and are not to be deemed or taken as a summary of the provisions to which they pertain or as a construction thereof. Except as otherwise provided, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord, Tenant, and their respective heirs, distributees, executors, administrators, grantees, successors and assigns. This Lease contains all agreements of the parties with respect to any matters contained herein. No prior agreement, proposal or understanding pertaining to any such matter binding unless expressly incorporated herein. This Lease may be modified only in writing and signed by the parties in interest at the time of the modification. This Lease shall be governed by and construed in all respects in accordance with the laws of the State of Minnesota. Submission of this Lease by Landlord or Landlord's agent, or their respective agents or representatives to Tenant for examination and/or execution shall not in any manner bind Landlord and no obligations on Landlord shall arise under this Lease unless and until this Lease is fully signed and delivered by Landlord and Tenant; provided, however, the execution and delivery by Tenant of this Lease to Landlord or Landlord's agent, or their respective agents or representatives, shall constitute an irrevocable offer by Tenant to enter into this Lease on the terms and conditions herein contained, which offer may not be revoked for thirty (30) days after such delivery.

26. Representation.

Tenant is not represented by a broker and no commission is due. Landlord is represented by Bluewater Properties. Tenant covenants that it will defend, indemnify and hold harmless Landlord from and against any loss or liability by reason of brokerage or similar services alleged to have been rendered to, at the instance of, or agreed upon by Tenant.

Signature Page to Follow

IN WITNESS WHEREOF, Landlord and Tenant have signed and sealed this Lease as of the day and year first above written by their duly authorized partner, officer, or themselves, as the case may be.

LANDLORD:

NREF HERITAGE, LLC

By: _____

Its: _____

TENANT:

NORTHFIELD HOSPITAL

By: _____
Steve Underdahl, Its President and CEO

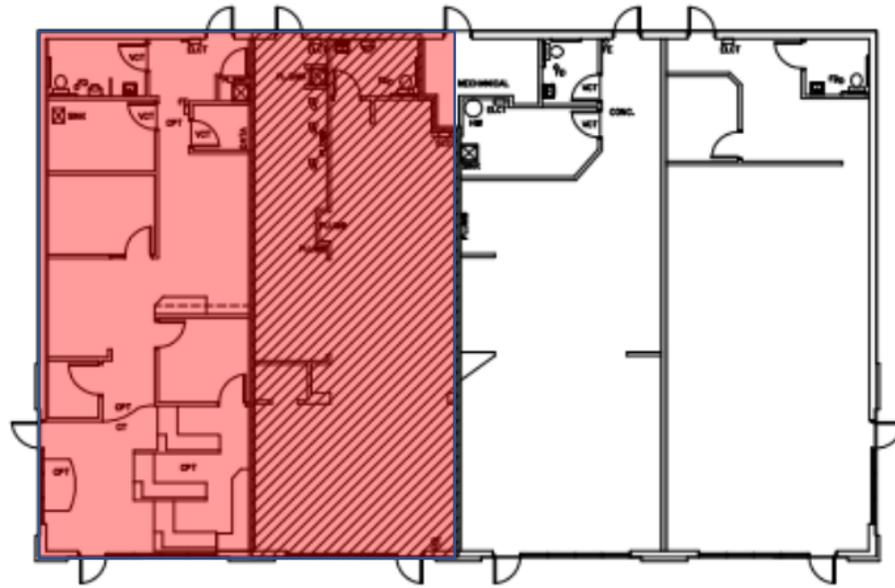
CITY OF NORTHFIELD

By: _____
Rhonda Pownell, Its Mayor

By: _____
Lynette Peterson, Its City Clerk

EXHIBIT A

DEPICTION OF PREMISES



NORTH
 **1** **KEY PLAN**
NTS

EXHIBIT B

LEGAL DESCRIPTION

Lot 1, Block 2, in Schilling Business Park 2nd Addition, in the City of Northfield, Rice County, Minnesota

Abstract Property

EXHIBIT C

RULES AND REGULATIONS

1. Tenant will not place any signs on the Property without Landlord's prior written consent. All signage must comply with all applicable laws, codes and regulations, including, without limitation, zoning and building codes. No advertisements, pictures or signs of any sort may be displayed on or outside the Premises without the prior written consent of Landlord. This prohibition includes any portable signs or vehicles placed within the parking lot, common areas or on streets adjacent thereto for the purpose of advertising or display. Landlord has the right to remove any such unapproved item without notice and at Tenant's expense.
2. Tenant may not park or store motor vehicles, trailers or containers outside the Premises after the conclusion of normal daily business activity except in approved areas specifically designated by Landlord.
3. Tenant may not store trade materials, debris or other unsightly items outside its Premises except as approved by Landlord.
4. Tenant may not use any method of heating or air-conditioning without the prior written consent of Landlord.
5. All window coverings and window films or coatings installed by Tenant and visible from outside of the Building require the prior written approval of Landlord. Except for dock shelters and seals as may be expressly permitted by Landlord, no awnings or other projections may be attached to the outside walls of the Building.
6. Tenant may not use, keep or permit to be used or kept any foul or noxious gas or substance on, in or around the Premises unless approved by Landlord. Tenant may not use, keep or permit to be used or kept any flammable or combustible materials without proper governmental permits and approvals.
7. Tenant may not use, keep or permit to be used or kept food or other edible materials in or around the Premises in such a manner as to attract rodents, vermin or other pests.
8. Tenant may not use or permit the use of the Premises for lodging or sleeping, for public assembly, or for any illegal or immoral purpose.
9. Tenant may not alter any lock or install any new locks or bolts on any door at the Premises without the prior written consent of Landlord. Tenant agrees not to make any duplicate keys without the prior consent of Landlord.
10. Tenant will park motor vehicles only in those general parking areas as designated by Landlord except for active loading and unloading. During loading and unloading of vehicles or containers, Tenant will not unreasonably interfere with traffic flow within the Property and loading and unloading areas of other tenants.

11. Tenant will not disturb, solicit or canvas any occupant of the Building or Property and will cooperate to prevent same.
12. No person may go on the roof of the Building without Landlord's permission except to perform obligations under its lease.
13. No animals (other than seeing-eye dogs) or birds of any kind may be brought into or kept in or about the Premises.
14. All goods, including material used to store goods, delivered to the Premises of Tenant will be immediately moved into the Premises and will not be left in parking or exterior loading areas overnight.
15. Tenant will be responsible for the safe storage and removal of all trash and refuse. All such trash and refuse will be contained in suitable locations approved by Landlord. Landlord reserves the right to remove, at Tenant's expense and without further notice, any trash or refuse left elsewhere outside of the Premises or on the Property.
16. Tenant may not store or permit the storage or placement of goods or merchandise in or around the common areas surrounding the Premises. No displays or sales of merchandise are allowed in the parking lots or other common areas.
17. Tenant shall not install for use in the Building any air conditioning unit, engine, boiler, generator, machinery, heating unit, stove, water cooler, ventilator, radiator or any other similar apparatus without the prior written consent of Landlord, and then only as Landlord may direct.
18. Tenant shall not use in the Building any machines, other than standard office machines such as typewriters, computers, calculators, copying machines and similar machines without the prior written approval of Landlord. Tenants shall not cause improper noises, vibrations or odors within the Building or Property.
19. If Tenant desires telephone or internet, or satellite connections or alarm systems, Landlord will direct electricians as to where and how the wires are to be introduced. No boring or cutting for wires or otherwise shall be made without specific directions.
20. Tenants shall not put down any floor covering in the Premises without the Landlord's prior approval of the manner and method of applying such flooring covering.
21. Tenant assumes full responsibility for protecting its space from theft, robbery, and pilferage which includes keeping doors locked and windows and other means of entry to the Premises closed and locked.
22. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air condition, and shall not allow the adjustment of any controls other than room thermostats installed for Tenant's use. Tenant shall keep corridor doors closed and shall not open any windows except that if the air circulation shall not be in operation, windows which are operable may be opened with Landlord's consent.

23. Any wallpaper or vinyl fabric materials which Tenant may install on painted walls shall be applied with a strippable adhesive. The use of non-strippable adhesives will cause damage to the walls when material are removed, and repairs made necessary thereby shall be made by Landlord at Tenant's expense.
24. Tenant will refer all contractors, contractor's representatives and installation technicians, rendering any service to Tenant, to Landlord for Landlord's supervision, approval, and control before performing of any contractual service. This provision shall apply to all work performed in the Premises and Property including installations of telephone, satellite equipment, electrical devices and attachments and installations of any nature affect floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Premise or Property.
25. Landlord will not be responsible for any lost or stolen personal property, equipment, money , or jewelry from Tenant's Premises or Property regardless of whether such loss occurs when such area is locked against entry or not.
26. Tenants and its employees, agents, and invitees shall observe and comply with the driving and parking signs and markers on the Property.
27. Tenants shall give prompt notice to Landlord of any accidents to or defects in plumbing, electrical fixtures, or heating apparatus so that such accidents or defects may be attended to promptly.
28. Smoking is prohibited in all common areas of the Property, including all entrances, lobbies, restrooms, elevators, and corridors. Subject to applicable legal restrictions, smoking is only allowed in areas which are specifically designated for smoking, if any. Tenant must comply with the requirements of the Minnesota Clean Indoor Air Act.
29. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Property and for the preservation of good order therein.

EXHIBIT D

LANDLORD'S OBLIGATIONS

- None – the space is accepted as-is