

**AMENDED LEASE AGREEMENT
WELLNESS CENTER**

THIS AMENDED LEASE AGREEMENT ("Lease") dated this 29 day of April, 2005, by and between the **CITY OF NORTHFIELD**, a Minnesota municipal corporation, ("Landlord") and **NORTHFIELD SENIOR CITIZENS, INC.**, a Minnesota non-profit corporation ("Tenant").

RECITALS

A. Landlord owns the Northfield Community Resource Center ("NCRC"), located on the following described real property:

Lot 1, Block 5, Presidential Commons, City of Northfield, Rice County, Minnesota;

B. Landlord and Tenant entered into a Lease Agreement for premises located within the NCRC, which Lease is dated September 1, 2000 ("Original Lease");

C. The Original Lease included rent sharing by the City to compensate for capital contributions in the amount of \$767,339.00 by the Tenant for the construction of the Senior Wellness Center portion of the NCRC as a benefit for seniors. Landlord recognizes the valuable assistance provided by Tenant towards the construction of the NCRC and the importance of proactively assisting with senior programming within the community. In recognition of the foregoing, Landlord desires to assist and partner with Tenant in its vision of serving the senior community in the City of Northfield and surrounding areas. During the term of this Lease, Landlord intends to work collaboratively with Tenant on a protocol for operation and management of the Premises as hereinafter defined. Prior to the expiration of this Lease, Landlord will work diligently towards forging a continuing relationship with Tenant and giving consideration to extensions of the Lease;

D. Landlord and Tenant desire to modify the rent sharing, terms and other provisions of the Original Lease;

E. In modifying the terms of the Original Lease, Landlord and Tenant desire to conserve resources and minimize operating expenses and still maintain facilities at normal custodial standards and keep the NCRC in good condition and repair;

F. The 2002 mediated lease between the Seniors and City staff developed a process for separating the Wellness Center costs from the NCRC costs, the new lease maintains the intent of this separation between the NCRC and the Wellness Center costs;

G. The proposed 2005 Wellness Center budget was developed on past operating expenses and on recommendations made by a Carleton College facilities operations specialist, who the City employed to provide expertise in developing an operations plan with special attention toward monitoring the health and safety of the swimming pool on a 24 hour a day basis for the first time;

H. The proposed 2005 Wellness Center budget includes new operating procedures that are being implemented in the Wellness Center for the first time and there is a process by which these measures can be discussed and evaluated between Tenant and Landlord;

I. The City as Landlord, which pays for 50% of the operating costs of the Wellness Center, and the Tenant both want to minimize operating costs while maintaining a well run facility; and

J. The Original Lease is superseded and replaced by this Amended Lease.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE ONE **Definitions and Terms**

As used in this Lease, the following terms shall have the specific meanings set forth below:

1.1 "Landlord" means the City of Northfield, having as its address for notice purposes 801 Washington Street, Northfield, MN 55057-2565; Attention: City Administrator.

1.2 "Tenant" means Northfield Senior Citizens, Inc. having as its address for notice purposes 1651 Jefferson Parkway, Northfield, MN 55057.

1.3 "Capital Reserve" means the reserve fund established for the NCRC under the City's current Capital Improvement Program, as amended.

1.4 "Commencement Date" means April 1, 2005 (contingent upon signature of the Agreement by April 30, 2005).

1.5 "Expiration Date" means March 31, 2024. 2025 H. C.

1.6 "Building" means the NCRC, 1651 Jefferson Parkway, Northfield, Minnesota, 55057.

1.7 "Operating Costs" means all costs which Landlord may incur in maintaining and operating the NCRC and the property on which it is located and, with respect to any calendar year, includes but is not limited to the following costs incurred by Landlord in such calendar year with respect to the NCRC: (i) all personnel costs for the Landlord's employees who provide services for the benefit of all tenants in the NCRC; (ii) all utility costs; (iii) all costs of contract agreements with private service contractors for such things as garbage collection, snow removal, grass mowing, and other contract agreements which benefit the entire NCRC; (iv) all costs of general liability and property insurance premiums; (v) all costs of building maintenance and regular custodial services provided to the tenants of the NCRC; (vi) real estate taxes, fees or charges imposed by any governmental entity or annual installments of special assessments levied against the Building or NCRC; (vii) all other costs which, under generally accepted accounting principals are expenses rather than capital improvements and which the Landlord will incur in owning, maintaining and operating the

NCRC, exclusive of depreciation, interest or payments of principal on any debt to finance construction or other encumbrance; (viii) all costs of other capital expenditures made for repairs to the Building or purchase of equipment, which costs will be amortized over the expected life of such improvements; and (ix) all other costs which the parties agree are generally considered costs of operating or maintaining a facility such as the NCRC.

1.8 "Premises" means the 8,342 square foot area in the Building described in **Exhibit A** attached hereto.

1.9 "NCRC Rentable Area" means the total square feet of all areas in the Building offered by the City for rent, including the Shared Services Areas and excluding Common Areas.

1.10 "Shared Services Areas" mean meeting rooms, multi-purposes space, dining rooms and kitchen within the NCRC.

1.11 "Common Areas" mean exterior and interior common facilities including parking areas, driveways, delivery passages, general storage areas, mechanical rooms, truck-loading areas, walkways, landscaped areas and public restrooms appurtenant to the leased premises.

11.12 "Capital Replacement Fund" means the Wellness Center Capital Replacement Fund, which was established by prior agreement between Landlord and Tenant. The Capital Replacement Fund is deemed fully funded when it accumulates \$75,000. By agreement of the parties, capital reserve funds for the Wellness Center may continue to be budgeted for as needed. The Capital Replacement Fund is separately accounted for within the NCRC accounts, which includes accrued interest.

11.13 "Exterior Maintenance Fund" means the Wellness Center Exterior Maintenance Fund, which was established by prior agreement between Landlord and Tenant. By agreement of the parties, reserve funds for the the exterior maintenance of the Wellness Center may continue to be budgeted for as needed. The Exterior Maintenance Fund is separately accounted for within the Capital Replacement Fund, which includes accrued interest.

ARTICLE TWO

Demising Clause

Landlord leases to Tenant and Tenant leases from Landlord the Premises on the terms and conditions contained in this Lease.

Tenant shall have the nonexclusive right to use, in common with other NCRC tenants, Building Common Areas.

Landlord shall also make available to Tenant Shared Services Areas within the NCRC subject to scheduling procedures established by the Landlord and shall be contingent upon Landlord's need for use of the Shared Services Areas for important or urgent public functions such as but not limited to elections and emergency management services on a priority basis, as determined by the Landlord. In the event of

Landlord's priority use over Tenant's scheduled use of a Shared Services Area, Landlord shall give Tenant as much notice as reasonably possible.

ARTICLE THREE

Term and Possession

3.1 **Term.** The Lease shall be for a term of twenty (20) years, beginning on the Commencement Date and ending on the Expiration Date, unless terminated prior to the Expiration Date. Except as otherwise provided in this Lease, termination of the Lease prior to the Expiration Date requires mutual agreement by the Landlord and Tenant. Tenant shall be entitled to possession on the Commencement Date and shall give up possession on the Expiration Date. Landlord shall make every effort to notify the Tenant, in writing, of any intent to change the use of the facility 24 months prior to termination of the Lease. If Tenant requests an extension of the Lease, the following conditions will apply:

- (a) Tenant shall make every effort, in writing, to notify the City of an extension 24 months prior to the Termination date of the Lease;
- (b) Tenant and Landlord acknowledge that negotiations on an extension, including lease costs and/or cost-sharing, will be based on current market conditions.
- (c) Tenant and Landlord agree to discuss in good faith the terms of any lease extension. Landlord will not unreasonably deny an extension of the Lease. If negotiations are unsuccessful, both parties agree to enter into mediation with an agreed upon neutral mediator.
- (d) Tenant may discuss ownership options for the Wellness Center with the Landlord 24 months or later prior to the Termination date of the Lease. Landlord agrees to be open to exploring options for ownership of the Wellness Center with the Tenant and will discuss and evaluate ownership options proposed by the Tenant should the Tenant request to own the Wellness Center.

ARTICLE FOUR

Rent

4.1 **Rent.** Tenant shall, for the entire Lease Term, pay to Landlord as rent its Pro Rata Share, as hereinafter defined, of the NCRC Operating Costs and Capital Reserve.

Tenant shall pay on the last day of each calendar month during the Term, as Rent hereunder, one-twelfth (or rentable portion thereof for partial months) of Tenant's Pro Rata Share of Operating Costs and Capital Reserve. Tenant's Pro Rata Share of Operating Costs and Capital Reserve shall be determined based on the Rentable Square Feet assigned to the Tenant multiplied by the annual rent rate, which rate shall be established annually by the City based on projected operating costs divided by the total NCRC rentable square feet, excluding the Wellness Center. The 2005 rent rate is \$11.88 per

square foot, and will be adjusted annually according to the Rentable Square Footage attributed to the Tenant as provided in Exhibit A.

In the event that there are operating costs which are directly and solely attributable to Tenant and are solely provided for Tenant's benefit, Tenant shall be directly responsible for that cost. However, in such a case, landlord shall not expend such monies without first consulting and obtaining the approval of Tenant. When in the reasonable determination of Landlord any service, including but not limited to HVAC, electrical, janitorial, and property management service, is provided disproportionately either to the Premises or to any other premises within the NCRC, then the Operating Cost per square foot payable hereunder may be increased or reduced, as the case may be, by Landlord's disproportionate service.

In the event the parties cannot agree on what constitutes an operating cost, the parties shall meet to resolve the issue. In the event the parties still cannot agree, they shall either appoint a neutral mediator.

Landlord shall provide Tenant with quarterly expense reports for Landlord's operation of the NCRC. Prior to setting the annual budget for operation of the NCRC, Landlord shall provide Tenant with a proposed budget sixty (60) days prior to adoption. Landlord shall consult with the Tenant regarding how any year-end operating surpluses and deficits from the current year shall be reflected in the following year's budget. Tenant may submit written comments concerning the proposed budget for consideration by the Northfield City Council and may meet with Landlord to discuss questions or concerns regarding operating costs and expenses. Tenant's written comments must be submitted to Landlord thirty (30) days prior to the meeting at which the NCRC budget will be considered by the Northfield City Council.

4.2 Rent Sharing. The City shall discount by 50% the Rent required under Section 4.1 to compensate for capital contributions by the Tenant for construction of the NCRC. The discount shall not apply to any portion of Rent that consists of operating costs which are directly and solely attributable to Tenant and are solely provided for Tenant's benefit.

Rent sharing shall apply only to the leased premises occupied by Tenant at the time of the commencement of this lease and shall not apply to additional space leased by Tenant in the Building or expansions of the leased premises. Rent sharing shall not apply to any Tenant other than the original Tenant to this Lease.

4.3 Capital Replacement Fund. The City and Tenant shall each make contributions to the balance of funds needed to reach a fund balance of \$75,000 by July 1, 2005, in accordance with contribution agreements established by prior agreement.

Funds from the Capital Replacement Fund, including accrued interest, shall be used solely for capital improvements in the Wellness Center interior and for replacement of capital equipment, including replacement, but not repair or maintenance, of exercise equipment in the Wellness Center.

The Tenant may request the City to expend funds from the Capital Replacement Fund for allowed purposes, and the City shall seek approval from Tenant for expenditures from the Capital

Replacement Fund prior to expending funds. The City shall provide annual reports to Tenant on the use and replacement of funds.

4.4. Exterior Maintenance Fund. Funds from the Exterior Maintenance Fund, including accrued interest, will cover Tenant's prorata share of operating and maintenance expenses associated with the exterior and roof of the Wellness Center and with the buildings, grounds, parking lots, etc., abutting the Wellness Center.

Tenant shall make contributions to the External Maintenance Fund based on Tenants prorata share of projected external maintenance expenses in the NRCR's capital improvement plan.

The Tenant may request the City to expend funds from the Exterior Maintenance Fund for allowed purposes, and the City shall seek approval from Tenant for expenditures from the Exterior Maintenance Fund prior to expending funds. The City shall provide annual reports to Tenant on the use and replacement of funds.

ARTICLE FIVE

Payment of Taxes

Landlord shall pay all taxes, assessments and governmental charges (collectively referred to as "Taxes") that accrue against the Premises during the Lease Term, which shall be included as part of the Operating Expenses charged to Tenant. Tenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed in the Premises, whether levied or assessed against Landlord or Tenant.

ARTICLE SIX

Permitted Use

Tenant shall use the Premises for any services normally provided by Tenant and for no other purpose. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Premises or any of its contents, or cause a cancellation of any insurance policy covering the Premises or any part of the Premises or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure or annoy them or use or allow the Premises to be used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. More specifically, Tenant shall not use or store any noxious chemicals on the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises.

ARTICLE SEVEN

Services

7.1 Landlord shall provide the following services: (a) heat and air conditioning; (b) water and sewer; (c) electricity; (d) trash removal; (e) custodial services; and (f) phone service. The cost for these services shall be included as part of the Operating Expenses charged to Tenant.

7.2 Except as otherwise provided in this Agreement, all other services required by Tenant shall be supplied and paid for by Tenant.

7.3 Landlord does not warrant that any of the services referred to above or any other services that Landlord may supply will be free from interruption. Tenant acknowledges that any one or more of such services may be suspended if there is a strike, an accident, or if repairs or improvements must be made for reasons beyond Landlord's control. Any such interruption or discontinuance of service shall never be deemed an eviction or disturbance of Tenant's use and possession of the Premises, or any part thereof, or render the Landlord liable to Tenant for damages by abatement of rent or otherwise, or relieve Tenant from performance of Tenant's obligations under this Lease.

7.4 Upon Tenant's request, Landlord or its designee shall meet with Tenants for an annual review and evaluation by Tenant of Landlord's operation of the NCRC and services provided to Tenant.

ARTICLE EIGHT

No Subletting and No Assignment

8.1 Tenant shall not assign its interest in this Lease and shall not sublet any portion of the Premises, or any right or privilege provided under the Lease or use of the Premises, or suffer any other person to occupy or use any portion of the Premises, except under the following conditions:

- (a) Tenant may only assign its interest in this Lease or sublet a portion of the Premises to a non-profit corporation approved, in writing, by the Landlord, which approval may not be unreasonably denied;
- (b) Subletting includes the assignment of a portion of the Premises to another non-profit corporation as described in 8.1.a. Tenant may rent a portion of the Premises on an hourly or daily basis to another organization. Tenant may also rent a portion of the Premises for periodic and temporary use by another non-profit organization contracted or requested by Tenant to provide services to its members;
- (c) All non-program rent collected by Tenant from a sublessee or assignee of any portion of the Premises under this Lease must be paid by Tenant to Landlord, to the extent that the non-program rent exceeds Tenant's discounted rent due under Sections 4.1 and 4.2 of this Lease; and

- (d) No rent sharing shall be applied to Rent for any portion of the Premises that is assigned or subletted during the period of assignment or subletting.

ARTICLE NINE
Quiet Possession and Subordination

9.1 Landlord covenants that Tenant, upon paying the Rent and performing the covenants under this Lease, shall peaceably and quietly have, hold and enjoy the leased Premises for the term of the lease.

9.2 This Lease is subject and subordinate to all present or future financial encumbrances on the Building, and is further subject to all present and future easements, conditions and encumbrances of record, and to all applicable laws, ordinances and governmental rules and regulations. Such subordination shall be self-executing without further act on the part of Landlord or Tenant; provided, however, that Tenant shall at any time hereafter, at the request of Landlord or any lien holder, or any purchaser of the Building, execute any instruments that may be required, and Tenant hereby irrevocably authorizes Landlord to execute and deliver in the name of Tenant any such instrument if Tenant fails to do so.

ARTICLE TEN
Landlord's Reserved Rights

Landlord reserves the following rights: (a) to maintain signs on the exterior or interior of the Building; (b) to designate and control all sources furnishing Building-related services to tenants; (c) to retain passkeys to all doors within and into the Premises; (d) during the last year of the Term to exhibit the Premises to prospective lessees; (e) to grant to anyone the exclusive right to conduct any particular business in the Building and schedule the use of Building Shared Services Areas, provided such use does not interfere with Tenant's right to the use and peaceful enjoyment of the Premises; (f) to close the Building after regular working hours and on legal holidays and to effect such reasonable security measures as Landlord may deem appropriate and in the best interests of the Building and tenants; subject, however, to Tenant's right to admittance and regular operation under such reasonable security regulations as Landlord may prescribe from time to time; (g) to take any and all measures necessary or desirable for the operation, safety, protection or preservation of the Building, including repairs, alterations, decorations, additions or improvements, whether structural or otherwise, in and about the Building or any part thereof, (h) to prepare and improve tenant space adjacent to the Premises (both vertically and horizontally), and in such preparation and improvement Landlord may create dust, noise and vibrations reasonably necessary to the completion of the work, and may temporarily obstruct doors, entry ways, public spaces and corridors on the same floor as the Premises, and to interrupt or temporarily suspend Building Services or facilities; (i) to enter to verify use of the Premises; and (j) to unilaterally amend or add to Building Rules adopted by Landlord, following notification to Tenant and Tenant's opportunity to comment on amended or added Building Rules, except where prior notification is not reasonable. Landlord may enter upon the Premises and may exercise any or all of the foregoing rights without being deemed guilty of an eviction (actual or constructive) or disturbance of Tenant's use or possession and without being liable in any manner to Tenant and without abatement of Rent or affecting Tenant's obligations hereunder.

ARTICLE ELEVEN
Alterations and Improvements

11.1 Landlord has made no promise to alter, remodel, repair or improve the Premises and has made no representation of the condition of the Premises or the Building other than what is contained in this Lease.

11.2 Tenant is solely responsible for any alterations, improvements or additions to the Premises (hereinafter referred to as a "Change"). Tenant shall make no material Change to the Premises without the Landlord's prior consent. Landlord shall not unreasonably deny any request for alterations or improvements so long as such alterations or improvements do not substantially affect Landlord's leasing of the remainder of the Building. Tenant shall allow no mechanic's lines to be incurred or filed against the Premises. Tenant shall promptly pay for all alterations and additions which it may make under this Lease, and shall save and hold harmless Landlord from any and all losses, including attorneys' fees, incurred by reason of mechanic's liens or other claims for skill, labor or material furnished or performed, or claimed to have been furnished or performed, on account of any such alterations or additions made by Tenant hereunder. Tenant may contest any such mechanic's liens and prosecute all proceedings for the purpose of such contest pursuant to Minn. Stat. §514.01, et seq. Tenant shall indemnify Landlord against any loss or liability by reason of such contest.

11.3 Tenant shall not place or maintain any signs on the exterior or interior of the Premises or the Building, without authorization by Landlord. The Tenant may, however, place and maintain a sign on interior door to the Premises stating the name of the business.

ARTICLE TWELVE
Repairs and Replacements

Landlord shall maintain and keep the Building in good condition, the cost of which shall be included as part of the Operating Expenses charged to Tenant. Except that Tenant will bear maintenance or repair costs for damage to the Building caused by acts or omissions of Tenant, its agents, employees, contractors, guests or invitees. Tenant, at its expense, shall keep the Premises in a safe and tenantable condition and in first class order, repair and appearance. If Tenant does not do so, Landlord may (but need not) restore the Premises to a safe and tenantable condition, and Tenant shall pay the cost upon being billed by Landlord. This Article shall not apply to damage or destruction otherwise provided for in this Lease.

ARTICLE THIRTEEN
Destruction or Damage

If all or a substantial portion of the Premises is rendered un-tenantable by fire or casualty, and it is reasonably anticipated by Landlord that even though undertaken and pursued with all due diligence, it will require more than four (4) months to repair the Premises, then within twenty-one (21) days after the fire or casualty, Landlord shall send a written notice of its determination to the Tenant. Then either party may terminate this Lease as of the date of the fire or casualty by sending the other party a notice in writing of its election to so terminate within fourteen (14) days after the date of the notice from the Landlord

described above. If this Lease is not terminated, Landlord shall proceed to repair the Premises at Landlord's expense and Rent shall equitably abate on a per diem basis during the period of damage by fire or casualty during the period of construction until the Premises are restored to a tenantable condition. If only a portion of the Premises are rendered un-tenantable the Rent shall equitably abate in proportion to the non-usability of the Premises during the period of untenability.

ARTICLE FOURTEEN

Hold Harmless

Tenant shall defend, indemnify and hold Landlord harmless from any liability, loss, cost, and obligations, including reasonable attorneys' fees, arising out of the use of the NCRC by Tenant, Tenant's employees, officers, agents, clients and invitees. Landlord shall defend, indemnify and hold Tenant harmless from any liability, loss, cost, and obligations, including reasonable attorneys' fees, arising out of negligent or willful acts by Landlord, its employees, officers, agents, clients and invitees in meeting Landlord's obligations under this Lease.

ARTICLE FIFTEEN

Holding Over

15.1 If Tenant without the consent of Landlord retains possession of the Premises or any part thereof after termination of the Term, then Landlord can elect to recover possession of the Premises by pursuing its rights under this Lease or at law. In such event Landlord shall further be able to recover in damages for the period Tenant holds over an amount equal to one hundred fifty percent (150%) of the Rent payable for the month immediately preceding the commencement of said holding over computed on a daily basis until Landlord receives possession of the Premises and in addition thereto, Tenant shall pay Landlord all direct damages sustained by reason of Tenant's retention of possession. Or Landlord can elect to retain Tenant on a month to month tenancy, terminable in accordance with law at a Rent equal to one hundred fifty percent (150%) of the rate payable for the month immediately preceding the commencement of said holding over computed on a per month basis for each month or part thereof that Tenant remains in possession.

15.2 Landlord shall exercise its election of one of the above described alternatives by delivering a written notice thereof to Tenant within ten (10) days after the first day of Tenant's retention of possession beyond the Term. In the event that Landlord fails to exercise its election as provided above, then Landlord shall be conclusively presumed to have elected to retain Tenant on a month to month tenancy, terminable in accordance with law at a Rent as provided under this Lease.

ARTICLE SIXTEEN

Surrender of Possession

Upon the termination of the Lease Term, Tenant shall immediately surrender the Premises (together with any Changes) to Landlord in good order, repair and condition, ordinary wear and fire or casualty losses for which Tenant is not responsible excepted, and shall remove all office furniture and equipment, trade fixtures and other items of Tenant's property on the Premises. Tenant shall pay

Landlord upon demand the cost of repairing any damage to the Premises and to the Building caused by such removal. Tenant shall leave the Premises in a broom clean condition. If Tenant fails or refuses to remove Tenant's property from the Premises, Tenant shall be presumed to have abandoned the property and Landlord may dispose of the property without incurring liability, at Tenant's expense.

ARTICLE SEVENTEEN

Compliance with Laws, Ordinances and Regulations

17.1 Throughout the Term of this Lease, Tenant, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, opinions, directives, regulations and requirements of all federal, state, city and other local governments. Throughout the Term of this Lease, Landlord shall comply with all local, state and federal laws and regulations with respect to its management and operation of the Premises.

17.2 Tenant shall likewise observe and comply with, or shall cause to be observed and complied with, all the requirements of all policies of comprehensive general liability, fire and other insurance at any time in force with respect to the Premises.

ARTICLE EIGHTEEN

Insurance

Landlord shall maintain general liability insurance at the statutory municipal tort liability limit and shall provide worker's compensation insurance for Landlord's employees. Landlord shall maintain property insurance of the Building, including the Premises. These costs shall be allocated proportionally to Tenant as an Operating Expense. Landlord shall name Tenant as an additional loss payee on any property insurance on the Building to the extent that Tenant would have a right of recovery of capital cost in the event of a termination. Tenant shall maintain insurance on Tenant's property located in and upon the Premises, and shall assume the risk of loss to such property on the Premises.

ARTICLE NINETEEN

Default and Remedies

If Tenant shall default in the payment of any installment of the Rent or in the payment of any other sum required to be paid by Tenant under this Lease and such default shall continue for fifteen (15) days after written notice to Tenant, or if Tenant shall default in the observance or performance of any of the other covenants or conditions in this Lease which Tenant is required to observe or perform and such default shall continue for thirty (30) days after written notice to Tenant, or if a default involves a hazardous condition and is not cured by Tenant immediately upon written notice to Tenant or if the interest of Tenant in this Lease shall be levied upon under execution or other legal process, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Tenant, or if any involuntary petition in bankruptcy shall be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed within thirty (30) days following the filing thereof, or if a receiver shall be appointed for Tenant or any of the property of

Tenant by any court and such receiver shall not be dismissed within thirty (30) days from the date of appointment, or if Tenant shall make an assignment for the benefit of creditors, or if Tenant shall abandon or vacate the Premises, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease and thereupon at its option may, without notice or demand of any kind to Tenant or any other person, terminate this Lease and immediately repossess the Premises, in addition to all other rights and remedies provided at law or in equity. The provisions of this section shall survive any termination of this Lease.

ARTICLE TWENTY

Notices

All notices required under the terms of this Lease shall be deemed to have been properly served or given three (3) days after their deposit in the United States mail if sent by registered or certified mail, return receipt requested, postage prepaid or two (2) days after deposit in a nationally recognized overnight courier service, addressed to Landlord or Tenant at the addresses identified in Article One or to such other address within the continental limits of the United States and to the attention of such party as the parties may from time to time designate by written notice to the other.

ARTICLE TWENTY-ONE

Miscellaneous

21.1 No third party is entitled in any way to rely upon any provision in this Lease. This Lease is intended solely for the benefit of Landlord and Tenant and no third party shall have any rights or interest in any provision of this Lease, or as a result of any action or inaction of the Landlord in connection therewith.

21.2 The exhibits attached to this Lease are considered an integral part of it as if fully set forth within it.

21.3 All prior understandings, letters of intent, discussions and agreements are merged in the governing terms of this Lease, which is a complete and final written expression of the intent of the parties. This Lease may be amended only pursuant to the terms of an exhibit, if attached and executed for that purpose, or by a separately signed writing between the parties. This Lease may not be amended or modified orally.

IN TESTIMONY WHEREOF, as of the day and year first hereinabove written the parties have executed this Lease.

LANDLORD:
CITY OF NORTHFIELD

BY: [Signature]
Its Mayor

AND [Signature]
Its City Administrator

(SEAL)

STATE OF MINNESOTA)
(ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this 1st day of May, 2005 by Lee Lansing and by Susan Hoyt, respectively the Mayor and City Administrator of the City of Northfield, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

Kathleen K. Fredrickson
Notary Public

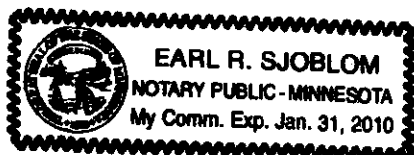


TENANT:
NORTHFIELD SENIOR CITIZENS, INC.

BY: [Signature]
Its President

STATE OF MINNESOTA)
(ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this 29th day of April, 2005 by Ronald D. Cirksema, the President of Northfield Senior Citizens, Inc., a Minnesota non-profit corporation, on behalf of the corporation.



[Signature]
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

CAMPBELL KNUTSON

Professional Association

317 Eagandale Office Center

1380 Corporate Center Curve

Eagan, MN 55121

Telephone: (651) 452-5000