

LEASE

This Lease is made this _____ day of _____, 2017, by and between Astrup Properties, LLC, a Minnesota limited liability company, hereinafter referred to as “Landlord” and Northfield Hospital, an entity wholly owned by the City of Northfield, hereinafter referred to as “Tenant.”

Section 1. Demise. In consideration of the rent paid and of the covenants to be performed by Tenant, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, a portion of the Premises situated at 700 Division Street, Northfield, Minnesota as shown on the attached Exhibit A, the “Premises” consisting of approximately 2,900 square feet. The entire building of which the Premises are a part as well as the adjacent unimproved areas shall be referred to as the “Property.”

Section 2. Term. This Lease shall commence on _____, 2017. The Lease term shall end on _____, 2022. Provided that Tenant is not then in default under the terms of this lease, it shall have the right to extend the term of the lease for two additional two year periods (_____, 2022, to _____, 2024, and _____, 2024, to _____, 2026). The extended terms shall be on the same terms and conditions with the exception that the base rent will be at the then current market rate, but in no event less than the rate in effect at the end of the previous term, and in no event shall be more than 2% more than the rate in effect at the end of the previous term. Landlord must notify Tenant of any proposed base rent increase by April 1 of the year in which the then current term expires. The Tenant must provide Landlord with written notice of its intent to exercise its option to extend the term of the lease on or before June 1 of the year in which the then current term expires. If Tenant does not provide written notice of its intention to extend the term, its right to extend the term shall be null and void.

Section 3. Condition of Premises. Tenant is fully aware of the existing condition of the Premises and except as expressly set forth in this Lease, agrees to take on a strictly “as is” basis, without warranty of representation, express or implied, and without any further obligation whatsoever on the part of Landlord with respect thereof. There is no data cabling or telephone line service to the Premises as let to the Tenant. Tenant shall have the right to install such data or telephone services it may require. This Lease hereby excepts and reserves to Landlord the roof and, subject to Tenant’s rights under this Lease, exterior walls of the building of which the Premises are a part, and further reserves to Landlord the right to place in the Premises (in such manner as to not unreasonably interfere, ~~in Tenant’s sole discretion~~, with Tenant’s use and occupancy of the Premises) utility lines, pipes, and the like, to serve the Premises and the remainder of the building.

Section 4. Base Rent. Tenant shall pay to Landlord at the address shown in this Lease, or such other address as designated by Landlord in writing to Tenant as gross rent, in lawful money of the United States of America, in advance on the first day of each calendar month and proportionately at such rate for any partial month, without set-off or demand, monthly minimum rent in the amount of \$4,350.00.

Tenant shall pay, as additional rent, a proportional share of the total charges to the Property for the following expenses:

- a. Water/Sewer - 25% of total charges
- b. Gas - 50% of total charges
- c. Electric - 50% of total charges
- d. Garbage - 25% of total charges
- e. Snow removal - 25% of total charges
- h. Real estate taxes - 50% of total charges

These charges shall be billed and paid on a monthly basis.

Section 5. Quiet Enjoyment. Landlord covenants that Tenant, upon paying rent and performing all other obligations hereunder, shall have quiet enjoyment and possession of the Premises during the term of this lease, subject only to the terms and conditions of this lease.

Section 6. Use. Tenant may use the Premises for operation of a medical clinic, home health care, hospice, urgent care, and other related medical office uses as permitted by Landlord in writing. Employees of Tenant shall be required to park along the western edge of the parking lot.

Section 7. Taxes and Assessments Payable by Landlord. Landlord will pay all real property taxes and assessments which have become or may become a lien upon the Property or which are otherwise imposed or assessed on the Property.

Section 8. Maintenance of Systems by Landlord.

a. During the term of this Lease Landlord shall maintain, repair and assure the proper operation of the heating, air conditioning, fire protection, electrical and plumbing systems of the building which are outside the Premises and which are under the exclusive control of the Landlord. Landlord shall ensure that fire alarm installation and testing conform to the standards of the National Fire Protection Association's (NFPA) Code 72, that fire sprinkler installation and testing conform to NFPA Code 25, and that illuminated exit signage and emergency lighting installation and testing conform to NFPA Code 100. Landlord will provide documentation of all testing of these systems and any corrective action taken to Tenant upon Tenant's request.

b. Tenant shall during the term of this lease pay for, maintain, repair, and assure the proper operation of the Premises' electrical and plumbing systems installed by Tenant without reimbursement from Landlord of any such maintenance or repair costs or expenses.

Landlord Agrees to reasonably clean and remove ice, snow, dirt, and rubbish from parking areas, driveways and walkways and will perform necessary maintenance and repairs to those areas. In addition, Landlord further agrees to maintain all lawns and shrubbery located on the Property.

Section 9. Waste. Tenant shall not commit, nor suffer to be committed, any waste upon the Premises, or any nuisance thereon.

Section 10. Assignment-Subletting. Tenant will not assign or sublet its interest in this lease of the Premises, or any part thereof, without the written consent of the Landlord which consent shall not be unreasonably withheld. In the event of any assignment or subletting, Tenant shall remain liable to Landlord for payment of rent under this lease and for performance of all other obligations under this lease, during the term of this lease only upon default of any assignee or subtenant on any rent payment or other obligation under this lease and only upon receipt of Landlord's written notification to Tenant of said default. Tenant shall have thirty (30) days from receipt of said notice to cure any such default by an assignee or subtenant. It is agreed Tenant may assign or sublet some or all of its interest in this lease, or the Premises, or any part thereof, to HealthFinders Collaborative, Inc., a Minnesota nonprofit corporation.

Section 11. Conformity with Regulations, Rules and Laws. During the term of this lease, Tenant shall comply with all laws, ordinances, rules and regulations imposed by municipal, state, or federal authority with jurisdiction over the Premises.

Section 12. Entry by Landlord. Tenant shall permit Landlord and its agents to enter the Premises at mutually agreeable times for the purposes of inspection and repair. Tenant will permit Landlord to post usual or ordinary "for rent" and/or "for sale" signs upon the Premises.

Section 13. Destruction of Premises.

a. If the property shall, during the term of this lease, be damaged to an extent of less than 50 percent of the value of the building, based on replacement cost, which damage is caused by fire, or any other casualty, Landlord agrees to, at its own expense, repair and rebuild the Premises as speedily as possible. During the time such repair and rebuilding continues, Tenant's obligation to pay rent and to pay any other financial obligation under this lease shall abate proportionately to the percentage of total floor space made unavailable for Tenant's normal use during the period of repair and rebuilding.

b. In the event any damage or partial destruction exceeds 50 percent of the value of the building, based on replacement cost, either Landlord or Tenant shall have the right to terminate this lease. Such right to terminate must be exercised within 30 days of the date the damage or destruction occurs and shall be exercised by written notice sent by registered or certified mail to the address or addresses of the other parties as set forth in this lease. Upon giving such notice, this lease shall be terminated immediately and the Premises shall be deemed surrendered by Tenant to Landlord as of the date the damage or destruction occurred. Any advance rentals or other payments made by Tenant to Landlord shall be repaid to Tenant as of the date of the damage or destruction.

c. In the event neither party gives such notice to terminate, Landlord shall, as speedily as possible, and at Landlord's expense, repair and rebuild the Premises. The Premises shall be rebuilt in a manner so as to be consistent with Tenant's prior use of the Premises. Tenant shall

have the right to approve all plans, specifications, and contractors in connection with any repair or rebuilding. Tenant's approval will not be unreasonably withheld.

During the time the Premises are being rebuilt and repaired, all of Tenant's financial obligations, including the obligation to pay rent, shall abate until restoration is completed.

None of the provisions of this Section 13 shall apply in instances where damage or destruction of the Premises are caused by the intentional, willful or negligent conduct of the Tenant or Tenant's employees, agents, sub-tenants, successors or assigns.

Section 14. Insurance.

a. Landlord shall keep the Property insured against loss or damage from any cause with extended coverage including all of the equipment and fixtures and with a standard mortgage clause to the extent of 100 percent of the replacement value of the Property.

b. Tenant agrees to obtain and pay for a policy of public liability insurance naming Tenant and Landlord as named insureds. Said insurance shall provide coverage for bodily injury and/or damage sustained in or upon the Premises with limits of at least One Million and no/100 (\$1,000,000.00) Dollars for each person and One Million and no/100 (\$1,000,000.00) Dollars for any one accident or occurrence and One Million and no/100 (\$1,000,000.00) Dollars for property damage arising from any one accident or occurrence. Tenant agrees to provide Landlord with certificates evidencing such policies and shall provide Landlord with ten (10) days advance written notice of the cancellation of any insurance coverage.

c. Tenant shall also maintain at its sole cost and expense, fire and casualty insurance with extended coverage and water damage insurance in amounts sufficient to fully cover Tenant's improvements and all property in the Premises which is not owned by Landlord.

Section 15. Indemnification. Tenant hereby agrees to indemnify and hold Landlord harmless from any claims, liability, loss, cost, or expense (including reasonable attorneys' fees) arising, during the term of this lease or any renewal thereof, out of:

1. The presence on or use of the Premises by Tenant or any other person;
2. Any breach or default by Tenant of any covenant or obligation on its part to be performed;
3. Any act of negligence by or on behalf of Tenant, its agents, contractors, servants, employees or licensees;

excluding, however, any claims, liability, loss, cost or expense (including reasonable attorneys' fees) arising out of any act of negligence or other culpable fault of Landlord, its agents, contractors, servants, or employees. Landlord shall not be liable for damage to person or property sustained by Tenant or any other person unless such damage is caused by Landlord's negligence or other culpable fault.

To the extent Landlord's insurance provides coverage for any loss, damage, or liability existing between Landlord and Tenant, or arising from their ownership and possession of the property, this indemnification provision shall not apply and such loss, damage, or liability shall be paid and satisfied from such insurance and to the extent thereof.

The provisions of this Section 15 shall survive termination of this Lease.

Section 16. Condemnation.

a. If all of the Premises are taken or condemned for a public or quasi-public use, this lease shall terminate as of the date title to the condemned Premises vests in the condemnor. Tenant's obligation to pay rent or any other financial consideration under the terms of this lease shall cease on such termination and all unpaid rent or other financial obligation shall be paid in full by Tenant. All prepaid rent or any other prepaid obligation shall be forthwith repaid by Landlord to Tenant.

b. If less than the entire Premises is taken or condemned for a public or quasi-public use and the nature and extent of such taking or condemnation are such that Tenant's business cannot reasonably be continued on the remaining portion of the Premises, then this lease shall terminate thirty (30) days following Tenant's written notice to Landlord of its election to so terminate. Such notice must be given within 60 days after the date title vests in the condemnor or the date the condemnor takes possession of the condemned real estate, whichever occurs first. Upon such termination, Tenant shall pay all rent and other financial obligations due and owing up to the date of termination to Landlord and Landlord shall pay to Tenant all prepaid rent or other financial obligations previously paid by Tenant.

Section 17. Hazardous Waste. Neither Landlord nor Tenant shall permit the illegal or improper storage of hazardous waste or hazardous substances on the Premises. Landlord and Tenant agree that all hazardous waste or hazardous substances maintained by either party on the Premises will be handled, stored and disposed of in accordance with federal, state and local statutes, rules and regulations.

Section 18. Default. If Tenant defaults on any of the covenants or agreements herein contained, or if Tenant shall be adjudged bankrupt or insolvent, make an assignment for the benefit of creditors, or if a receiver or trustee is appointed for Tenant's property, Landlord may elect to terminate this lease. In addition, Landlord shall have the immediate right of re-entry and may remove all persons and property from the Premises. Any property so removed may be stored in a public, bonded warehouse at Tenant's expense.

If Landlord elects to re-enter or takes possession pursuant to legal proceedings or any notice provided by law, Landlord may either terminate this lease or Landlord may, from time to time, without terminating this lease, relet the Premises or any part thereof for such term (within the term of this lease) and at such rental and upon such other terms and conditions as Landlord, in Landlord's sole discretion, may deem advisable, with the right to make reasonable and

necessary repairs to the Premises. If Landlord relets the Premises, the rents received by Landlord from such reletting, shall be applied:

1. First, to the payment of any indebtedness other than rent due hereunder from Tenants to Landlord;
2. Second, to payment of any costs and expenses of such reletting and of such repairs;
3. Third, to payment of rent due and unpaid hereunder.

No re-entry by Landlord shall be construed as an election on Landlord's part to terminate this lease unless a written notice of such intention is given to Tenant or unless the termination thereof be decreed by a part of competent jurisdiction.

Section 19. Cure.

a. As to Tenant's obligation to pay rent, Tenant shall have ten (10) days from any default to cure. For any rent not paid within the ten (10) day period, Landlord shall have the option to charge interest on all overdue amounts at the rate of 10 percent per annum, which interest shall accrue until all rent payments are brought current by Tenant. Tenant's obligation to pay such interest shall accrue upon receipt by Tenant of written notification from Landlord.

b. As to any other default under the terms of this lease, Tenant shall have thirty (30) days to cure said default following receipt of written notice of the default from Landlord.

c. Tenant shall also pay damages incurred by Landlord caused by any default of Tenant, including reasonable attorney's fees.

Section 20. Surrender of Possession. Upon the expiration of the term of this lease, or upon termination or cancellation of this lease, Tenant shall remove from the Premises all furniture, fixtures, and other property, excluding permanent improvements, placed thereon by Tenant. Tenant will return the Premises to Landlord in as good order and condition as the same are in at the commencement of the term, ordinary and reasonable use and wear excepted.

Section 21. Subordination. This lease shall be subordinate to any mortgage or trust deed that may now or hereinafter be placed upon the Premises, provided that the mortgage or trustee thereunder shall agree to be subject to Tenant's right to possession of the Premises on the terms and conditions contained in this lease. Tenant agrees to execute any reasonable instrument or document as may be required, without cost to Tenant, to further effectuate subordination of this lease to any such mortgage or trustee.

Section 22. Signs. Tenant may erect on the Premises such signs as are reasonable to identify Tenant's business, business name, and purposes after obtaining written consent from Landlord. Tenant shall, at its own cost and expense, obtain all municipal or other permits, licenses, or authorizations necessary relating to any signs erected by Tenant. Notwithstanding anything herein to the contrary, Tenant shall have the right at its sole expense to place a sign on

the pylon sign for the building, a sign on the north exterior wall of the building, and the glass in the Property entryway with the prior approval of Landlord as to the location, size, color and type of such signs.

Section 23. Mechanic Liens. Tenant agrees to immediately discharge (either by payment or by the filing of necessary bond or otherwise) any mechanic's, materialmen's, or other lien against the Premises and/or less Landlord's interest therein, which liens may arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies, or equipment alleged to have been furnished to or for the Tenant in or about the Premises.

Section 24. Waiver. Waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition, or of any subsequent breach of the same, or any other term, covenant, or condition herein contained. The subsequent acceptance of rent by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this lease, other than the failure of Tenant to pay the particular rent so accepted.

Section 25. Attorneys' Fees. In the event of litigation or any other dispute between the parties concerning this lease or any term or condition hereof or any default hereunder, the prevailing party in such litigation or dispute shall be entitled to receive from the other party reasonable attorneys' fees affixed by the court or other arbitrator of the dispute.

Section 26. Successors. The covenants and conditions herein shall apply to and bind the successors and assigns of the parties hereto.

Section 27. Captions. The caption headings in this lease are for convenience only and are not a part of this lease and do not in any way limit or amplify the terms and provisions of this lease. The terms Landlord and Tenant shall apply to the parties hereto as may be applicable and without regard to gender or number.

Section 28. Notices. All notices hereunder shall be deemed sufficient if in writing and delivered personally or deposited in the United States mail, postage prepaid, sent certified or registered mail, and addressed to the following addresses:

Landlord:

Astrup Properties, LLC
c/o Daniel Astrup
905 North Main Street
Austin, MN 55912

Tenant:

Northfield Hospital
Attn: Steve Underdahl
2000 North Avenue

Northfield, MN 55057

Or to such other addresses as may be designated from time to time in writing.

Section 29. Memorandum of Lease. Upon the request of either Landlord or Tenant, Landlord and Tenant agree that they will execute a short form lease setting forth the expiration date of this lease, which may be properly acknowledged by Landlord and may be recorded at the option of either party.

Section 30. Modification. This lease shall not be modified or amended in any respect except by an agreement in writing signed by the party against whom such modification or waiver is sought to be enforced.

Section 31. Controlling Law. This lease shall be controlled and interpreted according to the laws of the State of Minnesota.

WHEREFORE, this Lease Agreement is hereby executed and agreed to this _____ day of _____, 2017.

For Landlord:

ASTRUP PROPERTIES, LLC.

By: _____
Daniel B. Astrup
Its: Secretary

For Tenant:

NORTHFIELD HOSPITAL

By: _____
Steve Underdahl
Its: President and CEO

CITY OF NORTHFIELD

By: _____
Its: _____