

COMMERCIAL LEASE AGREEMENT

This Lease Agreement is made and entered into as of the 20th day of December, 2018, by and between ABC Financing 5, LLC, a Minnesota limited liability company (“Lessor”), and Northfield Hospital + Clinics, an instrumentality and municipally owned corporation of the City of Northfield (“Lessee”); (collectively the “Parties”).

RECITALS

WHEREAS, Lessor does hereby lease to Lessee and Lessee hereby hires and takes of and from Lessor those certain premises know and designated as 1645 Lyndale Avenue North, Suite 101 (North Section), containing approximately 657 square feet of net rentable area, hereinafter referred to as “Leased Premises” of the certain building located in the City of Faribault, State of Minnesota.

WHEREAS, the Lease term shall commence on the 1st day of January, 2019, and will continue for twelve (12) months until December 31, 2019. Thereafter, this Agreement will be automatically renewed for successive one year renewal terms and may be terminated by either party at any time with a 60-day written notice.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged hereby, the parties mutually agree as follows:

1. **Rent.** Lessee shall pay to Lessor during the Lease Term \$1,025.00 per month gross rent. Rent will be payable in monthly installments commencing with the 1st day of January, 2019. The monthly rent shall be payable on or before the 5th day of each month during the Lease Term in lawful money of the United States to Lessor at its office in Faribault, Minnesota, or at such place or places and to such other party or parties as Lessor may hereafter designate. Any rent unpaid by the 5th of the month shall carry a penalty of 5% thereafter.
2. **Lessor Obligations.**
 - a. Lessor agrees to provide access to leased space as soon as first month’s rent is paid.
 - b. Lessor warrants that the Leased Premises are in a tenantable condition and that all heating, air conditioning, electrical and plumbing systems are in good working order and will receive all necessary maintenance and repair to assure proper operation.
 - c. Lessor will maintain property insurance for the premises.
 - d. Lessor covenants that Lessee, upon paying the Rent and performing the covenants under this lease, shall peaceably and quietly have, hold and enjoy the Leased Premises for the lease term.
 - e. Lessor shall be responsible for payment of any taxes, assessments or governmental charges (collectively referred to as “Taxes”) that accrue against the Leased Premises during the lease term.
 - f. Lessor shall be responsible for payment of all utilities on the Leased Premises during the lease term.
3. **Lessee Obligations.**
 - a. Lessee shall at all times during the term of this lease comply with RULES AND REGULATIONS GOVERNING LEASE. Lessee shall not overload, damage or deface the Leased Premises or do any act which may make void or voidable any insurance on the

Leased Premises or the building, or which may render an increased or extra premium payable for insurance.

- b. Taking possession of the Leased Premises shall be conclusive evidence the Leased Premises are, on that date, clean and in rentable condition and as presented by Lessor.
 - c. Lessee shall not have the right to assign this lease or sublet all or any part of the Leased Premises.
 - d. Lessee shall permit no signs to be placed on the Leased Premises but shall have the right to letter the entrance to the Leased Premises, provided the size, style, text and color are first approved in writing by Lessor. Any sign or lettering not so approved may be removed by Lessor at Lessee's expense.
 - e. No rubbish, dirt or mats shall be put in the public area in the building by Lessee.
 - f. Lessee shall conserve heat, air conditioning, water and electricity and shall use due care in the use of the Leased Premises and of the public areas in the building, and without qualifying the foregoing shall not neglect or misuse water fixtures, electric lights and heating and air conditioning apparatus.
 - g. Lessor, or its authorized agents or attorney, may, with reasonable notice enter the Leased Premises to inspect, make repairs, improvements and/or changes in the Leased Premises or other premises in the building or adjacent premises as Lessor may deem proper; and there shall be no diminution of rent, or liability on the part of Lessor, by reason of inconvenience, annoyance or injury to business. Lessor shall exercise its rights under this paragraph so as to cause minimum interference with the Lessee's business activities and shall make every reasonable attempt to exercise its rights hereunder during other than the regular working hours of the Lessee.
 - h. Except for the intentional misconduct or negligence of Lessor, Lessor shall not be liable to Lessee or those claiming through or under Lessee, for injury, death or property damage occurring in, on or about the building and appurtenances thereto, and Lessee shall indemnify Lessor and hold it harmless from any claim or damage arising out of any injury, death, or property damage occurring in, on or about the Leased Premises to Lessee or an employee, customer or invitee of Lessee. Lessor and Lessee should both carry proper liability insurance.
 - i. Notwithstanding anything in this Lease to the contrary, if the building is damaged or destroyed by fire or an extended coverage risk, the Lessee, its agent, employees, representatives and invitees are hereby released from any liability by reason thereof to the extent of insurance proceeds realized by the Lessor as a result of such damage or destruction. In no event shall any such release be applicable if so to do would work in contravention of any requirement in an applicable policy of insurance to the effect that if the insured waives subrogation, coverage is or may be void.
 - j. Lessor shall be provided with 4 parking spaces.
4. **Miscellaneous.**
- a. 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 Lessor or Lessee at the addresses identified below 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.

i. Notices sent to Tenant should be sent to the following:

Name

Address

Telephone

ii. Notices sent to Landlord should be sent to the following:

Name

Address

Telephone

- b. Voluntary and Knowing Action. The Parties, by executing this lease, state that they have carefully read this Lease and understand fully the contents thereof; that in executing this lease they voluntarily accept all terms described in this lease without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- c. Authorized Signatories. The Parties each represent and warrant to the other that (1) the persons signing this Lease are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Lease against it; each Party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
- d. No Partnership, Joint Venture, or Fiduciary Relationship. Nothing contained in this lease shall be interpreted as creating a partnership, joint venture, or relationship of principal and agent between the Parties, it being understood that the sole relationship created hereby is one of landlord and tenant.
- e. Governing Law. This lease shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the lease without regard to its choice of law or conflict of laws principles.
- f. Data Practices. The Parties acknowledge that this Lease is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.
- g. No Waiver. Any Party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this lease or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that Party's right to assert or rely upon the terms and conditions of this lease. Any express waiver of a term of this lease shall not be binding and effective unless made in writing and properly executed by the waiving Party.
- h. Severability. The invalidity or unenforceability of any provision of this lease shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this lease to the extent of its invalidity or unenforceability, and this lease shall be construed and enforced as if the lease did not contain that particular provision to the extent of its invalidity or unenforceability.
- i. Headings and Captions. Headings and captions contained in this lease are for convenience only and are not intended to alter any of the provisions of this lease and

shall not be used for the interpretation of the validity of the agreement or any provision hereof.

- j. **Survivability.** All covenants, indemnities, guarantees, releases, representations and warranties by any Party or Parties, and any undischarged obligations of Lessor and the Lessee arising prior to the expiration of this lease (whether by completion or earlier termination), shall survive such expiration.
- k. **Entire Agreement.** 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.
- l. **Modification/Amendment.** Any alterations, variations, modifications, amendments or waivers of the provisions of this lease shall only be valid when they have been reduced to writing, and signed by authorized representative of the Lessor and the Lessee.

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IN WITNESS WHEREOF, the parties hereto have caused this Commercial Lease Agreement to be executed as of the day and year first stated above.

LESSOR:

ABC Financing 5, LLC

By: _____

Its: _____

LESSEE:

NORTHFIELD HOSPITAL + CLINICS

By: _____

Its: _____

CITY OF NORTHFIELD

By: _____

Its: _____