LE SUEUR CITY COUNCIL AGENDA
Monday, November 14, 2016
203 South Second Street
6:30 P.M.

1. Call to Order

2. Pledge of Allegiance

3. Norms of Behavior

4. Approval of the Agenda

5. Presentations – None

6. Consent Agenda – All items on the Consent Agenda are considered routine and have been made available to the City Council at least two days in advance of the meeting; the items will be enacted in one motion. There will be no separate discussion of these items unless a Council member or citizen so requests, in which event the item will be removed from this agenda and considered in normal sequence.

   A. Approval of Minutes

      1. Regular Meeting of October 24, 2016

   B. Resolution Approving Disbursements for Period Ending November 14, 2016

7. Items of Appreciation

8. Public Comment – Public Comment provides an opportunity for the public to address the Council on items that are not on the Agenda. Comments will be limited to three (3) minutes per person. Persons wishing to make a comment must contact the Mayor prior to being allowed to speak.

9. Public Hearings - None

10. Regular Agenda

    A. Consider Approving Transfer of Sublease for the Mayo Clinic Site to Minnesota Valley Heath Center and Provide Notification to Mayo of Notice to Terminate at the End of the Current Term

    B. Consider Approving Agreement Regarding Ambulance Service

    C. Report from Council member Kerkow Regarding CATV

    D. Consider Approving the First Reading of an Ordinance Amending City Code Chapters 52 and 53 Water and Sewer

    E. Consider Certifying Nuisance Violation Assessments

F. Consider Approving the Second Reading of an Ordinance Amending City Code Chapter 31 Section 31.01- Organizational and Regular Meetings

G. Consider Approving MSRS Deferred Compensation Program

H. Consider Approving Appointment to Board of Zoning Adjustments

I. Canvass the 2016 City Council Election Results

J. Miscellaneous

K. Adjourn

*One or more members of the City Council may participate in this meeting by telephone or other electronic means.

Le Sueur, Minnesota City Council Meeting October 24, 2016

A Regular Meeting of the City Council was held on Monday, October 24, 2016 at 6:30pm in the Council Chambers with Mayor Broeder presiding. Council Members present: Huntington, Johnson, Kerkow, Rohloff, Wicks and Wilke. Council Members absent: None. City Administrator Jenelle Teppen and City Attorney Todd Coryell were also present.

Motion by Council Member Huntington, seconded by Council Member Wicks approving the agenda as written. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

Motion by Council Member Wicks, seconded by Council Member Huntington to adopt
Resolution #16-103, approving the following consent agenda items:

- Regular meeting minutes of October 10, 2016
- Disbursements for the period ending October 24, 2016 in the amount of $335,644.27
- Appoint Housing and Redevelopment Authority Board member
- Personnel Action

Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

Public Comment: Resident proposed an addendum to the Comprehensive Plan – including an off-leash dog park under Project Ideas.

City Attorney provided an update on the proposed transfer of a sublease for the Mayo Clinic site to Minnesota Valley Health Center and provide notification to Mayo of Notice to Terminate at the end for the current term and proposed ambulance agreement. Final draft and recommendation documents should be available at the November 14, 2016 regular City Council meeting.

Motion by Council Member Rohloff, seconded by Council Member Johnson to adopt
Resolution #16-104, approving the final Comprehensive Plan Update. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks and Wilke and Mayor Broeder. Voting no: None. Motion carried.

Motion by Council Member Huntington, seconded by Council Member Rohloff to adopt
Resolution #16-105, approving the first reading of an ordinance amending City Code Chapter 31, Section 31.01 – Organizational and Regular meetings. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

Discussed the City Administrator response to social media posts in regard to CATV.

Staff and Council Member Kerkow will research options in relation to the continuation of CATV in Le Sueur.

Discussed the City involvement in future Joint Powers Agreements and reviewing the “Public Comment” procedure for City Council meetings.

Motion by Council Member Huntington, seconded by Council Member Rohloff to adjourn. Voting in favor: Council Members Huntington, Johnson, Kerkow, Rohloff, Wicks, Wilke and Mayor Broeder. Voting no: None. Motion carried.

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Stacy Lawrence, City Clerk

Council Approval Report for November 14, 2016

City of Le Sueur, MN

By Fund

Post Dates 10/25/2016 - 11/14/2016

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
Fund: 101 - GENERAL FUND					
101-14101	GENESIS	BULK FUEL	64502	101-14101	2,606.10
101-15502	I.U.O.E. LOCAL 49	DECEMBER HEALTH INSURANCE	INV0004142	101-15502	4,440.00
101-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	101-20702	21,106.34
101-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	101-20702	20,078.48
101-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004099	101-21701	62.02
101-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	101-21701	4,300.68
101-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004166	101-21701	4,318.13
101-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004100	101-21702	18.31
101-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	101-21702	1,706.74
101-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004168	101-21702	1,708.07
101-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	101-21703	3,145.20
101-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	101-21703	2,862.10
101-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004108	101-21704	3,397.76
101-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004109	101-21704	4,840.99
101-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004111	101-21704	25.50
101-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004160	101-21704	3,381.72
101-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004161	101-21704	4,942.06
101-21705	LINCOLN NATIONAL LIFE	11/10/2016	INV0004178	101-21705	686.11
101-21707	I.U.O.E.-LOCAL 49	UNION DUES	INV0004162	101-21707	442.00
101-21707	L.E.L.S.	UNION DUES	INV0004163	101-21707	196.00
101-21709	LINCOLN NATIONAL LIFE	11/10/2016	INV0004178	101-21709	712.01
101-21711	MN CHILD SUPPORT PAYMENT	CHILD SUPPORT ORDER	INV0004114	101-21711	309.18
101-21711	MN CHILD SUPPORT PAYMENT	CHILD SUPPORT ORDER	INV0004164	101-21711	309.18
101-21711	NCPERS MINNESOTA	11/10/2016	INV0004177	101-21711	128.00
101-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	101-21712	1,233.74
101-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	101-21712	1,178.32
101-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004103	101-21713	191.17
101-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004155	101-21713	191.18
101-21714	SELECT ACCOUNT	FLEX/HSA	INV0004107	101-21714	967.40
101-21714	PAYROLL FUND	NOV PREMIUM	INV0004120	101-21714	20,048.00
101-21714	SELECT ACCOUNT	FLEX/HSA	INV0004159	101-21714	933.66
101-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0004101	101-21718	500.00
101-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0004153	101-21718	500.00
101-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004105	101-21719	1,091.86
101-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004106	101-21719	546.37
101-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004157	101-21719	1,091.86
101-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004158	101-21719	546.37
101-21720	AFLAC	11/10/2016	INV0004179	101-21720	301.24
101-21725	AFLAC	11/10/2016	INV0004179	101-21725	163.62
101-4-32210	MN DEPT OF LABOR &	QUARTERLY BUILDING PERMIT	25858079070	101-4-32210	119.55
101-8-36249	ANDERSON, SKUBITZ, &	30% OF FORFEITURE VEHICLE	15003040	101-8-36249	180.00
101-8-36249	LESUEUR COUNTY ATTORNEY	30% OF FORFEITURE VEHICLE	16000962	101-8-36249	600.00
					116,107.02
Department: 41110 - CITY COUNCIL					
101-41110-207	RADERMACHER'S	POP-6401	INV0004186	101-41110-207	43.44
				Department 41110 - CITY COUNCIL Total:	**43.44**
Department: 41320 - CITY ADMINISTRATOR					
101-41320-331	JENELLE TEPPEN	MILEAGE	INV0004183	101-41320-331	77.00
				Department 41320 - CITY ADMINISTRATOR Total:	**77.00**
Department: 41430 - CITY CLERK					
101-41430-202	MARCO	QUARTERLY COPIER EXPENSE	INV3738958	101-41430-202	86.38
101-41430-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14018440	101-41430-321	4.26

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
101-41430-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14026291	101-41430-321	4.32
101-41430-321	VERIZON WIRELESS	CELLULAR SERVICE	9774564388	101-41430-321	25.68
101-41430-321	JAGUAR COMMUNICATIONS INC	OCTOBER PHONE	INV0004180	101-41430-321	57.29
101-41430-321	MARCO	MANAGE SERVICE	INV3742286	101-41430-321	225.36
101-41430-433	LEAGUE OF MN CITIES	2016-2017 DUES	238767	101-41430-433	2,193.50
101-41430-437	MAYER SOFT WATER-CULLIGAN	WATER COOLER	228353	101-41430-437	55.50
101-41430-437	KAARI SMITH	ELECTION FOOD & SUPPLIES	INV0004188	101-41430-437	133.13
				Department 41430 - CITY CLERK Total:	**2,785.42**
Department: 41530 - ACCOUNTING					
101-41530-314	AEM FINANCIAL SOLUTIONS, LLC	NOVEMBER 2016 FINANCIAL	374201	101-41530-314	3,798.00
				Department 41530 - ACCOUNTING Total:	**3,798.00**
Department: 41940 - GOVERNMENT BUILDINGS					
101-41940-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	101-41940-381	400.04
101-41940-400	PROFESSIONAL CLEANING	JANITORIAL SERVICES	187	101-41940-400	1,121.81
101-41940-401	DENZER'S VALLEY AG	BATTERY FOR GENERATOR	0034110	101-41940-401	123.12
101-41940-401	PLUNKETT'S, INC.	PEST CONTROL	5562783	101-41940-401	217.82
101-41940-401	GRAINGER	FLOOR MAT	9261276217	101-41940-401	51.16
				Department 41940 - GOVERNMENT BUILDINGS Total:	**1,913.95**
Department: 42120 - POLICE DEPARTMENT					
101-42120-201	TRUSTWORTHY HARDWARE OF	UPS CHARGE-POLICE	216285	101-42120-201	11.47
101-42120-201	INNOVATIVE OFFICE SOLUTIONS	MARKER & HEATER	IN1377350	101-42120-201	40.95
101-42120-201	RADERMACHER'S	COFFEE,TP, PAPER TOWELS &	INV0004182	101-42120-201	135.25
101-42120-217	UNIFORMS UNLIMITED	UNIFORMS	INV0004169	101-42120-217	355.61
101-42120-217	STREICHER'S INC	UNIFORMS	L1231639	101-42120-217	204.99
101-42120-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14018440	101-42120-321	4.26
101-42120-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14026291	101-42120-321	4.30
101-42120-321	VERIZON WIRELESS	CELLULAR SERVICE	9774580784	101-42120-321	420.04
101-42120-321	FRONTIER COMMUNICATIONS	PHONE SERVICE	INV0004170	101-42120-321	77.06
101-42120-321	JAGUAR COMMUNICATIONS INC	OCTOBER PHONE	INV0004180	101-42120-321	229.19
101-42120-321	MARCO	MANAGE SERVICE	INV3742286	101-42120-321	150.24
101-42120-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	101-42120-381	201.00
101-42120-400	PROFESSIONAL CLEANING	JANITORIAL SERVICES	185	101-42120-400	289.90
101-42120-400	CINTAS CORPORATION LOC.	RUG SERVICE	754646202	101-42120-400	88.03
101-42120-400	CINTAS CORPORATION LOC.	RUG SERVICE	754651330	101-42120-400	88.03
101-42120-407	HENDERSON LAWN CARE	MOW NUISANCE PROPERTY	208	101-42120-407	35.00
101-42120-433	NATIONAL ASSOCIATION OF	MEMBERSHIP DUES	INV0004173	101-42120-433	60.00
101-42120-437	DAN BERNDT	CARD REPLACEMENT	2016-20	101-42120-437	150.00
				Department 42120 - POLICE DEPARTMENT Total:	**2,545.32**
Department: 42140 - POLICE TRAINING					
101-42140-207	MSCIC	CONFERNECE FEE	INV0004175	101-42140-207	300.00
101-42140-331	ROBERT BROEDER	MILEAGE	INV0004174	101-42140-331	369.36
				Department 42140 - POLICE TRAINING Total:	**669.36**
Department: 42152 - POLICE AUTOMOTIVE SERVICES					
101-42152-431	AQUA SHINE CAR WASH, INC.	CAR WASH COUPONS	INV0004152	101-42152-431	100.00
				Department 42152 - POLICE AUTOMOTIVE SERVICES Total:	**100.00**
Department: 42500 - POLICE RESERVES					
101-42500-217	UNIFORMS UNLIMITED	UNIFORMS	INV0004169	101-42500-217	95.85
101-42500-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	101-42500-381	76.00
101-42500-401	PLUNKETT'S, INC.	PEST CONTROL	5563082	101-42500-401	110.99
				Department 42500 - POLICE RESERVES Total:	**282.84**
Department: 42700 - ANIMAL CONTROL					
101-42700-311	MINNESOTA CRITTER GETTER	ANIMAL CONTROL	INV0004171	101-42700-311	1,122.00
				Department 42700 - ANIMAL CONTROL Total:	**1,122.00**
Department: 42800 - EMERGENCY MANAGEMENT/EOC					
101-42800-321	VERIZON WIRELESS	CELLULAR SERVICE	9774564388	101-42800-321	41.10
101-42800-321	NETWORK INNOVATIONS US	4 MONTHLY SATELLITE PHONE	INV0004185	101-42800-321	217.16
				Department 42800 - EMERGENCY MANAGEMENT/EOC Total:	**258.26**

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
Department: 43121 - STREET DEPARTMENT					
101-43121-213	GILLUND ENTERPRISES	TRUCK GREESE	828106	101-43121-213	164.90
101-43121-215	TRUSTWORTHY HARDWARE OF	BOLTS-PW	215808	101-43121-215	8.55
101-43121-215	TRUSTWORTHY HARDWARE OF	PROPANE-ST	216382	101-43121-215	9.07
101-43121-215	TRUSTWORTHY HARDWARE OF	PHONE HOLDER-ST	216480	101-43121-215	9.99
101-43121-217	C & S SUPPLY	SAFETY BOOTS	741815	101-43121-217	121.95
101-43121-217	CINTAS CORPORATION LOC.	UNIFORMS	754642363	101-43121-217	6.40
101-43121-217	CINTAS CORPORATION LOC.	UNIFORMS	754644927	101-43121-217	83.13
101-43121-217	CINTAS CORPORATION LOC.	UNIFORMS	754647490	101-43121-217	76.38
101-43121-217	CINTAS CORPORATION LOC.	UNIFORMS	754650073	101-43121-217	76.38
101-43121-217	CINTAS CORPORATION LOC.	UNIFORMS	754652608	101-43121-217	76.38
101-43121-221	TRUSTWORTHY HARDWARE OF	PLUG-ST	216527	101-43121-221	2.45
101-43121-221	NAPA AUTO PARTS	STARTER	430408	101-43121-221	99.99
101-43121-221	NAPA AUTO PARTS	BREATHER FILTER	431447	101-43121-221	8.29
101-43121-221	C & D OIL SERVICES OF WASECA	FILTERS	7675	101-43121-221	50.00
101-43121-221	CRYSTEEL TRUCK EQUIPMENT	AIR VALVE	LP175215	101-43121-221	116.00
101-43121-224	GENESIS	GRASS SEED	1209621	101-43121-224	62.33
101-43121-224	SIBLEY AGGREGATES	TACK	18413	101-43121-224	336.66
101-43121-224	BRYAN ROCK PRODUCTS	GRAVEL	18807	101-43121-224	822.34
101-43121-224	WM. MUELLER & SONS INC	BLACK TOP	219182	101-43121-224	237.00
101-43121-226	DIAMOND VOGEL PAINTS	PAINT	257290886	101-43121-226	443.16
101-43121-321	VERIZON WIRELESS	CELLULAR SERVICE	9774580789	101-43121-321	233.97
101-43121-321	MARCO	MANAGE SERVICE	INV3742286	101-43121-321	175.28
101-43121-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	101-43121-381	228.08
101-43121-411	LE SUEUR COUNTY HIGHWAY	CO ROAD STRIPING	2016008	101-43121-411	666.00
				Department 43121 - STREET DEPARTMENT Total:	**4,114.68**
Department: 44000 - SAFETY & WELLNESS					
101-44000-437	CHAMBER OF COMMERCE	LE SUEUR KNIGHTS OF	INV0004126	101-44000-437	3,000.00
101-44000-437	THE BAR	SAFETY TRAINING EMPLOYEE	INV0004139	101-44000-437	406.13
				Department 44000 - SAFETY & WELLNESS Total:	**3,406.13**
Department: 45201 - PARK DEPARTMENT					
101-45201-216	NAPA AUTO PARTS	ANTIFREEZE	430973	101-45201-216	11.75
101-45201-240	INTERSTATE BUILDING SUPPLY	BENCH INSTALLATION	218258	101-45201-240	39.83
101-45201-240	INTERSTATE BUILDING SUPPLY	BENCH INSTALLATION	218485	101-45201-240	33.44
101-45201-240	INTERSTATE BUILDING SUPPLY	BENCH INSTALLATION	218526	101-45201-240	8.89
101-45201-253	SITEONE LANDSCAPE SUPPLY	QUICK COUPLER	78092916	101-45201-253	136.30
101-45201-256	ALL FLAGS, LLC	CITY FLAGS	265156	101-45201-256	418.35
101-45201-380	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	101-45201-380	59.50
101-45201-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	101-45201-381	1,294.80
101-45201-427	TRAXLER CONSTRUCTION	OUTDOOR RINK SAND	51899	101-45201-427	106.49
				Department 45201 - PARK DEPARTMENT Total:	**2,109.35**
Department: 45500 - LIBRARY MAINTENANCE					
101-45500-321	DEX MEDIA EAST LLC	PHONE BOOK LIBRARY	INV0004150	101-45500-321	43.25
101-45500-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	101-45500-381	581.27
101-45500-400	PROFESSIONAL CLEANING	JANITORIAL SERVICES	184	101-45500-400	999.98
101-45500-401	JOHNSON CONTROLS, INC.	FIRE ALARM MONITORING-	1-41557253158	101-45500-401	300.00
				Department 45500 - LIBRARY MAINTENANCE Total:	**1,924.50**
Department: 49200 - UNALLOCATED EXPENDITURES					
101-49200-441	TRUSTWORTHY HARDWARE OF	PAINT, TAPE, BRUSH-CH	216362	101-49200-441	53.96
101-49200-441	TRUSTWORTHY HARDWARE OF	PAINT-CH	216598	101-49200-441	13.94
101-49200-441	STAPLES ADVANTAGE	OFFICE FURNITURE	8041504858	101-49200-441	2,866.82
				Department 49200 - UNALLOCATED EXPENDITURES Total:	**2,934.72**
				Fund 101 - GENERAL FUND Total:	**144,191.99**
Fund: 225 - FIRE SERVICE FUND					
225-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	225-20702	1,251.52
225-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	225-21701	0.70
225-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	225-21702	0.38
225-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	225-21703	173.98

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
225-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	225-21712	40.82
					1,467.40
Department: 42200 - FIRE SERVICE					
225-42200-217	BSN SPORTS INC	UNIFORMS	98349665	225-42200-217	103.71
225-42200-221	ALAN HONERMANN	OIL	158721	225-42200-221	69.00
225-42200-221	NAPA AUTO PARTS	COMP BELT	430575	225-42200-221	12.28
225-42200-221	MUNICIPAL EMERGENCY	STRAP KIT	IN1073944	225-42200-221	15.47
225-42200-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	225-42200-381	547.72
225-42200-424	ANCHOR PROMOTIONS	PENCILS, FIREHATS, FREDDIE	INV0004121	225-42200-424	370.00
225-42200-437	BURNS CONSTRUCTION	KNOCK DOWN BUILDING THAT	1661	225-42200-437	200.00
225-42200-437	PIZZA RANCH	PIZZA	INV0004124	225-42200-437	114.73
225-42200-439	MN STATE FIRE DEPARTMENT	2017 MSFDA MEMBERSHIP	INV0004187	225-42200-439	264.00
				Department 42200 - FIRE SERVICE Total:	**1,696.91**
				Fund 225 - FIRE SERVICE FUND Total:	**3,164.31**
Fund: 226 - AMBULANCE SERVICE FUND					
226-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	226-20702	5,025.45
226-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	226-20702	32.75
226-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	226-21701	136.46
226-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004166	226-21701	3.73
226-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	226-21702	65.20
226-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004168	226-21702	1.60
226-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	226-21703	171.32
226-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	226-21703	5.20
226-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004108	226-21704	6.42
226-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004110	226-21704	1,149.58
226-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004160	226-21704	6.10
226-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	226-21712	173.86
226-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	226-21712	1.22
226-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004106	226-21719	0.47
226-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004158	226-21719	0.45
					6,779.81
Department: 42153 - AMBULANCE SERVICES					
226-42153-206	G & K SERVICES INC	LINEN SERVICE	1002138434	226-42153-206	197.53
226-42153-206	G & K SERVICES INC	LINEN SERVICE	1002160730	226-42153-206	195.62
226-42153-212	SA FLEET ONE LLC	FUEL FOR AMBULANCE	4477250060	226-42153-212	228.73
226-42153-219	BOUND TREE MEDICAL LLC	EKG PAPER & TOURNIQUET	82300681	226-42153-219	278.35
226-42153-219	BOUND TREE MEDICAL LLC	POUCH FOR LIFE PACK	82306500	226-42153-219	99.99
226-42153-264	PRAXAIR DISTRIBUTION, INC	OXYGEN	74929958	226-42153-264	556.90
226-42153-266	CORNER DRUG OF LESUEUR	BAYER ASPRIN	118741	226-42153-266	6.58
226-42153-321	VERIZON WIRELESS	CELLULAR SERVICE	9774616969	226-42153-321	49.53
226-42153-321	MARCO	MANAGE SERVICE	INV3742286	226-42153-321	150.24
226-42153-323	ALPHA-WIRELESS	PAGER REPAIR	201786	226-42153-323	45.00
226-42153-331	TOM SVIHEL	MEALS FOR 3 MEMBERS	INV0004143	226-42153-331	44.13
226-42153-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	226-42153-381	85.00
226-42153-401	PLUNKETT'S, INC.	PEST CONTROL	5563082	226-42153-401	111.00
226-42153-437	PIZZA RANCH	PIZZA	INV0004124	226-42153-437	114.74
226-42153-437	RADERMACHER'S	POP & FOOD FOR DEBRIEFING-	INV0004181	226-42153-437	86.72
226-42153-476	HENDERSON INDEPENDENT	DANCE AD	INV0004144	226-42153-476	112.00
				Department 42153 - AMBULANCE SERVICES Total:	**2,362.06**
				Fund 226 - AMBULANCE SERVICE FUND Total:	**9,141.87**
Fund: 227 - PARA-TRANSIT FUND					
227-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	227-20702	3,587.98
227-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	227-20702	3,645.36
227-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	227-21701	328.79
227-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004166	227-21701	331.48
227-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	227-21702	150.30
227-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004168	227-21702	151.57
227-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	227-21703	515.14

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
227-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	227-21703	524.44
227-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004108	227-21704	558.40
227-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004160	227-21704	570.88
227-21711	MN CHILD SUPPORT PAYMENT	REMITTANCE IDENTIFIER:	INV0004102	227-21711	396.44
227-21711	MN CHILD SUPPORT PAYMENT	REMITTANCE IDENTIFIER:	INV0004154	227-21711	399.54
227-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	227-21712	120.46
227-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	227-21712	122.64
227-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004103	227-21713	50.00
227-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004155	227-21713	50.00
227-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004106	227-21719	50.48
227-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004158	227-21719	50.56
					11,604.46
Department: 49800 - EQUIPMENT, MAINT, GARAGE					
227-49800-221	TRUSTWORTHY HARDWARE OF	BATTERIES, DUCT TAPE,	216627	227-49800-221	43.14
227-49800-221	WOLF MOTOR CO., INC.	OIL CHANGE, REPLACED REAR	9032682/1	227-49800-221	338.75
227-49800-221	WOLF MOTOR CO., INC.	REPLACED RIGH SIDE	9032698/1	227-49800-221	41.00
227-49800-221	WOLF MOTOR CO., INC.	OIL CHANGE, TIRE ROTATION	9032706/1	227-49800-221	115.66
227-49800-221	WOLF MOTOR CO., INC.	REPLACE LEFT HEADLAMP	9032729/1	227-49800-221	42.92
227-49800-221	WOLF MOTOR CO., INC.	OIL CHANGE, TIRE ROTATION,	9032731/1	227-49800-221	757.88
				Department 49800 - EQUIPMENT, MAINT, GARAGE Total:	**1,339.35**
Department: 49804 - ADMINISTRATION					
227-49804-321	VERIZON WIRELESS	CELLULAR SERVICE	9774527114	227-49804-321	95.31
227-49804-321	CW TECHNOLOGY	PHONE SERVICE	CW34964	227-49804-321	32.25
227-49804-321	MARCO	MANAGE SERVICE	INV3742286	227-49804-321	175.28
227-49804-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	227-49804-381	100.91
227-49804-401	PLUNKETT'S, INC.	PEST CONTROL	5563082	227-49804-401	111.00
				Department 49804 - ADMINISTRATION Total:	**514.75**
				Fund 227 - PARA-TRANSIT FUND Total:	**13,458.56**
Fund: 229 - CABLE TV FUND					
229-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	229-20702	720.90
229-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	229-21701	111.98
229-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	229-21702	46.30
229-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	229-21703	118.04
229-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	229-21712	27.60
					1,024.82
				Fund 229 - CABLE TV FUND Total:	**1,024.82**
Fund: 235 - AIRPORT FUND					
Department: 49810 - AIRPORT ADMINISTRATION					
235-49810-221	TRUSTWORTHY HARDWARE OF	TRIPOD SUPPLIES-CH	216634	235-49810-221	1.65
235-49810-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	235-49810-381	276.98
				Department 49810 - AIRPORT ADMINISTRATION Total:	**278.63**
				Fund 235 - AIRPORT FUND Total:	**278.63**
Fund: 240 - HRA FUND					
240-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	240-20702	2,193.67
240-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	240-20702	2,176.93
240-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	240-21701	262.13
240-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004166	240-21701	262.13
240-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	240-21702	100.50
240-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004168	240-21702	100.50
240-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	240-21703	322.50
240-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	240-21703	320.08
240-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004108	240-21704	389.32
240-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004160	240-21704	387.97
240-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	240-21712	75.42
240-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	240-21712	74.86
240-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004106	240-21719	42.23

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
240-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004158	240-21719	42.23
					6,750.47
				Fund 240 - HRA FUND Total:	**6,750.47**
Fund: 250 - YOUTH OPPORTUNITIES FUND					
250-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	250-20702	692.62
250-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	250-20702	692.62
250-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	250-21703	93.00
250-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	250-21703	93.00
250-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	250-21712	21.76
250-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	250-21712	21.76
					1,614.76
				Fund 250 - YOUTH OPPORTUNITIES FUND Total:	**1,614.76**
Fund: 301 - 2014 GROSS REVENUE RECREATIONAL FACILITIES BOND					
Department: 47000 - DEBT SERVICE					
301-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004129	301-47000-601	90,000.00
301-47000-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004129	301-47000-611	43,436.25
				Department 47000 - DEBT SERVICE Total:	**133,436.25**
				Fund 301 - 2014 GROSS REVENUE RECREATIONAL FACILITIES BOND Total:	**133,436.25**
Fund: 306 - 1995 LEASE PURCHASE AGREEM					
Department: 47000 - DEBT SERVICE					
306-47000-601	US BANK NA	BOND PAYMENT	330199	306-47000-601	55,000.00
306-47000-611	US BANK NA	BOND PAYMENT	330199	306-47000-611	1,210.00
				Department 47000 - DEBT SERVICE Total:	**56,210.00**
				Fund 306 - 1995 LEASE PURCHASE AGREEM Total:	**56,210.00**
Fund: 309 - GO OBLIG LIBRARY BONDS 2002					
Department: 47000 - DEBT SERVICE					
309-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004132	309-47000-601	55,000.00
309-47000-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004132	309-47000-611	4,050.00
				Department 47000 - DEBT SERVICE Total:	**59,050.00**
				Fund 309 - GO OBLIG LIBRARY BONDS 2002 Total:	**59,050.00**
Fund: 310 - GO FIRE STATION BONDS/2002					
Department: 47000 - DEBT SERVICE					
310-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004132	310-47000-601	70,000.00
310-47000-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004132	310-47000-611	12,700.00
				Department 47000 - DEBT SERVICE Total:	**82,700.00**
				Fund 310 - GO FIRE STATION BONDS/2002 Total:	**82,700.00**
Fund: 318 - GO TAX ABATEMENT REV/2008					
Department: 47000 - DEBT SERVICE					
318-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004130	318-47000-601	50,000.00
318-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004130	318-47000-601	2,497.50
				Department 47000 - DEBT SERVICE Total:	**52,497.50**
				Fund 318 - GO TAX ABATEMENT REV/2008 Total:	**52,497.50**
Fund: 320 - 2010 GO POLICE CIP BONDS					
Department: 47000 - DEBT SERVICE					
320-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004134	320-47000-601	40,000.00
320-47000-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004134	320-47000-611	6,662.50
				Department 47000 - DEBT SERVICE Total:	**46,662.50**
				Fund 320 - 2010 GO POLICE CIP BONDS Total:	**46,662.50**
Fund: 380 - EDA GENERAL FUND					
Department: 46500 - ECONOMIC DEVELOPMENT ASSIST					
380-46500-437	ABDO EICK & MEYERS, LLP	PREPARATION OF THE OFFICE	371853	380-46500-437	235.00
				Department 46500 - ECONOMIC DEVELOPMENT ASSIST Total:	**235.00**
				Fund 380 - EDA GENERAL FUND Total:	**235.00**

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
Fund: 393 - TIF DISTRICT #13					
Department: 47000 - DEBT SERVICE					
393-47000-437	ABDO EICK & MEYERS, LLP	PREPARATION OF THE OFFICE	371853	393-47000-437	235.00
				Department 47000 - DEBT SERVICE Total:	**235.00**
				Fund 393 - TIF DISTRICT #13 Total:	**235.00**
Fund: 394 - TIF DISTRICT #14					
Department: 47000 - DEBT SERVICE					
394-47000-437	ABDO EICK & MEYERS, LLP	PREPARATION OF THE OFFICE	371853	394-47000-437	235.00
				Department 47000 - DEBT SERVICE Total:	**235.00**
				Fund 394 - TIF DISTRICT #14 Total:	**235.00**
Fund: 396 - TIF DISTRICT #16					
Department: 46500 - ECONOMIC DEVELOPMENT ASSIST					
396-46500-437	ABDO EICK & MEYERS, LLP	PREPARATION OF THE OFFICE	371853	396-46500-437	235.00
				Department 46500 - ECONOMIC DEVELOPMENT ASSIST Total:	**235.00**
				Fund 396 - TIF DISTRICT #16 Total:	**235.00**
Fund: 398 - TIF DISTRICT #18					
Department: 47000 - DEBT SERVICE					
398-47000-437	ABDO EICK & MEYERS, LLP	PREPARATION OF THE OFFICE	371853	398-47000-437	235.00
				Department 47000 - DEBT SERVICE Total:	**235.00**
				Fund 398 - TIF DISTRICT #18 Total:	**235.00**
Fund: 420 - CAPITAL IMPROVEMENT FUND					
Department: 49250 - GENERAL CAPITAL IMPROVEMENTS					
420-49250-509	EAGLE CONSTRUCTION	RUNWAY 13 OBSTRUCTION	INV0004125	420-49250-509	30,536.42
				Department 49250 - GENERAL CAPITAL IMPROVEMENTS Total:	**30,536.42**
				Fund 420 - CAPITAL IMPROVEMENT FUND Total:	**30,536.42**
Fund: 502 - GO IMPROVEMENT BOND OF 2001					
Department: 47000 - DEBT SERVICE					
502-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004132	502-47000-601	60,000.00
502-47000-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004132	502-47000-611	600.00
				Department 47000 - DEBT SERVICE Total:	**60,600.00**
				Fund 502 - GO IMPROVEMENT BOND OF 2001 Total:	**60,600.00**
Fund: 505 - GO IMP BONDS/2002-SECOND ST					
Department: 47000 - DEBT SERVICE					
505-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004133	505-47000-601	85,000.00
505-47000-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004133	505-47000-611	2,550.00
				Department 47000 - DEBT SERVICE Total:	**87,550.00**
				Fund 505 - GO IMP BONDS/2002-SECOND ST Total:	**87,550.00**
Fund: 507 - 2011B G.O. REFUNDING BONDS					
Department: 47000 - DEBT SERVICE					
507-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004137	507-47000-601	280,000.00
507-47000-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004137	507-47000-611	18,495.00
				Department 47000 - DEBT SERVICE Total:	**298,495.00**
				Fund 507 - 2011B G.O. REFUNDING BONDS Total:	**298,495.00**
Fund: 508 - GO IMPROVEMENT BOND OF 2006C					
Department: 47000 - DEBT SERVICE					
508-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004138	508-47000-601	195,000.00
508-47000-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004138	508-47000-611	12,572.50
				Department 47000 - DEBT SERVICE Total:	**207,572.50**
				Fund 508 - GO IMPROVEMENT BOND OF 2006C Total:	**207,572.50**
Fund: 510 - GO N 2ND ST RECONST OF 2011					
Department: 47000 - DEBT SERVICE					
510-47000-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004131	510-47000-601	55,000.00

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
510-47000-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004131	510-47000-611	8,317.50
				Department 47000 - DEBT SERVICE Total:	**63,317.50**
				Fund 510 - GO N 2ND ST RECONST OF 2011 Total:	**63,317.50**
Fund: 601 - WATER UTILITY FUND					
601-14100	MINNESOTA PIPE & EQUIPMENT	METERS	0367961	601-14100	5,246.70
601-14100	TRUSTWORTHY HARDWARE OF	BUSHING, ELBOW-WATER	216338	601-14100	20.65
601-14100	METERING & TECHNOLOGY	METERS	7512	601-14100	3,775.57
601-14100	LESUEUR POST OFFICE	1 ROLL POSTCARD STAMPS FOR	INV0004151	601-14100	34.00
601-15502	I.U.O.E. LOCAL 49	DECEMBER HEALTH INSURANCE	INV0004142	601-15502	2,590.00
601-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	601-20702	6,849.55
601-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	601-20702	7,394.84
601-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004099	601-21701	62.02
601-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	601-21701	749.92
601-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004166	601-21701	900.86
601-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004100	601-21702	18.31
601-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	601-21702	323.36
601-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004168	601-21702	389.04
601-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	601-21703	1,051.98
601-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	601-21703	1,177.34
601-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004108	601-21704	1,282.44
601-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004160	601-21704	1,429.96
601-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	601-21712	246.06
601-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	601-21712	275.36
601-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004103	601-21713	20.00
601-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004155	601-21713	20.00
601-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0004101	601-21718	160.24
601-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0004153	601-21718	160.24
601-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004106	601-21719	113.04
601-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004158	601-21719	123.24
					34,414.72
Department: 49400 - SOURCE OF SUPPLY					
601-49400-404	ADVANCED ENGINEERING &	MAINTENANCE EQUIPMENT	50221	601-49400-404	1,162.54
				Department 49400 - SOURCE OF SUPPLY Total:	**1,162.54**
Department: 49410 - POWER AND PUMPING					
601-49410-381	MINNESOTA VALLEY ELECTRIC	UTILITIES HWY 169	INV0004123	601-49410-381	192.37
601-49410-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	601-49410-381	8,898.73
				Department 49410 - POWER AND PUMPING Total:	**9,091.10**
Department: 49420 - PURIFICATION					
601-49420-216	HAWKINS, INC.	CHEMICALS	3971754	601-49420-216	694.32
601-49420-312	UTILITY CONSULTANTS INC	LAB TESTING	93326	601-49420-312	14.00
				Department 49420 - PURIFICATION Total:	**708.32**
Department: 49430 - DISTRIBUTION					
601-49430-244	MINNESOTA PIPE & EQUIPMENT	COVERS WATER & SEWER	0369153	601-49430-244	905.10
601-49430-244	BURNS CONSTRUCTION	BROKEN WATER LATERAL	1716	601-49430-244	343.64
601-49430-244	TRUSTWORTHY HARDWARE OF	FERNCO-WATER	216518	601-49430-244	16.01
601-49430-245	TRUSTWORTHY HARDWARE OF	ANTIFREEZE-WATER	216180	601-49430-245	2.50
				Department 49430 - DISTRIBUTION Total:	**1,267.25**
Department: 49435 - WATER METERING					
601-49435-246	MINNESOTA PIPE & EQUIPMENT	COUPLINGS	0367960	601-49435-246	462.19
601-49435-246	C & S SUPPLY	EPOXY	741285	601-49435-246	6.25
				Department 49435 - WATER METERING Total:	**468.44**
Department: 49440 - ADMINISTRATION & GENERAL					
601-49440-201	INNOVATIVE OFFICE SOLUTIONS	INK CARTRIDGE, CALENDAR,	IN1387936	601-49440-201	119.42
601-49440-201	METRO SALES, INC.	COPIER SERVICE	INV655335	601-49440-201	131.11
601-49440-207	CARDMEMBER SERVICE	TRAINING	INV0004122	601-49440-207	179.35
601-49440-217	CINTAS CORPORATION LOC.	UNIFORMS	754650071	601-49440-217	133.07
601-49440-217	CINTAS CORPORATION LOC.	UNIFORMS	754650072	601-49440-217	36.42
601-49440-217	CINTAS CORPORATION LOC.	UNIFORMS	754652607	601-49440-217	102.94

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
601-49440-217	CINTAS CORPORATION LOC.	UNIFORMS	754655239	601-49440-217	58.51
601-49440-309	MARCO	QUARTERLY COPIER EXPENSE	INV3738958	601-49440-309	28.79
601-49440-314	AEM FINANCIAL SOLUTIONS, LLC	NOVEMBER 2016 FINANCIAL	374201	601-49440-314	759.60
601-49440-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14018440	601-49440-321	2.13
601-49440-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14026291	601-49440-321	2.15
601-49440-321	VERIZON WIRELESS	CELLULAR SERVICE	9774533973	601-49440-321	184.11
601-49440-321	VERIZON WIRELESS	CELLULAR SERVICE	9774564388	601-49440-321	5.14
601-49440-321	JAGUAR COMMUNICATIONS INC	OCTOBER PHONE	INV0004180	601-49440-321	57.30
601-49440-321	MARCO	MANAGE SERVICE	INV3742286	601-49440-321	325.52
601-49440-401	PROFESSIONAL CLEANING	JANITORIAL SERVICES	183	601-49440-401	101.57
601-49440-436	GOPHER STATE ONE CALL	LOCATES	6100508	601-49440-436	48.60
601-49440-437	LEAGUE OF MN CITIES	2016-2017 DUES	238767	601-49440-437	438.70
601-49440-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004136	601-49440-601	70,000.00
601-49440-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004136	601-49440-611	3,291.25
				Department 49440 - ADMINISTRATION & GENERAL Total:	**76,005.68**
				Fund 601 - WATER UTILITY FUND Total:	**123,118.05**
Fund: 602 - SEWER UTILITY FUND					
602-15502	I.U.O.E. LOCAL 49	DECEMBER HEALTH INSURANCE	INV0004142	602-15502	2,590.00
602-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	602-20702	4,347.64
602-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	602-20702	4,266.45
602-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	602-21701	474.69
602-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004166	602-21701	473.78
602-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	602-21702	203.27
602-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004168	602-21702	201.42
602-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	602-21703	647.82
602-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	602-21703	638.66
602-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004108	602-21704	796.30
602-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004160	602-21704	785.54
602-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	602-21712	151.52
602-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	602-21712	149.30
602-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004103	602-21713	20.00
602-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004155	602-21713	20.00
602-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0004101	602-21718	160.24
602-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0004153	602-21718	160.22
602-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004106	602-21719	67.70
602-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004158	602-21719	66.69
					16,221.24
Department: 49460 - SANITARY SEWER CLEANING					
602-49460-243	OVERLINE & SON, INC	SEWER JETTING SERVICE	470	602-49460-243	46,107.89
				Department 49460 - SANITARY SEWER CLEANING Total:	**46,107.89**
Department: 49470 - SEWER LIFT STATIONS					
602-49470-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	602-49470-381	436.47
				Department 49470 - SEWER LIFT STATIONS Total:	**436.47**
Department: 49490 - ADMINISTRATION & GENERAL					
602-49490-201	INNOVATIVE OFFICE SOLUTIONS	INK CARTRIDGE, CALENDAR,	IN1387936	602-49490-201	119.41
602-49490-201	METRO SALES, INC.	COPIER SERVICE	INV655335	602-49490-201	131.10
602-49490-207	CARDMEMBER SERVICE	TRAINING	INV0004122	602-49490-207	179.35
602-49490-217	CINTAS CORPORATION LOC.	UNIFORMS	754650071	602-49490-217	133.07
602-49490-217	CINTAS CORPORATION LOC.	UNIFORMS	754650072	602-49490-217	36.42
602-49490-217	CINTAS CORPORATION LOC.	UNIFORMS	754652607	602-49490-217	102.94
602-49490-217	CINTAS CORPORATION LOC.	UNIFORMS	754655239	602-49490-217	58.51
602-49490-309	MARCO	QUARTERLY COPIER EXPENSE	INV3738958	602-49490-309	28.79
602-49490-314	AEM FINANCIAL SOLUTIONS, LLC	NOVEMBER 2016 FINANCIAL	374201	602-49490-314	759.60
602-49490-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14018440	602-49490-321	4.26
602-49490-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14018440	602-49490-321	2.13
602-49490-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14026291	602-49490-321	2.15
602-49490-321	VERIZON WIRELESS	CELLULAR SERVICE	9774533973	602-49490-321	184.11
602-49490-321	VERIZON WIRELESS	CELLULAR SERVICE	9774564388	602-49490-321	5.14
602-49490-321	JAGUAR COMMUNICATIONS INC	OCTOBER PHONE	INV0004180	602-49490-321	57.30

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
602-49490-321	MARCO	MANAGE SERVICE	INV3742286	602-49490-321	325.52
602-49490-401	PROFESSIONAL CLEANING	JANITORIAL SERVICES	183	602-49490-401	101.57
602-49490-436	GOPHER STATE ONE CALL	LOCATES	6100508	602-49490-436	48.60
602-49490-437	LEAGUE OF MN CITIES	2016-2017 DUES	238767	602-49490-437	438.70
602-49490-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004128	602-49490-601	70,000.00
602-49490-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004138	602-49490-601	125,000.00
602-49490-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004128	602-49490-611	13,578.75
602-49490-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004138	602-49490-611	6,485.00
				Department 49490 - ADMINISTRATION & GENERAL Total:	**217,782.42**
				Fund 602 - SEWER UTILITY FUND Total:	**280,548.02**
Fund: 604 - ELECTRIC UTILITY FUND					
604-15502	I.U.O.E. LOCAL 49	DECEMBER HEALTH INSURANCE	INV0004142	604-15502	4,810.00
604-16574	INTERSTATE BUILDING SUPPLY	ST LIGHT PROJECT	216030	604-16574	12.36
604-16574	INTERSTATE BUILDING SUPPLY	ST LIGHT PROJECT	216383	604-16574	29.98
604-16574	INTERSTATE BUILDING SUPPLY	LUMBER ST LIGHT PROJECT	216406	604-16574	6.00
604-16574	INTERSTATE BUILDING SUPPLY	LUMBER & SILL SEALER	218677	604-16574	16.89
604-16574	JT SERVICES	ST LIGHT BRACKETS	JT16-312-07	604-16574	6,140.71
604-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	604-20702	16,473.77
604-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	604-20702	16,617.33
604-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004099	604-21701	189.22
604-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	604-21701	2,057.37
604-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004166	604-21701	2,245.65
604-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004100	604-21702	55.83
604-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	604-21702	867.55
604-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004168	604-21702	925.38
604-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	604-21703	2,446.64
604-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	604-21703	2,555.10
604-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004108	604-21704	2,989.74
604-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004160	604-21704	3,117.52
604-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	604-21712	572.22
604-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	604-21712	597.48
604-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004103	604-21713	59.99
604-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004155	604-21713	59.99
604-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0004101	604-21718	570.52
604-21718	FIRST FARMERS & MERCHANTS	BRINKER DEFERRED COMP	INV0004153	604-21718	570.54
604-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004106	604-21719	339.23
604-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004158	604-21719	343.62
					64,670.63
Department: 49560 - POWER SUPPLY					
604-49560-258	MMPA C/O AVANT ENERGY	POWER BILLING	2597	604-49560-258	74,882.09
604-49560-259	MMPA C/O AVANT ENERGY	POWER BILLING	2597	604-49560-259	106,467.90
604-49560-260	MMPA C/O AVANT ENERGY	POWER BILLING	2597	604-49560-260	371,137.56
				Department 49560 - POWER SUPPLY Total:	**552,487.55**
Department: 49570 - TRANSMISSION & DISTRIBUTION					
604-49570-221	NAPA AUTO PARTS	OIL & FILTERS	431450	604-49570-221	263.10
604-49570-230	GOPHER STATE ONE CALL	LOCATES	6101074	604-49570-230	109.35
604-49570-234	INTERSTATE BUILDING SUPPLY	LUMBER	217105	604-49570-234	17.54
604-49570-240	TRUSTWORTHY HARDWARE OF	SHIPPING-ELEC	215967	604-49570-240	87.03
604-49570-240	TRUSTWORTHY HARDWARE OF	ADAPTERS, BUSHING, ELBOWS-	216036	604-49570-240	18.00
604-49570-240	INTERSTATE BUILDING SUPPLY	STAKES	218472	604-49570-240	10.49
604-49570-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	604-49570-381	1,023.90
				Department 49570 - TRANSMISSION & DISTRIBUTION Total:	**1,529.41**
Department: 49590 - ADMINISTRATION & GENERAL					
604-49590-217	WESCO RECEIVABLES CORP.	SAFETY CLOTHING	475715	604-49590-217	446.37
604-49590-217	WESCO RECEIVABLES CORP.	SAFETY CLOTHING	501230	604-49590-217	101.84
604-49590-217	WESCO RECEIVABLES CORP.	SAFETY CLOTHING	512733	604-49590-217	101.84
604-49590-217	WESCO RECEIVABLES CORP.	SAFETY CLOTHING	518399	604-49590-217	501.24
604-49590-217	CINTAS CORPORATION LOC.	UNIFORMS, RUGS	754644928	604-49590-217	163.49
604-49590-217	CINTAS CORPORATION LOC.	UNIFORMS/RUGS	754647491	604-49590-217	202.75

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
604-49590-217	CINTAS CORPORATION LOC.	UNIFORMS/RUGS	754650074	604-49590-217	163.49
604-49590-217	CINTAS CORPORATION LOC.	UNIFORMS/RUGS	754652609	604-49590-217	202.75
604-49590-314	AEM FINANCIAL SOLUTIONS, LLC	NOVEMBER 2016 FINANCIAL	374201	604-49590-314	2,278.80
604-49590-315	HILLSIDE COURT	LIGHTING RETROFIT REBATE	INV0004176	604-49590-315	40.00
604-49590-316	LESUEUR CHEESE CO	HIGH SPEED ROLLUP DOORS	INV0004140	604-49590-316	7,680.00
604-49590-319	LESUEUR CHEESE CO	2016 CUSTOM VFD PROCESS	INV0004141	604-49590-319	20,100.00
604-49590-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14026291	604-49590-321	4.30
604-49590-321	VERIZON WIRELESS	CELLULAR SERVICE	9774564388	604-49590-321	25.68
604-49590-321	VERIZON WIRELESS	CELLULAR SERVICE	9774634788	604-49590-321	688.73
604-49590-321	MARCO	MANAGE SERVICE	INV3742286	604-49590-321	676.08
604-49590-401	DAN BERNDT	FINAL PAYMENT NEW STORAGE	2016-20	604-49590-401	24,971.00
604-49590-401	TRUSTWORTHY HARDWARE OF	DRY LUBE-ELEC	216315	604-49590-401	8.00
604-49590-401	INTERSTATE BUILDING SUPPLY	NEW STORAGE BUILDING	217012	604-49590-401	1,196.58
604-49590-401	MAYER SOFT WATER-CULLIGAN	WATER COOLER	228764	604-49590-401	55.00
604-49590-401	CHRISTINA BAUMAN	JANITORIAL SERVICE	INV0004127	604-49590-401	275.00
604-49590-437	LEAGUE OF MN CITIES	2016-2017 DUES	238767	604-49590-437	1,316.10
604-49590-437	MARCO	QUARTERLY COPIER EXPENSE	INV3738958	604-49590-437	143.98
604-49590-601	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004135	604-49590-601	90,000.00
604-49590-611	NORTHLAND TRUST SERVICES,	BOND PAYMENT	INV0004135	604-49590-611	11,868.75
604-49590-719	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	604-49590-719	8,856.40
604-49590-722	TRUSTWORTHY HARDWARE OF	FITTINGS, GAS CARD READER-	216328	604-49590-722	3.49
604-49590-722	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	604-49590-722	99.10
604-49590-722	DISPLAY SALES	CHRISTMAS BULBS	INV-008603	604-49590-722	4,350.50
				Department 49590 - ADMINISTRATION & GENERAL Total:	**176,521.26**
				Fund 604 - ELECTRIC UTILITY FUND Total:	**795,208.85**
Fund: 606 - MN RIVER VALLEY UTILITY COMM					
606-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	606-20702	2,335.46
606-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	606-20702	2,436.13
606-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	606-21701	281.42
606-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004166	606-21701	329.14
606-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	606-21702	122.68
606-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004168	606-21702	136.81
606-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	606-21703	346.86
606-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	606-21703	373.18
606-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004108	606-21704	415.09
606-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004160	606-21704	443.66
606-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	606-21712	81.04
606-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	606-21712	87.38
606-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004106	606-21719	30.13
606-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004158	606-21719	32.08
					7,451.06
Department: 49490 - ADMINISTRATION & GENERAL					
606-49490-321	JAGUAR COMMUNICATIONS INC	OCTOBER PHONE	INV0004180	606-49490-321	57.30
				Department 49490 - ADMINISTRATION & GENERAL Total:	**57.30**
				Fund 606 - MN RIVER VALLEY UTILITY COMM Total:	**7,508.36**
Fund: 615 - RECREATION FUND					
615-20702	FIRST FARMERS & MERCHANTS	2016-10-28 PAYROLL	INV0004119	615-20702	8,073.64
615-20702	FIRST FARMERS & MERCHANTS	11/10/2016 payroll	INV0004172	615-20702	8,273.82
615-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004116	615-21701	589.35
615-21701	FIRST FARMERS & MERCHANTS	FIT 941 TAXES	INV0004166	615-21701	595.45
615-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004118	615-21702	272.69
615-21702	FIRST FARMERS & MERCHANTS	STATE TAX	INV0004168	615-21702	276.63
615-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004117	615-21703	1,067.04
615-21703	FIRST FARMERS & MERCHANTS	SS 941 TAXES	INV0004167	615-21703	1,113.92
615-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004108	615-21704	921.58
615-21704	FIRST FARMERS & MERCHANTS	PERA	INV0004160	615-21704	922.44
615-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004115	615-21712	249.56
615-21712	FIRST FARMERS & MERCHANTS	MED 941 TAXES	INV0004165	615-21712	260.48
615-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004103	615-21713	305.00

Account Number	Vendor Name	Description (Item)	Payable Number	Account Number	Amount
615-21713	AXA EQUITABLE	AXA EQUITABLE DEFERRED	INV0004155	615-21713	304.99
615-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004106	615-21719	62.10
615-21719	FIRST FARMERS & MERCHANTS	HCSP	INV0004158	615-21719	61.33
					23,350.02
Department: 45120 - RECREATION ADMINISTRATION					
615-45120-117	KRIS ANN KRAUSE	GYM ORIENTATION TRAINING	INV0004147	615-45120-117	50.00
615-45120-142	MINNESOTA UI FUND	UNEMPLOYMENT BENEFIT	10830857	615-45120-142	77.83
615-45120-201	INNOVATIVE OFFICE SOLUTIONS	LAMINATOR MATERIAL	IN1361209	615-45120-201	51.56
615-45120-201	LESUEUR COMMUNITY	CARTRIDGES FOR PRINTERS	INV0004149	615-45120-201	115.85
615-45120-218	INNOVATIVE OFFICE SOLUTIONS	LAMINATOR	IN1363871	615-45120-218	18.29
615-45120-271	A.H. HERMEL COMPANY	VENDING MACHINE EXPENSE	608033A	615-45120-271	115.16
615-45120-271	A.H. HERMEL COMPANY	VENDING MACHINE EXPENSE	610998	615-45120-271	201.48
615-45120-271	A.H. HERMEL COMPANY	VENDING MACHINE EXPENSE	612266	615-45120-271	116.12
615-45120-271	A.H. HERMEL COMPANY	VENDING MACHINE EXPENSE	613737	615-45120-271	140.76
615-45120-271	PEPSI COLA OF MANKATO	VENDING MACHINE EXPENSE	9448033	615-45120-271	126.32
615-45120-271	PEPSI COLA OF MANKATO	VENDING MACHINE EXPENSE	9449449	615-45120-271	134.87
615-45120-271	PEPSI COLA OF MANKATO	VENDING MACHINE EXPENSE	9450876	615-45120-271	131.72
615-45120-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14018440	615-45120-321	4.27
615-45120-321	STANLEY SECURITY SOLUTIONS	MONTHLY MAINTENANCE	14026291	615-45120-321	4.30
615-45120-321	VERIZON WIRELESS	CELLULAR SERVICE	9774545001	615-45120-321	275.54
615-45120-321	JAGUAR COMMUNICATIONS INC	OCTOBER PHONE	INV0004180	615-45120-321	114.60
615-45120-321	MARCO	MANAGE SERVICE	INV3742286	615-45120-321	300.48
615-45120-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	615-45120-381	10,425.76
615-45120-392	DISTEL GRAIN SYSTEMS	LP REFILLS	011020	615-45120-392	72.69
615-45120-392	DISTEL GRAIN SYSTEMS	LP REFILLS	011177	615-45120-392	72.69
615-45120-437	MAYER SOFT WATER-CULLIGAN	WATER COOLER	228379	615-45120-437	49.47
615-45120-437	LAYNE WILBRIGHT	HALLOWEEN WORKERS	2910013361	615-45120-437	112.10
615-45120-437	LAYNE WILBRIGHT	HALLOWEEN DECORATIONS	INV0004145	615-45120-437	96.14
615-45120-495	KRISTIN NEPPER	CLASS REFUND	INV0004148	615-45120-495	20.00
				Department 45120 - RECREATION ADMINISTRATION Total:	**12,828.00**
Department: 45122 - COMM CTR BUILDING MAINT					
615-45122-211	COLE PAPERS INC.	WIPES, CLEAINING SUPPLIES	9254534	615-45122-211	488.55
615-45122-211	COLE PAPERS INC.	GREEN PAD	9256761	615-45122-211	167.00
615-45122-216	NAPA AUTO PARTS	CLEANER & POLISH	430041	615-45122-216	31.16
615-45122-223	TRUSTWORTHY HARDWARE OF	PAINT & PAINT STRIPPER-CC	215911	615-45122-223	71.44
615-45122-223	TRUSTWORTHY HARDWARE OF	SILICANT BUILDING PARTS-CC	216016	615-45122-223	65.40
615-45122-223	TRUSTWORTHY HARDWARE OF	CEMENT BIT & BOLTS-CC	216151	615-45122-223	130.88
615-45122-223	TRUSTWORTHY HARDWARE OF	BATTERIES, BUNGEE CORDS-CC	216390	615-45122-223	62.79
615-45122-223	FERGUSON ENTERPRISES, INC	PLUMBING PARTS	WV059362	615-45122-223	34.52
615-45122-240	RANDI GORDON	FITNESS EQUIPMENT REPAIRS	464679	615-45122-240	120.00
615-45122-240	MENARDS	ANTIFREEZE AND IMPACT SET	46993	615-45122-240	37.99
615-45122-401	JOHNSON CONTROLS, INC.	FIRE ALARM MONITORING-CC	1-41555866053	615-45122-401	300.00
615-45122-401	JOHNSON CONTROLS, INC.	FIRE ALARM MONITORING-CC	1-41555974084	615-45122-401	300.00
615-45122-401	SPS COMPANIES, INC.	FLUSH VALVE & REPLACEMENT	S3308717.001	615-45122-401	59.68
615-45122-401	SPS COMPANIES, INC.	REPLACEMENT FILTER	S3319110.001	615-45122-401	78.13
615-45122-404	RECREATION SUPPLY CO, INC.	POOL VACUUM REPAIRS	309070	615-45122-404	256.32
615-45122-404	THOMAS J GERLICH	MILEAGE REIMBURSEMENT	INV0004146	615-45122-404	297.00
				Department 45122 - COMM CTR BUILDING MAINT Total:	**2,500.86**
Department: 45124 - OUTDOOR POOL EXPENDITURES					
615-45124-381	LESUEUR MUNICIPAL UTILITIES	OCTOBER UTILITY BILLS	INV0004184	615-45124-381	91.97
				Department 45124 - OUTDOOR POOL EXPENDITURES Total:	**91.97**
				Fund 615 - RECREATION FUND Total:	**38,770.85**
				Grand Total:	**2,604,582.21**

Report Summary

Fund Summary

Fund	Payment Amount
101 - GENERAL FUND	144,191.99
225 - FIRE SERVICE FUND	3,164.31
226 - AMBULANCE SERVICE FUND	9,141.87
227 - PARA-TRANSIT FUND	13,458.56
229 - CABLE TV FUND	1,024.82
235 - AIRPORT FUND	278.63
240 - HRA FUND	6,750.47
250 - YOUTH OPPORTUNITIES FUND	1,614.76
301 - 2014 GROSS REVENUE RECREATIONAL FACILITIES	133,436.25
306 - 1995 LEASE PURCHASE AGREEM	56,210.00
309 - GO OBLIG LIBRARY BONDS 2002	59,050.00
310 - GO FIRE STATION BONDS/2002	82,700.00
318 - GO TAX ABATEMENT REV/2008	52,497.50
320 - 2010 GO POLICE CIP BONDS	46,662.50
380 - EDA GENERAL FUND	235.00
393 - TIF DISTRICT #13	235.00
394 - TIF DISTRICT #14	235.00
396 - TIF DISTRICT #16	235.00
398 - TIF DISTRICT #18	235.00
420 - CAPITAL IMPROVEMENT FUND	30,536.42
502 - GO IMPROVEMENT BOND OF 2001	60,600.00
505 - GO IMP BONDS/2002-SECOND ST	87,550.00
507 - 2011B G.O. REFUNDING BONDS	298,495.00
508 - GO IMPROVEMENT BOND OF 2006C	207,572.50
510 - GO N 2ND ST RECONST OF 2011	63,317.50
601 - WATER UTILITY FUND	123,118.05
602 - SEWER UTILITY FUND	280,548.02
604 - ELECTRIC UTILITY FUND	795,208.85
606 - MN RIVER VALLEY UTILITY COMM	7,508.36
615 - RECREATION FUND	38,770.85
Grand Total:	**2,604,582.21**

THE PRECEDING LIST OF BILLS WAS REVIEWED AND APPROVED FOR PAYMENT.

DATE: November 14, 2016__ APPROVED BY: _____

Jenelle Teppen

CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider Approving Transfer of Sublease for the Mayo Clinic Site to Minnesota Valley Heath Center and Provide Notification to Mayo of Notice to Terminate at the End of the Current Term

DATE: For the City Council Meeting of Monday, November 14, 2016

PURPOSE/ACTION REQUESTED
Consider approving the transfer of the sublease for the Mayo Clinic Site to Minnesota Valley Health Center (MVHC) and provide notification to Mayo of Notice to Terminate at the end of the current term (8/30/2018).

SUMMARY
On August 29 the City Council met with the MVHC Board of Directors and received from them a recommendation regarding MVHC's future.

As the Council will recall, MVHC terminated the affiliation agreement with Essentia Health in mid-2015. Since late 2015, the MVHC Board of Directors has engaged in conversations with Ridgeview Medical Center (RMC) about the potential of a new affiliation agreement with RMC that would make them a wholly owned subsidiary of Ridgeview Medical Center (RMC).

The stated goal of MVHC and RMC is to increase the healthcare services that are provided locally by creating an integrated, seamless healthcare system of hospital, clinic, ambulance and nursing home.

That affiliation agreement has subsequently been signed by both parties.

One of the terms of that affiliation agreement is to terminate the current lease that the City/EDA has with Immanuel St. Joseph's – Mayo Health System and execute a new lease agreement with RMC.

Mayo Clinic would have until August 30, 2018 to vacate.

The proposed sublease indicates that RMC will pay rent of $195,240 annually which is the amount of the annual bond payments issued by the City. These payments extend through the life of the bonds.

The sublease also proposes that RMC will pay the City $250,000 within ten days of the effective date of this sublease, and has the option to purchase the premises after October 1, 2019.

Bond Counsel has been involved in the negotiations to protect the City's interest as it relates to the two bonds issued for the hospital project and has conducted a final review of the sublease and finds it acceptable. If the City Council approves the transfer, bond holder consent is required and that consent will take a minimum of 3 weeks.

As the Economic Development Authority (EDA) is the original lessee, they will consider this at a special meeting on November 14 at 5:45 pm.

RECOMMENDATION

Staff recommends the Council approve the transfer of the sublease for the Mayo Clinic Site to Minnesota Valley Health Center (MVHC) and notification to Mayo of Notice to Terminate at the end of the current term (8/30/2018).

CLINIC SUBLEASE

THIS CLINIC SUBLEASE (the "**Sublease**") is dated December _____, 2016 (the "**Effective Date**") and is between the City of Le Sueur, Minnesota, a municipal corporation (the "**City**" or the "**Sublessor**"), Minnesota Valley Health Center, Inc., a Minnesota nonprofit corporation ("**Minnesota Valley**" or the "**Sublessee**"), and the Economic Development Authority of the City of Le Sueur, a public body corporate and politic and a political subdivision duly organized and existing under the laws of the State of Minnesota (the "**Prime Lessor**") (each a "**Party**", and collectively, the "**Parties**").

RECITALS

WHEREAS, the City, as lessor, and the Prime Lessor, as lessee, previously entered into a Ground Lease Agreement dated September 17, 2010, which was recorded on September 20, 2010 as Document No. 370687 with the Le Sueur County Recorder (the "**Ground Lease**"); and

WHEREAS, pursuant to the Ground Lease, the City ground leased to the Prime Lessor certain land in the City of Le Sueur, Minnesota, that is legally described in Exhibit A to the Ground Lease (the "**Land**"); and

WHEREAS, the Prime Lessor, as assignor, assigned its interest in the Ground Lease to Wells Fargo Securities, LLC ("**Wells Fargo**"), as assignee, pursuant to that certain Assignment of Ground Lease dated September 17, 2010, which was recorded as Document 370688 with the Le Sueur County Recorder (the "**Ground Lease Assignment**"); and

WHEREAS, the Ground Lease Assignment secures the repayment of Public Project Revenue Bond (City of Le Sueur, Minnesota Lease with Option to Purchase Project), Series 2010 in the original principal amount of $2,466,000 (the "**Clinic Bond**"); and

WHEREAS, the City, as lessee, previously entered into a Lease with Option to Purchase Agreement with the Prime Lessor dated September 17, 2010 (the "**Prime Lease**") whereby the City agreed to lease the Land from the Prime Lessor and to construct certain medical clinic improvements thereon; and

WHEREAS, a copy of the Prime Lease is attached hereto as Exhibit A; and

WHEREAS, the Prime Lease was memorialized with a Memorandum of Lease dated September 1, 2010, which was recorded on September 20, 2010 as Document No. 370686 with the Le Sueur County Recorder (the "**Memorandum of Lease**"); and

WHEREAS, for purposes of this Sublease, "**Leased Premises**" means the Project, as such term is defined in Section 1.1 of the Prime Lease (the "**Leased Premises**"); and

WHEREAS, the City, as sublessor, previously entered into a Sublease dated September 17, 2010 with Immanuel St. Joseph's-Mayo Health System, a Minnesota nonprofit corporation ("**Mayo**"), as sublessee, for the Leased Premises (the "**Mayo Sublease**"); and

WHEREAS, the initial term of the Mayo Sublease expires on or about August 31, 2018; and

WHEREAS, upon expiration of the Mayo Sublease, the City desires to sublease the Leased Premises to Minnesota Valley on the terms and subject to the conditions set forth herein and Minnesota Valley desires to sublet the Leased Premises on such terms and subject to such conditions; and

WHEREAS, the City and Minnesota Valley desire to enter into this Sublease of the Leased Premises including a non-exclusive easement and right to use public and common entrances, exits, walkways, sidewalks and driveways on the adjoining hospital campus leading to the Leased Premises, which is owned by the City and also leased to Minnesota Valley in order to memorialize their agreements with respect to the Leased Premises; and

WHEREAS, the City and Minnesota Valley desire that the rent payments under this Sublease be consistent with fair market value in an arm's length transaction.

AGREEMENTS

NOW, THEREFORE, in consideration of the rents, covenants and agreements contained herein, Sublessor and Sublessee agree as follows:

1. **NOTICE TO MAYO**. Promptly after the Effective Date, but no later than February 1, 2017, Sublessor shall provide written notice to Mayo pursuant to Section 2 of the Mayo Sublease stating that, at Sublessor's election, the Mayo Sublease shall not automatically renew. The form of such termination notice shall be in substantially the form of the notice attached as Exhibit B.

2. **LEASE AND LEASED PREMISES**. Sublessor hereby demises, leases and rents unto Sublessee, and Sublessee hereby hires, accepts and rents from Sublessor, the Leased Premises commencing on the Commencement Date (defined below).

3. **TERM**. The term of this Sublease shall commence on the day after the Mayo Sublease expires or terminates (the "**Commencement Date**") and shall continue until the day the Clinic Bond is fully paid or defeased (the "**Expiration Date**") (the "**Sublease Term**").

4. **SUBLESSEE'S LEASEHOLD IMPROVEMENTS**. As of the Commencement Date, Sublessee is taking the Leased Premises "**AS IS**" and Sublessor shall not be obligated to do any additional work in the Leased Premises. Sublessee may, with the consent of Sublessor, which consent shall not be unreasonably denied or delayed, install reasonable fixtures, additional phone/data lines, and improvements necessary to use the Leased Premises as a medical clinic.

5. **RENTAL**.

   a. Commencing on the Commencement Date, Sublessee shall pay to Sublessor as rent for the Leased Premises during the Sublease Term an annual rental of Sixteen and 05/100 Dollars ($16.05) per square foot or One Hundred Ninety-five Thousand Two Hundred Forty Dollars ($195,240.00).

   b. The rental herein specified for the Sublease Term shall be payable by Sublessee in equal monthly installments of Sixteen Thousand Two Hundred Seventy Dollars

($16,270.00) payable on or before the Commencement Date, and on the first day of each successive month thereafter, in advance, during the Initial Sublease Term. The rental payable for partial calendar months at the beginning and end of the Sublease Term shall be equitably prorated.

c. The parties agree the rental payments for the Sublease Term are consistent with fair market value in an arm's length transaction.

d. Sublessor shall use all rents received pursuant to this Sublease to timely pay each Rental Payment due under the Prime Lease, subject only to non-appropriation by Sublessor pursuant to Section 4.2 of the Prime Lease ("**Sublessor Non-appropriation**").

6. **POSSESSION AND USE**.

a. On the Commencement Date, Sublessor shall deliver to Sublessee free use and sole and exclusive possession of the Leased Premises, subject to the right of the Prime Lessor to enter thereon at times and upon conditions contemplated in the Prime Lease or otherwise allowed by law and to the right of Sublessor to enter at times and upon conditions contemplated in this Sublease or otherwise allowed by law. Sublessor covenants and agrees that it shall not take any action, except upon occurrence of an event of default to prevent Sublessee from having quiet and peaceable possession of such Leased Premises during the Sublease Term and shall, at the request and expense of Sublessee, cooperate with Sublessee to secure that possession. Sublessor, for itself, its successors and assigns, does hereby covenant with Sublessee, its successors and assigns, that Sublessor is lawfully seized of the Leased Premises; that it has the right to sublease the Leased Premises subject to the conditions set forth herein; and that it will warrant and defend Sublessee's possession against all lawful claims not specifically excepted in this Sublease.

b. Sublessee agrees to accept possession of the Leased Premises on the Commencement Date in substantially the same condition as it exists on the Effective Date of this Sublease, except as otherwise provided in this Sublease. Sublessor, at its expense, agrees to place the Leased Premises in such condition as of the Commencement Date. Sublessee's right of possession of the Leased Premises shall continue as provided in this Sublease until the Sublease Term expires.

c. Sublessor hereby grants a non-exclusive license to use the common areas of the adjacent and adjoining hospital campus, which is owned by the Sublessor and also leased to Minnesota Valley (the "**Adjacent Premises**"), including, but not limited to, parking areas, grounds, entry ways, lobby, sidewalks and other common areas within the Adjacent Premises for Sublessee's routine business purposes, subject to Minnesota Valley's right to conduct its business in an uninterrupted manner and provided that Sublessee shall abide by all reasonable requirements of Minnesota Valley necessary to maintain confidentiality of patient information on the Adjacent Premises. No merger of the lease and sublease arrangements, nor

any easement rights, shall occur by virtue of Minnesota Valley leasing both properties.

7. **COMPLIANCE WITH LAWS**. During the Sublease Term, Sublessee shall comply with any and all laws, rules, regulations, ordinances, and orders with respect to the use and operation of the Leased Premises, the operation, maintenance, and repair thereof, and patient confidentiality, including without limitation applicable building codes, zoning ordinances, and environmental laws. Sublessee shall not perform any acts or carry on any practices which would damage the Leased Premises or result in a nuisance.

8. **USE OF PREMISES**. Sublessee shall use the Leased Premises for the purpose of operating a medical clinic, including primary medical care, and for all purposes related or incidental to this purpose, and related parking, and for no other purposes without the prior written consent of Sublessor. Sublessee shall also not use the Leased Premises for any purpose that would violate any restrictive covenant to which Leased Premises are subject, including but not limited to all restrictive covenants applying to the Leased Premises set forth in the Prime Lease. Sublessee shall not perform any actions or carry on any practices which may injure the Leased Premises or be a nuisance or menace.

9. **UTILITIES AND TAXES**.

a. Sublessor shall be solely responsible for providing all utilities needed for operation of the Leased Premises including but not limited to heat, water, gas, electricity or any other utility service furnished to or consumed at the Leased Premises during the Sublease Term; provided, however, that during the Sublease Term, all such utilities shall be separately invoiced to, and the sole obligation and responsibility of, the Sublessee. In addition, Sublessee shall be responsible for providing and paying for telephone and the management, handling and cost of its own waste disposal, including but not limited to general refuse and hazardous medical/biological waste of any kind according to Section 26 of this Sublease.

b. In addition, commencing with the Commencement Date, Sublessee shall reimburse Sublessor for one hundred percent (100%) of all Real Estate Taxes that may be levied on the Leased Premises. The term "**Real Estate Taxes**" shall include all real estate taxes, if any, that are levied upon or assessed against the Leased Premises and the reasonable costs of professional consultants and/or counsel to analyze tax bills and prosecute any protests, refunds, and appeals for the period covered during the Sublease Term; provided however, Sublessee shall receive a refund in reduction of the Real Estate Taxes if Sublessor is successful in such protest or appeal. Sublessor shall provide to Sublessee a copy of the tax bill for the Real Estate Taxes for which Sublessor is billing with evidence of payment by Sublessor. Evidence of payment shall be a copy of Sublessor's canceled check or a copy of the receipt for payment.

10. **MAINTENANCE**. Sublessee agrees to keep and maintain the Leased Premises and the fixtures and equipment therein in properly functioning, safe, orderly and sanitary condition, reasonable wear and tear excepted. Sublessor shall make all necessary repairs to the outer walls,

roof, and basic structural elements of the Leased Premises and adjacent parking areas, and shall keep the plumbing, sewage, heating, air conditioning, electrical and ventilating systems of the Leased Premises in good repair. Sublessee is responsible for all other routine maintenance of the Leased Premises. Any cost of repairs or improvements to the Leased Premises that are occasioned by the negligence or default of Sublessee shall be paid for by Sublessee.

11. **SURRENDER OF POSSESSION**. At the expiration of termination of this Sublease, whether by lapse of time or otherwise, Sublessee shall surrender the Leased Premises including any alterations, additions, improvements, changes and fixtures (other than Sublessee's Trade and Medical Fixtures (as defined below)) in, at a minimum, substantially the same condition and repair as at the time of acceptance, subject to normal wear and tear, casualty damage, condemnation damage and damage caused by the gross negligence or willful misconduct of Lessor or it officials, employees, agents or contractors.

12. **TRADE AND MEDICAL FIXTURES AND EQUIPMENT INSTALLED BY SUBLESSEE**. Sublessee shall have the right to place or install in the Leased Premises such furniture, trade fixtures, equipment and additions of a nonpermanent nature as it shall deem desirable for the conduct of its business as a medical clinic (collectively, the "**Trade and Medical Fixtures**"). For purposes of this Sublease, the term "Trade and Medical Fixtures" shall specifically exclude, however, furnaces (except portable heaters or their equivalent), heating systems and equipment, air conditioning systems and equipment, insulation, ceiling, sprinkler systems and equipment, plumbing improvements, lighting and electrical improvements, gas improvements, and site improvements. Sublessee shall, at Sublessee's expense, maintain and keep in good repair and working order all Trade and Medical Fixtures installed under this Section 12. All Trade and Medical Fixtures permitted to be installed under this Section 12 shall remain the property of the Sublessee and shall be removed by Sublessee at the end of the expiration of the Sublease Term. Provided, however, all surfaces shall be restored/repaired in removing any such items.

13. **REPRESENTATIONS, WARRANTIES AND COVENANTS**.

a. Sublessor's Representations and Warranties. Sublessor represents, warrants and covenants that prior to the Effective Date, it will have obtained all consents and approvals necessary to enter into this Sublease and to perform its obligations hereunder.

i. Sublessor has provided an opinion of bond counsel to the City and the Prime Lessor as required by Section 11.2 of the Prime Lease.

ii. Sublessor has met all other requirements required in Section 11.2 of the Prime Lease, including obtaining bond holder consent to this Sublease.

iii. There is no Event of Default under the Prime Lease, as such term is defined in Section 12.1 of the Prime Lease, and Sublessor will notify Sublessee of any Event of Default by any party under the Prime Lease.

iv. If Sublessor exercises its rights regarding Sublessor Non-appropriation, Sublessor shall give notice of such to Sublessee at the same time it gives

notice of non-appropriation to Prime Lessor pursuant to Section 4.2 of the Prime Lease.

b. Sublessee's Representations and Warranties. Sublessee represents, warrants and covenants that:

i. Sublessee is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and has received a determination of such status from the Internal Revenue Service.

ii. At all times during the Sublease Term of this Sublease, Sublessee shall maintain its status as a Minnesota nonprofit corporation and as a tax exempt organization under section 501(c)(3) of the Code.

iii. The operation of the medical clinic is and will be in furtherance of Sublessee's exempt purposes, and does not and will not constitute an unrelated trade or business. From and after the Commencement Date, and until this Sublease expires, Sublessee shall have full and sole responsibility for the maintenance of professional standards in the operation of the clinic and for the selection and supervision of the clinic employees and medical staff.

iv. Sublessee shall at all times operate the medical clinic through its employees and staff, and shall not enter into a management agreement or similar arrangement for operation of the clinic without Sublessor's prior written approval, which may be withheld at Sublessor's sole discretion, and as may be further limited by subsection vi below.

v. Sublessee's operations in the Leased Premises shall be conducted during appropriate business hours, as reasonably determined by Sublessee.

vi. Sublessee covenants that it shall make no use of the Leased Premises, including but not limited to entering into any agreement for the management of its use of the Leased Premises or any other similar agreement, the effect of which would cause the Bond (as defined in the Prime Lease) not to constitute a "qualified 501(c)(3) bond," within the meaning of Section 145 and related sections of the Code, and any service contract to be entered into with respect to the Leased Premises (unless entered into with another organization described in Section 501(c)(3) of the Code) shall constitute a "qualified management agreement" within the meaning of all pertinent provisions of law, including all relevant provisions of the Code and regulations, ruling and revenue procedures thereunder, including Revenue Procedure 2016-44.

vii. Sublessee covenants that it shall make no use of the Leased Premises, or any portion thereof, as a skybox or other private luxury box, a facility primarily used for gambling, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises.

c. Prime Lessor's Representations and Warranties. Prime Lessor represents, warrants and covenants:

i. Sublessor and Sublessee have Prime Lessor's consent, as required by Section 11.2 of the Prime Lease, to enter into this Sublease.

ii. Prime Lessor has obtained bond holder consent to this Sublease.

iii. There is no Event of Default under the Prime Lease, as such term is defined in Section 12.1 of the Prime Lease, and Prime Lessor will notify Sublessee of any Event of Default by any party under the Prime Lease.

14. **SUBORDINATION**. Sublessee agrees that this Sublease shall be subordinate to the Prime Lease, the Ground Lease between the Sublessor and the Prime Lessor, and any mortgages or trust deeds that may be placed upon said Leased Premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof provided that the mortgagee or trustee thereunder shall agree to recognize Sublessee's rights hereunder as long as Sublessee is not in default hereunder. Sublessee further agrees that upon notification by Sublessor to Sublessee this Sublease shall be or become subordinate to any mortgages or trust deeds that may heretofore or hereafter be placed on the Leased Premises, provided that no such mortgage or trust deed shall impair the validity and continuance of this Sublease and the rights of the Sublessee hereunder. Sublessee shall execute and deliver whatever reasonable instruments may be required for the above purposes within ten (10) days after notification of such requirement. To the extent there is a conflict between this provision and the terms of the Prime Lease relating to subordination, the terms of the Prime Lease shall control.

15. **NOTICES**. All notices or communications required or permitted to be given by a Party to the other under this Sublease shall be in writing to the following addresses:

To Sublessor:	City of Le Sueur 203 South Second Street Le Sueur, MN 56058-0176 Attn: City Administrator
To Sublessee:	Minnesota Valley Health Center 500 South Maple Street Waconia, MN 55387 Attn: President/CEO
To Prime Lessor:	Le Sueur EDA 203 South Second Street Le Sueur, MN 56058-0178 Attn: President

or such other place as such Party may subsequently designate in writing.

Notice shall be deemed to have been received on the date of mailing if sent by registered or certified mail. For all other forms of transmission, notice shall be deemed received on the date of actual receipt.

16. **ACCESS TO PREMISES**. Upon prior notice to Sublessee, Sublessor shall have the right to enter upon the Leased Premises at any reasonable hour for the purpose of inspecting the same, and during the last year of the Sublease Term or any renewal period thereof for the purpose of exhibiting the same to prospective sublessees, purchasers or others. Sublessor shall make every reasonable effort to minimize the disruption to Sublessee's business operations. Sublessor shall abide by all reasonable requirements of Sublessee necessary to maintain confidentiality of patient information on the Leased Premises.

17. **ASSIGNMENT AND SUBLETTING**.

a. Sublessee shall not assign this Sublease or sublet all or any portion of the Leased Premises without the prior written consent of Sublessor and the Prime Lessor, provided Sublessee shall have the right to assign its interest under the Sublease without the consent of Sublessor or the Prime Lessor to: i) any wholly-owned affiliate of Sublessee that is a 501(c)(3) tax exempt organization under the Code or a disregarded entity of Sublessee for tax purposes; ii) to Sublessee's sole member, Ridgeview Medical Center, which is a 501(c)(3) tax exempt organization under the Code; or iii) to a medical sub-subtenant that is not a 501(c)(3) tax exempt organization under the Code provided that sub-sublease is for less than 500 square feet of space and so long as such sublease and any other private use of the Leased Premises does not exceed, in aggregate, five percent (5%) of the useable square footage of the Leased Premises. Except as provided in the immediately preceding sentence, any attempted assignment or subletting without Sublessor's and the Prime Lessor's prior written consent is void. Under no circumstance shall a change of Sublessee control be deemed an assignment or subletting. No assignment or subletting, including any assignment of Sublessee's interest in this Sublease to a wholly-owned affiliate(s) or its sole member shall release Sublessee from any of its obligations under this Sublease or be construed or taken as a waiver of any of Sublessor's rights or remedies hereunder.

b. Sublessor shall not assign this Sublease nor sublet all or any portion of the Leased Premises without the prior written consent of Sublessee and, in accordance with the Prime Lease, the Prime Lessor.

c. Neither this Sublease nor any interest therein nor any estate thereby created shall pass to any trustee or receiver in bankruptcy or any assignee for the benefit of creditors.

18. **QUIET POSSESSION**. Subject to the provisions of this Sublease, Sublessor agrees that Sublessee, upon paying the rentals herein provided and performing all of the covenants, terms and conditions herein agreed by it to be kept and performed, shall and may peaceably and quietly have, hold and enjoy the Leased Premises for the Sublease Term; provided, however, that this Sublease shall automatically terminate upon termination of the Prime Lease and any extensions thereof.

19. **INSURANCE**. At all times during the Sublease Term, Sublessee shall place and maintain (at Sublessee's cost) the insurance and coverage set forth in Article VI to the Prime Lease.

Notwithstanding anything to the contrary stated herein, Sublessee shall have the right to self-insure for all of the insurance requirements of Sublessee, pursuant to this Section 19, provided such self-insurance program is reasonably acceptable to Sublessor and the Prime Lessor.

20. **WAIVER OF CLAIMS OF SUBROGATION**. Notwithstanding any other provision in this Sublease to the contrary, Sublessor and Sublessee hereby release one another from any and all liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage covered by casualty insurance even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

21. **INDEMNIFICATION AND EXEMPTION**.

a. Sublessee shall defend, with counsel approved by Sublessor (which approval will not be unreasonably withheld), indemnify and save Sublessor harmless from and against, all liabilities, obligations, damages, fines, penalties, claims, demands, costs, charges, judgments and expenses, including, but not limited to, reasonable attorneys' fees, which may be imposed upon or incurred or paid by or asserted against Sublessor, the Leased Premises or any interest therein by reason of or in connection with any of the following occurring during the Sublease Term: (i) any negligent or tortious act on the part of Sublessee or any of its agents, contractors, servants, employees, licensees or invitees; and (ii) any accident, injury, death or damage to any person or property occurring in the interior of the Leased Premises except to the extent caused by any failure of Sublessor to perform its obligations under this Sublease.

b. Sublessor shall defend, with counsel approved by Sublessee (which approval will not be unreasonably withheld), indemnify and save Sublessee harmless from and against, all liabilities, obligations, damages, fines, penalties, claims, demands, costs, charges, judgments and expenses, including, but not limited to, reasonable attorneys' fees, which may be imposed upon, incurred, paid by or asserted against Sublessee by reason of or in connection with any of the following occurring during the Sublease Term: (i) any grossly negligent or tortious act on the part of Sublessor or any of its agents, contractors, servants, employees, licensees or invitees; (ii) any accident, injury, death or damage to any person or property occurring in or on the Leased Premises to the extent -- and only to the extent -- caused by any failure of Sublessor to perform its obligations under this Sublease; and (iii) any accident, injury, death or damage to any person or property occurring on any property adjacent to the Leased Premises, including the exterior of the building, parking lot and sidewalks, except to the extent caused by the negligent or tortious act on the part of Sublessee or any of its agents, contractors, servants, employees, licensees or invitees.

22. **REMEDIES**. Upon the failure of Sublessee to pay rent at the times and in the manner hereinbefore provided or upon the failure of Sublessee to promptly perform any other covenant or agreement hereunder, or if the leasehold interest of the Sublessee shall be taken on execution or other process of law, or if the Sublessee shall petition to be or be declared bankrupt or

insolvent according to the law, or if the Sublessee shall vacate the Leased Premises or abandon the same during the Sublease Term, Sublessor may, at its option, terminate this Sublease and the terms hereof by giving Sublessee at least thirty (30) days' (ten (10) days in the case of rent payments) written notice of such termination, which notice shall specify the nature of the default. After the giving of such notice, if such default is not cured within said thirty (30) day period (ten (10) days in the case of rent payments), or if Sublessee is exercising due diligence to cure such default if such default cannot be reasonably cured within thirty (30) days (not applicable to rent) such period of time as may be reasonably required to cure the default, Sublessor may terminate this Sublease. If Sublessee is exercising due diligence to cure such default, Sublessor shall permit Sublessee a reasonable amount of time to cure such default.

23. **DAMAGE BY FIRE OR OTHER CASUALTY**. In the event that the Leased Premises or any part thereof shall be damaged by fire or other casualty, Section 6.6 of the Prime Lease shall apply to Sublessor. To the extent that Sublessee experiences a loss that is covered by insurance purchased by Sublessee, then such insurance shall be used solely to compensate Sublessee. In the event the Prime Lease is terminated under Section 6.6, then this Sublease shall be terminated as well.

24. **ADDITIONS, CHANGES, ALTERATIONS AND DEMOLITION**.

a. Sublessee shall not construct improvements in or on the Leased Premises, demolish improvements within the Leased Premises or make additions to or structural changes or alterations in and upon any or all of such improvements upon the Leased Premises without the prior written consent of Sublessor and the Prime Lessor, which consent shall not be unreasonably withheld. Any work performed during the Sublease Term shall be performed in a good and workmanlike manner at the sole expense of Sublessee. Sublessee shall not permit, create, incur, impose, cause or suffer others to permit, create, incur or impose any lien or other obligation against the Leased Premises or the Sublessor by reason of any work upon the Leased Premises or otherwise, including any mortgage or similar lien, and Sublessee agrees to hold Sublessor harmless of and from any and all claims or demands by any contractor, subcontractor, materialman, laborer or any other third person relating to or arising because of any work thereon. Any improvements or additions made by Sublessee which become a part of the walls, floor or ceiling shall become a permanent part of the Leased Premises and shall not be considered Trade and Medical Fixtures.

b. Sublessee may install signs upon the Leased Premises provided all signage complies with all applicable governmental laws, ordinances, codes and regulations. Any signs attached to the buildings located on the Leased Premises shall remain the sole property of Sublessee and may be removed by Sublessee at any time. Sublessee shall repair any damage occasioned by such removal.

25. **EMINENT DOMAIN**. If the Leased Premises covered by this Sublease are acquired in whole or in part by or in lieu of eminent domain for any public or quasi-public use or purpose, then Section 6.6 of the Prime Lease shall apply to Sublessor. To the extent that Sublessee is unable to conduct its operations, any rents otherwise due shall be proportionately abated for the

period Sublessee cannot fully conduct its business of a medical clinic on the Leased Premises, or a suitable substitute. In the event the Prime Lease is terminated under Section 6.6, then this Sublease shall be terminated as well. Sublessor and Prime Lessor agree not to initiate any eminent domain actions or proceedings regarding the Leased Premises during the Sublease Term.

26. **WASTE AND GOVERNMENTAL REGULATIONS**.

a. Sublessee shall not commit or suffer to be committed any waste upon the Leased Premises.

b. Sublessee shall, at Sublessee's sole cost and expense, promptly comply with all laws, ordinances and regulations now in force or which may hereafter be in force pertaining to the Leased Premises or the use thereof by Sublessee.

c. Sublessee specifically agrees that it shall, during the Sublease Term, abide by Section 6.5 of the Prime Lease relating to Hazardous Substances.

27. **OPTION TO PURCHASE LEASED PREMISES**. Within ten (10) days after the Effective Date of this Sublease, Sublessee shall pay Sublessor the sum of Two Hundred Fifty Thousand Dollars ($250,000.00) and Prime Lessor the sum of Ten Dollars ($10.00) (the "**Option Payments**"). In consideration of the Option Payments, Sublessee shall have the option to purchase the Leased Premises at any time after the Effective Date, subject to the following conditions:

a. Except as provided in subsection h below, Sublessee shall give written notice to Sublessor and Prime Lessor of its intention to exercise its option to purchase the Leased Premises at least three (3) months prior to the date on which Sublessee wishes to exercise the option. Upon receiving such notice from Sublessee, Sublessor shall: i) timely give Prime Lessor notice pursuant to Section 10.2 of the Prime Lease that Sublessor is exercising its purchase option for the Leased Premises under the Prime Lease; and ii) within ten (10) days of receiving the notice furnish Sublessee with an Abstract of Title certified to date or Registered Property Report to include proper searches covering levied and pending assessments, bankruptcies, and State and federal judgments and liens. Sublessee shall be allowed twenty (20) days after receipt thereof for examination of said title and the making of any objections thereto, said objections to be made in writing within said period or deemed to be waived. Notwithstanding anything in the immediately preceding sentence to the contrary, any liens described in subsection d below shall be deemed automatically objected to and shall be removed at Lessor's expense before or at closing.

b. On or before the closing date Sublessee shall pay to Sublessor an amount equal to: i) the Purchase Option Price, as defined in Section 1.1 of the Prime Lease; plus ii) any rent payments due or past due pursuant to Section 5 hereof; plus iii) any other amounts Sublessee then owes Sublessor pursuant to this Sublease.

Concurrent with such payment, Sublessor shall pay Prime Lessor all amounts due Prime Lessor pursuant to Section 10.2 of the Prime Lease.

c. The closing shall be held at the principal office of Sublessor or any other office mutually agreed upon; and Sublessor shall upon receipt of the sum set forth in subsection b above, convey to the Sublessee marketable fee title to the Leased Premises, subject only to:

   i. those liens and encumbrances, if any, created by the Sublessee;

   ii. those liens and encumbrances, if any, resulting from the failure of the Sublessee to perform or observe any of its agreements in this Sublease; and

   iii. the rights and title of any condemning authority (other than the City or the Prime Lessor) arising from the exercise of the power of eminent domain.

   Notwithstanding anything in the Prime Lease to the contrary, the Parties agree to coordinate the closing date for Sublessor's purchase of the Leased Premises under the Prime Lease with the closing date for Sublessee's purchase of the Leased Premises hereunder so that the payments made by Sublessee pursuant to subsection b above can be used by Sublessor to satisfy its payment obligations to Prime Lessor under Section 10.2 of the Prime Lease.

d. Sublessor shall convey title to the Leased Premises by a limited warranty deed subject only to the encumbrances set forth in subsection c above, and shall also give such bill of sale, with similar covenants, as may be reasonably required for the conveyance of title to any portion of the Leased Premises constituting personal property, which deed and bill of sale shall be delivered upon payment to Sublessor of the sums specified above. Sublessor shall be obligated at its own expense to remove any liens against the property which it created during the Sublease Term, except those liens set forth in subsection c above, and provide Sublessee, at Sublessee's expense, with termination statements and releases of Sublessor's and Prime Lessor's security interests in the Leased Premises. Without limiting the general nature of the immediately preceding sentence, Sublessor shall take such action before or at closing as is required to: i) fully pay or defease the Clinic Bond; ii) to terminate the Prime Lease; and iii) to release the Leased Premises from each lien or encumbrance, as applicable, associated with the Ground Lease, the Ground Lease Assignment, the Prime Lease, and any recorded memorandums associated with the aforementioned documents. To the extent any obligation of the City in

this Section 27 is within the Prime Lessor's control, the Prime Lessor shall take such action as is required of it, either expressly or by implication.

e. Sublessee shall take title to the Leased Premises subject to all applicable laws or ordinances, rules or regulations of governmental authority.

f. Sublessee shall pay all costs and expenses of the preparation of the deed and bill of sale and the delivery thereof and all taxes and charges payable in connection with such conveyances of title.

g. Notwithstanding anything in this Sublease to the contrary, Sublessee may assign all of its rights and obligations regarding its option to purchase the Leased Premises to its sole member, Ridgeview Medical Center, without Sublessor's or the Prime Lessor's consent. Sublessee shall promptly provide Sublessor with notice of any such assignment.

h. In anticipation of Sublessee providing notice to Sublessor pursuant to subsection a above, Sublessee may at any time request Sublessor to provide a written summary of hazardous substances and hazardous wastes associated with the Leased Premises in a form reasonably requested by Sublessee. Sublessor's responses shall be limited to Sublessor's actual knowledge and Sublessor shall have no duty to independently investigate the Leased Premises. Sublessor further agrees to cooperate with any environmental evaluation of the Leased Premises performed at the Sublessee's request and sole cost including, but not limited to, cooperating with the preparation of Phase I and Phase II environmental studies.

i. If Sublessor Non-appropriation occurs: i) any provisions herein requiring Sublessor to exercise its purchase option under the Prime Lease shall no longer apply; ii) Sublessee's purchase option contained in this Section 27 shall be deemed to run directly between Prime Lessor and Sublessee; and iii) the provisions of this Section 27 (excepting those regarding the Option Payments or Sublessor's obligation to exercise its purchase option under the Prime Lease) shall control as if each reference to Sublessor, as applicable, was replaced with a reference to Prime Lessor.

28. **GENERAL PROVISIONS**.

a. The recitals at the beginning of this Sublease are incorporated by reference as terms of this Sublease.

b. Nothing contained herein shall be deemed or construed by the Parties hereto nor by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the Parties hereto, it being understood and agreed that neither the payment of rent nor any other provision contained herein nor any acts of the Parties hereto shall be deemed to create any

relationship between the Parties hereto other than the relationship of Sublessor and Sublessee.

c. No delay or omission in exercising a right or power by either Party shall impair any such right or power or shall be construed as a waiver of a subsequent breach of such right or power.

d. Sublessee shall give prompt notice to Sublessor in case of fire or other type of casualty regarding the Leased Premises that would result in the invocation of Section 23 of this Sublease.

e. Sublessee shall not, without the prior written consent of Sublessor, record this Sublease. At Sublessee's request, Sublessor and the Prime Lessor shall execute and record against the Leased Premises a memorandum of sublease memorializing this Sublease and Sublessee's option to purchase the Leased Premises.

f. At any time and from time to time, Sublessor agrees upon request in writing from Sublessee to execute, acknowledge and deliver to Sublessee a statement in writing certifying that this Sublease 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 minimum rent, and other charges have been paid and the dates to which full compliance with all other terms and conditions of the Sublease has been made by Sublessee.

g. This Sublease and any dispute arising from or related to this Sublease shall be governed by the laws of the State of Minnesota.

h. This Sublease and attached exhibits constitute the entire agreement between the Parties and shall supersede all previous communications and commitments, whether written or verbal, between the Parties regarding the subject matter of this Sublease. No agreement or understanding changing, modifying or extending this Sublease shall be binding on either party unless in a writing signed by both Parties' authorized representatives. The Parties agree that to the extent any amendments are required by a lender that the Parties will use their best efforts to amend this Sublease consistent with the reasonable requests of said lender.

i. Time is of the essence of this Sublease and the performance of all obligations hereunder.

IN WITNESS WHEREOF, Sublessor and Sublessee have signed this Sublease as of the Effective Date.

[signature pages follow]

SUBLESSOR

CITY OF LE SUEUR, MINNESOTA

By:_____
Mayor

By:_____
City Clerk

SUBLESSEE

MINNESOTA VALLEY HEALTH CENTER, INC.

By:_____

Name:_____

Its:_____

PRIME LESSOR

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF LE SUEUR, MINNESOTA

By:_____
Its: President

By: _____
Its: Secretary

EXHIBIT A

PRIME LEASE

LEASE WITH OPTION TO PURCHASE AGREEMENT

BETWEEN

ECONOMIC DEVELOPMENT AUTHORITY

OF THE CITY OF LE SUEUR, MINNESOTA

as Lessor

and

CITY OF LE SUEUR, MINNESOTA

as Lessee

Dated September 17, 2010

Drafted By: Briggs and Morgan, Professional Association
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

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TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS AND EXHIBITS 2
Section 1.1. Definitions 2
Section 1.2. Exhibits 6

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES 7
Section 2.1. Representations, Covenants and Warranties of Lessee 7
Section 2.2. Tax-Exempt Status of the Bonds; Rebate 8
Section 2.3. Representations, Covenants and Warranties of Lessor 8

ARTICLE III CONSTRUCTION AND LEASE OF PROJECT 10
Section 3.1. Cost of Project; Financing 10
Section 3.2. Construction of Project; Payment of Cost 10
Section 3.3. Lease and Sublease 11
Section 3.4. Possession and Enjoyment 11
Section 3.5. Lessor Access to Project 11

ARTICLE IV TERM OF LEASE 12
Section 4.1. Lease Term 12
Section 4.2. Termination by Lessee 12
Section 4.3. Intent to Continue Lease Term; Appropriations and Property Taxes 12
Section 4.4. Effect of Termination 12
Section 4.5. Nonsubstitution 13
Section 4.6. Termination of Lease Term 13

ARTICLE V RENTAL PAYMENTS 14
Section 5.1. Rental Payments 14
Section 5.2. Interest Component 14
Section 5.3. Rental Payments to be Unconditional 14
Section 5.4. Current Expense 14

ARTICLE VI INSURANCE AND INDEMNIFICATION 16
Section 6.1. Liability Insurance 16
Section 6.2. Property Insurance 16
Section 6.3. Worker's Compensation Insurance 16
Section 6.4. Requirements For All Insurance 16
Section 6.5. Indemnification; Hazardous Substance 16
Section 6.6. Damage to or Destruction of Project 18

ARTICLE VII OTHER OBLIGATIONS OF LESSEE 19
Section 7.1. Use; Permits 19
Section 7.2. Maintenance of Project by Lessee 19
Section 7.3. Taxes, Other Governmental Charges and Utility Charges 19
Section 7.4. Advances 20

TABLE OF CONTENTS
(continued)

Page

ARTICLE VIII TITLE 21
Section 8.1. Title 21
Section 8.2. Security Interest 21
Section 8.3. Liens 21
Section 8.4. Installation of Lessee's Equipment 22
Section 8.5. Modification of Project 22
Section 8.6. Easements and Utility Access 23
Section 8.7. Release of Unimproved Land 23
Section 8.8. Covenant For the Benefit of the Bondholders 24

ARTICLE IX PROJECT WARRANTIES 25
Section 9.1. Selection of Project 25
Section 9.2. Construction and Maintenance of Project 25
Section 9.3. Contractors' Warranties 25
Section 9.4. Disclaimer of Warranties 25

ARTICLE X PREPAYMENT 26
Section 10.1. When Available 26
Section 10.2. Exercise of Purchase Option 26
Section 10.3. Release of Lessor's Interest 26
Section 10.4. Defeasance 26

ARTICLE XI ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING 27
Section 11.1. Assignment by Lessor 27
Section 11.2. Assignment and Subleasing by Lessee 27
Section 11.3. Restriction on Mortgage or Sale of Project by Lessee 27

ARTICLE XII EVENTS OF DEFAULT AND REMEDIES 28
Section 12.1. Events of Default Defined 28
Section 12.2. Remedies on Default 29
Section 12.3. Return of Project 30
Section 12.4. No Remedy Exclusive 30
Section 12.5. Agreement to Pay Attorneys' Fees and Expenses 30
Section 12.6. Late Charge 30

ARTICLE XIII ADMINISTRATIVE PROVISIONS 31
Section 13.1. Notices 31
Section 13.2. Financial Information 31
Section 13.3. Binding Effect 31
Section 13.4. Severability 31
Section 13.5. Amendments, Changes and Modifications 31
Section 13.6. Captions 31
Section 13.7. Further Assurances and Corrective Instruments 31
Section 13.8. Execution In Counterparts 31
Section 13.9. Applicable Law 31

TABLE OF CONTENTS
(continued)

		Page
EXHIBIT A	DESCRIPTION OF PROJECT AND LAND	A-1
EXHIBIT B	SCHEDULE OF RENTAL PAYMENTS	B-1
EXHIBIT C	SCHEDULE OF PURCHASE OPTION PRICE AND CASUALTY VALUES	C-1
EXHIBIT D	CERTIFICATE OF INCUMBENCY	D-1

2618980v5

THIS LEASE WITH OPTION TO PURCHASE AGREEMENT dated September 17, 2010 (the "Lease"), by and between the Economic Development Authority of the City of Le Sueur, a public body corporate and politic and a political subdivision duly organized and existing under the laws of the State of Minnesota as Lessor ("Lessor") whose address is 203 South Second Street, Le Sueur, Minnesota 56058; and the City of Le Sueur, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Minnesota as Lessee ("Lessee"), whose address is 203 South Second Street, Le Sueur, Minnesota 56058;

WITNESSETH:

WHEREAS, Lessee is authorized by law to acquire such items of real and personal property as are needed to carry out its governmental functions, and to acquire such real and personal property by entering into lease with option to purchase agreements; and

WHEREAS, Lessee has determined that it is necessary for it to acquire under this Lease certain real and personal property described herein as the Project; and

WHEREAS, Lessor is willing to finance the construction and equipping of the Project Improvements and to lease or (in the case of the Land) sublease, the Project to Lessee pursuant to this Lease and the Lessee is willing to rent the Project from Lessor, pursuant to this Lease;

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section or in the Bond Resolution shall, for all purposes of this Lease, have the meanings herein specified.

Act: Collectively, the Lessor Powers Act and the Lessee Powers Act.

Board of Commissioners: Board of Commissioners of the Issuer, or its successor as governing body of the Issuer.

Bonds: Public Project Revenue Bond, Series 2010 (City of Le Sueur, Minnesota, Lease With Option to Purchase Project).

Bond Counsel: Briggs and Morgan, Professional Association, in St. Paul and Minneapolis, Minnesota, or any other law firm nationally recognized as bond counsel in the municipal bond industry.

Bond Fund: The Bond Fund created pursuant to Section 5-2 of the Bond Resolution.

Bond Resolution: The resolution of the Lessor adopted by its Board of Commissioners on August 23, 2010, authorizing issuance and sale of the Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Business Day: Any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of St. Paul, Minnesota, are authorized by law or executive order to be closed.

Casualty Value of the Project: As of the date of payment, the principal amount of all outstanding installments of principal, plus unpaid interest thereon until the earliest date on which they may be called for extraordinary redemption under Section 3-1(2) of the Bond Resolution, less all sums held in the Bond Fund.

City: City of Le Sueur, Minnesota.

Code: Internal Revenue Code of 1986, as amended.

Condemnation: The meaning given that term in Section 1-1 of the Bond Resolution.

Contractor: Each of the contractors from whom Lessee has ordered or will order or with whom Lessee has contracted or will contract for the acquisition, construction and installation of any portion of the Project.

Environmental Law: The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., the Hazardous Materials Transportation Act, §1802 et seq., the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., the Clean Water Act, 33 U.S.C. §1321 et seq. the Clean Air Act, 42 U.S.C. §7401 et seq., the Minnesota Environmental Response and Liability Act, Minnesota Statutes, Chapter 115B, the Minnesota Petroleum Tank Release Cleanup Act, Minnesota Statutes, Chapter 115C, and any other federal, state, county, municipal, local or other statute, law, ordinance or regulation which may relate to or deal with human health or the environment, all as may be from time to time amended.

Fiscal Year: The fiscal year January 1 to December 31 of the Lessee.

Governmental Unit: A "governmental unit" within the meaning of Section 141 of the Code.

Hazardous Substances: Asbestos, ureaformaldehyde, polychlorinated biphenyls ("PCBs"), nuclear fuel or material, chemical waste, radioactive material, explosives, known carcinogens, petroleum products and by-products and other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Law.

Independent Counsel: An attorney duly admitted to the practice of law before the highest court of the State who is not a full-time employee of Lessor or Lessee.

Independent Engineer: An independent engineer or engineering firm or an independent architect or architectural firm qualified to practice the profession of engineering or architecture under the laws of Minnesota and who is not an officer of Lessee or Lessor.

Interest: The portion of any Rental Payment designated as and comprising interest as shown in the attached Exhibit B.

Land: The real property described in Exhibit A hereto.

Lessee Powers Act: Minnesota Statutes, Sections 465.71 and 469.041, as from time to time amended.

Lessor Powers Act: Minnesota Statutes, Sections 469.090 through 469.1082.

Net Proceeds: Any property insurance proceeds or Condemnation award, paid with respect to the Project, remaining after payment therefrom of all expenses incurred in the collection thereof.

Non-appropriation: The failure of the governing body of Lessee to appropriate money for any Fiscal Year of Lessee sufficient for the continued performance of this Lease by Lessee, as evidenced by the passage of an ordinance or resolution specifically prohibiting Lessee from using any moneys to pay the Rental Payments due under this Lease for a designated Fiscal Year and all subsequent Fiscal Years.

Paying Agent: The Executive Director of the Lessor.

Payment Date: The date as provided in Exhibit B attached hereto, prior to which date a Rental Payment is required to be paid as provided in Section 5.1.

Permitted Encumbrances: As of any particular time: (i) liens for taxes and assessments not then delinquent, or which Lessee may, pursuant to provisions of Section 7.3, permit to remain unpaid, (ii) this Lease and amendments hereto, (iii) Lessor's interest in the Project, (iv) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, and any such lien which Lessee may, pursuant to Article VIII, permit to remain unpaid.

Principal: The portion of any Rental Payment designated as principal in the attached Exhibit B.

Project: Project Improvements, Project Equipment and the Land which are being leased or, as to the Land, subleased, to the City pursuant to this Lease and which are more fully described in the attached Exhibit A.

Project Acquisition Fund: The account by that name established by Lessee under Section 5-1 of the Bond Resolution for the purpose of accounting for proceeds of the Bonds used to pay Project Costs.

Project Costs or Cost of the Project or Cost: All costs of purchase, construction and installation of the Project including the following:

(a) all costs and expenses necessary or incident to the acquisition of the Project Improvements and Project Equipment;

(b) fees and expenses of surveyors and engineers for estimates, surveys, soil borings and soil tests and other preliminary investigations and items necessary for the commencement of construction, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of surveyors and engineers in relation to either the construction, furnishing and equipping of the Project or the making of the Lease;

(c) all costs and expenses of every nature incurred in purchasing and constructing the Project Improvements and purchasing and installing the Project Equipment including the actual cost of labor, materials, machinery, furnishings and equipment as payable to contractors, builders and materialmen in connection with the construction, furnishing and equipping the Project;

(d) the cost of any insurance and performance and payment bonds maintained during the construction period in accordance therewith;

(e) expenses of administration, supervision and inspection properly chargeable to the Project, underwriting expenses, legal fees and expenses, fees and expenses of accountants and other consultants, publication and printing expenses and other fees and expenses which are necessary or incidental and to the making of the Lease and the issuance of the Bonds or to the acquisition, purchase, construction, installation, furnishing and equipping of the Project;

(f) all other items of expenses not elsewhere specified in this definition as may be necessary or incident to: (i) the making of the Lease; (ii) the acquisition, purchase, construction, installation, equipping and furnishing of the Project; and (iii) the financing thereof; and

(g) reimbursement to Lessee or Lessor or those acting for it for any of the above-enumerated costs and expenses incurred and paid by them before or after the execution of the Lease.

Project Equipment: All items of machinery, equipment or other personal property installed or acquired or to be acquired for installation in the Project Improvements or elsewhere on the Land and paid for in whole or in part from the proceeds of the Bonds and all replacements thereof and substitutions therefor made pursuant to the Lease.

Project Improvements: All buildings, structures, improvements and fixtures located on or to be purchased, constructed and otherwise improved on the Land and all additions, alterations, modifications and improvements thereof made pursuant to the Lease.

Purchase Option Price: The amount payable, at the option of the Lessee, on any applicable Payment Date set forth on the attached Exhibit C, for the purpose of terminating the Lease and purchasing the Project, which amount shall be equal to the amount provided in the attached Exhibit C.

Registered Holders: The person or persons in whose name any outstanding Bond is registered as provided in the Bond Resolution.

Rental Payment: The payment due from Lessee to Lessor prior to each Payment Date during the Term of this Lease, as provided in Section 5.1 and shown on the attached Exhibit B.

Specifications: The bid specifications and/or similar document pursuant to which Lessee has contracted for any portion of the Project from a Contractor.

State: The State of Minnesota.

State and Federal Law or Laws: The Constitution and any law of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any federal agency.

Sublease: The Sublease between the Lessee and Immanuel St. Joseph's-Mayo Health System, a Minnesota non-profit corporation, of even date herewith.

Term of this Lease or Lease Term: The period commencing as of September 17, 2010 and ending on September 17, 2032, subject to earlier termination in accordance with the provisions of the Lease.

Section 1.2. Exhibits.

The following Exhibits are attached to and by reference made a part of this Lease:

Exhibit A: Description of the Land and the Project being leased by Lessee pursuant to this Lease.

Exhibit B: Schedule indicating the date and amount of each Rental Payment coming due during the Lease Term and the amount of each Rental Payment comprising Principal and Interest.

Exhibit C: Schedule showing as of each applicable Payment Date the price at which Lessee may exercise its option to purchase Lessor's interest in the Project in accordance with Article X.

Exhibit D: Form of Certificate of Incumbency of Lessee relating to the offices or positions, signatures and qualifications of the persons executing on behalf of Lessee this Lease and other documents relating thereto.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, covenants and warrants as follows:

(a) Lessee is a municipal corporation and political subdivision of the State, duly organized and existing under the Constitution and laws of the State.

(b) The Project constitutes an authorized project under the Act.

(c) Lessee is authorized under the Constitution and laws of the State to enter into this Lease and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(d) The officers of Lessee executing this Lease have been duly authorized to execute and deliver this Lease under the terms and provisions of a resolution of Lessee's governing body, or by other appropriate official action.

(e) In authorizing and executing this Lease, Lessee has complied with all public bidding and other State and Federal Laws applicable to this Lease and the acquisition of the Project by Lessee.

(f) Lessee will not pledge, mortgage or assign this Lease, or its duties and obligations hereunder to any other person, firm or corporation except as provided under the terms of this Lease.

(g) The Project will be used during the Term of this Lease only to carry out the governmental purposes of Lessee.

(h) During the Term of this Lease, Lessee will not take any action which will cause the interest on the Bonds to become subject to Federal income taxation, including, but not limited to, permitting any person who is not a governmental unit to use, directly or indirectly, any portion of the Project in a trade or business so as to impair the tax exempt status of the Bonds, all within the meaning of Section 141 of the Code or causing the Bonds to be "arbitrage bonds" within Section 148 of the Code.

(i) Upon the execution of this Lease, Lessee will provide to Lessor a Certificate of Incumbency in the form attached hereto as Exhibit D.

(j) The Project will comply with all applicable land use, environmental control, building and zoning ordinances and regulations, if any.

(k) Lessee will cause the Project to be constructed in accordance with the Specifications on or before September 1, 2011.

(l) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions, and provisions of any restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, or constitutes a default under any of the foregoing.

Section 2.2. Tax-Exempt Status of the Bonds; Rebate. Lessee shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Bonds, and (3) the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued and outstanding at one time this calendar year) exceed the small-issuer exception amount of $5,000,000 under Section 148 of the Code. This covenant shall survive termination of this Lease.

Section 2.3. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants and warrants as follows:

(a) Lessor is a public body corporate and politic and a political subdivision duly organized and existing under the laws of the state of Minnesota.

(b) The Project constitutes an authorized project under the Act.

(c) The governing body of Lessor has made all necessary investigation and has determined that the Project will promote the public interest and welfare of the State of Minnesota and the City and the people thereof through the provision of public facilities required for the purpose of providing various services to the City residents and promoting economic development within the City.

(d) The construction and equipping of the Project, the issuance and sale of the Bonds, the execution and delivery of this Lease and the performance of all covenants and agreements of the Lessor contained in this Lease and of all other acts and things required under the Constitution and laws of the State of Minnesota to make this Lease valid and binding obligations of Lessor in accordance with their terms, are authorized and have been duly authorized by the Bond Resolution.

(e) Lessor has not made, done, executed or suffered and warrants that it will not make, do, execute or suffer any act or thing whereby its Lessor's interest in the Project shall or may be impaired or charged or encumbered, except as provided in the Bond Resolution.

(f) To finance the cost of the Project, Lessor proposes to issue the Bonds as provided in the Act and Bond Resolution in the aggregate principal amount of $2,466,000.

(g) There is no litigation pending or, to the best of its knowledge threatened, against Lessor relating to the acquisition, installation, construction or financing of the Project or to the Bonds or to this Lease or questioning the organization, powers or authority of Lessor.

(h) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessor is now a party or by which Lessor is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Lessor, or upon the Project except Permitted Encumbrances.

ARTICLE III

CONSTRUCTION AND LEASE OF PROJECT

Section 3.1. Cost of Project; Financing. Lessee has entered or will enter into one or more contracts for the Project with Contractors providing for the construction and installation of the Project. Any property to be acquired from the proceeds of the Bonds shall be deemed acquired on behalf of, but without liability to, the Lessor. Lessor and Lessee agree that, in order to ensure Lessee that moneys sufficient to pay the Project Costs will be available for this purpose when required, upon the execution of this Lease, Lessor shall deposit with the Lessee in a Project Acquisition Fund the proceeds derived from the sale of the Bonds except for sums deposited in the Bond Fund as provided in the Bond Resolution. Such moneys shall be deposited in a separate fund of the Lessee to be designated the Project Acquisition Fund and shall be used exclusively to pay Project Costs; provided that (1) all earnings derived from the investment of said moneys may be used by the Lessee to pay the Interest portion of the Rental Payments payable under this Lease until used for such purpose or used for other Project Costs, and (2) upon completion of the Project and payment of the Cost thereof, any excess monies in the Project Acquisition Fund may be applied towards the payment or prepayment of Rental Payments.

Section 3.2. Construction of Project; Payment of Cost. Lessee shall contract for the construction of the Project in accordance with State law. If the proceeds derived from the sale of the Bonds and deposited in the Project Acquisition Fund shall be insufficient to pay fully all Project Costs and to complete fully the Project free of liens, the Lessee shall pay the full amount of any such deficiency by making payments therefor directly to the contractor and to the suppliers of materials and services as the same shall become due, and the Lessee shall save the Lessor whole and harmless from any obligation to pay such deficiency; provided that the Lessee's obligation to pay any such deficiency shall be limited to its current budgeted appropriations for the Project, and the Lessee shall have no obligation to appropriate additional funds therefor. Notwithstanding the foregoing, the Lessee shall authorize no change in Specifications which would reduce the fair market value of the Project unless the Costs of the Project are reduced by at least as great amount and the Lessee shall not authorize any change in the Specifications which would increase the cost of the Project unless Lessee provides additional funds to pay the increased cost of the Project. If as a result of the change of Specifications, a change in the description of any Project Equipment set forth in Exhibit A must also be made, Lessor and Lessee shall, at Lessee's expense, amend this Lease to reflect that change, and each party shall, at the request of the other party but solely at Lessee's expense execute such other documents, such as a UCC termination statement or a supplemental financing statement, as the party reasonably determines is necessary or desirable to properly identify Project Equipment. For purposes of executing any such amendment or document, Lessor may require and in good faith conclusively rely upon a written statement of Lessee that such amendment or document complies with the provisions of this section. The Lessee shall exercise due care in the construction, use, operation and maintenance of the Project, and shall not install, use, operate or maintain the Project improperly, carelessly, in violation of any state and federal Law or for a purpose or in a manner contrary to that contemplated by the Lease. The Lessee shall obtain all permits and licenses necessary for the construction, operation, possession and use of the Project.

The Lessee shall comply with all State and federal laws applicable to the construction, use, possession and operation of the Project, and if compliance with any such state and federal law requires changes or additions to be made to the Project, such changes or additions shall be made by Lessee at its expense.

Section 3.3. Lease and Sublease. Lessor hereby leases or, as to the Land, subleases the Project to Lessee, and Lessee hereby leases or, as to the Land, subleases the Project from Lessor, upon the terms and conditions set forth in this Lease.

Section 3.4. Possession and Enjoyment. Lessor hereby covenants to provide Lessee during the Term of this Lease with the quiet use and enjoyment of the Project, and Lessee shall during the Term of this Lease peaceably and quietly have and hold and enjoy the Project, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Lease. Lessor will, at the request of Lessee and at Lessee's cost, join in any legal action in which Lessee asserts its right to such possession and enjoyment to the extent Lessor lawfully may do so.

Section 3.5. Lessor Access to Project. Lessee agrees that Lessor shall have the right at all reasonable times upon reasonable notice to examine and inspect the Project. Lessee further agrees that Lessor shall have such rights of access to the Project as may be reasonably necessary to cause the proper maintenance of any portion of the Project in the event of failure by Lessee to perform its obligations hereunder.

ARTICLE IV

TERM OF LEASE

Section 4.1. Lease Term. This Lease shall be in effect for a Lease Term commencing upon its date of execution and ending on the date the last Rental Payment is due and payable as shown in Exhibit B unless terminated by Lessee at the end of any Fiscal Year of Lessee occurring prior thereto in accordance with Section 4.2, or unless terminated as provided in Section 4.6.

Section 4.2. Termination by Lessee. In the sole event of Non-appropriation, Lessee shall have the right to terminate this Lease, in whole but not in part, at the end of any Fiscal Year of Lessee, in the manner and subject to the terms specified in this Section and Sections 4.4 and 4.5. Lessee may effect such termination by giving Lessor a written notice of termination and by paying to lessor any Rental Payments and any other amount due pursuant to Section 4.4 which are due and have not been paid and any other amount due pursuant to Section 4.4 at or before the end of its then current Fiscal Year. Lessee shall give notice of termination not less than sixty days prior to the end of such Fiscal Year, and shall notify Lessor of any anticipated termination. In the event of termination of this Lease as provided in this section, Lessee shall convey to Lessor and release its interest in the Project in accordance with Section 12.3 immediately after termination of this Lease.

Section 4.3. Intent to Continue Lease Term; Appropriations and Property Taxes. Lessee presently intends to continue this Lease for its entire Term and to pay all Rental Payments specified in Exhibit B. Lessee's Clerk will include in the annual budget request an appropriation of an amount sufficient to meet Lessee's obligations under this Lease. Subject to the provisions in Section 4.2 and subject to applicable law, Lessee shall levy ad valorem property taxes on all taxable property within the jurisdiction of the Lessee if and to the extent such taxes are necessary to pay when due all Rental Payments.

Section 4.4. Effect of Termination. Upon termination of this Lease as provided in Section 4.2, Lessee shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years. However, in consideration of use of the Project by Lessee through the end of the Fiscal Year then in effect, Lessee shall pay to Lessor on the last day of such Fiscal Year such pro rata portion of the next succeeding Rental Payment as it relates to the period of time from the date of the last Rental Payment paid by Lessee (as shown on Exhibit B) to the end of such Fiscal Year. If Lessee does not deliver possession of the Project to Lessor in accordance with Section 12.3 and convey to Lessor or release its interest in the Project immediately after the termination of this Lease, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments coming due under Exhibit B which are attributable to the number of days after termination of the Lease during which Lessee fails to take such actions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required.

Section 4.5. Nonsubstitution. If this Lease is terminated by Lessee in accordance with Section 4.2, Lessee agrees, to the extent permitted by law, not to purchase, lease or rent property to perform the same functions as, or functions taking the place of, those performed by the Project for a period of ninety days, provided, however, that these restrictions shall not be applicable in the event the Project shall be sold by Lessor and the amount received from such sale, less all costs of such sale, is sufficient to pay the then applicable Purchase Option Price as set forth in Exhibit C; or to the extent that the application of these restrictions would affect the validity of this Lease.

Section 4.6. Termination of Lease Term. The Term of this Lease will terminate upon the occurrence of the first of the following events:

(a) the termination thereof by Lessee in accordance with Section 4.2;

(b) the exercise by Lessee of its option to purchase or otherwise acquire Lessor's interest in the Project pursuant to Article X;

(c) a default by Lessee and Lessor's election to terminate this Lease pursuant to Article XII; or

(d) the payment by Lessee of all Rental Payments shown on Exhibit B hereto and the expiration of the Lease Term as stated in Section 4.1.

ARTICLE V

RENTAL PAYMENTS

Section 5.1. Rental Payments. Subject to the prepayment options set forth in Article X, Lessee shall, by wire transfer in immediately available funds, pay Rental Payments with respect to the moneys provided by Lessor under Section 3.1, on the Business Day immediately preceding each Payment Date and in the amount specified in the attached Exhibit B as of that Payment Date. Such Rental Payments comprise Principal and Interest as shown in Exhibit B. All Rental Payments shall be paid directly to the Lessor for deposit in the Bond Fund, and Lessee shall not be responsible for the use or application of such Rental Payments. Lessor represents and covenants that the Rental Payments shall be applied exclusively towards the payment of principal of and interest on the Bonds. Nothing herein shall affect Lessor's rights under this Lease in the event of default in the timely payment of any Rental Payment by Lessee. Any money, other than Rental Payments, deposited in the Bond Fund under the provisions of this Lease shall be credited against the last installments of Rental Payments due under this Lease but only if this Lease has not been terminated under Section 4.6(a) or (c).

Section 5.2. Interest Component. A portion of each Rental Payment is paid as and represents the payment of Interest. Exhibit B sets forth the Interest component of each Rental Payment.

Section 5.3. Rental Payments to be Unconditional. Except as provided in Section 4.2, the obligation of Lessee to make Rental Payments required hereunder, and to perform and observe all other covenants and agreements of Lessee contained herein, shall be absolute and unconditional in all events and the obligation to make such Rental Payments shall remain notwithstanding any dispute between Lessee and Lessor or any other person unless the Lessor shall violate the Lessee's right to quite enjoyment of the Project to such a degree that Lessee no longer enjoys its right of possession to the Project. Lessee shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of setoff or counterclaim against its obligation to make such Rental Payments or other payments required under this Lease. Lessee shall have the right pursuant to Section 7.3 to in good faith contest taxes, special assessments, utility or other charges in accordance with the provisions of Section 7.3. However, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor.

Section 5.4. Current Expense. The obligations of Lessee under this Lease, including its obligation to pay the Rental Payments due with respect to the Project, in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of Lessee for such Fiscal Year. The Lessee's obligations hereunder shall be from year to year only and shall not constitute an indebtedness, liability or mandatory payment obligation of Lessee in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision herein shall be construed or interpreted as creating a general obligation or other indebtedness of the Lessee within the meaning of any

Constitutional or statutory debt limitation. Except for the lien herein created in the Project and the proceeds thereof, nothing herein shall be construed to pledge or to create a lien on any taxes or on any other class or source of money of the Lessee, nor shall any provision herein restrict the future issuance of any bonds of the Lessee or obligations payable from any class or source of Lessee moneys.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

Section 6.1. Liability Insurance. The Lessee shall, at its own expense, cause comprehensive liability and property damage insurance to be carried and maintained with respect to the activities to be undertaken by and on behalf of the Lessee in connection with the use of the Project substantially the same as insurance carried by the Lessee with respect to other governmental activities.

Section 6.2. Property Insurance. The Lessee shall cause casualty and property damage insurance to be carried and maintained with respect to the Project in an amount at least equal to the outstanding Principal amount with a deductible not to exceed the deductible carried by the Lessee with respect to other similar governmental buildings.

Section 6.3. Worker's Compensation Insurance. If required by State law, Lessee shall carry Worker's Compensation Insurance covering all employees on, in, near or about the Project, and upon request, shall furnish to Lessor certificates evidencing such coverage throughout the Term of this Lease.

Section 6.4. Requirements For All Insurance. All insurance policies (or riders) required by this Article shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least thirty days before the cancellation or revision becomes effective. All insurance policies or riders required by Sections 6.1 and 6.2 shall name Lessee and Lessor as insured parties and, with respect to the property insurance, shall also name Lessor as loss payee. During the period of construction of the Project, the requirement that Lessor be named as an insured party under the liability insurance may be satisfied by having Lessor named as additional insureds under the liability insurance policy carried by the General Contractor. Lessee shall deposit with Lessor policies (and riders) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), Lessee shall furnish to Lessor evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article.

Section 6.5. Indemnification; Hazardous Substance.

(1) Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Project or any portion thereof and for injury to or death of any person or damage to any property, in any manner arising out of or incident to any possession, use, operation or condition of the Project or any portion thereof, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others to the maximum extent permitted by law, Lessee hereby assumes responsibility for and agrees to indemnify, protect, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims,

actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of the possession, use, operation or condition of the Project or the financing related thereto, unless caused by Lessor or its agents.

(2) Lessee hereby agrees to defend, indemnify and hold harmless Lessor, its officers, employees, agents, successors and assigns (hereinafter collectively referred to as the "Indemnities") from and against, and shall reimburse each such Indemnitee for any and all loss, claim, liability, damage, judgment, penalty, injunctive relief, injury to person, property or natural resources, cost, expense, action or cause of action arising in connection with or as the result of any past, present or future existence, use, handling, storage, transportation, manufacture, release or disposal of any Hazardous Substance in, on or under the Land, whether foreseeable or unforeseeable, regardless of the source, the time of occurrence or the time of discovery (hereafter collectively referred to as "Loss"). The foregoing indemnification against Loss includes, without limitation, indemnification against all costs in law or in equity of removal, response, investigation, or remediation of any kind, and disposal of such Hazardous Substances, all costs of determining whether the Land is in compliance with, and of causing the Land to be in compliance with, all applicable Environmental Laws, all costs associated with claims for damages to persons, property, or natural resources, and the Indemnities' reasonable attorneys' and consultants' fees, court costs and expenses incurred in connection with any thereof.

(3) The obligations of Lessee to indemnify the Indemnities shall survive satisfaction and payment in full of the Bonds, termination of this Lease. The rights of the Indemnities hereunder shall be in addition to any other rights and remedies which the Indemnities may have against the Land and the Lessee under this Lease or any other document or at law or in equity.

(4) Notwithstanding anything in this Lease to the contrary, if Lessor should, after the subleasing the Land to the Lessee as provided herein, subsequently terminate the Lease and reacquire possession of the Land under the Ground Lease (the date on which this event occurs being the "Transfer Date"), this Indemnity shall not apply to any Loss incurred by Lessor as a direct result of affirmative actions of Lessor as lessee and operator of the Land after Lessor has acquired possession of the Land under the Ground Lease if such affirmative actions of the Lessor are the sole and direct cause of the introduction and initial release of a Hazardous Substance in, on or under the Land; provided, however, that the Indemnitor shall bear the burden of proof that the introduction and initial release of such Hazardous Substance (i) occurred subsequent to the Transfer Date, (ii) did not occur as a result of any action of the Indemnitor, and (iii) did not occur as a result of a continuing migration or release of any Hazardous Substance introduced prior to the Transfer Date in, on, under or near the Project.

(5) Except as expressly provided for in this section, this indemnity shall remain in full force and effect, including, without limitation, with respect to Hazardous Substances which are discovered or released in, on or under the Land after the Transfer Date, and with respect to the continuing migration or release of any Hazardous Substance previously introduced in, on, under or near the Land. The foregoing limitations shall not affect or impair any rights, remedies or claims the Lessor may have outside the scope of this indemnity, at law or in equity, with respect to the Indemnitor or others.

Section 6.6. Damage to or Destruction of Project. If after the execution of this Lease with respect to all or a portion of the Project all or any part of the Project is lost, stolen, condemned, destroyed or damaged beyond repair, Lessee shall as soon as practicable after such event either: (i) replace the same at Lessee's sole cost and expense, such replacement to be of equal or greater value to the Project or any portion thereof, immediately prior to the time of the loss occurrence, whereupon such replacement shall be substituted in this Lease by appropriate endorsement; or (ii) exercise its option to purchase or otherwise acquire the Project as provided in Article X. Lessee shall, within ninety days after the loss occurrence, notify Lessor of which course of action it has taken or will take. If Lessee fails or refuses to so notify Lessor within the required period, Lessor may, at its option, require the Lessee to purchase the Project at the applicable Casualty Value of the Project, in which event said amount shall become immediately due and payable, and Lessee shall be obligated to pay the same to the Lessor. The Net Proceeds payable with respect to the loss shall be used to discharge Lessee's obligation under this Section. Upon Lessee purchasing or otherwise acquiring the Project as provided in this Section 6.6, this Lease shall terminate and Lessee thereupon shall become entitled to the Project **AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY Lessee**, except that the Project shall not be subject to any lien or encumbrance created by or arising through Lessor, except Permitted Encumbrances. To evidence the foregoing, the Lessor shall, at the request and expense of Lessee, execute such documents as Lessee reasonably determines are required to convey and release to Lessee, any and all of its remaining right, title and/or interest in and to the Project.

ARTICLE VII

OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. Lessee shall exercise due care in the construction, use, operation and maintenance of the Project, and shall not install, use, operate or maintain the Project improperly, carelessly, in violation of any State and federal Law or for a purpose or in a manner contrary to that contemplated by this Lease. Lessee shall obtain all permits and licenses necessary for the construction, operation, possession and use of the Project. Lessee shall comply with all State and federal laws applicable to the construction, use possession and operation of the Project, and if compliance with any such State and federal law requires changes or additions to be made to the Project, such changes or additions shall be made by Lessee at its expense.

Section 7.2. Maintenance of Project by Lessee. Lessee shall, at its own expense, maintain, preserve and keep the Project in good repair, working order, condition and/or operation, and shall from time to time make all repairs and replacements necessary to keep the Project in such condition. Lessor shall have no responsibility for any of these repairs or replacements.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this section, Lessee shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Project, or which become due during the Term of this Lease, whether assessed against Lessee or Lessor. Lessee shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments Lessee shall only be required to pay such installments, during the Term of this Lease as and when the same become due. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

Lessee may, at its own expense and in its own name, in good faith contest any such taxes, assessments, utility and other charges and shall notify the Lessor of such good faith contest and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom but only if nonpayment of any such items will not materially endanger the interest of Lessor in the Project, nor subject to loss or forfeiture, the Project or any part thereof. If this condition is not satisfied Lessee shall promptly pay such taxes, assessments, utility or other charges or provide Lessor with full security against any loss which may result from nonpayment, in form satisfactory to Lessor.

Section 7.4. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand with interest from the date of the advance to the date of repayment. The interest rate on the advance shall be 200 basis points greater than (1) the rate of interest at which the Lessor borrowed the money advanced or, (2) if the Lessor did not borrow the money, the rate of interest then being charged by the Paying Agent as its reference rate.

ARTICLE VIII

TITLE

Section 8.1. Title. During the Term of this Lease title to the Project and any and all repairs, replacements, substitutes and modifications to it shall be in Lessor. Upon termination of this Lease for the reason specified in Section 4.6, Clause (a) or (c) thereof, full and unencumbered title to the Project, but not the Land, shall pass to Lessor, and Lessee shall have no further interest in the Project under this Lease. In such event Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence passage of legal title to the Project, but not the Land, to Lessor and the termination of this Lease and of Lessee's interest in the Project thereunder; and upon request by Lessor, Lessee shall deliver possession of the Project to Lessor, in accordance with Section 12.3. Upon termination of this Lease for the reason specified in Section 4.6, Clause (b) or (d), Lessor's title to, if any, and security or other interest in the Project shall terminate, and Lessor shall, at Lessee's expense, execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's title, if any, to and security or other interest in the Project.

Section 8.2. Security Interest. Lessee hereby grants Lessor a security interest in all portions of the Project that are deemed personal property or fixtures pursuant to applicable law, the proceeds thereof and all repairs, replacements, substitutions and modifications thereto or thereof made pursuant to Section 8.5 and a security interest in the proceeds of all insurance policies, in order to secure Lessee's payment of all Rental Payments due during the Term of this Lease and the performance of all other obligations herein to be performed by Lessee. Lessee will cause to be executed, filed and recorded all instruments, including financing statements and continuation statements, and will perform such acts as are required to establish and maintain a valid and perfected security interest in such portions of the Project.

Section 8.3. Liens. During the Term of this Lease, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Project, other than the respective rights of Lessor and Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in Section 7.3 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time; provided that if any such lien for labor or materials is established against the Project and Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may in good faith contest any such lien, and in such event may permit the lien so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom but only if (1) nonpayment of any such item will not materially endanger the interest of Lessor in the Project, nor subject to loss or forfeiture the Project or any part thereof, and (2) the Lessee files with the Lessor an opinion of Independent Counsel stating in effect that neither event will occur. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 8.4. Installation of Lessee's Equipment. Lessee may at any time and from time to time, in its sole discretion and at its own expense, install items of fixtures, equipment and other personal property in or upon the Project. All such items shall remain the sole property of Lessee, in which Lessor shall have no interest, and may be modified or removed by Lessee at any time provided that Lessee shall repair and restore on a timely basis any and all damage to the Project resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent Lessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease-purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, or from entering into any other loan agreement secured by a lien or security interest in such property provided that no such lien or security interest shall attach to any part of the Project. Lessor shall, at the request and expense of Lessee, execute such releases and other documents as Lessee reasonably determines are necessary to facilitate such purchase or loan and as are consistent with the rights of the parties under this Lease; and as a condition to executing such documents, Lessor may require and in good faith conclusively rely upon a written statement of Lessee that the documents comply with the provisions of this section.

Section 8.5. Modification of Project. Subject to Lessee's rights under Section 8.4, Lessee shall, at its own expense, have the right to make repairs to the Project, and to make repairs, replacements, substitutions and modifications to all or any of the parts thereof. All such work and any part or component used or installed to make a repair or as a replacement, substitution or modification, shall thereafter comprise part of the Project and be subject to the provisions of this Lease. Such work shall not in any way damage the Project or cause it to be used for purposes other than those authorized under the provisions of State and Federal Law or those contemplated by this Lease; and the Project, upon completion of any such work shall be of value which is not less than the value of the Project prior to the commencement of such work. Any property for which a replacement or substitution is made pursuant to this section may be disposed of by Lessee in such manner and on such terms as are determined by Lessee. If as a result of such replacement or substitution, a change in the description of any Project Equipment set forth in Exhibit A must also be made, Lessor and Lessee shall, at Lessee's expense, amend this Lease to reflect that change, and each party shall, at the request of the other party but solely at Lessee's expense execute such other documents, such as a UCC termination statement or a supplemental financing statement, as the party reasonably determines are necessary or desirable to properly identify Project Equipment. Lessor shall also at Lessee's expense execute such other releases from the provisions of the Lease for any replacement equipment as Lessee may reasonably request. For purposes of executing any such amendment or document, Lessor may require and in good faith conclusively rely upon a written statement of Lessee that such amendment or document complies with the provisions of this section. Lessee will not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any repair, replacement, substitution or modification made by Lessee pursuant to this section; provided that Lessee may in good faith contest any such lien upon satisfaction of the conditions for contesting the lien set forth in Section 8.3 hereof. Lessor will cooperate fully with Lessee in any such contest, upon the request and at the expense of Lessee.

Section 8.6. Easements and Utility Access. Lessee may, at Lessee's expense, at any time and from time to time request Lessor to convey an easement affecting the Land to a railroad, corporate utility or public body, or any other person, upon written certification by an Independent Engineer that in that person's opinion the easement is necessary or desirable to provide rail, road or other access or utility service for the Project or other property and will not impair the usefulness of the Project for the purposes contemplated in this Lease and will not destroy the means of ingress thereto and egress therefrom. No such easement shall result in any abatement of rents or other sums payable by Lessee under this Lease. Lessor will execute the easement and join in the execution of a supplement to this Lease, providing for the subordination of this Lease to any such easement; but if at any time any Bonds remain outstanding under the Bond Resolution, the subordination shall not become effective until the following items are filed with, and/or where applicable, executed by, the Lessor:

(1) an executed duplicate of the Lease supplement, stating the purpose thereof and that neither Lessor nor Lessee is then in default under this Lease or the Bond Resolution;

(2) a copy of the easement (or if Section 8.7 is applicable, release) executed or to be executed by Lessor;

(3) a plat or survey of the Land prepared and certified by a registered Minnesota land surveyor, showing the land to be subjected to the easement as described in the easement (or if Section 8.7 is applicable, the land to be released) and the location in relation thereto of all buildings, structures and permanently installed equipment on the land, and all other easements, roads, tracks and utility installations;

(4) evidence of the authority of the officers executing the lease supplement and easement (or, if Section 8.7 is applicable, the release) on behalf of Lessor and Lessee, including a certified copy of an authorizing resolution of the governing body of Lessor and of Lessee; and

(5) the certificate of the Independent Engineer.

Any money received by Lessee for the easement shall be remitted to the Lessor and credited to the Bond Fund. For purposes of executing the instruments described in this Section 8.6, Lessor may require and in good faith conclusively rely upon a written statement of Lessee that the provisions of this Section 8.6 have been fully satisfied.

Section 8.7. Release of Unimproved Land. Lessee may, at Lessee's expense, at any time and from time to time request Lessor to release from the provisions of the Lease any part of the Land on which no building, structure or permanently installed equipment is situated, upon written certification by an Independent Engineer stating that in the Independent Engineer's opinion the land proposed to be released is not needed for the operation of the Project for the purposes stated in this Lease, and that the release will not impair the usefulness of the Project for these purposes and will not destroy the means of ingress thereto and egress therefrom. Lessor will join in the execution of a supplement to this Lease providing for the release thereof, subject to the following conditions:

(1) if at the time any Bonds remain outstanding under the Bond Resolution, the release shall not become effective until the filing with the Lessor of the following items:

(A) the items described in paragraphs (1) to (5), inclusive, of Section 8.6; and

(B) an opinion of Independent Counsel stating that the above documents satisfy the requirements of this Section and that the release is in appropriate form for execution by the respective parties; and

(2) the Lessee shall not be entitled to any abatement, reduction, or diminution of any rents payable under this Lease;

(3) any money received by Lessee for the sale of the released land to a third party shall be remitted to the Lessor and credited to the Bond Fund.

Section 8.8. Covenant For the Benefit of the Bondholders. Lessee recognizes the authority of the Lessor to pledge all moneys receivable under this Lease, including any proceeds from the sale of all or a part of the Project, as security for the payment of the principal of and interest and redemption premiums, if any, on the Bonds. Each of the terms and provisions of this Lease is a covenant for the use and benefit of the Holders of the Bonds, so long as any thereof shall remain outstanding; but upon payment in full of the Bonds and of all fees and charges of the Paying Agent, all references in this Lease to the Bonds shall be ineffective, and no Holder of any of the Bonds shall thereafter have any rights hereunder, save and except those that shall have theretofore vested.

ARTICLE IX

PROJECT WARRANTIES

Section 9.1. Selection of Project. The Project and the Contractors have been selected by Lessee, and Lessor shall have no responsibility in connection with the selection of the Project, its suitability for the use intended by Lessee, the selection of the Contractors, or any delay or failure by the Contractors to construct the Project for use by Lessee.

Section 9.2. Construction and Maintenance of Project. Lessor shall have no obligation to construct, inspect or maintain the Project or any portion thereof under any circumstances, but such actions shall be the obligation of Lessee or the Contractors.

Section 9.3. Contractors' Warranties. Lessor hereby assigns to Lessee for and during the Term of this Lease, all of its interest in all Contractors' warranties and guarantees, express or implied, issued on or applicable to the Project, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense.

Section 9.4. Disclaimer of Warranties. THE PROJECT IS LEASED AS IS, AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE PROJECT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

ARTICLE X

PREPAYMENT

Section 10.1. When Available. Lessee shall have the option to purchase Lessor's interest in the Project on September 17, 2013, and on any date thereafter, for the then applicable Purchase Option Price plus past due Rental Payments only in the manner provided in this Article. The option to purchase is subject to compliance with the City Charter.

Section 10.2. Exercise of Purchase Option. Lessee shall give notice to Lessor of its intention to exercise its purchase option not less than forty-five (45) days prior to the date on which the option is to be exercised and shall deposit with the Lessor on the date of exercise an amount equal to all Rental Payments and any other amounts then due or past due and the applicable Purchase Option Price. The purchase shall be on the Payment Date on which the option is to be exercised at the office of Lessor.

Section 10.3. Release of Lessor's Interest. Upon exercise by Lessee of its option to purchase Lessor's interest in the Project, this Lease shall terminate and Lessee thereupon shall become entitled to the Project **AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY Lessee,** except that the Project shall not be subject to any lien or encumbrance created by or arising through Lessor other than any Permitted Encumbrances. To evidence the foregoing, Lessor shall, at the request and expense of Lessee, execute such documents as Lessee reasonably determines are necessary to convey and release to Lessee, any and all of Lessor's remaining right, title and/or interest in and to the Project.

Section 10.4. Defeasance. Lessee shall have the option to provide for the payment of the Rental Payments (and, if applicable, the Purchase Option Price) by the deposit in escrow pursuant to an escrow agreement that satisfies the conditions for Bonds under the Bond Resolution, of cash or securities for which the full faith and credit of the United States are pledged for the payment of principal and interest or which are guaranteed as to payment of principal and interest by the United States, in an amount sufficient (together with interest earnings thereon) to provide for payment of said Rental Payments (and, if applicable, the Purchase Option Price) prior to their respective Payment Dates as provided in Section 5.1 through August 15, 2030, or such earlier Payment Date upon which an option to purchase would have been exercisable by Lessee; provided that such earlier Payment Date is designated by Lessee as the date on which the applicable Purchase Option Price shall be applied towards prepayment of the Bonds; and provided further that Lessee files with Lessor an opinion of Bond Counsel stating in effect that such defeasance will not impair the tax exempt status of the Bonds. Upon exercise by Lessee of this option, this Lease shall terminate and, at the request and expense of Lessee, Lessor shall convey and release its interest in the Project as provided in Section 10.3. For purposes of executing such release Lessor may in good faith conclusively rely upon a report of an independent certified public accountant acceptable to the Lessor stating in effect that the sums held in escrow satisfy the payment requirements set forth in this section.

ARTICLE XI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Assignment by Lessor. Subject to Section 8.8, Lessor shall not assign its obligations under this Lease, and no purported assignment thereof shall be effective. The Lessor's sole obligation is to provide to the Lessee quiet enjoyment of the Project. Any and all of Lessor's rights, title and/or interest in and to this Lease, the Rental Payments and other amounts due hereunder and the Project may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Lessor at any time pursuant to the Bond Resolution or otherwise, without the consent of Lessee. No such assignment shall be effective as against Lessee unless and until the assignor shall have filed with Lessee a copy or written notice thereof identifying the assignee. Lessee shall pay all Rental Payments due hereunder to or at the direction of Lessor or the assignee named in the most recent assignment or notice of assignment filed with Lessee.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Lease nor Lessee's interest in the Project may be assigned or subleased by Lessee without the written consent of Lessor, with consent to the Sublease hereby expressly given, and any such assignment or sublease shall not relieve Lessee from its obligation to make the Rental Payments hereunder; provided that Lessor's consent to a sublease shall not be required if (1) the sublease provides that the sublessee will not take any action in derogation of Lessee's obligations hereunder, (2) a copy of the sublease is filed with Lessor and the Paying Agent, and (3) either (A) the sublease is to a Governmental Unit or (B) an opinion of Bond Counsel is first filed with the Lessor and the Paying Agent stating in effect that the sublease will not impair the tax exempt status of the Bonds.

Section 11.3. Restriction on Mortgage or Sale of Project by Lessee. Lessee will not sell, transfer or convey its interest in the Project or any portion thereof during the Term of this Lease, without the written consent of Lessor.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever they are used in this Lease, with respect to the Project, any one or more of the following events:

(i) Failure by Lessee to pay any Rental Payment or other payment required to be paid under this Lease at the time specified herein (which in the case of a Rental Payment shall be five days prior to the Payment Date or, if Lessee elects to pay by wire transfer, the last Business Day immediately preceding the Payment Date) and, except in the case of a failure to pay when due any Rental Payment, the continuation of said failure for a period of seven days.

(ii) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Clause (i) of this Section, for a period of thirty days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by Lessee of a voluntary petition in bankruptcy; or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental or proprietary function; or adjudication of Lessee as a bankrupt; or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors; or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

(iv) The vacation or abandonment by the Lessee of the Project for a period of ninety consecutive days.

The provisions of this section and Section 12.2 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to carry out its obligations under this Lease with respect to the Project, other than its obligation to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots, landslides;

earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee and not resulting from its negligence. Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing Lessee from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of Lessee and Lessee shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of Lessee, unfavorable to Lessee.

Section 12.2. Remedies on Default. Whenever any event of default referred to in Section 12.1 hereof shall have happened and be continuing with respect to the Project, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(i) Lessor, with or without terminating this Lease, may declare all Rental Payments due or to become due during the Term of the Lease to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable. If Lessor has not terminated the Lease and has not declared all Rental Payments immediately due and payable and if Lessee has cured the event of default and pays the late charge provided in Section 12.6, if applicable, the Lessee shall be restored to its former position before the event of default occurred.

(ii) Lessor, with or without terminating this Lease, may repossess the Project or any portion thereof by giving Lessee written notice to vacate the Project, whereupon Lessee shall do so in the manner provided in Section 12.3; or in the event Lessee fails to do so within ten days after receipt of such notice, Lessor may enter upon the Project and take possession of the Project and charge Lessee for costs incurred in repossessing such portion of the Project, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. If the Project or any portion of it has been destroyed, wasted, or damaged beyond repair, Lessee shall pay the applicable Purchase Option Price of the Project, as set forth in Exhibit C (less credit for Net Proceeds), to Lessor. Lessee shall continue to be responsible for the payment of Rental Payments. If this Lease has not been terminated, Lessor shall return the Project or any portion thereof to Lessee at Lessee's expense when the event of default is cured.

(iii) If the Lessor terminates this Lease and takes possession of the Project or any portion thereof, Lessor shall have the right to sell the Project or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws. Lessor shall apply the proceeds of such sale to pay the following items in the following order; (a) all costs incurred in securing possession of the Project; (b) all expenses incurred in completing the sale; (c) the applicable Purchase Option Price of the Project; and (d) the balance of any accrued Rental Payments owed by Lessee. Any sale proceeds remaining after the requirements of Clauses (a), (b), (c) and (d) have been met may be retained by the Lessor.

(iv) Lessor may take any other remedy available at law or in equity to require Lessee to perform any of its obligations hereunder.

In no event however, shall the Lessee be liable under this article in excess of the moneys appropriated by it on a yearly basis (other than for any additional Rental Payments due if the Lessee occupies the Project after termination of the Lease pursuant to Section 4.4).

Section 12.3. Return of Project. Upon the termination of this Lease prior to the payment of all Rental Payments in accordance with Exhibit B, Lessee shall vacate the Project in the condition, repair, appearance and working order required in Section 7.2, reasonable wear and tear damage by the elements and insured damage excepted in the following manner as may be specified by Lessor; (i) by executing such documents as Lessor reasonably deems necessary to transfer all of Lessee's right, title and interest under this Lease in and to the Project to Lessor and (ii) by paying all reasonable costs and expenses whether incurred by the Lessor (including attorneys fees) with respect to such transfer of the property; provided that nothing herein shall limit the rights of Lessee as fee owner of the Land. If Lessee refuses to return the Project in the manner designated, Lessor may repossess the Project and charge to Lessee the costs of such repossession or pursue any remedy described in Section 12.2. In addition to all other remedies provided in this Lease, Lessor shall also have the right in its sole discretion to abandon the Project or any portion thereof, and upon such abandonment Lessor shall have no further interest in or any obligation with respect to the Project or the portion thereof being abandoned. In such event Lessor shall execute such documents as Lessee reasonably deems necessary to transfer all of Lessor's right, title and interest in and to the Project or the portion thereof being abandoned to Lessee.

Section 12.4. No Remedy Exclusive. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor.

Section 12.5. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the non-defaulting party should employ attorneys and/or incur other expenses for the collection of moneys or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fee of such attorneys and/or such other reasonable expenses so incurred by the non-defaulting party.

Section 12.6. Late Charge. Whenever any event of default referred to in Section 12.1, Clause (i) hereof shall have happened and be continuing with respect to the Project, Lessor shall have the right, at its option and without any further demand or notice, to require a late payment charge equal to four percent of the delinquent amount or such lesser amount as may be permitted by Minnesota law if four percent exceeds Minnesota law, and Lessee shall be obligated to pay the same immediately upon receipt of Lessor's written invoice therefor; provided, however, that this section shall not be applicable if or to the extent that the application thereof would affect the validity of this Lease.

ARTICLE XIII

ADMINISTRATIVE PROVISIONS

Section 13.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered or certified form with postage fully prepaid; provided that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

Section 13.2. Financial Information. Lessee shall annually provide Lessor with current financial statements and budgets, and such other financial information relating to the ability of Lessee to continue this Lease as may be requested by Lessor.

Section 13.3. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.4. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.5. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by Lessor and Lessee.

Section 13.6. Captions. The captions or headings in the Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

Section 13.7. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Lease.

Section 13.8. Execution In Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.9. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Lessor With Option to Purchase Agreement has caused this Lease With Option to Purchase Agreement to be executed in its corporate name by its duly authorized officer; and Lessee has caused this Lease With Option to Purchase Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF LE SUEUR, MINNESOTA,
Lessor

By _____
Its President

By _____
Its Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF LE SUEUR)

The foregoing instrument was acknowledged before me on Sept 14, 2010, by Henry D Kors, President, and Ruth Vorthuns, Secretary, of the Economic Development Authority of the City of Le Sueur, Minnesota, a public body corporate and politic and a political subdivision of the State of Minnesota, on behalf of said public entity.

_____
Notary Public

(Notarial Seal)

TODD MICHAEL CORYELL
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2015

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CITY OF LE SUEUR, MINNESOTA, Lessee

By _____
Its Mayor

By _____
Its City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF LE SUEUR)

The foregoing instrument was acknowledged before me on Sept. 14, 2010, by Robert Oberle, Mayor, and Richard Almich, City Clerk, of the City of Le Sueur, Minnesota, a municipal corporation and political subdivision of the State of Minnesota on behalf of said municipal corporation.

_____
Notary Public

(Notarial Seal)

TODD MICHAEL CORYELL
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2015

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EXHIBIT A

DESCRIPTION OF PROJECT AND LAND

PROJECT:

The construction and equipping of a family medicine primary care clinic.

LAND:

All that part of the North Half of the Northeast Quarter of Section 2, Township 111 North, Range 26 West, City of Le Sueur, Le Sueur County, Minnesota, described as follows:

Commencing at the southwest corner of Fractional Block 4, SMITH'S THIRD ADDITION, according to the recorded plat thereof; thence South 30 degrees 34 minutes 04 seconds West (assumed bearing) on the east line of Fourth Street according to the recorded plat of RISEDORPH'S ADDITION TO LE SUEUR, a distance of 477.73 feet; thence South 59 degrees 25 minutes 56 seconds East, 80.42 feet to the point of beginning; thence North 00 degrees 20 minutes 18 seconds East, 101.76 feet; thence northeasterly 98.79 feet on a 148.86 foot radius curve to the left, not tangent to previous line, having a central angle of 38 degrees 01 minutes 27 seconds and a 96.99 foot chord that bears North 76 degrees 56 minutes 20 seconds East; thence South 44 degrees 39 minutes 40 seconds East, not tangent to previous curve, 32.03 feet; thence South 00 degrees 20 minutes 18 seconds West, 30.28 feet; thence South 89 degrees 39 minutes 42 seconds East, 6.17 feet; thence South 00 degrees 20 minutes 18 seconds West, 13.42 feet; thence North 89 degrees 39 minutes 42 seconds West, 6.17 feet; thence South 00 degrees 20 minutes 18 seconds West, 36.33 feet; thence South 89 degrees 39 minutes 42 seconds East, 17.08 feet; thence South 00 degrees 20 minutes 18 seconds West, 18.66 feet; thence North 89 degrees 39 minutes 42 seconds West, 17.08 feet; thence North 00 degrees 20 minutes 18 seconds East, 7.31 feet; thence North 89 degrees 39 minutes 42 seconds West, 90.99 feet; thence South 00 degrees 20 minutes 18 seconds West, 10.20 feet; thence North 89 degrees 39 minutes 42 seconds West, 26.01 feet to the point of beginning.

EXHIBIT B
SCHEDULE OF RENTAL PAYMENTS

Pmt	Total Payment Due	After Payment Principal Balance	Payment Due Date
	$0.00	$2,466,000.00	Sep 17, 2010
1	$70,897.50	$2,466,000.00	Mar 17, 2011
2	$70,897.50	$2,466,000.00	Sep 17, 2011
3	$96,250.00	$2,440,647.50	Mar 17, 2012
4	$96,250.00	$2,414,566.12	Sep 17, 2012
5	$96,250.00	$2,387,734.89	Mar 17, 2013
6	$96,250.00	$2,360,132.27	Sep 17, 2013
7	$96,250.00	$2,331,736.07	Mar 17, 2014
8	$96,250.00	$2,302,523.48	Sep 17, 2014
9	$96,250.00	$2,272,471.03	Mar 17, 2015
10	$96,250.00	$2,241,554.58	Sep 17, 2015
11	$96,250.00	$2,209,749.27	Mar 17, 2016
12	$96,250.00	$2,177,029.56	Sep 17, 2016
13	$96,250.00	$2,143,369.16	Mar 17, 2017
14	$96,250.00	$2,108,741.03	Sep 17, 2017
15	$96,250.00	$2,073,117.33	Mar 17, 2018
16	$96,250.00	$2,036,469.45	Sep 17, 2018
17	$96,250.00	$1,998,767.95	Mar 17, 2019
18	$96,250.00	$1,959,982.53	Sep 17, 2019
19	$96,250.00	$1,920,082.03	Mar 17, 2020
20	$96,250.00	$1,879,034.38	Sep 17, 2020
21	$96,250.00	$1,836,806.62	Mar 17, 2021
22	$96,250.00	$1,793,364.81	Sep 17, 2021
23	$96,250.00	$1,748,674.05	Mar 17, 2022
24	$96,250.00	$1,702,698.43	Sep 17, 2022
25	$96,250.00	$1,655,401.01	Mar 17, 2023
26	$96,250.00	$1,606,743.79	Sep 17, 2023
27	$96,250.00	$1,556,687.67	Mar 17, 2024
28	$96,250.00	$1,505,192.44	Sep 17, 2024
29	$96,250.00	$1,452,216.73	Mar 17, 2025
30	$96,250.00	$1,397,717.96	Sep 17, 2025
31	$96,250.00	$1,341,652.35	Mar 17, 2026
32	$96,250.00	$1,283,974.85	Sep 17, 2026
33	$96,250.00	$1,224,639.13	Mar 17, 2027
34	$96,250.00	$1,163,597.51	Sep 17, 2027
35	$96,250.00	$1,100,800.94	Mar 17, 2028
36	$96,250.00	$1,036,198.96	Sep 17, 2028
37	$96,250.00	$969,739.68	Mar 17, 2029
38	$96,250.00	$901,369.70	Sep 17, 2029
39	$96,250.00	$831,034.08	Mar 17, 2030
40	$96,250.00	$758,676.31	Sep 17, 2030
41	$96,250.00	$684,238.25	Mar 17, 2031
42	$96,250.00	$607,660.10	Sep 17, 2031
43	$96,250.00	$528,880.33	Mar 17, 2032
44	$544,085.64	$0.00	Sep 17, 2032

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EXHIBIT C

SCHEDULE OF PURCHASE OPTION PRICE AND CASUALTY VALUES

Payment	After Payment Termination Value	Payment Due Date
		Sep 17, 2010
1		Mar 17, 2011
2		Sep 17, 2011
3		Mar 17, 2012
4		Sep 17, 2012
5		Mar 17, 2013
6	$2,401,988.93	Sep 17, 2013
7	$2,372,334.06	Mar 17, 2014
8	$2,341,857.01	Sep 17, 2014
9	$2,310,534.98	Mar 17, 2015
10	$2,278,344.55	Sep 17, 2015
11	$2,245,261.64	Mar 17, 2016
12	$2,211,261.51	Sep 17, 2016
13	$2,176,318.72	Mar 17, 2017
14	$2,140,407.15	Sep 17, 2017
15	$2,103,499.92	Mar 17, 2018
16	$2,065,569.45	Sep 17, 2018
17	$2,026,587.35	Mar 17, 2019
18	$1,986,524.47	Sep 17, 2019
19	$1,945,350.85	Mar 17, 2020
20	$1,903,035.69	Sep 17, 2020
21	$1,859,547.34	Mar 17, 2021
22	$1,814,853.28	Sep 17, 2021
23	$1,768,920.08	Mar 17, 2022
24	$1,721,713.38	Sep 17, 2022
25	$1,673,197.87	Mar 17, 2023
26	$1,623,337.28	Sep 17, 2023
27	$1,572,094.29	Mar 17, 2024
28	$1,519,430.60	Sep 17, 2024
29	$1,465,306.80	Mar 17, 2025
30	$1,409,682.43	Sep 17, 2025
31	$1,352,515.86	Mar 17, 2026
32	$1,293,764.36	Sep 17, 2026
33	$1,233,383.97	Mar 17, 2027
34	$1,171,329.53	Sep 17, 2027
35	$1,107,554.63	Mar 17, 2028
36	$1,042,011.58	Sep 17, 2028
37	$974,651.35	Mar 17, 2029
38	$905,423.55	Sep 17, 2029
39	$834,276.41	Mar 17, 2030
40	$761,156.72	Sep 17, 2030
41	$686,009.79	Mar 17, 2031
42	$608,779.40	Sep 17, 2031
43	$529,407.81	Mar 17, 2032
44	$1.00	Sep 17, 2032

EXHIBIT D

CERTIFICATE OF INCUMBENCY

I, the undersigned, hereby certify that I am the duly qualified and acting City attorney * of the City of Le Sueur, Minnesota ("Lessee"); and, with respect to the Lease With Option to Purchase Agreement, dated as of September 17, 2010 (the "Lease"), by and between Lessee and the Economic Development Authority of the City of Le Sueur, Minnesota ("Lessor"), that I am well acquainted with the persons listed below and with their signatures; that the persons hold the respective offices or positions set forth opposite their signatures below; that the signatures below written are true and correct signatures of the officers; and that as of the date of execution of the Lease or other documents relating thereto by any of the officers, they were duly qualified and acting as the officers or position holders indicated below and duly authorized to execute the same:

Name	Office or Position	Signature
Robert Oberle	Mayor	
Richard Almich	City Clerk	

Dated: September 14, 2010.

CITY OF LE SUEUR, MINNESOTA,
Lessee

By _____
Its City Attorney

Subscribed and sworn to before me
this 14th day of September, 2010.

Kathryn M Holicky
Notary Public

(Notarial Seal)

KATHRYN M. HOLICKY
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2015

*This Certificate of Incumbency must be executed by an officer of Lessee different from those persons whose signatures are listed in the text hereof.

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EXHIBIT B

FORM OF TERMINATION LETTER FOR MAYO SUBLEASE

_____, 2017

[City of Le Sueur letterhead]

VIA CERTIFIED MAIL
Receipt No.:
Immanuel St. Joseph's - Mayo Health System
Attn: Jerome Crest
1025 Marsh Street
Mankato, MN 56002

VIA CERTIFIED MAIL
Receipt No.:
Mayo Clinic Legal Department
200 First Street SW
Rochester, MN 55905

To Whom It May Concern:

The City of Le Sueur, Minnesota, ("Sublessor") and Immanuel St. Joseph's - Mayo Health System ("Sublessee") are parties to a certain Sublease dated September 17, 2010 regarding a medical clinic facility located in the City of Le Sueur, Minnesota. Pursuant to Section 2 of the Sublease, "Term," the Sublessor hereby gives Sublessee notice that the Sublease will not be renewed at the end of its current term, which the Sublessor's records indicate expires on August 30, 2018. As such, no automatic renewal of the lease term shall occur and Sublessor shall vacate the Leased Premises (as defined in the Sublease) prior to the expiration of the current term in conformance with the terms of the Sublease.

Very truly yours,

c: CEO, Minnesota Valley Health Center

EXHIBIT C

FORM OF MEMORANDUM OF LEASE

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "**Memorandum**"), is made and entered into effective December _____, 2016, by and between the City of Le Sueur, Minnesota, a municipal corporation (the "**Sublessor**"), Minnesota Valley Health Center, Inc., a Minnesota nonprofit corporation (the "**Sublessee**"), and the Economic Development Authority of the City of Le Sueur, a public body corporate and politic and a political subdivision duly organized and existing under the laws of the State of Minnesota (the "**Prime Lessor**").

RECITALS

A. Sublessor and Sublessee have entered into a Clinic Sublease Agreement dated December _____, 2016 (the "**Sublease**") pursuant to which Sublessor is subleasing to Sublessee, and Sublessee is subleasing from Sublessor, certain real property in the City of Le Sueur, Le Sueur County, Minnesota, legally described as follows:

> All that part of the North Half of the Northeast Quarter of Section 2, Township 111 North, Range 26 West, City of Le Sueur, Le Sueur County, Minnesota, described as follows:
>
> > Commencing at the southwest corner of Fractional Block 4, SMITH'S THIRD ADDITION, according to the recorded plat thereof; thence South 30 degrees 34 minutes 04 seconds West (assumed bearing) on the east line of Fourth Street according to the recorded plat of RISEDORPH'S ADDITION TO LE SUEUR, a distance of 477.73 feet; thence South 59 degrees 25 minutes 56 seconds East, 80.42 feet to the point of beginning; thence North 00 degrees 20 minutes 18 seconds East, 101.76 feet; thence northeasterly 98.79 feet on a 148.86 foot radius curve to the left, not tangent to previous line, having a central angle of 38 degrees 01 minutes 27 seconds and a 96.99 foot chord that bears North 76 degrees 56 minutes 20 seconds East; thence South 44 degrees 39 minutes 40 seconds East, not tangent to previous curve, 32.03 feet; thence South 00 degrees 20 minutes 18 seconds West, 30.28 feet; thence South 89 degrees 39 minutes 42 seconds East, 6.17 feet; thence South 00 degrees 20 minutes 18 seconds West, 13.42 feet; thence North 89 degrees 39 minutes 42 seconds West, 6.17 feet; thence South 00 degrees 20 minutes 18 seconds West, 36.33 feet; thence South 89 degrees 39 minutes 42 seconds East, 17.08 feet; thence South 00 degrees 20 minutes 18 seconds West, 18.66 feet; thence North 89 degrees 39 minutes 42 seconds West, 17.08 feet; thence North

00 degrees 20 minutes 18 seconds East, 7.31 feet; thence North 89 degrees 39 minutes 42 seconds West, 90.99 feet; thence South 00 degrees 20 minutes 18 seconds West, 10.20 feet; thence North 89 degrees 39 minutes 42 seconds West, 26.01 feet to the point of beginning.

(the "**Leased Premises**").

B. The parties wish to give notice of the existence of the Sublease.

NOW, THEREFORE, in consideration of the sum of one dollar ($1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Sublessor, Prime Lessor and Sublessee have entered into the Sublease described above.

2. The term of the Sublease commences and expires as described in the Sublease.

3. The Sublease, as amended, grants Sublessee an option to purchase the Leased Premises.

4. The parties agree that upon the expiration or earlier termination of the Sublease they will execute and acknowledge a written termination, in recordable form, of this Memorandum.

5. This Memorandum has been executed and is to be recorded for the purpose of giving notice of the Sublease and Sublessee's option to purchase the Leased Premises, and it is in no way intended to supersede or vary the terms or conditions of the Sublease. Nothing contained herein shall be construed to amend, modify, change, alter, amplify, interpret or supersede any of the terms and provisions of the Sublease, which shall in all things control.

6. The terms and conditions of the Sublease are incorporated by reference into this Memorandum as if set forth fully herein at length.

7. This Memorandum may be executed in several counterparts, each of which when executed is an original, but all of which together shall constitute one instrument. Separate signature pages may be signed by various parties and each complete set of pages hereto, with a signature page signed by each party, shall constitute an original of this Memorandum.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed effective the day and year first above written.

[signature pages follow]

SUBLESSOR:

CITY OF LE SUEUR, MINNESOTA

By:_____
Mayor

By:_____
City Clerk

STATE OF MINNESOTA)
) ss.:
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 2016, by Robert Broeder, Mayor, and Stacy Lawrence, City Clerk, of the City of Le Sueur, Minnesota, a municipal corporation and political subdivision of the State of Minnesota, on behalf of said municipal corporation.

_____
Notary Public

SUBLESSEE:

MINNESOTA VALLEY HEALTH CENTER, INC.

By:_____

Name:_____

Its:_____

STATE OF MINNESOTA)
) ss.:
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 2016, by _____, the _____ of Minnesota Valley Health Center, Inc., a Minnesota nonprofit corporation, on behalf of the corporation.

_____
Notary Public

PRIME LESSOR:

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF LE SUEUR, MINNESOTA

By:_____
Its: President

By: _____
Its: Secretary

STATE OF MINNESOTA)
) ss.:
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 2016, by _____, President, and _____, Secretary, of the Economic Development Authority of the City of Le Sueur, Minnesota, a public body corporate and politic and a political subdivision duly organized and existing under the laws of the State of Minnesota, on behalf of the public entity.

_____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Melchert Hubert Sjodin, PLLP
121 West Main Street, Suite 200
Waconia, MN 55387-1023
Phone: (952) 442-7700
Fax: (952) 442-6166
(jmm)

https://mhslaw.sharepoint.com/sites/clients/4/39868/draftdocs/clinic sublease/clinic sublease 10-27-2016.docx

CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider Approving Agreement Regarding Ambulance Service

DATE: For the City Council Meeting of Monday, November 14, 2016

PURPOSE/ACTION REQUESTED
Consider approval of an agreement with Ridgeview Medical Center (RMC) regarding management of the ambulance service.

SUMMARY
Over recent months the City Council has received a recommendation from the Minnesota Valley Health Center (MVHC) Board of Directors regarding the future of MVHC. That future has been set forth in an affiliation agreement they have entered into with RMC. There are several prerequisites in that affiliation agreement that staff has brought forward for Council consideration.

The stated goal of MVHC and RMC through the affiliation agreement is to increase the healthcare services that are provided locally by creating an integrated, seamless healthcare system of hospital, clinic, ambulance and nursing home.

The last component of that agreement for Council consideration is with respect to the City's ambulance service. RMC has proposed to either acquire the ambulance service or enter into a long-term agreement with the City for provision of ambulance service. The City Council directed staff to discuss with RMC the terms for a long-term management agreement.

The City Council previously received a draft of a proposed long-term agreement. That draft has now been amended to reflect the outcome of those discussions.

Many of the provisions of that draft agreement remain unchanged;

- The term of the agreement is 20 years.
- Termination for Cause. The City has the right to terminate the agreement if RMC fails to deliver Basic Life Support (BLS) service.
- The City will sell the ambulance property to RMC for $1.00 (not including the garage facility).
- The City will terminate all ambulance personnel and RMC will offer employment to those who meet RMC's minimum employment qualifications.
- Upon the expiration or termination of the agreement, RMC will reconvey all City ambulance property still in the possession of RMC to the City for $1.00.
- RMC will within six months apply to the EMSRB to upgrade the current BLS license to

ALS (Advanced Life Support).

- Within one year RMC will acquire a new or used replacement ambulance.
- RMC will provide dispatching, a licensed physician, insurance coverages, billing services and quarterly reporting.

There are three sections of the original agreement that have been revised that I would like to bring to your attention:

> Section 2.1.4 Transfer of Ambulance Funds. At the time of the Closing, the City shall pay to RMC, in cash or by company check, all funds held in the ambulance accounts identified in Exhibit A.

The City has two ambulance accounts, the Equipment Acquisition Fund and the Operations fund.

The Equipment Acquisition Fund has a balance today of $196,426.86.

The Operations fund is where the revenue is received, and monthly expenses (regular bills, payroll, etc) are disbursed. The amount in that fund will vary from week to week/month to month, but at the end of the second quarter of this year, the balance was $145,095.

Depending on the actual closing date, the City proposes to withhold from those funds $38,500 in order to cover the following costs:

- $7,000 for Refresher Class for 17 current personnel
- $7,500 for December 2016 payroll expenses
- $24,000 to cover 2017, 2018 and 2019 garage and quarters, any building repairs, maintenance and operating expenses including utilities.

For the remaining years of the agreement, the City will be required to cover those garage and quarter, building repairs, maintenance and operating expenses including utility costs annually.

Section 2.1.6 indicates that within 90 days following the closing RMC and the City agree to reconcile the remaining payables.

> Section 2.2 Reconveyance of City Ambulance Property

Should the City exercise its option to, without cause, terminate the agreement because MVHC has 'unwound' the affiliation agreement or if RMC voluntarily terminates the agreement, RMC will in addition to reconveying all City Ambulance Property still in its possession and pay the City an amount equal to 1) the transferred funds *less* 2) any unspent portion of the transferred funds reconveyed to the City as part of the City ambulance property.

> Section 3.4 Staffing of Ambulance

If the ALS is granted RMC will employ one full-time certified paramedic. Paramedic coverage will be limited to those times that RMC schedules the Paramedic to work.

> 3.9 Deployment

With respect to a second ambulance, RMC shall maintain a second ambulance at the garage if in RMC's reasonable discretion, that call volume or the size of the PSA necessitates a second ambulance AND local on-call employees are available to staff the second ambulance. No

changes to ambulance deployment in the City or PSA shall be made without the express written consent of the City.

RECOMMENDATION

The Ambulance Services E-Board (President, Vice-President, Secretary and Treasurer) have provided their insight and comments into the terms of the agreement. Ambulance Service personnel have met and continue to meet with RMC Ambulance personnel on the various aspects of the transition.

In support of the MVHC's Board of Directors recommendation and the stated goals of the parties, as well as maintaining the City's ownership of the PSA license, staff recommends the Council approve the Agreement Regarding Ambulance Service as set forth.

On a separate but related note, Ambulance personnel currently receive a discounted membership rate to the Community Center per the policy adopted by the City Council in November of 2014. As an incentive to current and future ambulance personnel, I recommend that the discounted membership rate remain in place.

AGREEMENT REGARDING AMBULANCE SERVICE

(Management)

This Agreement Regarding Ambulance Service (the "**Agreement**") is dated December _____, 2016 (the "**Effective Date**") and is between Ridgeview Medical Center, a Minnesota nonprofit corporation ("**RMC**") and the City of Le Sueur, a Minnesota municipal corporation (the "**City**").

RECITALS

WHEREAS, the Le Sueur ambulance service was originally established in 1970 and is currently owned by the City; and

WHEREAS, a group of volunteers known as the Le Sueur Volunteer Ambulance Association (the "**Ambulance Association**") currently staffs the City's ambulance service; and

WHEREAS, the City provides basic life support ("**BLS**") ambulance service pursuant to License #0279 (the "**BLS License**"), which was issued by the Minnesota Emergency Medical Services Regulatory Board (the "**EMSRB**"); and

WHEREAS, the City currently provides such BLS ambulance service to the primary service area described in the BLS License, which includes the City of Le Sueur, the City of Henderson and all or portions of Derrynane, Jessenland, Kelso, Ottawa, Sharon, Tyrone and Lake Prairie Townships (the "**PSA**"); and

WHEREAS, the City owns the ambulance vehicle, personal property and funds described in attached Exhibit A (the "**City Ambulance Property**"); and

WHEREAS, Minnesota Valley Health Center, Inc. ("**MVHC**") and RMC have entered into an Affiliation Agreement dated June 24, 2016, as amended (collectively, the "**Affiliation Agreement**"); and

WHEREAS, pursuant to the Affiliation Agreement, RMC has agreed to purchase a membership interest in MVHC and become MVHC's sole member if certain conditions are met; and

WHEREAS, RMC has provided the City with a copy of the Affiliation Agreement for the City's review; and

WHEREAS, in order to satisfy a condition contained in the Affiliation Agreement regarding the Le Sueur ambulance service, RMC and the City desire to enter into this Agreement; and

WHEREAS, RMC and the City have reviewed this Agreement with the Ambulance Association and the Ambulance Association has provided comments and input regarding this Agreement and the transactions described herein; and

WHEREAS, pursuant to Resolution _____ adopted by the City Council on _____, 2016, the City has approved the execution of this Agreement;

AGREEMENTS

NOW, THEREFORE, RMC and the City agree as follows:

1. **Term of Agreement**.

   1.1 **Term**. The term of this Agreement shall be for a period of twenty (20) years commencing on the date of Closing described in Section 2.1.1 (the "**Commencement Date**"), unless sooner terminated as provided below.

   1.2 **Termination Without Cause**. MVHC has a right under Section 6.1 of the Affiliation Agreement to terminate its affiliation with RMC and effectively return the Affiliation Agreement parties to their pre-affiliation operations ("**Unwind**"). If MVHC exercises its right to Unwind its affiliation with RMC, the City shall have a right and option (the "**City's Option**") to terminate this Agreement, without cause, by giving written notice of termination to RMC, which notice must be given no later than the effective date of the Unwind. If the City's notice is not timely given to RMC, then the City's Option shall lapse and shall thereafter be forever null and void. Further, RMC may terminate this Agreement, without cause, if RMC ever ceases to be a member of MVHC by giving written notice of termination to the City, which notice must be given no later than the date that RMC ceases to be a member of MVHC. If RMC's notice is not timely given to the City, then RMC's Option shall lapse and shall thereafter be forever null and void. Any termination shall be effective ninety (90) days after written notice of termination is given to the non-terminating party.

   1.3 **Termination for Cause**. The City shall have the right to terminate this Agreement for cause if RMC fails to deliver BLS emergency medical services to the City in conformance with applicable EMSRB requirements. RMC shall have the right to terminate this Agreement for cause if the City defaults on any of its obligations under this Agreement. In either case, the party claiming the deficiency or default shall provide notice to the other party of the nature of the deficiency or default and allow the other party sixty (60) days from the date such notice is given to cure (the "**Cure Period**"). If the deficiency or default is cured within the Cure Period, this Agreement shall continue. If the deficiency or default is not cured within the Cure Period, then this Agreement shall automatically terminate upon the expiration of the Cure Period.

2. **Asset Purchase and Reconveyance**.

   2.1 **Purchase**. The City agrees to sell and RMC agrees to buy the City Ambulance Property, including all transferrable warranties relating thereto (the "**Asset Purchase**") for the sum of $1.00 (the "**Purchase Price**"). RMC agrees to accept the City Ambulance Property in its "as is" physical condition at the time of conveyance. Further, the conveyance shall be made without any warranties by the City as to physical condition and shall be made with the understanding that any implied warranties of merchantability or fitness for a particular purpose are disclaimed.

The parties acknowledge that the City Ambulance Property does not include the ambulance garage facility and that the City shall retain ownership of the ambulance garage facility. The following provisions shall govern the Asset Purchase:

2.1.1. **Location, Date and Time of Closing**. The closing on the Asset Purchase (the **"Closing**") shall occur concurrent with the closing contemplated by Article IV of the Affiliation Agreement.

2.1.2. **Payment of Purchase Price**. At the time of the Closing, RMC shall pay the City the Purchase Price in cash or by company check.

2.1.3. **Bill of Sale**. At the time of Closing, the City and RMC shall each execute a Bill of Sale for the City Ambulance Property in the form attached as Exhibit B and the City shall deliver the same to RMC.

2.1.4. **Transfer of Ambulance Funds**. At the time of the Closing, the City shall pay to RMC, in cash or by company check, all amounts held in the Ambulance Equipment Acquisition Fund and the Ambulance Operating Fund identified in attached Exhibit A (the "**City Ambulance Funds**"), subject only to the Ambulance Operating Fund adjustments described in Section 2.1.5 below. The City agrees to maintain and operate the City Ambulance Funds in the normal course of business so that the balances of such funds at Closing do not materially differ from the balances shown on attached Exhibit A. For purposes of this Agreement, "**Transferred Ambulance Funds**" means the funds actually transferred by the City to RMC at closing.

2.1.5. **Ambulance Operating Fund Adjustments at Closing**. The following amounts shall be deducted from the City Ambulance Funds before they are transferred to RMC:

(1) $7,000.00 for a medical training refresher class for the seventeen (17) current ambulance personnel.

(2) Payroll owed by the City for services provided by ambulance personnel prior to Closing ($7,500 per month).

(3) $24,000.00 for anticipated expenses associated with Garage (defined in Section 4.1 below) maintenance, repairs and utilities for 2017, 2018 and 2019. This amount is set and shall not be subject to adjustment if actual expenses differ. Further, Section 4 controls the City's obligations regarding the Garage and nothing herein modifies such obligations, except to the extent the City is receiving the above-referenced amount to offset expenses incurred by the City for the years listed above.

2.1.6. **Reconciliation of Expenses**. Within ninety (90) days after Closing, the City and RMC shall reconcile any operating expenses associated with the ambulance services not otherwise addressed by Section 2.1.5, Section 4.2

or elsewhere in this Agreement so that the City pays those expenses associated with the operation of the ambulance service on and before Closing and Ridgeview pays such expenses after Closing. To the extent either party needs to reimburse the other party, reimbursement of any undisputed amounts shall be made within ten (10) days after the reconciliation occurs. Further, to the extent RMC needs to reimburse the City, RMC shall be given credit for any sums received by the City pursuant to Section 2.1.8(2) below.

2.1.7. **Vehicle Title Transfers**. Immediately after the Closing, appropriate representatives of the City and RMC shall meet at a Minnesota Department of Motor Vehicles Office and take all action necessary to transfer title to any motor vehicles included as part of the City Ambulance Property from the City to RMC.

2.1.8. **Accounts Receivable**. Accounts receivable associated with operation of the ambulance service before and on the date of the Closing shall be retained by the City, but sums paid in regard to such accounts shall be handled as follows:

(1) Sums received by the City prior to the date of the Closing shall be paid over to RMC as part of the ambulance fund transfers described in Section **Error! Reference source not found.** above.

(2) Sums received by the City on or after the date of the Closing shall be retained by the City as its property.

2.1.9. **Representations and Warranties of City**. The City represents and warrants that, at the time of the Closing, the City will own title to all City Ambulance Property free and clear of all liens and encumbrances. Between the Effective Date of this Agreement and the date of the Closing, the City shall maintain all City Ambulance Property in good working order and repair and in substantially the same condition as it existed as of the Effective Date of this Agreement, ordinary wear and tear excepted.

2.1.10. **Excluded Property**. Notwithstanding anything to the contrary set forth herein, the Ambulance Property does not include any employee/volunteer contracts or any employee/volunteer benefit plan assets. Further, the Ambulance Property does not include any service contracts or leases, except for those listed on Exhibit A as part of the Ambulance Property, if any. If any service contracts or leases are listed as part of the Ambulance Property, the parties agree to execute an Assignment and Assumption Agreement regarding such service contracts and/or leases in the form attached hereto as Exhibit C.

2.1.11. **Volunteers and Employees**. On or before the date of the Closing, the City shall terminate all employees and volunteers to the extent they are working for the ambulance service. In connection with such termination,

the City shall pay to its employees and volunteers all accrued paid time off, retirement benefits, and other benefits due upon termination. RMC agrees to offer all employees and volunteers that meet RMC's minimum employment qualifications a position with the ambulance service after the Closing. If requested by RMC, the City shall deliver to RMC before the date of the Closing the following information as to each of its employees and volunteers associated with the ambulance service: name; salary or wage rate (if applicable); date of hire or retention; vacation entitlement (if applicable); and the amount and monetary value of accrued vacation and any other benefits as of the date of the Closing (if applicable). At RMC's option, RMC shall have the right to talk with such employees and volunteers about the proposed sale of the City Ambulance Property and its effect upon them at any time before the date of the Closing. Except as provided above, RMC shall be under no obligation to hire any of the City's employees or volunteers.

2.1.12. **No Assumption of Liabilities**. The transfer of the City Ambulance Property from the City to RMC in no way obligates RMC for any liabilities, debts, contracts or other obligations of the City incurred in connection with the City's operation of the ambulance service including, but not limited to, any liabilities, expenses, or costs of the City, including attorneys' fees, incurred as a result of any past, present, or future litigation arising out of any transaction or occurrence that took place before the Closing is consummated.

2.2 **Reconveyance of City Ambulance Property**. Upon the expiration or earlier termination of this Agreement (the "**Termination Date**"), RMC agrees to reconvey all of the City Ambulance Property still in RMC's possession or control (including any Transferred Ambulance Funds that have not yet been spent by RMC) to the City for one dollar ($1.00) promptly after the termination occurs and the City agrees to accept such City Ambulance Property in its "as is" condition at the time of conveyance. The conveyance shall be made without any warranties by RMC and subject to the understanding that any implied warranties of merchantability or fitness for a particular purpose are disclaimed. Except as provided below, all City Ambulance Property that is replaced during the term of this Agreement (including any replacement ambulance and any other replacements purchased with Transferred Ambulance Funds) shall be retained by RMC as its property. Further any new equipment acquired by RMC to provide ambulance services (including any new ambulance and any other new equipment purchased with Transferred Ambulance Funds) shall be retained by RMC as its property. Promptly after the Termination Date occurs, however, RMC shall pay the City a sum equal to the aggregate of all trade-in credits and sales proceeds received by RMC for City Ambulance Property conveyed to third parties during the term of this Agreement. Further, if the City exercises the City's Option to terminate this Agreement without cause because Unwind has occurred (as described in Section 1.2 above) or RMC

voluntarily terminates this Agreement because it has withdrawn as MVHC's sole member, then RMC shall, in addition to reconveying the City Ambulance Property, pay the City an amount equal to: i) the Transferred Ambulance Funds, *less* ii) any unspent portion of the Transferred Ambulance Funds reconveyed to the City as part of the City Ambulance Property.

3. **Duties of Ridgeview**.

3.1 **Application for ALS License**. No later than six (6) months after the Closing occurs, RMC shall submit an application to the EMSRB, on behalf of the City, to upgrade BLS license #0279 to an ALS license. The City and RMC shall work together, in good faith, to effectuate the license upgrade as contemplated by this section, which efforts shall include, but not be limited to, providing the EMSRB with any documentation and information it requests in connection with the license upgrade application. The City acknowledges there is no guaranty that the license upgrade request will be granted.

3.2 **Replacement Ambulance**. No later than one (1) year after the Closing occurs, RMC shall acquire a new or used replacement ambulance vehicle capable of providing ALS to the PSA. The City and RMC acknowledge that RMC may apply all, or any portion of, the City Ambulance Funds received by RMC pursuant to Section **Error! Reference source not found.** above toward the acquisition cost of the such replacement ambulance, to any other equipment used to provide ambulance service to the PSA, for training personnel, or for any other purposes in support of the ambulance service. Notwithstanding anything to the contrary above, if RMC's application to upgrade the existing BLS license to an ALS license is denied, RMC may retain the ambulance conveyed to RMC as part of the City Ambulance Property and forego purchasing the replacement ambulance described above.

3.3 **Providing and Equipping Ambulance Located at Garage**. RMC shall provide ambulance services for the City within the PSA as described in this Agreement. The City shall not take any action to modify the size or location of the PSA unless the City has RMC's prior, written consent to such modification. The ambulance services provided shall be BLS unless the ALS license upgrade described in Section 3.1 above is granted. If the ALS license upgrade is granted, RMC shall determine, in its sole discretion, what type of ambulance services are provided (i.e., BLS or ALS) at any given time. In regard to the ambulance services provided, RMC shall station one (1) fully equipped and functioning ambulance at the Garage described in Section 4.1 below. RMC agrees to mark the ambulance usually stationed at the Garage to reflect that the ambulance is stationed in the City. RMC further agrees to equip the ambulance with such communication devices, medical equipment, medicines and supplies and other machines, devices and equipment as may be required to conform with all applicable laws, regulations, standards of care, ordinances (other than those ordinances adopted by the City) and EMSRB requirements. In addition, RMC will provide all medicines and other medical

supplies required, in RMC's reasonable judgment, to provide the BLS or ALS, as applicable.

3.4 **Staffing of Ambulance**. RMC will provide qualified staffing of the ambulance to meet the minimum EMSRB staffing requirements. For the EMTs and/or other qualified staff, RMC will utilize paid on-call employees of RMC for the primary ambulance who do not have budgeted hours and do not, at RMC's option, receive any benefits (i.e. paid vacation, insurance coverage, retirement benefits). If the ALS license upgrade is granted, RMC agrees to use good faith efforts to employ one (1) full time certified paramedic (the "**Paramedic**") in connection with the ambulance services provided pursuant to this Agreement. The parties acknowledge that one Paramedic cannot provide full-time paramedic coverage and that, consequently, Paramedic coverage will be limited to those times that RMC schedules the Paramedic to work.

3.5 **Dispatching**. RMC shall provide (without any expense on the part of the City) all required, necessary and proper dispatching for the ambulance service and provide pre-arrival instructions to the caller for calls received by RMC.

3.6 **Providing a Licensed Physician**. RMC shall appoint a licensed physician who is experienced in emergency services to provide medical direction for the ambulance service. Duties of the appointed licensed physician include, but are not limited to:

3.6.1. Assisting in the education and training of the Paramedic (if applicable) and the EMTs and/or staff who will staff the ambulance;

3.6.2. Reviewing the program, policies and procedures utilized by the Paramedic, the EMTs and/or other qualified staff who will staff the ambulance to promote quality and consistency of the medical care provided; and

3.6.3. When appropriate, consulting, through radio, telephone or other communication devices, with the Paramedic, EMTs and/or other qualified staff who staff the Ambulance.

3.7 **Insurance**. RMC agrees to provide insurance for the ambulance, the Paramedic (if applicable), the EMTs and any other employees and physicians employed by RMC in connection with the ALS Service as follows:

3.7.1. **Commercial General Liability Insurance**. Commercial general liability insurance with coverage limits of at least $1,000,000.00 each occurrence, $3,000,000.00 aggregate;

3.7.2. **Umbrella Coverage**. Excess/umbrella liability coverage with coverage limits of at least $2,000,000 each occurrence, $2,000,000 aggregate.

3.7.3. **Professional Liability Coverage**. Professional liability insurance for the Paramedic and the EMTs with coverage limits equal to or exceeding the coverage limits applicable to paramedics and emergency medical technicians providing services in RMC's own primary service area.

RMC shall provide the City with an annual Certificate of Insurance naming the City as an Additional Insured (except in regard to any professional liability coverage) and reflecting that the coverage in force meets or exceeds the above requirements.

3.8 **Providing Reports to City and Other Governmental Bodies**. RMC and the City will meet on a quarterly basis to review the operations covered by this Agreement. The City may, at its discretion, invite other governmental bodies located in the PSA to participate in such meetings. The subjects to be addressed at those quarterly operational review meetings will include, but not be limited to, the following:

3.8.1. Total volume of ambulance calls;

3.8.2. Volume categorized by chief medical complaint; and

3.8.3. Response time (defined as the time from which RMC's dispatch receives the emergency call to the ambulance's arrival at the scene of the medical emergency) categorized by level of service provided.

3.9 **Deployment**. RMC agrees that the Ambulance will be deployed outside the PSA only as an emergency back-up resource pursuant to the City's mutual aid agreements. If the Ambulance is deployed and another call for ambulance service within the PSA is made, the City and RMC will utilize the Second Ambulance (as defined below) to provide BLS if, at the time of the call, EMTs and/or other qualified staff sufficient to staff the Second Ambulance are available. In all other cases, the City's mutual aid agreements will be used if a call for service within the PSA is made and the ambulance is already deployed. No change shall be made to deployment that affects ambulance deployment in the City and the PSA without the express written consent of the City. For purposes of this Section 3.9, the "**Second Ambulance**" means any second ambulance then located at the Garage that is equipped and supplied to provide BLS services. RMC shall maintain a Second Ambulance at the garage if RMC determines, in its reasonable discretion, that call volume or the size of the PSA necessitates a second ambulance and local on-call employees are available to staff such second ambulance.

3.10 **Response Time**. RMC shall be responsible for maintaining an average response time equal to or better than the average historical response times of the City for locations and distances within the PSA during the three (3) years immediately preceding the Commencement Date.

3.11 **Assistance for City's ALS Licensure**. RMC shall be solely responsible for managing all aspects of the City's ambulance license as required by the State of Minnesota and the EMSRB, including but not being limited to, inspection, documentation, data submission and renewals.

3.12 **Survey Cards**. RMC shall provide survey cards to the users (emergency victims or their survivors) and provide the City with an annual report for each year of this

Agreement which summarizes RMC's responses, quality of care for ambulance calls and responses to said survey cards.

3.13 **Garage and Quarters**. RMC shall be responsible for keeping the portions of the Garage and the Quarters (as defined below) used by RMC in a clean and neat appearance.

4. **Duties of the City**.

4.1 **Garage and Quarters**. The City shall, provide a garage facility selected by the City, from time to time, and approved by RMC (the "**Garage**"). The parties acknowledge the Garage will initially be located at 601 South 5th Street, Le Sueur, Minnesota. In addition, the City shall provide space, acceptable to RMC, that will serve as quarters for the ambulance staff who are stationed at the garage (the "**Quarters**"). The City agrees to provide and maintain a Garage and Quarters large enough for their intended use, equipped for their intended use (excepting RMC's obligation to provide the Ambulance) and in good condition and repair. RMC agrees that the Garage and the Quarters will be used by RMC for the sole purpose of maintaining the Ambulance and associated staff.

4.2 **Operating Expenses**. The City agrees to pay the operating expenses of the Garage and the Quarters, including without limitation, all expenses and costs that the City shall pay or become obligated to pay because of or in connection with the ownership and operation of the Garage and Quarters, including utilities and maintenance, repairs and replacements, the total of all taxes and installments of assessments (and interest thereon), general and special, ordinary and extraordinary, assessed, levied or imposed upon and payable with respect to the Garage and the Quarters.

4.3 **Utilities and Services**. The City, at its expense, shall furnish to the Garage and the Quarters:

4.3.1. Water, sanitary sewer and electricity services;

4.3.2. Heat during the usual heating season and air conditioning during the usual air conditioning season; and

4.3.3. Telephone and internet service.

4.4 **Modifications and Improvements**. Should any governmental agency of applicable jurisdiction (including, but not being limited to, Federal or State OSHAs) require modifications to the Garage or Quarters for safety, health or handicap accessibility reasons, such required modifications or improvements shall be paid for by the City.

4.5 **Common Areas and Parking**. In addition to the Garage and the Quarters, the City grants RMC the right of non-exclusive use, in common with others, of:

4.5.1. Common corridors, passageways, elevators and toilet rooms, unrestricted parking areas and landscaped areas around the Garage and the Quarters; and

4.5.2. Unrestricted automobile parking areas, driveways and walkways around the Garage and the Quarters.

4.6 **RMC's Use of Garage Space and Quarters**. RMC will not intentionally do or permit anything to be done upon the Garage or the Quarters, or any part thereof, which would:

4.6.1. Impair the appearance of the Garage or the Quarters;

4.6.2. Impair or interfere with any services for the proper and economic heating, cleaning, air conditioning or other servicing of the Garage and the Quarters;

4.6.3. Occasion discomfort or inconvenience to other users or occupants of the Garage or the Quarters;

4.6.4. Make void or voidable any insurance in force upon the Garage and the Quarters, or increase the cost of any insurance upon the Garage and the Quarters;

4.6.5. Make it impossible to obtain fire insurance or other insurance upon the Garage and the Quarters;

4.6.6. Cause or be likely to cause structural damage to the Garage or any part thereof;

4.6.7. Constitute a public or private nuisance; or

4.6.8. Violate any present or future laws or regulations of any governmental authority.

4.7 **Insurance**. The City agrees to provide, at its own expense for so long as this Agreement remains in effect, liability and property insurance for the Garage and Quarters in accordance with the Minnesota Statutes that govern insurance requirements for municipalities. If the Garage, the Quarters, or any portion thereof are damaged or destroyed by casualty, condemnation or any other cause, the City agrees, at its expense, to promptly restore the same to substantially the same condition as existed prior to the damage or destruction. Further, the City shall, at its expense, arrange for and provide comparable, substitute space to RMC if the Garage, the Quarters or any portion thereof are damaged to such an extent that RMC can no longer use them to provide the ambulance service. The City shall list RMC as an additional insured regarding all such insurance coverage.

4.8 **No City Subsidy**. Other than the requirements set forth within this Section 4, the City shall not be responsible for paying any subsidy to RMC for the provision of ambulance services. The City recognizes that the ability to continue to provide full time ambulance services is dependent on the ability to utilize paid on-call

volunteers and the City will encourage the community to become active members of the ambulance service.

5. **Billing**. RMC will have the exclusive right and responsibility to bill and collect from all patients and third-party payers a reasonable and customary fee for all services rendered by RMC pursuant to this Agreement and will have the authority to determine the amounts of such fees using a methodology consistent with that used by RMC in its primary service area. The City will not bill any patient or third-party payer for any services rendered by RMC under this Agreement.

6. **Confidential Information**. Each party acknowledges that, as a result of this Agreement, each party and said party's employees or agents may become informed of, and have access to, valuable and confidential information of the other party, including, without limitation, pricing information, fees, budgets, charges, non-medical protocols, non-medical policies, staffing, business planning and strategies (the "Confidential Information"). Accordingly, except as required by law, neither party shall, at any time, either during or subsequent to the term of this Agreement, use, reveal, report, publish, copy, transcribe, transfer or otherwise disclose to any person, corporation or other entity, any of the Confidential Information of the other party, without the prior written consent of the non-disclosing party, except to responsible officers, employees or agents of the non-disclosing party and other responsible persons who are in a contractual or fiduciary relationship with the non-disclosing party. This provision does not apply to information which legally and legitimately is or becomes known in the public domain through sources other than the parties to this Agreement or is construed as public information under the Minnesota Government Data Practices Act and/or the Federal Freedom of Information Act.

7. **Risk and Indemnification**. Each party shall be responsible for its own acts and omissions. Further, the parties agree as follows.

   7.1 **City's Obligations**. The City shall indemnify, defend, and hold harmless RMC and its members, directors, officers, employees, agents and volunteers from and against all claims, damages, losses and expenses (including reasonable attorney's fees and court costs) to the extent arising out of the City's operation of the ambulance service or to the extent arising out of the City's operation or maintenance of the Garage or Quarters.

   7.2 **RMC's Obligations**. RMC shall indemnify, defend, and hold harmless the City and its officials, employees, agents and volunteers from and against all claims, damages, losses and expenses (including reasonable attorney's fees and court costs) to the extent arising out of the RMC's operation of the ambulance service.

   7.3 **Survival**. The provisions of this Section 7, and the obligations contained herein, shall survive the expiration or earlier termination of this Agreement.

8. **Compliance**. The City and RMC intend to comply with all applicable laws, rules, and regulations, including the federal anti-kickback statute (42 U.S.C. 1320a-7(b)) and related "safe harbor" regulations. Accordingly, the parties agree this Agreement is not intended to generate referrals for services or supplies for which payment may be made in whole or in part under any federal healthcare program. The amounts paid pursuant to this Agreement have been set without reference to the volume or value of any referrals or other business that may occur between the parties and represent the fair market value of the rent and services furnished and have been negotiated through good-faith and arm's length bargaining. Nothing herein shall be construed to require one party to refer patients or business to another party or to any other person or entity. If any law is enacted or becomes effective, any regulation is promulgated or becomes effective, any court or administrative agency decision is rendered, any administrative agency interpretation is issued, or any similar action is taken which, in the opinion of counsel to either party, is likely to cause any of the Agreement's provisions to be in violation of law or to compromise RMC's tax-exempt status, then the parties will use their best efforts, proceeding with dispatch and without unnecessary delay, to reform this Agreement to remedy the concern while still achieving, as nearly as possible, the original goals of the parties to this Agreement.

9. **Remedies**. In addition to any termination right granted in Section 1.3 above, if any party breaches this Agreement the non-breaching party shall have all rights available at law or in equity. Further, the parties agree the City's obligations under this Agreement are unique in light of the Affiliation Agreement between RMC and MVHC and that money damages cannot adequately compensate RMC for any loss it will incur if the City breaches its obligations under this Agreement. Consequently, in lieu of terminating this Agreement, RMC may bring a suit for specific performance of this Agreement. In connection with any such action for specific performance, the City agrees that it will not request a bond.

10. **Miscellaneous**.

10.1 **Notices**.

10.1.1. **City**. All notices or communications that RMC may desire or is required to give to the City shall be deemed sufficiently given or rendered if in writing and i) personally delivered to the City at: Attn: City Administrator, 203 South Second Street, Le Sueur, Minnesota 56058 ("**The City's Address**"); ii) sent to The City's Address via overnight courier with item tracking; or iii) sent to The City's Address via registered or certified U.S. Mail. The time of rendition or the giving of such notice or communication shall be deemed to be the day of delivery in the case of personal delivery or the day after the same is deposited with an overnight courier or with the U.S. Postal Service in the case of the other permitted forms of delivery. The City may change its address for notice at any time by giving RMC notice of the change.

10.1.2. **RMC**. All bills, statements, notices or communications that the City may desire or is required to give to RMC shall be deemed sufficiently given or rendered if in writing and i) personally delivered to RMC at: Attn: President/CEO, Ridgeview Medical Center, 500 South Maple Street, Waconia, Minnesota 55387 ("**RMC's Address**"); ii) sent to RMC's Address via overnight courier with item tracking; or iii) sent to RMC's Address via registered or certified U.S. Mail. The time of rendition or the giving of such notice or communication shall be deemed to be the day of delivery in the case of personal delivery or the day after the same is deposited with an overnight courier or with the U.S. Postal Service in the case of the other permitted forms of delivery. RMC may change its address for notice at any time by giving the City notice of the change.

10.2 **Relationship between the Parties**.

10.2.1. **No Employment or Joint Venture**. It is expressly acknowledged by the parties hereto that nothing in this Agreement is intended, nor shall it be construed, so as to create an employer-employee or joint venture relationship between RMC and the City and/or its employees or independent contractors.

10.2.2. **No Withholding Benefits**. Each party further agrees that the status of each of its employees or independent contractors providing services hereunder shall remain the same at all times during the term of this Agreement. The parties shall not be responsible for, and agree to indemnify and hold the other party harmless against, any and all claims, liabilities or payments of any wages, salaries, taxes, fringe benefits or other employment-type payments or benefits owed to or because of each party's own employees or independent contractors.

10.3 **Access to Records**. If legally required, the City agrees that, for a period of four (4) years from the last date of any services provided hereunder, it shall make available to authorized agents of the Secretary of Health and Human Services, this Agreement, any amendments to this Agreement, and any books, documents or records belonging to the City or any related entity that may be necessary to verify the nature and extent of any payments made to RMC hereunder. Any such access shall be in accordance with the written regulations established by the Secretary of Health and Human Services. The provisions of this Section 10.3, and the obligations contained herein, shall survive the expiration or earlier termination of this Agreement.

10.4 **Assignment**. Neither party shall assign this Agreement without the prior written consent of the other party; provided, however, that RMC may assign this Agreement and it rights and obligations hereunder to any entity controlling, controlled by or under common control with RMC or to any entity that acquires or leases substantially all of RMC's assets.

10.5 **Amendments**. This Agreement supersedes any prior agreements and understandings between the parties relating to the subject matter hereof. No modification, termination or waiver of any of the provisions of this Agreement shall be valid unless in writing signed by both parties.

10.6 **Construction of Agreement**. The City and RMC have participated jointly in the negotiation and drafting of this Agreement and no presumption or burden of proof shall arise favoring or disfavoring any party. The word "including" shall mean including without limitation. The parties intend that each representation, warranty, and covenant contained in this Agreement have independent significance. The captions used in this Agreement are for convenience only and do not constitute terms of the Agreement. In the event that a court of competent jurisdiction holds any provision invalid or unenforceable, the remaining provisions of this Agreement shall nonetheless be enforceable. Further, in the event such court determines that any provision herein is held to be overbroad as written, such provision shall be deemed amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and enforced as amended.

10.7 **Governing Law**. This Agreement is governed by and shall be construed according to Minnesota law, exclusive of choice of law rules.

10.8 **Non-Waiver**. The failure of either party to insist in any one (1) or more instances upon the performance of the terms, covenants or conditions of this Agreement and to exercise any rights hereunder shall not be construed as a waiver or relinquishment of future performance of any such term, covenant or condition or the future exercise of such right. The obligations of the other party with respect to such future performance shall continue in full force and effect.

10.9 **Impossibility of Performance**. Neither party shall be deemed to be in default under this Agreement if it is prevented from performing its obligations hereunder for any reason beyond its control or is materially adversely affected in the performance of its obligations by acts of God, acts of civil or military authority, fires, floods or other natural disasters, strikes, governmental laws and regulations.

10.10 **No Third Party Beneficiaries**. Nothing in this Agreement creates any obligations to any person or entity that is not a party to this Agreement.

10.11 **Time**. All references in this Agreement to "days" shall mean calendar days unless expressly referred to as "business days." If the day for performance of any obligation under this Agreement is a Saturday, Sunday or legal holiday, then the time for performance of that obligation shall be extended to the first following day that is not a Saturday, Sunday or legal holiday. Time is of the essence.

10.12 **Attorneys' Fees and Court Costs**. In any dispute or litigation between the City and RMC concerning the default or alleged default by the City or RMC under this Agreement, the prevailing party shall be entitled to reimbursement by the other

party of all reasonable attorneys' fees and court costs incurred in such dispute or litigation.

10.13 **Exhibits and Recitals**. The exhibits attached to this Agreement and the provisions contained in such exhibits are incorporated by reference as terms of this Agreement. Further, the provisions contained in the introductory paragraph and any recitals of this Agreement are also incorporated as terms of this Agreement.

10.14 **Counterparts and Facsimile Signatures**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and together which shall constitute one and the same document. Signatures transmitted by fax, email or other electronic means shall be deemed binding, delivered and enforceable.

10.15 **Agreement Only Effective upon Full Execution**. Submission of this document for examination does not constitute an offer or option. This Agreement shall become effective only upon full execution and delivery by the City and RMC.

11. **Contingency**. This Agreement is contingent upon RMC and MVHC successfully consummating the closing contemplated by Article IV of the Affiliation Agreement. If such closing has not occurred by March 31, 2017 then either party may terminate this Agreement thereafter by giving the other party written notice of termination, which termination shall be effective when given.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as follows:

[*Signature pages follow*.]

Signature page to Agreement Regarding Ambulance Service

RIDGEVIEW MEDICAL CENTER,
a Minnesota nonprofit corporation

By_____

Its_____

Signature page to Agreement Regarding Ambulance Service

CITY OF LE SUEUR,
a Minnesota municipal corporation

By_____
Its Mayor

By_____
Its City Clerk

EXHIBIT A

List of City Ambulance Property

Vehicle:

Truck - 395 (Main Rig)

2009 Ford - Braun
VIN #1FDXE45P19DA13127
Approximate Annual Mileage -
Actual Mileage as of 11.02.2016 -

Truck - 396 (Back Up Rig)

2003 Ford -
VIN #1FDXE45F43HB42194
Approximate Annual Mileage -
Actual Mileage as of 11.02.2016 -

Equipment

Quantity	Equipment Description	Manufacturer
1	GPS Unit - 2689	Garmin
1	Scoop Stretcher	
3	Long Back Boards	
2	Safety Helmets	
2	Fire Extinguisher	
1	Stair Chair	Striker
1	FR2 AED	Philips
1	Bioterrorism PPE Kit	
3	Small Sandbags (5"x12")	
5	Oxygen Tanks - D	
1	Oxygen Tanks - M	
1	Oxygen Tank - D Regulator (On Cot)	
7	Board Splints	Morrison Medical
1	Tire Iron	
1	Axe	
1	Bolt Cutter	
1	Tool Box - Misc Small Tools	
1	Inflatable Vacuum Splint - Full Body	MDI Ecolab
1	MAST Pants - Pediatric	
1	MAST Pants - Adult	
1	Landing Zone Lights	

2	Megamover for Backboards	
1	Megamover	
1	Pediatric Immobilazation Board	
1	KED	
1	SAGER Splint	
1	HARE Traction Splint	
1	LUCAS 2 Chest Compression System	
1	LUCAS Charger	Physio Control
1	LUCAS Spare Battery	Physio Control
1	Portable Suction	Laerdal
1	Power Cot	Striker
4	Shoe Traction Kits	
1	Nebulizer Machine	
3	Stethoscope	
1	BP Cuff	
1	MCI Kit (Tags and Vests)	
9	Pro-Splints	Medspec
2	Air Splints (Set of 6)	Mark Clark
1	Infant Cot Seat - Pedi Mate	Ferno
2	Heavy Blankets	
2	Pillows	
1	Lifepak 15	Physio Control
1	Cell Phone	Samsung
1	Laptop Computer	Getac
5	Hi-Vizability Vests	

<u>Bags - Portable Oxygen, First In Bag, & Pediatric Equipment</u>

1	Oxygen Tanks - D	
1	Oxygen Tank - D Regulator (In Bag)	
1	Pediatric BP Cuff	
1	Pediatric Stethoscope	
6	Pediatric Pro-Splints	Medspec
1	Pulse Oximeter	Nonin
1	BP Cuff	
1	Stethescope	
1	Temporal Thermometer	
1	GPS Unit - 2689	Garmin
1	Scoop Stretcher	
2	Long Back Boards	
2	Safety Helmets	
2	Fire Extinguisher	

1	Stair Chair	Striker
1	FR2 AED	Philips
1	Bioterrorism PPE Kit	
4	Small Sandbags (5"x12")	
3	Oxygen Tanks - D	
1	Oxygen Tanks - M	
1	Oxygen Tank - D Regulator (On Cot)	
5	Board Splints	Morrison Medical
1	Tire Iron	
1	Bolt Cutter	
1	Tool Box - Misc Small Tools	
1	MAST Pants - Pediatric	
1	MAST Pants - Adult	
2	Megamover for Backboards	
3	Megamover	
1	Pediatric Immobilazation Board	
1	KED	
1	SAGER Splint	
1	HARE Traction Splint	
1	LUCAS 2 Chest Compression System	Physio Control
1	LUCAS Charger	Physio Control
1	LUCAS Spare Battery	Physio Control
1	Portable Suction	SSCOR Inc
1	Power Cot	Striker
2	Shoe Traction Kits	
1	Nebulizer Machine	
2	Stethoscope	
2	BP Cuff	
1	MCI Kit (Tags and Vests)	
7	Pro-Splints	Medspec
1	Air Splints (Set of 6)	Mark Clark
1	Infant Cot Seat - Pedi Mate	Ferno
1	Padded Infant Car Seat	
2	Heavy Blankets	
2	Pillows	
1	Lifepak 15	Physio Control
1	Cell Phone	Samsung
1	Laptop Computer	Getac
5	Hi-Vizability Vests	

<u>Bags - Portable Oxygen, First In Bag, & Pediatric Equipment</u>

1	Oxygen Tanks - D	
1	Oxygen Tank - D Regulator (In Bag)	
1	Pediatric BP Cuff	
1	Pediatric Stethoscope	
6	Pediatric Pro-Splints	Medspec
1	Pulse Oximeter	Nonin
1	BP Cuff	
1	Stethescope	
1	Temporal Thermometer	

Communications Equipment

4	Portable Radios with Mic	Motorola XTS 2500i
4	Mobile Radios	Motorola XTL 2500
50	Pagers	Motorola Minitor V
42	Pager Chargers	Motorola Minitor V
7	Pager Batteries	Motorola

Extra Equipment - Storage Room

14	Oxygen Tanks - D	
2	Oxygen Tanks - M	
2	Oxygen Tank - D Regulator	
3	Long Back Boards	
4	KED	
1	Air Splints (Set of 6)	Mark Clark

City Ambulance Funds:

Ambulance Equipment Acquisition Fund ($195,426.86 balance as of November 3, 2016)
Ambulance Operating Fund ($145,095.00 balance as of June 30, 2016)

Note: The fund amounts listed in the Bill of Sale shall be determined in conformance with Section 2.1.4 of the Agreement.

Contracts and Equipment Leases Assigned

None

EXHIBIT B

Form of Bill of Sale

Note: The list of property to be attached to this Bill of Sale shall mirror the list of Ambulance Property attached as Exhibit A above, except as follows: i) The City Ambulance Funds listed in the Bill of Sale shall be determined pursuant to Section 2.1.4 of the Agreement; and ii) Any contracts or leases listed on Exhibit A above shall be listed in the Assignment and Assumption Agreement attached as Exhibit C below and not in the Bill of Sale.

BILL OF SALE

THIS BILL OF SALE is dated _____, 2016 and is between the City of Le Sueur, a Minnesota municipal corporation ("**Seller**") and Ridgeview Medical Center, a Minnesota nonprofit corporation ("**Buyer**").

1. In exchange for Buyer paying Seller the sum of $1.00 concurrent with the execution of this Bill of Sale, Seller sells and conveys to Buyer the personal property described on attached Exhibit A, which is located at 601 South 5th Street, Le Sueur, Minnesota (the "**Property**").

2. Seller represents that it owns the Property and that Seller has the right to sell and convey it to Buyer. Seller further represents that the Property is not subject to any encumbrances except as follows: none.

3. Excepting the representations of title contained in Section 2 above, the Property is sold and conveyed "as is" and with "all faults." Further, excepting the representations of title contained in Section 2 above, Seller makes no representations or warranties regarding the Property and specifically disclaims all express and implied warranties, including any implied warranties of merchantability or fitness for a particular purpose.

4. This Bill of Sale binds, and inures to the benefit of, the parties hereto and their respective successors and assigns.

5. This Bill of Sale shall be enforced and interpreted according to the laws of the State of Minnesota without regard to conflicts of law provisions.

6. This Bill of Sale may be executed in counterparts, each of which will be deemed an original and all of which, taken together, will constitute one agreement.

7. Buyer hereby acknowledges receipt of the Property and accepts the Property subject to the terms of this Bill of Sale.

[*Signature pages follow*.]

Signature page to Bill of Sale

RIDGEVIEW MEDICAL CENTER,
a Minnesota nonprofit corporation

By_____

Its_____

Signature page to Bill of Sale

CITY OF LE SUEUR,
a Minnesota municipal corporation

By_____
Its Mayor

By_____
Its City Clerk

EXHIBIT C

Form of Assignment and Assumption Agreement

Note: This Assignment and Assumption Agreement shall only list the contracts and leases identified in Exhibit A above.

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "**Assignment**") is dated _____, 2017 and is between the City of Le Sueur, a Minnesota municipal corporation ("**Assignor**") and Ridgeview Medical Center, a Minnesota nonprofit corporation ("**Assignee**").

1. Effective as of the start of the day on _____, 2017 (the "**Assignment Date**"), Assignor does hereby assign and transfer to Assignee all right, interest and title of Assignor in and to the following contracts and leases (the "**Assigned Agreements**"):

   [List any contracts and leases to be assigned.]

2. Effective as of the Assignment Date, Assignee assumes the Assigned Agreements and agrees to perform and keep all covenants, agreements and obligations to be performed thereunder.

3. In regard to the Assigned Agreements, all amounts payable for ongoing services (e.g., maintenance contracts) or rent shall be prorated between Assignor and Assignee as of the Assignment Date. Except as provided above, Assignor shall pay all amounts due under the Assigned Agreements prior to the Assignment Date and Assignee shall pay all amounts due under the Assigned Agreements on and after the Assignment Date.

4. Assignor shall defend, indemnify and hold Assignee harmless from any and all third-party claims, demands, causes of action, judgments, and liabilities (including court costs and reasonable attorneys' fees) to the extent arising from breach of an Assigned Agreement occurring prior to the Assignment Date. Assignee shall defend, indemnify and hold Assignor harmless from any and all third party claims, demands, causes of action, judgments, and liabilities (including court costs and reasonable attorneys' fees) to the extent arising from a breach of an Assigned Agreement occurring on or after the Assignment Date. Notwithstanding the above, each party shall take commercially reasonable steps to mitigate damages.

5. This Assignment binds, and inures to the benefit of, the parties hereto and their respective successors and assigns. This Assignment shall be enforced and interpreted according to the laws of the State of Minnesota without regard to conflicts of law provisions. This Assignment may be executed in counterparts, each of which will be deemed an original and all of which, taken together, will constitute one agreement.

IN WITNESS WHEREOF, the Assignor and Assignee have caused this instrument to be executed effective _____, 2017.

[*Signature pages follow.]*

Signature page to Assignment and Assumption Agreement

RIDGEVIEW MEDICAL CENTER,
a Minnesota nonprofit corporation

By_____

Its_____

Signature page to Assignment and Assumption Agreement

CITY OF LE SUEUR,
a Minnesota municipal corporation

By_____
Its Mayor

By_____
Its City Clerk

Report on Status of Public Access Cable TV Le Sueur

Actions

Studio visit

On Saturday October 29th I met with Samantha Hunt at the cable studio in Le Sueur. We went over the current programming, status of the equipment, facilities, and the typical items needed to shut down or suspend an operation. Samantha was professional and helpful. Equipment appeared in good order and all of the assets appeared to be on site. We spent a little time going over the equipment and software that had been recently been purchased as well as the current programming.

Council meetings broadcast on Public Access Cable TV

I spent some time reviewing our neighboring communities to see if their meetings were being broadcast over their cable TV provider. Every city I looked at was broadcasting their meetings over their local cable TV provider. Some were providing additional ways to broadcast their meetings such as YouTube and other media outlets. It appears that smaller cities have this function done by city staff and larger cities or commissions have it performed by someone outside of city staff. I did not spend the time to see what else was offered I just concentrated on city related matters.

Franchise Fee Agreements

I also did some internet searching on Cable Franchise agreements in Minnesota with Mediacom. From the documents I found it appears that 5% of gross Video receipts is the typical amount received. Length of contract for the documents I found was typically ten years and I did find one that was as short as five years. It appears that Brian Grogan at Moss and Barnett has done the majority of the contracts with Mediacom. The only city that I am aware of not using Mr. Grogan is Cleveland, MN. It appears that this can be as complicated or simple as city wants to make it. I did find one commission that has been negotiating with Mediacom for two years and still has not reached an agreement. Mr. Grogan provided an estimate of $10,000.00 to $18,000.00 to negotiate a contract with Mediacom. Our current agreement expires on 11/26/16 and it was for 15 years.

Financial Information

Typical Le Sueur Annual Revenue	$40,000.00
Cash on Hand	$6,200.07
Equipment Loan	($26,120.01)
Le Sueur Franchise Funds **not paid**	$26,960.48
Henderson Franchise Funds **not paid**	$6,536.00 - estimated
Assets	??????
Balance	$13,576.54

The information provided above is taken from current finances. It is not audited but is intended to give you representation of the finances. You notice that the Henderson amount is estimated as I am not privy to the exact amount that Henderson receives. Their payment from Mediacom goes directly to them. You will remember that the reason we had our joint meeting earlier in the year was to discuss the reasons why Henderson was not sending funds to the Cable Commission that it had promised to do back in 2015. At that meeting it was determined to end the Joint Powers agreement. Le Sueur also stopped making payments earlier in 2016.

The reason that I have question marks in the Asset column is that I do not know what the equipment is worth. They paid $40,000.00 for new computer equipment in May of 2015. My experience on used equipment is if you get 10% you are doing well. So total value of the assets is probably $5,000.00 if it was sold.

Needed Council Actions

Decide if you wish to continue to obtain a franchise fee from Mediacom.
If yes determine what law firm you wish to use and answer the question listed below.

Decide if in the future you wish to continue to have two Cable Access Broadcast Channels?

The above needs to be answered because it determines how we handle the Assets owned by the two cities and the direction we give the attorney negotiating the agreement. If we decide we do not want cable access channels we will need to sell the assets and split up the assets and debt between the members as spelled out in the Joint Powers Agreement. If we feel the city of Le Sueur wishes to have Cable Access Channel we will want to keep the assets and determine the best way to use them and include that in our negotiations with Mediacom.

I hope this memo supplies you with enough information to move forward on the three questions. If you feel you need more information before the council meeting feel free to give me a call. I have not included recommendations in this memo but I will be happy to put them in the form of motions at the council meeting so they can be discussed and voted on.

Jeff Kerkow

CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jasper Kruggel, Public Services Director

SUBJECT: Consider Approving the First Reading of an Ordinance Amending City Code Chapter 52 Water & Chapter 53 Sewer

DATE: For the City Council Meeting of Monday, November 14, 2016

PURPOSE/ACTION REQUESTED
Consider approving the first reading of an ordinance amending City Code Chapter 52 – Water and Chapter 53 – Sewer.

SUMMARY
Staff has identified areas of the current city code pertaining to water and sewer that should be updated to reflect best management practices regarding water and sewer connections.

These changes better clarify language and procedures for private connections to the City's water and sewer systems. If adopted, these changes will reflect the need for inspections of connections during the connection process. An additional inspection will also be required to evaluate and sign off on final site grading and restoration. Incorporating these aspects into our permitting process will ensure that all work performed within City owned right-of-way is performed in a manner that follows our "Water Connection Standard Specification" and "Sewer Connection Standard Specification." Incorporating these checks on local contractor work will protect the City's interest in maintaining the sewer collection and water delivery systems.

As part of the sewer and water connection permit, the applicant will be required to submit an $85 fee to secure the permit. This fee will recoup the inspection costs associated with conducting the connection and final site inspections. The collection or delivery system inspection based on the standard specifications will be conducted by the Water/Wastewater Division, and the Streets Division will conduct the final site restoration inspection.

RECOMMENDATION
Staff recommends adopting these updates to will allow for better monitoring and maintenance of the City water delivery and sewer collection systems.

ORDINANCE NO._____

BEING AN ORDINANCE SETTING FORTH REGULATIONS REGARDING THE CITY'S WATER DELIEVERY SYSTEM

THE CITY COUNCIL OF LE SUEUR DOES ORDAIN:

Section 1. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 52.02 ~~TAPPING~~ CONNECTION PERMIT REQUIRED; ~~TAP~~ CONNECTION TO COMPLY WITH RULES AND REGULATIONS GOVERNING.
No premises shall be connected to the city water supply system until a water ~~tap~~ connection permit has been obtained by the plumber who is to make the connection, and until the ~~tapping~~ connection fee therefor, if any, has been paid to the city. All connections shall comply with the rules and regulations of the City Council governing the connections; and the city may require that not more than one building or customer be supplied by one connection, except as may be authorized by the permit.

Section 2. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 52.04 PERSONS AUTHORIZED TO MAKE CONNECTIONS.
No person, except plumbers licensed by the ~~city~~ State of Minnesota as provided in § 112.01~~2~~ or persons in their service and approved by them, shall be permitted to ~~tap~~ connect the distributing pipe or insert stop cocks or faucets therein; and the kind and size of the connections with the mains shall be that specified in the ~~tapping~~ connection permit. (1973 Code, § 16-16) (Ord. 167, passed 8-27-1896) Penalty, see § 52.99
Cross-reference:
~~*City license being required to do plumbing work in connection with city water supply system, see § 112.02*~~
State license being required to engage in the business of master or journeyman plumber, see § 112.01

Section 3. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 52.05 PLUMBER TO REPORT CONNECTIONS MADE BY HIM OR HER.
~~Within 48 hours a~~After completing any attachment or connection, under this chapter, the plumber doing the work shall make ~~full returns to~~contact with the ~~Superintendent of Municipal Utilities~~Water Superintendent ~~of the ordinary or special uses to which the water is designed to be applied under any permit granted by the city, with a description of the apparatus and arrangements for using the water in every case, and any other particulars that may be required by the city~~to schedule an inspection of the connection. The connection must follow the "Water Connection Standard Specification" adopted by City Council. Only after the connection inspection may the site be restored to prior conditions. After restoration of the site is completed, the plumber doing the work shall make contact with the Water Superintendent to schedule a final inspection for final acceptance of the water connection. The water shall not be turned on to any premises until ~~complete returns are made by the plumber~~final acceptance by the City.

Section 4. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 52.06 EXPENSES AND COSTS OF MAKING CONNECTIONS.
Applicants for water ~~tap~~ connection permits shall pay the inspection expenses and costs incurred by making connection of premises to the city water supply system and, unless otherwise provided by the city, in any case, the expenses and costs shall be computed from the location of the existing water main for all service pipe, trenches, drilling, tapping and furnishing all appropriate fittings and pipe. The connection permit fee will be adopted by City Council with all other utility fees on an annual basis.

Section 5. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 52.07 TURNING ON OF WATER TO PREMISES PROHIBITED UNTIL SERVICE CONTRACT SIGNED BY CUSTOMER AND ANY REQUIRED DEPOSIT HAS BEEN MADE.
No water from the city water supply system shall be turned on or provided to any premises until the owner or occupant thereof has signed an agreement with the city, as represented by its ~~Superintendent of Municipal Utilities~~Water Superintendent, to pay the rates therefor and to comply with the provisions of this chapter and the rules and regulations promulgated pursuant to authority of this chapter pertaining to the city water supply system, nor until the owner or occupant has made the cash deposit as may be required by the city; and plumbers are hereby prohibited from turning the water into any service pipe except upon the order or permission of the city, but this prohibition shall not be construed to prevent any plumber admitting water to test pipes.

Section 6. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 52.11 VIOLATIONS OF CHAPTER BY PLUMBERS MAY CAUSE REVOCATION OF LICENSE.
Any plumber or pipe fitter who shall be guilty of any violation of this chapter or any rule or regulation adopted by the City Council pursuant thereto shall be ~~subject to forfeiture of his or her city plumber's license~~prohibited to perform work in the City of Le Sueur.

SECTION 7. This Ordinance become effective from and after its passage and seven (7) days after its publication.

This Ordinance was passed by the City Council on the 28th day of November, 2016

_____

ATTEST: Robert Broeder, Mayor

_____

Stacy Lawrence, City Clerk

ORDINANCE NO._____

BEING AN ORDINANCE SETTING FORTH REGULATIONS REGARDING THE CITY'S SEWER COLLECTION SYSTEM

THE CITY COUNCIL OF LE SUEUR DOES ORDAIN:

Section 1. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 53.051 SEWER TAP FEE.
The city shall require property owners to pay a sewer ~~tap~~ access charge ~~fee~~ when connecting service lines into the city's wastewater collection system. The City Council will from time to time set by resolution the appropriate sewer ~~tap fee~~access charge. In the event that property owners have been assessed for sewer trunk or lateral lines, there will not be a sewer ~~tap fee~~access charge charged.

Section 2. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 53.065 PERMIT; APPLICATION.
Any person desiring a permit to make a service connection with public sewers shall apply using the Sewer Connection Permit form. ~~in writing to the City Clerk with satisfactory evidence that the applicant or employer is trained or skilled in the business and qualified to receive a permit~~. All applications shall be referred to the Superintendent for review. If approved by the Superintendent, the permit shall be issued by the City Clerk upon the filing of a bond as hereinafter provided.

Section 3. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 53.066 PERMIT; BOND.
A permit to make a service connection with public sewers shall not be issued to any person until a $2~~1~~,000 bond or a $5~~3~~00 cash bond payable to the city is filed with City Clerk conditioned that the permittee will indemnify and save harmless the city from all suits, accidents and damage that may arise by reason of any opening in any street, alley or public ground, made by the permittee or by those in the permittee's employment for any purpose whatever, and that the permittee will replace and restore the street and alley over the opening to the condition existing prior to installation, adequately guard with barricades and lights and will keep and maintain the same to the satisfaction of the City Superintendent, and shall conform in all respects to the rules and regulations of the Council relative thereto, and pay all fines that may be imposed on the permittee by law.

Section 4. The City Council of the City of Le Sueur does hereby ordain as follows:

§ 53.067 PERMIT; FEE.
The connection permit fee will be adopted by City Council with all other utility fees on an annual basis.~~The permit fee for making service connection will from time to time be set by City Council resolution.~~

SECTION 5. This Ordinance become effective from and after its passage and seven (7) days after its publication.

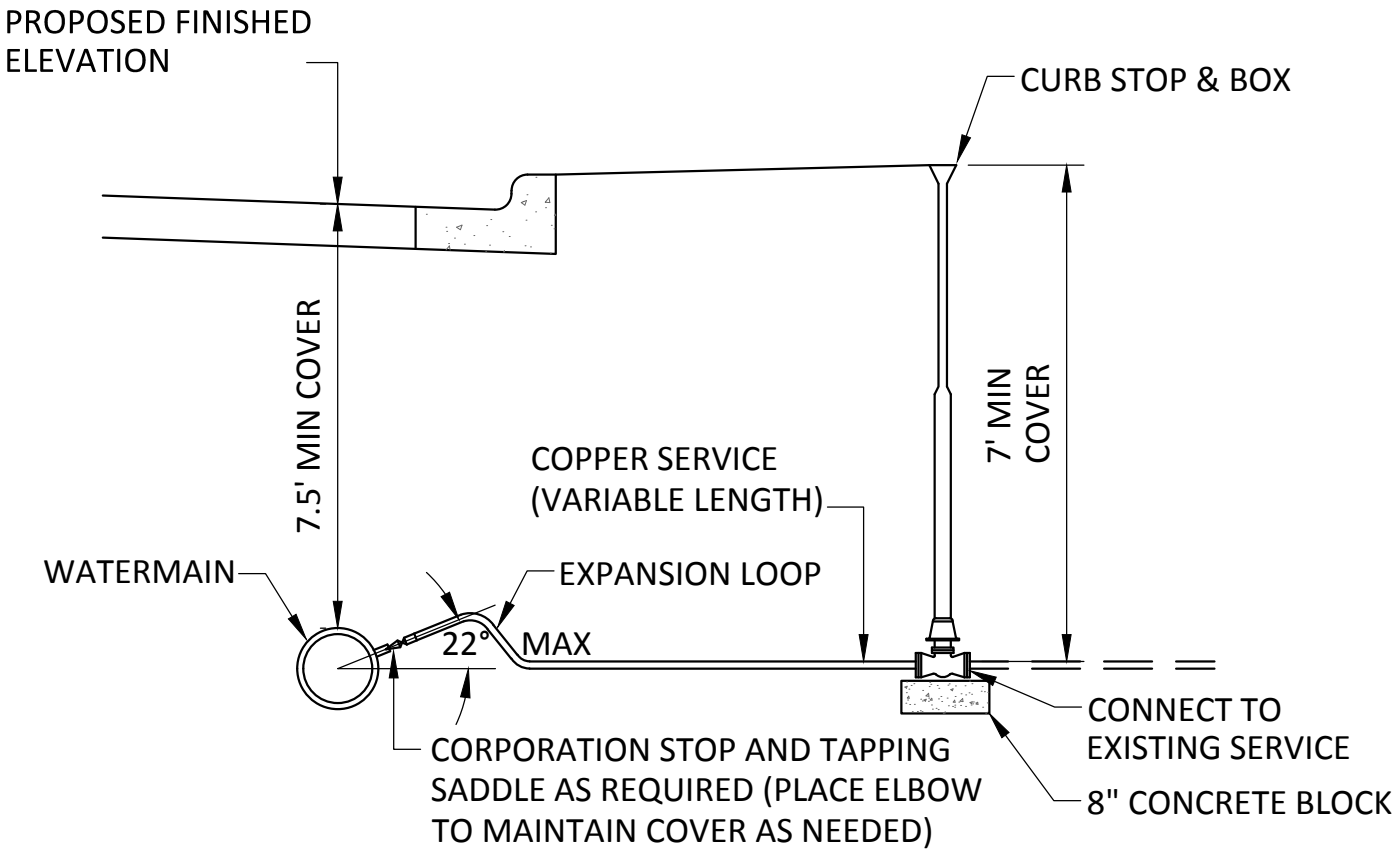
This Ordinance was passed by the City Council on the 28th day of November, 2016

_____

ATTEST: Robert Broeder, Mayor

_____

Stacy Lawrence, City Clerk



NOT TO SCALE

CITY OF LE SUEUR, MINNESOTA

WATER SERVICE INSTALLATION DETAIL

NOVEMBER, 2016

FIGURE NO. 1

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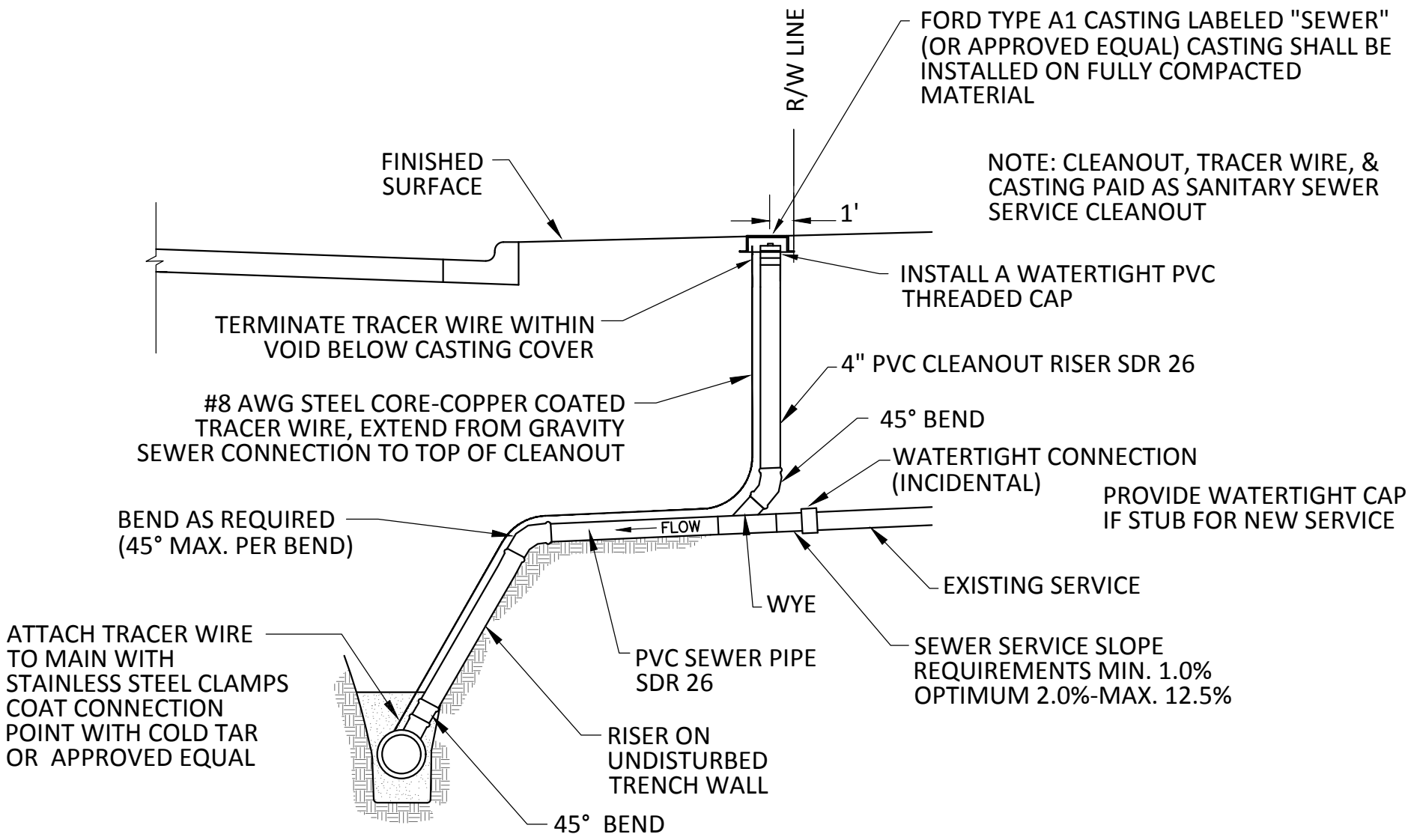

NOT TO SCALE

CITY OF LE SUEUR, MINNESOTA

SANITARY SEWER SERVICE INSTALLATION DETAIL

NOVEMBER, 2016

FIGURE NO. 1

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Date: _____ Permit #: _____

Sewer & Water Permit Application

SITE ADDRESS: _____

Tenant/Building Name: _____

Applicant Information

Owner _____ Contractor _____

CONTRACTOR

Company: _____ Phone: _____

Plumbers License #: _____ Expiration Date: _____

Contact Person (print): _____ Phone: _____

Address: _____ Email: _____

City: _____ State: _____ Zip code: _____

PROPERTY OWNER

Name/Company: _____ Phone: _____

Address: _____

City: _____ State: _____ Zip code: _____

Sewer & Water Permit Type

☐ Sewer & Water ☐ Sewer ☐ Water

Work Type

☐ New Construction ☐ Repair ☐ Replace

Pipe Size: _____ Pipe Material: _____ Estimated Value of Work: $ _____

The undersigned hereby represents upon all of the penalties of the law, for the purpose of including the City of Le Sueur to take the action herein requested, that all statements are true, and that all work herein will be done in accordance with the ordinances of the City of Le Sueur and the State of Minnesota.

_____ _____

Applicant's Signature Date

Notes to Applicant

- This permit shall be null and void if authorized work is not started within 180 days or if work is suspended/abandoned for 180 days or more after work has started.
- Comply with City of Le Sueur Engineering for all design and work in right-of-way.

OFFICE USE Required Inspections: ☐ Water Hookup ☐ Sewer Hookup ☐ Sewer/Water Hookup

Notes to Applicant continued…

- Permit review normally requires 10 working days from receipt of the **COMPLETE** application **AND** required information. The permit fee is $85; upon receipt of the payment, the permit will be issued.
- Permit and Plan Review Fees are based on City Code 52.02 (Water) and 53.031 (Sewer).
- ***PLEASE ARRANGE FOR INSPECTIONS 24 HRS IN ADVANCE***

Water Service Installation & Construction Requirements

- Every service pipe shall be laid with sufficient excess to allow not less than one (1) foot of extra length and in such manner as to prevent rupture by settlement.
- The service pipe shall be placed not less than 7.5 feet below finished grade and be so arranged as to prevent rupture by freezing.
- Water service pipe can be any material allowed by the current State Plumbing Code.
- No mechanical couplings are allowed under a structure or within 3 feet of a foundation or footing. Only silver solder connections are permitted under structures.
- Soil in sewer and water trenches, especially in driveway or sidewalk areas, must be compacted. Compaction tests of these areas must be required.
- Installation contractor must set curb box standpipe to final grade and show that curb stop can turned to on and off position.
- A visual inspection is required along the entire length of the water line tested at main pressure with the curb box in the open position.

Sewer Service Installation & Construction Requirements

- All building sewers shall be a minimum of 4 inches and constructed of any material allowed by the current State Plumbing Code. All plastic sewer pipe must be laid on a continuous granular bed according to the manufacturers' specifications.
- Any sewer line in excess of 100 feet shall require one cleanout. When a sewer service line exceeds 100 feet, a cleanout shall be required every 80 feet thereafter. A cleanout will be required when two 90-degree bends are used to make a turn in the direction of the sewer line.
- Whenever possible, the building sewer shall be brought to the building at an elevation below the basement floor. No building sewer shall be laid parallel to or within 3 feet of any bearing wall which might thereby be weakened. The depth shall be sufficient to afford protection from frost. The building sewer shall be laid at a uniform grade with a drop of at least 1/8 inch per foot of line in the direction of the mainline sewer and in a straight alignment. The property owner shall be responsible for verifying the location and elevation of the building sewer service stub prior to establishment of the basement elevation or beginning the connection to house.
- For replacement work, all substandard sewer pipe, "transite," "orangeburg,"etc. must be replaced.
- For replacement work, existing sewage tanks must be pumped and filled with sand/gravel with tanks covers removed. The new sewer connection must precede any tanks.

Inspections

- The installation contractor shall notify the City when the building water and sewer service connection is ready for inspection. A minimum notice of four hours for inspection is required.
- No backfill shall be placed until the work has been inspected and approved.

Sewer and Water Services

For sewer and water work in the street right-of-way:

- A Right-of-Way Registration, Right-of-Way Permit, and proof of insurance is required from the City of Le Sueur Administration Division @ (507) 593-8310.
- All inspections of sewer and water work will be done by the City of Le Sueur Wastewater Division @ (507) 593-8369.

For sewer and water work on private property:

- Permits are required for all outside piping work. This is in addition to building permits and plumbing permits. Permits can be obtained from Building Inspections, City Hall, 203 South 2nd Street.
- Inspections will be done by Building Inspections (507) 593-8317.

CITY OF LE SUEUR USE – PERMIT APPROVED BY:

Building Department Date

CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Certify Assessments for Unpaid Nuisance Violations

DATE: For the City Council meeting of November 4, 2016

PURPOSE/ACTION REQUESTED
Consider certifying unpaid amounts for abatement of nuisance violations to the County Auditor for collection with 2017 property taxes.

SUMMARY
City Code provides the authority to levy unpaid amounts of the costs associated with abatement of nuisance violations to the County Auditor for collection with property taxes.

As the Council will recall, violations for grass and weeds and snow removal are abated by contracted service, and the City then invoices the property owner for those costs.

In September a letter was sent to each of the property owners notifying them of the outstanding amounts and that they had the opportunity to dispute at a public hearing. They also had until October 31 to pay the outstanding amounts owed.

The attached reflects the properties and the amounts owed.

RECOMMENDATION
Staff recommends the Council approve certifying to the County Auditor the remaining balances on the attached list of properties for collection with property taxes for collection with 2017 property taxes.

First Name	Last Name	Mailing Address	C,S,Z	Property Address/PID	Amount Owed
Laura	Nordlund	219 Bridlewood Drive	Saint Paul, MN 55119	321 S 4th St	$30.00
Blanch	Wilson	205 5th St	Cleveland, MN 56017	411 S 2nd St	$3,767.71
Linda	Bloom	205 5th St	Cleveland, MN 56017	411 S 2nd St	$133.59
Justin/Carissa	Lutterman	PO Box 343	Cleveland, MN 56017	21.465.0060, 21.4658.0050, 21.465.0070	$90.00
Eric	Miller	515 N 2nd St	Le Sueur, MN 56058	515 N 2nd St	$30.00
Jake	Seth	28306 290th Street	Henderson, MN 56044	105 N 4th St, 115 N 4th St, 317 S 3rd St	$173.00
Federal Home Mortgage Co		1410 Spring Hill Road	McLean, VA 22102	504 N 4th St	$135.00
Miller Homes LLC		40464 245th Ave	LeCenter, MN 56057	21.465.0080, 21.465.0080, 21.465.0090, 21.453.0080, 21.453.0110, 21.453.0120, 21.453.0360, 21.453.0370	$210.00
Wells Fargo Bank - Foreclosures		3476 Stateview Blvd	Fort Mill, SC 29715	127 S 3rd St	$228.00

CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider the Second Reading of an Ordinance Amending City Code Chapter 31 Section 31.01- Organizational and Regular Meetings

DATE: For the City Council Meeting of Monday, November 14, 2016

PURPOSE/ACTION REQUESTED
Consider the second and final reading of an ordinance amending City Code Chapter 31, Section 31.01 – Organizational and Regular Meetings.

SUMMARY
As Council will recall, during the codification process earlier this year, there were a number of sections of the City Code that required updating. In addition, with the updating of the City Charter there was a reference to the first business day of January, which is now changed to the first Monday in January.

Attached is a draft ordinance amendment that provides the deleted language in strikethrough and the proposed language underlined.

RECOMMENDATION
Staff recommends the City Council approve the second and final reading of the ordinance amending City Code Chapter 31, Section 31.01 – Organizational and Regular Meetings.

ORDINANCE NO. _____

BEING AN ORDINANCE SETTING FORTH REGULATIONS REGARDING ORGANIZATIONAL AND REGULAR MEETINGS

THE CITY COUNCIL OF LE SUEUR DOES ORDAIN:

City Code Chapter 31, Section 31.01 regarding Organizational and Regular Meetings are amended.

Section 1. The City Council of the City of Le Sueur does hereby ordain as follows:

A. On the first ~~business day~~ Monday of January following a regular municipal election, the City Council shall meet in the Council chamber at city hall, at ~~7:30~~ 6:30 p.m., and, when the newly elected members shall have taken the oath of office, the Council shall proceed to elect from its members a President Pro Tem and shall take further action as may be appropriate for the organization of the city government.

B. Regular meetings of the City Council shall be held on the second and fourth Monday of each month beginning at 6:~~00~~ 30 p.m. in the Council chamber in city hall; provided, that when any day falls upon a legal holiday, the Council may fix another day for the meeting.

C. At the annual meeting of the City Council, the Council may pass a resolution amending the start time of the regular meetings as designated in division (B) above. Notice of the passage of such a resolution amending the schedule of the regular meetings shall be made in accordance with the code of the city and Minnesota Law

SECTION 2. This Ordinance becomes effective from and after its passage and seven (7) days after its publication.

This Ordinance was passed by the City Council on the 14th day of November, 2016.

_____
ATTEST: Robert Broeder, Mayor

_____
Stacy Lawrence, City Clerk

CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Jenelle Teppen, City Administrator

SUBJECT: Consider Approving the Minnesota State Retirement System's Deferred Compensation Program

DATE: For the City Council Meeting of Monday, November 14, 2016

PURPOSE/ACTION REQUESTED
Consider approving the Minnesota State Retirement System's (MSRS) Deferred Compensation Program as one of the plans full-time benefitted employees can select.

SUMMARY
The City currently offers full-time benefitted employees the option to participate in a deferred compensation program with two local investment firms.

Recently a City employee has requested that the MSRS's deferred compensation program be added to those two options.

There is legislation that requires that any employee of a political subdivision has the right to participate in the MSRS program and that the employer must implement this plan within 45 days of the request or the employer cannot defer any compensation under an existing deferred compensation plan.

Full-time benefitted employees have the option of deferring a portion of their earnings to a tax-deferred investment account eligible under section 457(b) of the Internal Revenue Code.

Employer contributions are prohibited. Plan administration expenses are charged to plan participants.

RECOMMENDATION
Staff recommends the City Council approve the addition of the MSRS Deferred Compensation Program.

CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Stacy Lawrence, Communications Director/City Clerk

SUBJECT: 2016 City Council Election Results Canvass

DATE: For the City Council Meeting of Monday, November 11, 2016

PURPOSE/ACTION REQUESTED
Canvass the Le Sueur City Council Election results from the 2016 General Election held on Tuesday, November 8, 2016.

SUMMARY
Pursuant to Minnesota Statute 205.185, Subd. 3: Between the third and tenth days after an election the governing body of a city conducting any election including a special municipal election, or the governing body of a town conducting the general election in November shall act as the canvassing board, canvass the returns and declare the results of the election.

RECOMMENDATION
Canvass the Le Sueur City Council Election and declare the results of the 2016 General Election held on Tuesday, November 8, 2016.

City of Le Sueur
Municipal Election
Tuesday, November 8, 2016

Summary of Votes

Mayor – 4 Year Term

Gregory Hagg	1,052
Robert Broeder	747
Write-Ins	14

Ward 1 Council Member – 4 Year Term

John Favolise	361
Patrick Barry	316
David P. Jennings	270
Write-Ins	24

Ward 2 Council Member – 4 Year Term

Benjamin Rohloff	507
Mark A. Huntington	372
Write-Ins	128

Ward 2 Council Member – 2 year Term

Newell Krogmann	559
Write-Ins	86

Proposed City Charter Amendment

Should the City Charter for the City of Le Sueur be amended to adopt an at-large election system in which the 6 Council Members are elected by the full electorate? Currently, the City is arranged into 2 wards with 3 Council Members elected from each Ward (the Mayor is currently elected at-large).

Yes	1,238
No	553