

## 2023 AMBULANCE FACILITY LEASE AGREEMENT

Lease Agreement, by and between the City of New Prague ("Landlord"), whose address is 118 Central Avenue North, New Prague, MN 56071 and North Memorial Health Care ("Tenant"), whose address is 4501 68th Avenue North, Brooklyn Center, MN 55429.

- 1) Term. This lease shall commence on May 1, 2023, and shall terminate on April 30, 2026, or as otherwise set forth in this Lease Agreement. The parties shall negotiate the term of any lease renewal within six (6) months of the end of the term of this lease.
- 2) Premise. Landlord hereby leases to Tenant the portion of the building used to operate the New Prague Ambulance Service located at 505 5th Avenue NW in New Prague, Minnesota. This lease will also be binding to space allocated for ambulance operations in the New Prague Emergency Services Center, pursuant to the attached Exhibit A.
- 3) Rent. Tenant shall pay rent to the Landlord in the amount of \$14,856.05 per year, payable in monthly installments of \$1,238.00, which shall be due and payable in advance on the 1st of the month. After the initial year of this lease, the annual rent amount for the Premises shall be increased by a percentage based on the CPI-U index from the previous year (i.e., the increase in the rent amount for 2024 shall be increased by the national CPI-U from 2023), but in no event shall the annual rent amount for the Premises decrease.
- 4) Use of Premises. Tenant shall use the Premises for ambulance storage, office space, garage purposes and uses ancillary thereto, including the storage of property and equipment used directly or indirectly in connection with the ambulance service to be provided by Tenant. There shall be no sublease of the Premises by Tenant without written permission.
- 5) Real Estate Taxes. If any real estate taxes become due and payable during the term of this lease, the Landlord and Tenant agree to renegotiate the terms of this lease and the payment of such taxes. If the Landlord and Tenant cannot reach agreement as to the payment of such taxes, this lease shall terminate upon 90 (ninety) days' notice from the Landlord.
- 6) Termination. This lease shall terminate on April 30, 2026, or at an earlier date if the Tenant ceases to provide ambulance services to the City of New Prague pursuant to the Ambulance Service Contract.
- 7) Maintenance. Landlord shall be responsible for maintenance and repair of all structural components, heating, ventilation, air conditioning, electrical, plumbing, and mechanical systems of the Premises. Tenant shall otherwise keep and maintain the Premises in as good or better condition as same were in at the beginning of the Lease, ordinary wear and tear and insured casualty excepted.

The Tenant shall not knowingly commit or willfully permit any act or thing contrary to the rules and regulations prescribed from time to time by any federal, state, county, or municipal authority. The Tenant shall be responsible for replacing and repairing any damage to the Premises caused by Tenant. The Landlord makes no representations as to the condition of the Premises for its

intended use. Responsibility for any major breakdowns of the mechanical, electrical, plumbing or heating systems shall be with the Landlord.

- 8) Alteration of Premises. Tenant shall not make any alterations to the Premises without the express written consent of the Landlord. Tenant shall indemnify the Landlord against any and all mechanic's liens arising out of the making of any alteration, repair, addition or improvement to the Premises, whether made with or without the express written consent of the Landlord.
- 9) Snow Removal. Landlord will be responsible for all snow removal.
- 10) Utilities. Electric, gas, water, sewer, and refuse removal utilities associated with the Premises shall be paid by the Landlord. NMHC is willing to contribute \$5,000 per year toward the payment of the Premises' utilities or \$416.67 per month.  
Any telephone service, internet and cable television utilities associated with the Premises shall be the responsibility of the Tenant.
- 11) Surrender at End of Term. Tenant agrees that upon termination of the Lease, the Premises will be returned in as good condition as the same were in at the inception of the Term, subject to normal wear and tear and insured casualty. Tenant may, at the time of termination, remove any fixtures, equipment and items of personal property that have been installed by Tenant.
- 12) Landlord's Right to Re-Enter Upon Tenant's Default. If the Premises are abandoned by the Tenant, or a default in the performance of this Lease by the Tenant is not cured within thirty days' notice by the Landlord, the Landlord shall have the right to re-enter or repossess the Premises by summary proceedings.
- 13) Amendments. Any additional amendments between Landlord and Tenant must be in writing and signed by both parties to be effective.
- 14) Insurance. Landlord shall be responsible for insuring the Premises against casualty. If there is a major casualty loss, the Landlord may provide to the Tenant adequate temporary facilities to meet the needs of the Tenant during the period of the rebuilding of the facility. The Tenant shall be responsible for insuring against all damages from any casualty on all the personal property which is stored within the premises. The Tenant shall also obtain premises liability coverage naming the Landlord as an additional insured in an amount no less than \$1,500,000. If the maximum municipal liability established by Minn. Stat., Section 466.04 is increased, then the amount of liability coverage shall be increased to the legal limit.
- 15) Casualty Loss Replacement. Minor casualty damage repairs (defined as up to \$1,000.00 per occurrence) to Tenant's portion of the Premises shall be the responsibility of the Tenant. In the event of major casualty damage defined as requiring a replacement cost of more than 50% of the value of the Premises, this lease shall terminate.

16) Notice. Any notice to be given to Landlord shall be sent to Landlord at the following address:  
City of New Prague  
City Hall  
118 Central Avenue North  
New Prague, MN 56071  
ATTN: City Administrator

Any notice to be given to Tenant shall be given to Tenant at the following address:  
North Memorial Health Care  
4501 68th Avenue North  
Brooklyn Center, MN 55429  
ATTN: Director of Ambulance Services

Each party shall have the right to specify as its proper address any other address in the United States of America by giving to the other party at least fifteen (15) days' written notice thereof.

17) Termination. This lease may be terminated by either party by notice to the other, 270 days in advance of any lease renewal. The lease may also be terminated at any earlier time on such terms and conditions as are mutually agreed upon by the parties or if Tenant ceases to provide ambulance service to the Landlord and surrounding area for any reason.

18) Effective Date of Lease. This lease shall be effective May 1, 2023.

Dated: \_\_\_\_\_

NORTH MEMORIAL HEALTH CARE

By: \_\_\_\_\_

Its: Vice President of Ambulance Services

Dated: 10-17-2022

CITY OF NEW PRAGUE

By:  \_\_\_\_\_

Duane J. Jirik

Its: Mayor

ATTEST

By:  \_\_\_\_\_

Joshua M. Tetzlaff

Its: City Administrator



**EXHIBIT A**  
**DEPICTION OF SPACE ALLOCATED FOR AMBULANCE OPERATIONS**

Ambulance Garage & Associated Storage Areas = 1,805 SF  
 Ambulance Office Area = 2,207 SF  
 (as depicted in gray below)

