AGENDA

PINE COUNTY BOARD REGULAR MEETING

District 1  Commissioner Hallan
District 2  Commissioner Mohr
District 3  Commissioner Chaffee
District 4  Commissioner Mikrot
District 5  Commissioner Ludwig

Tuesday, May 5, 2020, 10:00 a.m.

The Governor of the State of Minnesota has issued Executive Order 20-01 Declaring a Peacetime Emergency and Coordinating Minnesota’s Strategy to Protect Minnesotans from COVID-19. On March 24, 2020 the Pine County Board of Commissioners declared a local emergency for Pine County.

Based on these conditions, the Chair of the Pine County Board of Commissioners has determined that the requirements of Minnesota Statute 13D.021, Subd. (1) have been met and it is not practical or prudent for members of the county board to meet in person. Members of the county board will join the meeting remotely.

The public is invited to join the meeting remotely: by phone call 1-650-215-5226, (access code): 146 526 563 for WebEx. Click the link on the county website (www.co.pine.mn.us) for more information and to watch a live stream broadcast of the meeting.

A) Call meeting to order

B) Pledge of Allegiance

C) Public Forum. Members of the public are invited to speak. After being recognized by the Chair, each speaker should state his/her name and limit comments to three (3) minutes.

D) Adopt Agenda

E) Approve Minutes
   April 21, 2020 county board meeting and Summary for publication

F) Minutes of Boards, Reports and Correspondence
   Pine County Land Surveyor Monthly Report – April 2020

G) Approve Consent Items

CONSENT AGENDA

The consent agenda is voted on without any discussion. Any commissioner may request an item be removed and added to the regular agenda.

1. Liquor License Application
   Consider an application for On/Off Sale and Sunday Liquor License for Wild Horse Tavern (formerly The Tavern in Duquette). Application is pending approval by the State of Minnesota. Authorize Board Chair and Auditor-Treasurer to sign license.
2. **Withdraw Tract 40 from Land Auction**
   Consider approval of Resolution 2020-30 to withdraw Tract 20 from the 2019 Land Auction Listing and pursue corrective measures regarding the encroachment of the neighboring structures and improvements on the parcel. Authorize Board Chair and County Administrator to sign.

3. **Select Committee On Recycling and the Environment (SCORE) Grant Agreement**
   Consider authorizing Land & Resources Manager Caleb Anderson to sign the SCORE Grant Agreement with the Minnesota Pollution Control Agency (MPCA). The MPCA is requiring a grant agreement for counties to receive SCORE funding.

4. **New Hire**
   Consider approval of the hiring of Eligibility Worker Melanie Christy, effective May 11, 2020, Grade 6, step 1, $19.56 per hour.

**REGULAR AGENDA**

1. **Public Hearing - County Zoning Ordinance Amendment 2020-20 (at 10:00 a.m. or as soon thereafter as practicable)**
   A. Presentation by staff
   B. Questions from the Board
   C. Open Public Hearing/Comments from the public
   D. Close Public Hearing
   E. Board -- additional discussion if necessary
   F. Consider adoption of Pine County Ordinance 2020-20 amending the Pine County Zoning Ordinance and rescinding all existing land use and zoning ordinances and amendments thereto adopted by New Dosey Township.

2. **Public Hearing – Concerning Septic Systems (at 10:00 a.m. or as soon thereafter as practicable)**
   A. Presentation by staff
   B. Questions from the Board
   C. Open Public Hearing/Comments from the public
   D. Close Public Hearing
   E. Board -- additional discussion if necessary
   F. Consider adoption of Pine County Ordinance 2020-29 on behalf of Dell Grove Township, rescinding all prior ordinances and amendments to ordinances regulating subsurface sewage treatment systems within Dell Grove Township.

3. **Pine County District Court Update**
   Presentation by the Honorable Krista Martin, Pine County District Court Judge.

4. **Essentia EMS Project and Assignment of Ambulance Lease**
   Presentation by Essentia Health EMS Senior Director Joe Newton. Consider approval of Assignment and Assumption of Lease and Lessor Consent and authorize Board Chair and County Administrator to sign.

5. **Letter of Support for Community-Based Mental Health Grant**
   Consider approval for Health & Human Services Director Becky Foss to submit a letter of support from the Pine County Board of Commissioners to the MN Department of Human Services in their grant application for expanding and enhancing community-based mental health services in Pine County.
6. **Re-Appointment of County Engineer**
   Consider approval of the reappointment of Public Works Director/County Engineer Mark LeBrun, from May 31, 2020 to May 31, 2024.

7. **County COVID-19 Update**

8. **Commissioner Updates**
   - NLX – Cancelled
   - Snake River Watershed Management Board – Cancelled
   - Congressman Stauber video meetings
   - Extension Committee
   - Other

9. **Other**

10. **Upcoming Meetings (Subject to Change)—All meetings to be conducted remotely.** Contact the organization hosting the meeting for call-in information.
   a. Pine County Board Meeting, Tuesday, May 5, 2020, 10:00 a.m.
   b. Facilities Committee, Wednesday, May 6, 2020, 9:00 a.m.
   c. 1W1P – Nemadji, Thursday, May 7, 2020, 9:00 a.m.
   d. East Central Solid Waste Commission, Monday, May 11, 2020, 9:00 a.m.
   e. East Central Regional Library, Monday, May 11, 2020, 9:30 a.m.
   f. Pine County Chemical Health, Monday, May 11, 2020, 4:00 p.m.
   g. Personnel Committee, Tuesday, May 12, 2020, 9:00 a.m.
   h. Soil & Water Conservation District, Wednesday, May 13, 2020, 2:00 p.m.
   i. Lakes & Pines Community Action Council, Monday, May 18, 2020, 10:00 a.m.
   j. Pine County Board Meeting, Tuesday, May 19, 2020, 10:00 a.m.

11. **Adjourn**
Chair Steve Hallan called the meeting to order at 10:09 a.m.

Chair Hallan stated the Governor of the State of Minnesota has issued Executive Order 20-01 Declaring a Peacetime Emergency and Coordinating Minnesota’s Strategy to Protect Minnesotans from COVID-19. On March 24, 2020, the Pine County Board of Commissioners declared a local emergency for Pine County.

Based on these conditions, the Chair of the Pine County Board of Commissioners has determined that the requirements of Minnesota Statute 13D.021, Subd. (1) have been met and it is not practical or prudent for members of the county board to meet in person. Members of the county board will join the meeting remotely.

The public was invited to join the meeting remotely by phone or by WebEx via a link on the county website.

Present via electronic means were Chair Hallan and Commissioners Steve Chaffee, John Mikrot, and Matt Ludwig. Commissioner Mohr was absent (excused). Also present via electronic means were County Attorney Reese Frederickson and County Administrator David Minke.

The Pledge of Allegiance was said.

Chair Hallan called for public comment. There was no public comment.

Chair Hallan called for revisions to the agenda. There were no revisions to the agenda.
Commissioner Ludwig moved to adopt the Agenda. Second by Commissioner Mikrot. A Roll Call vote was called by Chair Hallan: District 1-Chair Hallan/Aye; District 2-Commissioner Mohr/absent; District 3-Commissioner Chaffee/Aye; District 4-Commissioner Mikrot/Aye; District 5-Commissioner Ludwig/Aye. Motion carried 4-0.

Commissioner Mikrot moved to approve the Minutes of the April 7, 2020 county board meeting and Summary for publication and the April 14, 2020 Special Meeting. Second by Commissioner Chaffee. A Roll Call vote was called by Chair Hallan: District 2-Commissioner Mohr/Absent; District 3-Commissioner Chaffee/Aye; District 4-Commissioner Mikrot/Aye; District 5-Commissioner Ludwig/Aye; District 1-Chair Hallan/Aye. Motion carried 4-0.

Minutes of Boards, Reports and Correspondence
Pine County Chemical Health Coalition Minutes – April 13, 2020
Motion by Commissioner Ludwig to acknowledge the Minutes of Boards, Reports and Correspondence. Second by Commissioner Mikrot. A Roll Call vote was called by Chair Hallan: District 3-Commissioner Chaffee/Aye; District 4-Commissioner Mikrot/Aye; District 5-Commissioner Ludwig/Aye; District 1-Chair Hallan/Aye; District 2-Commissioner Mohr/Absent. Motion carried 4-0.
Commissioner Chaffee moved to approve the Consent Agenda. Second by Commissioner Mikrot. A Roll Call vote was called by Chair Hallan: District 4- Commissioner Mikrot/Aye; District 5- Commissioner Ludwig/Aye; District 1-Chair Hallan/Aye; District 2-Commissioner Mohr/Absent; District 3-Commissioner Chaffee/Aye. Motion carried 4-0.

CONSENT AGENDA

1. **Approve March, 2020 Cash Balance**

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<th>Fund</th>
<th>March 31, 2019</th>
<th>March 31, 2020</th>
<th>Increase(Decrease)</th>
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<tr>
<td>General Fund</td>
<td>2,590,284</td>
<td>2,075,874</td>
<td>(514,410)</td>
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<tr>
<td>Health and Human Services Fund</td>
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<td>10,286,607</td>
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</tbody>
</table>

2. **March 2020 Disbursements/Claims Over $2,000**

   Approve March 2020 disbursements and claims over $2,000.

3. **Joint Powers Agreement – Amendment – Boarding Contract #144212**

   Approve an amendment to the Joint Powers Agreement between the Minnesota Department of Corrections and the Pine County Jail for boarding services. The state is increasing the rate paid to Pine County from $57.50 to $60 per day per inmate. The original contract is in effect through June 30, 2020. Authorize Board Chair and County Administrator to sign.

4. **Personnel (Full-Time Status/Completion of Probationary Period)**

   Approve the regular employment status for Eligibility Worker Sabrina Robbins, effective April 17, 2020, and Public Health Educator Jenae Hicks, effective April 22, 2020.

REGULAR AGENDA

1. **Public Hearing – Ordinance 2020-19 Concerning Septic Systems (at 10:00 a.m. or as soon as practical)**

   Land and Resources Manager Caleb Anderson stated the townships of Fleming, Partridge and New Dosey have elected to defer regulation of subsurface sewage treatment systems to Pine County. This ordinance will take effective April 30, 2020.

   Chair Hallan opened the public hearing at 10:21 a.m. and called for public comment. There being no public comment, Chair Hallan closed the hearing at 10:22 a.m.

   **Motion** by Commissioner Ludwig to adopt Pine County Ordinance 2020-19 on behalf of the Townships of Fleming, Partridge, and New Dosey, rescinding all prior ordinances and amendments to ordinances regulating subsurface sewage treatment systems within said townships. Second by Commissioner Mikrot. A Roll Call vote was called by Chair Hallan: District 5-Commissioner Ludwig/Aye; District 1-Chair Hallan/Aye; District 2-Commissioner Mohr/Absent; District 3-Commissioner Chaffee/Aye; District 4-Commissioner Mikrot/Aye. Motion carried 4-0.

2. **Personnel Committee**

   Commissioner Ludwig stated the Personnel Committee met April 14, 2020 and made the following recommendations:
A. **Health and Human Services**
   i. Acknowledge the resignation of probationary Adult Protection Social Worker Kari Seebach, effective March 11, 2020, and approve backfill at a future date.

B. **Sheriff’s Department – Jail**
   i. Acknowledge the retirement of Corrections Officer Tim Ballis, effective June 2, 2020, and request backfill of the position and any subsequent vacancies that may occur due to internal promotion or lateral transfer.

   **Motion** by Commissioner Ludwig to approve the recommendation of the Personnel Committee.

   Second by Commissioner Chaffee. A Roll Call vote was called by Chair Hallan: District 1-Chair Hallan/Aye; District 2-Commissioner Mohr/Absent; District 3-Commissioner Chaffee/Aye; District 4-Commissioner Mikrot/Aye; District 5-Commissioner Ludwig/Aye. Motion carried 4-0.

3. **Introduction of Ag Educator**
   Extension Regional Director Susanne Hinrichs and Program Leader Nathan Winter introduced Pine County Extension Agriculture Educator Rodney Greder.

4. **Clean Water Partnership Loan Resolution and Note**
   Auditor-Treasurer Kelly Schroeder explained Pine County was awarded a new $900,000 clean water partnership loan with the Minnesota Pollution Control Agency to provide eligible participants with a low-interest loan program to replace their non-compliant septic systems. The last requirement to implement the program is to pass a bond resolution and general obligation note regarding the program.

   **Motion** by Commissioner Ludwig to approve Resolution 2020-28 relating to the Minnesota Pollution Control Agency (MPCA) Clean Water Partnership; Authorizing the County to Borrow Money from the Minnesota Pollution Control Agency and to Lend Money to Eligible Participants and Eligible Lenders to Fund Projects for the Control and Abatement of Water Pollution; and the General Obligation Note with the MPCA, and authorize the Board Chair and County Auditor-Treasurer to sign. Second by Commissioner Mikrot. A Roll Call vote was called by Chair Hallan: District 2-Commissioner Mohr/Absent; District 3-Commissioner Chaffee/Aye; District 4-Commissioner Mikrot/Aye; District 5-Commissioner Ludwig/Aye; District 1-Chair Hallan/Aye. Motion carried 4-0.

5. **2020 Health & Human Services Budget Information**
   Health & Human Services Director Becky Foss provided a review of the 2020 Health & Human Services budget.

6. **2020 Commissioner Goals Review**
   County Administrator David Minke provided a first quarter county board 2020 goals update, which include assessing, wetland bank, outdoor recreation, space planning and facilities, sales tax for transportation, legislative issues and merit system/HR management.

7. **First Quarter 2020 Budget Report**
   County Administrator David Minke provided an update of the budget through March 31, 2020 by reviewing the expenditure and revenue of the major funds. At the end of the first quarter, the budget is sound. However, the first quarter does not reflect the financial impact of the COVID-19 pandemic. Anticipating there will be an economic recession as we emerge from the pandemic, the county is looking at strategies to reduce costs.
8. **Coronavirus Response Update**
   Community Health Services Administrator Sam Lo provided an update on the current public health situation including a summary of the current cases and spread of the COVID-19 virus. Sheriff Jeff Nelson provided an update on the Emergency Management situation.

9. **Commissioner Updates**
   Northeast Minnesota Area Transportation Partnership: Chair Hallan stated projects which have already been approved are moving forward.
   East Central Solid Waste Commission: Chair Hallan stated the scale replacement at the Hinckley Transfer Station is almost complete.
   East Central Regional Library: Will be starting curbside pickup of materials in Pine City this week.
   Pine County Chemical Health Coalition: Commissioner Mikrot stated the Coalition is coming to the end of the grant cycle. The Coalition will continue to plan on providing information at local fairs (if held). Also, the T-21 tobacco ordinance will remain on the Coalition’s agenda for further discussion in the future.
   Extension Committee: meeting rescheduled to April 30, 2020 at 3:00 p.m.
   Cancelled Meetings: SWCD, Law Library, Arrowhead Counties Association
   Other: None.

10. **Other**
    None.

11. **Upcoming Meetings**
    Upcoming meetings were reviewed.

12. **Adjourn**
    With no further business, Chair Hallan adjourned the meeting at 11:53 a.m. The next regular meeting of the county board is scheduled for Tuesday, May 5, 2020 at 10:00 a.m., Pine County, Minnesota.

_______________________________  ______________________________
Stephen M. Hallan, Chair      David J. Minke, Administrator
Board of Commissioners          Clerk to County Board of Commissioners
Chair Steve Hallan called the meeting to order at 10:09 a.m.

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Present via electronic means were Chair Hallan and Commissioners Steve Chaffee, John Mikrot, and Matt Ludwig. Commissioner Mohr was absent (excused). Also present via electronic means were County Attorney Reese Frederickson and County Administrator David Minke.

The Pledge of Allegiance was said.

Chair Hallan called for public comment. There was no public comment.

Commissioner Ludwig moved to adopt the Agenda. Second by Commissioner Mikrot. A Roll Call vote was called by Chair Hallan. Motion passed 4-0 with Commissioner Mohr absent.

Commissioner Mikrot moved to approve the Minutes of the April 7, 2020 county board meeting and Summary for publication and the April 14, 2020 Special Meeting. Second by Commissioner Chaffee. A Roll Call vote was called by Chair Hallan. Motion passed 4-0 with Commissioner Mohr absent.

Minutes of Boards, Reports and Correspondence

Pine County Chemical Health Coalition Minutes – April 13, 2020

Motion by Commissioner Ludwig to acknowledge the Minutes of Boards, Reports and Correspondence. Second by Commissioner Mikrot. A Roll Call vote was called by Chair Hallan. Motion passed 4-0 with Commissioner Mohr absent.

Commissioner Chaffee moved to approve the Consent Agenda. Second by Commissioner Mikrot. A Roll Call vote was called by Chair Hallan. Motion passed 4-0 with Commissioner Mohr absent.

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Approve the regular employment status for Eligibility Worker Sabrina Robbins, effective April 17, 2020, and Public Health Educator Jenae Hicks, effective April 22, 2020.

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**Personnel Committee**

Commissioner Ludwig stated the Personnel Committee met April 14, 2020 and made the following recommendations:

A. **Health and Human Services**
   Acknowledge the resignation of probationary Adult Protection Social Worker Kari Seebach, effective March 11, 2020, and approve backfill at a future date.

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**Motion** by Commissioner Ludwig to approve the recommendation of the Personnel Committee. Second by Commissioner Chaffee. A Roll Call vote was called by Chair Hallan. Motion passed 4-0 with Commissioner Mohr absent.

**Motion** by Commissioner Ludwig to approve Resolution 2020-28 relating to the Minnesota Pollution Control Agency (MPCA) Clean Water Partnership; Authorizing the County to Borrow Money from the Minnesota Pollution Control Agency and to Lend Money to Eligible Participants and Eligible Lenders to Fund Projects for the Control and Abatement of Water Pollution; and the General Obligation Note with the MPCA. Second by Commissioner Mikrot. A Roll Call vote was called by
Chair Hallan. Motion passed 4-0 with Commissioner Mohr absent.

County Administrator David Minke provided an update of the budget through March 31, 2020 by reviewing the expenditure and revenue of the major funds. At the end of the first quarter, the budget is sound. However, the first quarter does not reflect the financial impact of the COVID-19 pandemic. Anticipating an economic recession as we emerge from the pandemic, the county is looking at strategies to reduce costs.

With no further business, Chair Hallan adjourned the meeting at 11:53 a.m. The next regular meeting of the county board is scheduled for Tuesday, May 5, 2020 at 10:00 a.m., Pine County, Minnesota.

_______________________________  ________________________________
Stephen M. Hallan, Chair        David J. Minke, Administrator
Board of Commissioners          Clerk to County Board of Commissioners

The full text of the board’s Minutes are available at the County Administrator’s Office and the county’s website (www.co.pine.mn.us). Copies may also be requested from the administrator’s office.
Pine County Land Surveyor Monthly Report

April 2020

T43N R21W Section 6, search for, set, tie out and GPS PLSS corner. Update files.

T43N R18W Section 17, search for, set, tie out and GPS PLSS corner. Update files.

T43N R18W Section 35, search for, set, tie out and GPS PLSS corner. Update files.

T42N R20W Sections 24, 25 and 36, research records, set GPS control, calculate search areas, search for, set, tie out and GPS PLSS corners. Update files.

Provide HARN coordinate data for GIS to County Recorder as needed.

Draft and review legal descriptions for County Right of Way Dept. and County Land Dept. as needed.

Review Plats and Minor Subdivisions for County Zoning Dept. as needed.

Review and file PLSS corner certificates provided by private surveyors as needed.

Review, edit and file PLSS corner certificates created by County Surveyor as needed.

Review, edit and file Certificates of Survey created by County Surveyor as needed.

Robin T. Mathews, Pine County Surveyor
AGENDA REQUEST FORM

Date of Meeting: May 5, 2020

☐ County Board
☒ Consent Agenda
☐ Regular Agenda

☐ Personnel Committee
☐ Other _____________

Agenda Item: Liquor License Application

Department: Auditor-Treasurer

______________________________
Department Head signature

Background information on Item:

An application for On/Off Sale and Sunday Liquor License has been received from the Wild Horse Tavern (formerly The Tavern in Duquette).

Application is pending approval by the State of Minnesota.

Action Requested:

Acknowledge application and authorize County Board Chair Hallan and County Auditor-Treasurer Schroeder to sign the license.

Financial Impact:

N/A
AGENDA REQUEST FORM

Date of Meeting: May 5, 2020

☑ County Board
☐ Consent Agenda
☐ Regular Agenda
☐ Personnel Committee
☐ Other

Agenda Item: Withdraw Tract 40 from 2019 Land Auction

Department: Auditor-Land

Background information on Item:

Tract 40 was offered at the 2019 Tax-Forfeit Land Auction and did not sell.

State Law states any parcel not sold at auction may be purchased after the auction at the appraised value until withdrawn from sale by the County Board.

A recent survey (see attached) identified that structures and improvements intended for the neighboring westerly lot were built on the tax-forfeited parcel; therefore, it would be best to withdraw the parcel at this time while corrections are made and re-offered in 2020 at public auction.

Action Requested:

Consider approving resolution 2020-30 to withdraw Tract 40 from the 2019 Land Auction Listing and pursue corrective measures regarding the encroachment of the neighboring structures and improvements on the parcel.

Financial Impact:

N/A
Pine County Resolution to Withdraw Previously Offered Tract 40
From 2019 Tax-Forfeit Land Auction
Resolution No. 2020-30

WHEREAS, the following parcel of land was offered at the September 20, 2019 Tax-Forfeit Land Auction:

40. CITY OF PINE CITY (42.0242.000)
Commencing at a certain point on the center line of the Pine City and Chengwatana Road where the said road crosses the Section line between Section 33 and 34, Twp. 39, Range 21, Pine County, Minnesota, thence running Westerly along North line of said road a distance of 197 feet to a point 100 feet East of the Southwest corner of Lot 1 of Auditor’s Subdivision of said Section 33, Twp. 39, Range 21, thence due North to the water line of Cross Lake, thence Easterly along the lake shore of said Cross Lake to a point on the East line of said Section 33; thence Southerly along said section line to the place of beginning, excepting therefrom, however, the East 100 feet thereof. The aforesaid tract of land is also described as follows: Lot 1, Auditor’s Subdivision of Section 33, Township 39, Range 21, Pine County, Minnesota, less the East 100 feet thereof and less the West 100 feet thereof. Reserving for Pine County, its successors and assigns, a highway easement over, under and across all that part of the described parcel which lies between the centerline of Pine County State Aid Highway 8 as existing in 2019, and a line run parallel with and 50 feet northerly of the centerline of Pine County State Aid Highway 8 as existing in 2019.

33-39-21 .47 acres Appraised Value: $105,600

WHEREAS, the parcel did not sell at the September 20, 2019 Tax-Forfeited Land Auction, and M.S. 282.01, Subd. 7 states that the sale of the parcel must continue until sold, or until the county board orders a reappraisal, or withdraws the parcel from sale.

WHEREAS, the parcel has since been surveyed, revealing that some of the structures and improvements intended for neighboring westerly lot were built on the above described tax-forfeited property.

BE IT HEREBY RESOLVED, that the Pine County Board of Commissioners, as provided by Minnesota Statute 282.01, Subd. 7, hereby withdraws from sale Tract 40 which was previously offered September 20, 2019 at the Pine County Tax-Forfeit Land Auction.

BE IT FURTHER RESOLVED, that the Pine County Board of Commissioners authorizes the Pine County Auditor to pursue corrective measures in resolving the matter and returning the tax-forfeited parcel for public sale.

Passed and Approved this 5th day of May, 2020 by the Pine County Board of Commissioners

Stephen M. Hallan, Chairman
Pine County Board of Commissioners

ATTEST:

David J. Minke
Pine County Administrator
Notes to Survey:
1. For the purposes of this survey, existing easements of record were not researched.
2. The description of record is ambiguous and does not define the exact location of the westerly property line. The westerly property line as surveyed is based on the neighboring parcel as recorded in Doc. No. 522882.

EXISTING PROPERTY DESCRIPTION:
Commencing at a certain point on the center line of the Pine City and Chengwatana Road where said road crosses the Section line between Section 33 and 34, Twp 39, Range 21, Pine County, Minnesota, thence running Westerly along North line of said road a distance of 197 feet to a point 100 feet East of the Southwest corner of Lot 1 of Auditor's Subdivision of said Section 33, Twp. 39, Range 21, thence due North to the water line of Cross Lake, thence Easterly along the lake shore of said Cross Lake to a point on the East line of said Section 33; thence Southerly along said section line to the place of beginning, excepting therefrom, however, the East 100 feet thereof.

The aforesaid tract of land is also described as follows: Lot 1, Auditor's Subdivision of Section 33, Township 39, Range 21, Pine County, Minnesota, less the East 100 feet thereof and less the West 100 feet thereof.

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Dated this 24TH day of April, 2020

By Tyler J. Kroschel, Land Surveyor
Minnesota License No. 44490

Kroschel Land Surveyors, Inc.
1639 Main Street North, Suite 6, Pine City, MN 55063
Phone: 320-629-3267 tyler@kroschelsurvey.com
AGENDA REQUEST FORM

Date of Meeting: ____________________ May 5, 2020 __________________

☐ County Board
☐ Consent Agenda
☐ Regular Agenda 5 mins.__ 10 mins.__ 15 mins.__ Other___

☐ Personnel Committee
☐ Other ___________

Agenda Item: ____________ SCORE Grant Agreement ____________

Department: ____________ Solid Waste ____________

Caleb Anderson
Department Head signature

Background information on Item:

In 1989, the Governor’s Select Committee on Recycling and the Environment (SCORE) recommended to the Legislature to adopt a comprehensive set of laws, commonly referred to as SCORE. This act initiated a state funding source for recycling programs, as well as waste reduction, management of household hazardous wastes, and problem materials. SCORE legislation and grant dollars, along with funding from counties and local government, provide the basis for long-term, flexible programs.

For the past several years, this funding stream has provided Pine County the opportunity to operate its recycling programs. This year is the first year that the Minnesota Pollution Control Agency (MPCA) is requiring a grant agreement, for counties to receive SCORE funding.

Action Requested:

Consider authorizing Land & Resources Manager, Caleb Anderson, to sign the SCORE Grant Agreement with MPCA.

Financial Impact:

The SCORE Grant Agreement will provide Pine County approximately $80,000 in funding.
A. COVERSHEET WITH SIGNATURES

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<th>1. ORGANIZATION (&quot;Grantee&quot;) INFORMATION</th>
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</tr>
<tr>
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<td>City, State, Zip code</td>
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<tr>
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<table>
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<tr>
<th>3. MPCA (&quot;State&quot;) AUTHORIZED REPRESENTATIVE</th>
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<tbody>
<tr>
<td>Name                                  Jeannie Given</td>
</tr>
<tr>
<td>Address                                520 Lafayette Road North</td>
</tr>
<tr>
<td>City, State, ZIP                       St. Paul, MN 55155</td>
</tr>
<tr>
<td>Phone                                  651-757-2459</td>
</tr>
<tr>
<td>Email                                  <a href="mailto:jeannie.given@state.mn.us">jeannie.given@state.mn.us</a></td>
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<tr>
<th>4. ORGANIZATION (&quot;Grantee&quot;) SIGNATURE</th>
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<tr>
<td>SIGNATURE OF OFFICIAL WITH AUTHORITY TO SIGN:</td>
</tr>
<tr>
<td>NAME___________________________________</td>
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</tbody>
</table>

| SIGNED__________________________________ |
| DATE:__________________________________  |

I certify I have read the Grant agreement and will comply with all provisions including additional state, local, federal regulations and policies governing the funding that apply to my organization.
B. GRANT AGREEMENT

1. Term of Grant Agreement
   A. Effective date:  
      April 1, 2020, or the date the State obtains all required signatures, whichever is later.
   B. Expiration date:  
      June 30, 2021, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
   C. Survival of Terms.  
      The following clauses survive the expiration or cancellation of this Grant agreement: Liability;  
      State Audits; Government Data Practices and Intellectual Property; Publicity and Endorsement;  
      Governing Law, Jurisdiction, and Venue; and Data Disclosure.

2. Grantee’s Duties
   The Grantee will carry out all duties under this agreement in accordance with Minn. Stat. § 115A.557.

3. Time
   The Grantee must comply with all the time requirements described in this grant agreement. In the  
   performance of this grant agreement, time is of the essence.

4. Conditions of Payment
   All services provided by the Grantee under this grant agreement must be performed in accordance  
   with Minn. Stat. § 115A.557 to the State’s satisfaction, as determined by the State’s Authorized  
   Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules,  
   and regulations. The Grantee will not receive payment for work found by the State to be  
   unsatisfactory or performed in violation of federal, state, or local law.

5. Terms of Payment
   Payment amounts will be distributed according to Minn. Stat. § 115A.557, Subd.1.

6. Assignment Amendments, Waiver, and Grant agreement Complete
   A. Assignment
      The Grantee shall neither assign nor transfer any rights or obligations under this grant  
      agreement without the prior written consent of the State, approved by the same parties who  
      executed and approved this grant agreement, or their successors in office.
   B. Amendments
      Any amendments to this grant agreement must be in writing and will not be effective until it has  
      been executed and approved by the same parties who executed and approved the original grant  
      agreement, or their successors in office.
   C. Waiver
      If the State fails to enforce any provision of this grant agreement, that failure does not waive the  
      provision or the State’s right to enforce it.
   D. Grant Agreement Complete
      This grant agreement contains all negotiations and agreements between the State and the  
      Grantee. No other understanding regarding this grant agreement, whether written or oral, may  
      be used to bind either party.
7. Liability
Each party will be responsible for its own acts and behavior and the results thereof.

8. State Audits
Under Minn. Stat. § 16B.98, Subd.8, the Grantee’s books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant agreement or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.


A. Government Data Practices
The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant agreement. The civil remedies of Minn. Stat. §13.08 apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee’s response to the request shall comply with applicable law.

B. Intellectual Property Rights
(a) Intellectual property rights. All rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this Grant shall be jointly owned by the Grantee and the State. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and Contractors, either individually or jointly with others in the performance of this grant agreement. Works include “Documents.” Documents are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this grant agreement. The ownership interests of the State and the Grantee in the Works and Documents shall equal the ratio of each party’s contributions to the total costs described in the budget of this grant agreement, except that the State’s ownership interests in the Works and Documents shall not be less than fifty percent (50%). The party’s ownership interest in the Works and Documents shall not be reduced by any royalties or revenues received from the sale of the products or the licensing or other activities arising from the use of the Works and Documents. Each party hereto shall, at the request of the other, execute all papers and perform all other acts necessary to transfer or record the appropriate ownership interests in the Works and Documents.

(b) Obligations.
(1) Notification. Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively
reduced to practice by the Grantee, including its employees and subcontractors, in the performance of this grant agreement, the Grantee shall immediately give the State’s Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure therein.

(2) **Representation.** The Grantee must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the joint property of the State and Grantee, and that neither Grantee nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause Liability, the Grantee shall indemnify, defend, to the extent permitted by the Attorney General, and hold harmless the State, at the Grantee’s expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including, but not limited to, attorney fees. If such a claim or action arises or in Grantee’s or the State’s opinion is likely to arise, the Grantee must, at the State’s discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

(3) **License.** The State hereby grants a limited, no-fee, noncommercial license to the Grantee to enable the Grantee’s employees engaged in research and scholarly pursuits to make, have made, reproduce, modify, distribute, perform, and otherwise use the Works, including Documents, for research activities or to publish in scholarly or professional journals, provided that any existing or future intellectual property rights in the Works or Documents (including patents, licenses, trade or service marks, trade secrets, or copyrights) are not prejudiced or infringed upon, that the Minnesota Data Practices Act is complied with, and that individual rights to privacy are not violated. The Grantee shall indemnify and hold harmless the State for any claim or action based on the Grantee’s use of the Works or Documents under the provisions of Clause 10.2(b)(2). Said license is subject to the State’s publicity and acknowledgement requirements set forth in this grant agreement. The Grantee may reproduce and retain a copy of the Documents for research and academic use. The Grantee is responsible for security of the Grantee’s copy of the Documents. A copy of any articles, materials or documents produced by the Grantee’s employees, in any form, using or derived from the subject matter of this license, shall be promptly delivered without cost to the State.

10. **Workers Compensation**

The Grantee certifies that it is in compliance with Minn. Stat. §176.181, Subd. 2, pertaining to workers’ compensation insurance coverage. The Grantee’s employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers’ Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State’s obligation or responsibility.
11. Publicity and Endorsement
   A. Publicity
   Any publicity regarding the subject matter of this grant agreement must identify the State as the
   sponsoring agency and must use the MPCA logo and language provided by the State’s Authorized
   Representative. For purposes of this provision, publicity includes notices, informational pamphlets,
   press releases, research, reports, signs, and similar public notices prepared by or for the Grantee
   individually or jointly with others, or any subcontractors, with respect to the program, publications,
   or services provided resulting from this grant agreement. All projects primarily funded by state
   grant appropriations must publicly credit the State of Minnesota, including on the grantee’s website
   when practicable.

   B. Endorsement
   The Grantee must not claim that the State endorses its products or services.

12. Governing Law, Jurisdiction, and Venue
   Minnesota law, without regard to its choice-of-law provisions, governs this grant agreement. Venue
   for all legal proceedings out of this Grant agreement, or its breach, must be in the appropriate state
   or federal court with competent jurisdiction in Ramsey County, Minnesota.

13. Termination
   A. Termination by the State
      The State may immediately terminate this grant agreement with or without cause, upon 30
      days’ written notice to the Grantee. Upon termination, the Grantee will be entitled to payment,
      determined on a pro rata basis, for services satisfactorily performed.

   B. Termination for Cause
      The State may immediately terminate this grant agreement if the State finds that there has been
      a failure to comply with the provisions of this grant agreement, that reasonable progress has not
      been made or that the purposes for which the funds were granted have not been or will not be
      fulfilled. The State may take action to protect the interests of the State of Minnesota, including
      the refusal to disburse additional funds and requiring the return of all or part of the funds
      already disbursed.

   C. Termination for Insufficient Funding
      The State may immediately terminate this grant agreement if:
      (a) It does not obtain funding from the Minnesota Legislature
      (b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the
          services covered here. Termination must be by written or fax notice to the Grantee. The
          State is not obligated to pay for any services that are provided after notice and effective
          date of termination. However, the Grantee will be entitled to payment, determined on a
          pro rata basis, for services satisfactorily performed to the extent that funds are
          available. The State will not be assessed any penalty if the contract is terminated
          because of the decision of the Minnesota Legislature, or other funding source, not to
          appropriate funds. The State must provide the Grantee notice of the lack of funding
          within a reasonable time of the State’s receiving that notice.
14. Data Disclosure
Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

15. Availability of Records
In the event a monitoring visit(s) is required by the State, the Grantee shall cooperate with the State and shall comply with the State’s request for documentation and other information, before, during and/or after the visit(s).
AGENDA REQUEST FORM

Date of Meeting: May 5, 2020

☐ County Board
☒ Consent Agenda
☐ Regular Agenda

☐ Personnel Committee
☐ Other _____________

Agenda Item: **Approve Hire**

Department: **HHS**

[Department Head signature]

Background information on Item:

HHS was given permission to backfill an Eligibility Worker position left vacant by Colleen Nelson’s retirement. Interviews were recently held for the position, which was offered to and accepted by Melanie Christy, contingent on Pine County Board approval. If approved, Melanie would begin her employment with the county effective Monday, May 11 at Grade 6, Step 1 ($19.56/hour).

Action Requested:

Authorize the employment of Melanie Christy as an Eligibility Worker, effective May 11 at Grade 6, Step 1 ($19.56/hour).

Financial Impact:

This position is contained in the 2020 HHS budget. Given the current economic situation, HHS has seen an increase in the number of financial assistance applications. Therefore, it is believed that this position continues to be necessary so that the department can continue to process financial assistance applications in a proper and timely manner.
AGENDA REQUEST FORM

Date of Meeting: May 5, 2020

☑ County Board
☐ Consent Agenda
☐ Regular Agenda

☐ Personnle Committee
☐ Other ______________________

Agenda Item: County Zoning Ordinance Amendment (2020-20)
Public Hearing

Department: Planning & Zoning

__________________________
Caleb Anderson
Department Head signature

Background information on Item:

On February 12, 2020, the New Dosey Township Board passed a resolution opting-in to the County Zoning Ordinance thereby rescinding their Township Land Use Zoning Ordinance. The Pine County Zoning Board has recommended amendment of the Pine County Zoning Ordinance section 1.4.4 to include New Dosey Township, as described in Pine County Ordinance 2020-20. Further, Ordinance 2020-20 rescinds all New Dosey Township ordinances and amendments thereto, governing land use and zoning on behalf of the New Dosey Township Board of Supervisors.

Action Requested:

1.) Presentation of the ordinance
2.) County Board questions and discussion
3.) Open Public Hearing and take public testimony
4.) Close Public Hearing
5.) County Board additional discussion if necessary
6.) Consider adoption of the Pine County Ordinance 2020-20 amending the Pine County Zoning Ordinance and rescinding all existing land use and zoning ordinances and amendments thereto adopted by New Dosey Township.

Financial Impact:

Administration costs to be offset by permit fees within the Planning and Zoning Department.
PINE COUNTY ORDINANCE 2020-20
An Ordinance on behalf of the Pine County Board of Commissioners and New Dosey Township, both in Minnesota

The Board of Commissioners of Pine County, Minnesota, hereby ordains that the County Zoning Ordinance shall be amended as follows:

Section 1. Section 1.4.4 shall read:
1.4.4 Townships and Cities that have Opted in
   A. Nickerson Township, adopted 01/21/2020
   B. City of Kerrick, adopted 01/21/2020
   C. City of Denham, adopted 01/21/2020
   D. New Dosey Township, adopted 03/17/2020

Section 2. The County Zoning Map is hereby amended, including all property within New Dosey Township, and is filed with the County Zoning Administrator.

Section 3. Any ordinance or amendment to an ordinance recorded as of this date, regulating land use or zoning in New Dosey Township is hereby repealed in its entirety.

Section 3. This Ordinance is in effect on May 14, 2020 or the day following publication, whichever occurs later.

Passed and approved this 5th Day of May, 2020 by the Pine County Board of Commissioners.

__________________________________________
Stephen M. Hallan, Chair
Pine County Board of Commissioners

ATTEST:

__________________________________________
David J. Minke
Pine County Administrator
Notice of Public Hearing Published: 04/23/2020
Public Hearing: 05/05/2020
Adopted by County Board:  05/05/2020
Publication of Ordinance:  05/14/2020
Filed with County Recorder:  05/15/2020
Effective Date:  05/14/2020

Drafted By:
Pine County Planning & Zoning Dept.
635 Northridge Dr NW, Suite 250
Pine City, MN 55063
AGENDA REQUEST FORM

Date of Meeting: May 5, 2020

☐ County Board
☐ Consent Agenda
☒ Regular Agenda

☐ Personnel Committee
☐ Other_________________

Agenda Item: Ordinance 2020-29 (Concerning Septic Systems)

Public Hearing

Department: Planning & Zoning

______________________________
Department Head signature

Background information on Item:

Dell Grove Township has, through formal action, decided to defer regulation of subsurface sewage treatment systems to Pine County. Ordinance 2020-29 is an ordinance on behalf of Dell Grove Township, rescinding all prior ordinances and amendments to ordinances regulating subsurface sewage treatment systems.

Action Requested:

1.) Presentation of the ordinance
2.) County Board questions and discussion
3.) Open Public Hearing and take public testimony
4.) Close Public Hearing
5.) County Board additional discussion if necessary
6.) Consider adoption of Pine County Ordinance 2020-29 on behalf of Dell Grove Township, rescinding all prior ordinances and amendments to ordinances regulating subsurface sewage treatment systems within Dell Grove Township.

Financial Impact:

Administrative costs of this change will be offset by permit revenues within the Planning and Zoning Department.
PINE COUNTY ORDINANCE 2020-29
AN ORDINANCE ON BEHALF OF DELL GROVE TOWNSHIP

The Board of Commissioners of Pine County, Minnesota, hereby ordains:

Section 1. Any ordinance or amendment to an ordinance recorded as of this date regulating the Subsurface Sewage Treatment Systems within Dell Grove Township is hereby repealed in its entirety.

Pine County will regulate the sewage treatment systems within Dell Grove Township in accordance with the “Pine County Subsurface Sewage Treatment Systems Ordinance,” adopted February 4th, 2014 and any amendment thereafter.

Section 2. This Ordinance is in effect on May 14, 2020 or the day following publication, whichever occurs later.

Passed and approved this 5th Day of May, 2020 by the Pine County Board of Commissioners.

______________________________
Stephen M. Hallan, Chair
Pine County Board of Commissioners

ATTEST:

______________________________
David J. Minke
Pine County Administrator

Notice of Public Hearing Published: 04/23/2020
Public Hearing: 05/05/2020
Adopted by County Board: 05/05/2020
Publication of Ordinance: 05/14/2020
Filed with County Recorder: 05/15/2020
Effective Date: 05/14/2020

Drafted By:
Pine County Planning & Zoning Dept.
635 Northridge Dr NW, Suite 250
Pine City, MN 55063
AGENDA REQUEST FORM

Date of Meeting: May 5, 2020

☒ County Board
☐ Consent Agenda
☒ Regular Agenda  5 mins. ___  10 mins. ___  15 mins. ___  Other ___

☐ Personnel Committee
☐ Other ________________

Agenda Item: __ Assignment of Ambulance Service Lease

Department: ________________________________

Department Head signature

Background information on Item:
Pine County has a lease with Pine Medical Center (Essentia Health) for ambulance service. Essentia Health desires to consolidate its five ambulance services into a single organizational structure to gain efficiencies and provide greater efficiency.

County Attorney Reese Frederickson has reviewed the assignment and is satisfied with its form.

Joe Newton, Essentia Health Senior Director will present the request.

Action Requested:

Approve the assignment of the lease to Essentia Health EMS effective July 1, 2020.
One Essentia EMS Project
Background

Current Services

- Essentia Health operates 5 ambulance services across northern Minnesota
  - Ada
  - Deer River
  - Detroit Lakes
  - Fosston
  - Sandstone
    - Hinckley
    - Pine City
- Each ambulance service currently operates independently of the others
1. Essentia FY20 Strategic plan calls for a decrease in clinical variation across the organization
   • Utilize One EMS Medical Director and consistent patient care guidelines for all EMS locations
   • Consistent equipment and disposable item
2. Decreased overhead through shared leadership, software, staffing, etc.
3. Continue to support hospital operations as is current practice
4. Public would see no change
   • Continue to support the public
   • Continue to integrate with First Responder agencies
5. More consistent compliance with regulations
Growth Opportunities

1. Documentation of “what” Essentia Health EMS is

2. Able to identify growth opportunities and more quickly react to these opportunities
Engaged and Inspired Employees

1. Goal is to decrease staff turnover with allowing the opportunity to “float” between locations

2. Increased staffing possibilities for pandemic or large scale events

3. Develop an internal EMS Education/Quality department specific to EMS
   - Better, consistent feedback on care delivered
   - Decrease the reliance on outside training institutions
   - Demonstrated with Sandstone First Responder training project
Financial

1. Better utilize our capital assets through a shared model
2. Simpler implementation of cost savings measures
3. Decrease “leakage” where possible through utilizing Essentia EMS to cover each other
4. Leverage purchasing power
5. Increased gains on the Medicare Cost Reports for our CAHs
   - Transportation is an exempt service from the cost report
Process to Accomplish Goal

1. Essentia Health has an EMS company within the organization

2. Assign current operational leases to Essentia Health EMS

3. Essentia Health EMS will begin operating July 1, 2020
Questions?
ASSIGNMENT AND ASSUMPTION OF LEASE
AND LESSOR CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AND LESSOR CONSENT (this “Assignment”) is effective as of July 1, 2020 (the “Effective Date”), by and among Pine Medical Center (“Assignor”), St. Mary’s EMS d/b/a Essentia Health EMS, a Minnesota nonprofit corporation (“Assignee”), and Pine County, Minnesota (“Lessor”).

RECITALS

WHEREAS, Lessor and Assignor are parties to that certain Ambulance Services Lease Agreement dated June 3, 2003 (together with any amendments, addenda, and modifications relating thereto, the “Lease”), whereby Assignor (as Lessee) leases from Lessor certain tangible and intangible assets and equipment used or useful in the operation of an ambulance service, all as more specifically described in the Lease (the “Assets”), a copy of which is attached hereto as Exhibit A; and

WHEREAS, Assignor has agreed to assign its interest in the Lease to the Assignee, and Assignee has agreed to assume Assignor’s obligations under the Lease, which are to be performed, fulfilled, and discharged on and after the Effective Date, all in accordance with the terms of this Assignment; and

WHEREAS, Lessor approves of and consents to Assignor’s assignment of the Lease to Assignee pursuant to the terms and conditions set forth in this Assignment.

AGREEMENT

In consideration of the above premises and the mutual covenants and agreements set forth herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Recitals; Defined Terms. The recitals are acknowledged to be accurate and are incorporated herein by this reference. Capitalized terms used in this Assignment and not defined herein but defined in the Lease shall have the meanings given to such terms in the Lease.

2. Assignment. Assignor hereby assigns to Assignee all of Assignor’s right, title, and interest in, to, and under the Lease from and after the Effective Date.

3. Assumption. Assignee hereby accepts said assignment and assumes all obligations and covenants of Assignor (as Lessee) under the Lease which first arise and relate solely to the periods on and after the Effective Date until the termination or expiration of the Lease.

4. Lessor Consent and Estoppel. Subject to the terms of this Assignment, Lessor hereby consents to the assignment of all of Assignor’s right, title, and interest in, to, and under the Lease to Assignee from and after the Effective Date. Additionally, Lessor represents and warrants that:

   a. Lessor is the current legal and record owner of the Lessor’s interest under the Lease.

   b. Lessor is not aware of (i) any default, breach, or violation of a provision of the Lease by any party to the Lease or (ii) the occurrence of any event which, with the passage of time or with notice and the expiration of any applicable grace or cure period, would constitute a default, by Lessor or Lessee under the Lease.

5. Binding Effect. This Assignment shall be binding upon and shall inure to the benefit of the parties thereto and their respective successors and assigns.
6. **Lease Terms.** Except as set forth in this Assignment, the Lease remains unchanged and in full force and effect.

7. **Governing Law.** This Assignment shall be governed by and interpreted in accordance with the laws of the State of Minnesota.

8. **Counterparts.** This Assignment may be executed by the parties in one or more counterparts, which when taken together, shall constitute one and the same Assignment. The parties may execute this Assignment and exchange counterparts by means of facsimile or electronic transmission and the parties agree that the receipt of such executed counterparts shall be binding on the parties and shall be construed as originals.

IN WITNESS WHEREOF, the parties hereto have each caused this Assignment of Lease to be executed as of the Effective Date first written above.

ASSIGNOR:

Pine Medical Center

By: ________________________________

Printed: _____________________________

Title: ______________________________

ASSIGNEE:

St. Mary’s EMS d/b/a Essentia Health EMS

By: ________________________________

Printed: _____________________________

Title: ______________________________

LESSOR

Pine County, Minnesota

By: ________________________________

Printed: _____________________________

Title: ______________________________

Assignmnt Consent of Ambulance Lease-PMC (Pine Cty 0420)v1
EXHIBIT A

Ambulance Services Lease Agreement

[to be attached]
AMBULANCE SERVICE LEASE AGREEMENT

between

PINE COUNTY, MINNESOTA
as Lessor

and

PINE MEDICAL CENTER
as Lessee

Dated as of June 3, 2003
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**ARTICLE VII**

**OTHER OBLIGATIONS OF LESSEE**

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EXHIBIT D
BUSINESS PLAN AND TRANSITION PLAN ............................... Exhibit D – Page 1 of 3
This AMBULANCE SERVICE LEASE AGREEMENT, dated the 3rd day of June, 2003 (this "Lease"), by and between PINE COUNTY, a body politic and corporate and political subdivision of the State of Minnesota, as lessor (the "Lessor"), and PINE MEDICAL CENTER, a Minnesota nonprofit corporation, as lessee (the "Lessee").

BACKGROUND:

A. Pursuant to Minnesota Statutes, Section 471.476 (the "Act"), the Lessor is authorized to provide general ambulance service (the "Ambulance Service") both inside and outside the boundaries of the Lessor and to nonresidents as well as residents; to contract for such service with any person, firm, corporation or other political subdivision upon such terms and conditions as may be agreed upon; to levy an annual tax over and above any statutory or charter limitation; and to appropriate money as necessary from funds received for the purposes of the Act or from any surplus in general revenue funds of the Lessor.

B. Lessee is a nonprofit corporation organized and existing under the laws of the State and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and owns and operates a hospital, nursing home and clinic facilities in Sandstone, Minnesota.

C. Lessee and the Lessor desire to enter into an agreement pursuant to which Lessee will acquire from the Lessor the items of equipment set forth in Exhibit A hereto and will provide the Ambulance Service in the area of the County designated by the State as the Primary Service Area as further described herein.

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

ARTICLE I
DEFINITIONS; INTERPRETATION AND EXHIBITS

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

Ambulance Service: the ambulance service provided by the Lessor prior to the date hereof, and after the date hereof, to be provided by Lessee in the Primary Service Area.

Act: Minnesota Statutes, Section 471.476, as amended from time to time.

ALS: means "advanced life support" or rendering all of the basic life support items which must be performed by a licensed paramedic or registered nurse as well as BLS, including but not limited to:

a. Airway management: Intubation is the most secure way to manage a patient's airway.

b. Cardiopulmonary Resuscitation (CPR): now augmented by intravenous therapy and very specialized drug therapy. Intravenous and drug therapy are used in conjunction with CPR to help start a heart, or, to raise or lower blood pressure, maintain a circulating blood volume compatible with life, stabilize heart rhythms and rates, reduce pain, treat anaphylactic reactions to medications, diabetic problems which have become life threatening. IV therapy and drugs are limited only by statute and by the ambulance medical director. Defibrillation
can now be done with the automatic defibrillator but through advanced education in ECG interpretation the paramedic can interpret other life threatening ECG rhythms which the computer may not recognize and he can recognize when the defibrillator is incorrectly reading an ECG or malfunctioning.

**BLS:** means "basic life support" or rendering basic-level emergency care which must be performed by at least an EMT, including, but not limited to: basic airway management, including oxygen administration, oral airway insertion, amбу-bag use, esophageal oral airway (BOA) insertion, cardiopulmonary resuscitation: external CPR; use of an automatic defibrillator; controlling shock and bleeding, and splinting fractures and triage. Additional items that may be added to a BLS regime include IV insertion with no or minimal drug usage, use of an automated external defibrillator, extrication from dangerous situations.

**Commencement Date:** the License Transfer Date, on which date Lessee’s obligation to make Lease Payments accrues as evidenced by the delivery of the Certificate of Acceptance attached hereto as Exhibit C.

**County:** the Lessor, and any successor to its functions.

**County Board:** the Board of Commissioners of the County.

**EMT:** a licensed emergency medical technician.

**Equipment:** all tangible personal property owned by Lessor and used or useful in the operation of the Ambulance Service, without limitation, the furniture, equipment, machinery, vehicles, tools and trade fixtures listed in the attached Exhibit A which is being leased and purchased by Lessee pursuant to this Lease.

**Facilities:** collectively, the Hinckley Ambulance Facility, the Pine City Ambulance Facility and the Sandstone Ambulance Facility.

**Fiscal Year:** Lessee’s fiscal year, commencing July 1 and ending June 30 of the next calendar year or such other fiscal year as may be designated by resolution of the Lessee.

**Hinckley Ambulance Facility:** that portion of a building located at 106 1st Street SE in Hinckley, Minnesota, owned by the City of Hinckley, Minnesota, which currently houses a portion of the Leased Property, including but not limited to one ambulance.

**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.

**Lease:** this Ambulance Service Lease Agreement and any amendments or supplements hereto.

**Lease Payment:** the payment due from Lessee to Lessor on each Payment Date, as shown on Exhibit B.
Leased Property: has the meaning given in Section 3.1 of this Lease.

Lessee: Pine Medical Center, a Minnesota nonprofit corporation, and its permitted successors and assigns.

Lessor: Pine County, a body politic and corporate and political subdivision of the State of Minnesota, and its permitted successors and assigns.

License: the license issued by the State which authorizes the operation of the Ambulance Service.

License Transfer Date: the effective date of the transfer of the License by the State from Lessor to Lessee or the issuance to Lessee of a new License to operate the Ambulance Service.

Payment Date: the date upon which any Lease Payment is due and payable as provided in Exhibit B.

Person: an individual, partnership, corporation, trust or unincorporated organization.

Pine City Ambulance Facility: that portion of a building located at 210 5th Avenue SE in Pine City, Minnesota, owned by the Robert Hunt Trust, which currently houses a portion of the Leased Property, including but not limited to two ambulances.

PSA or Primary Service Area: the primary service area for the Ambulance Service, as set forth or described in the License.

Sandstone Ambulance Facility: that portion of a building located at 113 North Main in Sandstone, Minnesota, owned by the City of Sandstone, Minnesota, which currently houses a portion of the Leased Property, including but not limited to two ambulances.

State: the State of Minnesota.

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

Term or Lease Term: the period commencing on the execution of this Lease and ending as set forth in Section 4.1 of this Lease.

Transfer Date: the date on which Lessee has made Lease Payments to Lessor in the total amount of $204,350.01.

Section 1.2 Purpose of Lease. The purpose of this Lease is to set out the understandings of the parties with respect to the acquisition of the Leased Property by the Lessee and the Ambulance Service. This Lease represents the only agreement between the parties concerning the subject matter hereof and supersedes all prior agreements whether written or oral, relating thereto. Notwithstanding the foregoing, the definitions
and provisions of Minnesota Statutes, Chapter 144E are intended by the parties to supplement the provisions and defined terms of this Agreement.

Section 1.3 Incorp}oration of Recitals. The parties agree that the Recitals are true statements of fact and are incorporated herein as part of this Lease.

Section 1.4 Applicable Law. This Lease is governed in all respects, whether as to validity, construction, capacity, performance, or otherwise, by the laws of the State.

Section 1.5 Headings. The captions or headings in this Lease are for convenience only; in no way define, limit or describe the scope or intent of any provisions, articles, sections or clauses of this Lease; and may neither affect, nor be used in connection with the interpretation of this Lease.

Section 1.6 Severability. If any provision of this Lease is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and this Lease shall be construed and enforced as if such illegal, invalid or unenforceable provision had never constituted a part hereof, and the remaining provisions shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance here from. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Lease a legal, valid and enforceable provision as similar in terms to the illegal, invalid or unenforceable provision as may be possible.

Section 1.7 Exhibits. The following Exhibits are attached to and by reference made a part of this Lease:

(a) Exhibit A: A description of the Equipment being leased and purchased by Lessee pursuant to this Lease, including the serial numbers thereof, where applicable.

(b) Exhibit B: A schedule indicating the date upon which the Lease Term shall end, the Payment Dates and the amount of each Lease Payment.

(c) Exhibit C: A Certificate of Acceptance of Lessee indicating that the Leased Property has been delivered to and has been accepted by Lessee.

(d) Exhibit D: Business Plan and Transition Plan for the Ambulance Service

ARTICLE II
REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) Lessor is a body politic and corporate and political subdivision of the State, duly organized and existing under the Constitution and laws of the State.
(b) Lessor is authorized under the Act to enter into this Lease and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(c) The officers of Lessor executing this Lease have been duly authorized to execute and deliver this Lease under the terms and provisions of a resolution of the County Board, or by other appropriate official action.

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

(e) Lessor 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.

(f) 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 Lessor is now a party or by which the Lessor is bound, or constitutes a default under any of the foregoing.

(g) This Lease constitutes a legal, valid and binding obligation of Lessor and is enforceable against Lessor in accordance with its terms.

(h) Lessor has good title to the Leased Property, free and clear of all liens and encumbrances.

Section 2.2 Representations, Covenants and Warranties of Lessor. Lessor represents, covenants and warrants as follows:

(a) Lessee is a nonprofit corporation, duly organized and existing under the Constitution and laws of the State and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, with lawful power and authority to enter into this Lease, acting by and through its duly authorized officers.

(b) Lessee is authorized to enter into this Lease and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(c) 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.

(d) In authorizing and executing this Lease, Lessee has complied with all State and Federal Laws applicable to this Lease and the acquisition of the Leased Property by Lessee.
(e) 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.

(f) Upon execution of the Lease, Lessee will provide to Lessor a completed and executed copy of the Certificate of Acceptance.

(g) 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.

(h) This Lease constitutes a legal, valid and binding obligation of Lessee and is enforceable against Lessee in accordance with its terms.

Section 2.3 Maintenance of Existence. During the Term, Lessee must maintain and preserve its existence and organization as a non-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and its authority to do business in the State and to perform its obligations and duties under this Lease.

ARTICLE III
AGREEMENT TO LEASE; OBLIGATIONS OF LESSOR

Section 3.1 Lease. The property and assets described in subsections (a) and (b) of this section are collectively referred to herein as the “Leased Property.”

(a) Lessor hereby leases and licenses to Lessee, and Lessee hereby leases and licenses from Lessor, upon terms and conditions set forth in this Lease, the following portion of the Leased Property:

(i) the Equipment; and

(ii) all intangible property owned by Lessor and used or useful in the operation of the Ambulance Service including, without limitation, assumed names, trade names, trademarks, service marks, patents and copyrights and applications therefor, technology know how, trade secrets, business practices and processes, designs, computer programs, business and personnel records and all documentary evidence thereof.

(b) Further, Lessor hereby assigns and transfers to Lessee all other assets owned by Lessor and used or useful in the operation of the Ambulance Service including, without limitation:

(i) inventory, materials and supplies;

(ii) permits and licenses, governmental or otherwise;
(iii) contract rights and benefits under real estate and personal property leases relating to the Leased Property, including any security deposits, advance rentals and prepayments associated therewith;

(iv) prepaid expenses; and

(v) all other contract rights and rights to causes of action against third parties.

(c) Lessee and Lessor acknowledge that any employee pension, retirement or benefit funds controlled by Lessor and related to the Leased Property or the employees of the Ambulance Service are not permitted by law to be transferred to Lessee.

Section 3.2 Approval of Plans; Transfer of License; Facilities Leases.

(a) Lessor approves Lessee's Business Plan and Transition Plan set forth in Exhibit D hereto.

(b) Lessor agrees to transfer the License to the Lessee and to cooperate with Lessee in all actions necessary to cause the State to either recognize such transfer or to issue a new or replacement License to Lessee in lieu of such transfer by Lessor.

(c) Lessor agrees to assign to Lessee its interest in the Real Estate Lease relating to the Pine City Ambulance Facility dated April 1, 2003 between Lessor and the Robert Hunt Trust and to secure the consent of the Robert Hunt Trust to such assignment. Further, Lessor agrees to facilitate assignment or transfer to Lessee of its use of and interest in the Pine City Ambulance Facility and the Hinckley Ambulance Facility and to secure the consent of the owners of such facilities to such assignment or transfer.

Section 3.3 Possession and Enjoyment. Lessor hereby covenants to provide Lessee during the Lease Term with the quiet use and enjoyment of the Leased Property, and Lessee intends to during the Lease Term peaceably and quietly have and hold and enjoy the Leased Property, 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 any legal action in which Lessee asserts its right to such possession and enjoyment to the extent Lessor lawfully may do so. All warranties extended upon the Leased Property shall inure to the benefit of the Lessee during the Lease Term.

Section 3.4 Lessor Access to Leased Property. Lessee agrees that Lessor shall have the right at all reasonable times to examine and inspect the Leased Property. Lessee further agrees that Lessor shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by Lessee to perform its obligations hereunder.

Section 3.5 Non-Substitution. Notwithstanding the foregoing, Lessor agrees that during the Lease Term Lessor shall not expend any monies or agree to do so in order to obtain by lease or purchase equipment functionally similar to the Leased Property, or to obtain the right to the use of such functionally similar equipment owned and operated by any other person or to operate a service which competes with the Ambulance Service provided, however, that such agreement on the part of the Lessor shall not be construed
(iv) contract rights and benefits under real estate and personal property leases relating to the Leased Property, including any security deposits, advance rentals and prepayments associated therewith;

(v) prepaid expenses;

(v) capital improvements to or replacements of the Leased Property the made by the Lessee pursuant to the provisions of Article VIII hereof; and

(vi) all other contract rights and rights to any causes of action against third parties.

(b) The assets described in subsections (a)(i) and (v) of this section will be transferred by Lessee to Lessor for their fair market value, less any amounts which may be owed to Lessor by Lessee.

(c) In the event of termination of this Lease, Lessee agrees to collaborate with Lessor to develop a transition plan for Lessor to resume control and operation of the Leased Property. Lessee will be available as a resource at no charge to Lessor for a period of up to four (4) months following termination to assist Lessor in assuming its operational responsibilities.

(d) In the event the Ambulance Service is returned to Lessor, Lessor agrees to make its best efforts to offer employment to all employees terminated by Lessee, at compensation and benefit levels equal to those provided by Lessee immediately prior to their termination.

ARTICLE V
LEASE PAYMENTS

Section 5.1 Lease Payments. Lessee agrees to pay Lease Payments in the amounts and on the dates specified in Exhibit B. All Lease Payments shall be paid to Lessor at its offices at the address specified in Section 12.1 of this Lease, or to such other person or entity to which Lessor has assigned such Lease Payments as specified in Article X, at such place as such assignee may from time to time designate in lawful money of the United States of America to Lessor or, in the event of assignment of the right to receive Lease Payments by Lessor, to its assignee.

Section 5.2 Termination of Employees. Effective as of 12:01 a.m. on the first day of the Term hereof, Lessor shall terminate the employment of all employees of the Ambulance Service. Effective immediately thereafter on the first day of the Term hereof, Lessee shall make its best efforts to offer employment to all employees so terminated by Lessor, at compensation and benefit levels equal to those provided by Lessor immediately prior to their termination.

Section 5.3 Lease Payments to be Unconditional. The obligation of Lessee to make Lease Payments or any other payments required hereunder shall be absolute and unconditional in all events, except as expressly provided under this Lease. Notwithstanding any dispute between Lessee and Lessor or any other person, Lessee shall make all Lease Payments and other payments required hereunder when due and shall not withhold any Lease Payment or other payment pending final resolution of such dispute nor shall
Lessee assert any right of set-off or counterclaim against its obligation to make such Lease Payments or other payments required under this Lease. Lessee’s obligation to make Lease Payments or other payments shall not be abated through accident or unforeseen circumstances. 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 damage therefor.

ARTICLE VI
INSURANCE AND INDEMNIFICATION

Section 6.1 Liability Insurance.

(a) General Liability. Upon receipt of possession of the Leased Property, Lessee shall take such measures as may be necessary to ensure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation of the Leased Property or any part thereof, is covered by a blanket or other general liability insurance policy maintained by Lessee, at limits of $1,000,000 per occurrence and $2,000,000 aggregate, but in no event with a limit of less than the maximum limits of liability of the Lessor prescribed in Minnesota Statutes, Chapter 466, as now in effect or hereafter amended; provided that insurance in excess of such limits may be carried. General liability insurance should be written on an occurrence basis rather than a claims made basis.

(b) Vehicle Liability. Notwithstanding the foregoing, Lessee will provide liability coverage for the ambulances and other vehicles leased hereunder, if any, at a minimum limit of $1,000,000 per occurrence and $2,000,000 aggregate.

(c) Professional/Medical Malpractice Liability. Lessee must provide professional/medical malpractice liability insurance on all their employees at limits of $1,000,000 per occurrence and $2,000,000 aggregate limit.

(d) Excess Liability Coverage. If Lessee is unable to provide the underlying limits on a primary policy for the insurance coverages described in this section, Lessee must purchase a separate umbrella policy at the stated limits. Lessee may also provide excess liability insurance coverage either directly through their primary insurance carrier or through an umbrella policy to obtain the minimum limits.

Section 6.2 Property Insurance. Upon the Commencement Date, Lessee shall have and assume the risk of loss with respect to the Leased Property. Lessee shall procure and maintain continuously in effect during the Lease Term, all-risk insurance, subject only to the standard exclusions contained in the policy. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with customary deductible amounts.

Section 6.3 Worker's Compensation Insurance. Lessee must provide workers' compensation insurance covering all employees on, in, near or about the Leased Property which meets the applicable statutory limits set by State and Federal Laws on all their employees. The ambulance drivers are and will be employees of Lessee for purposes of worker's compensation insurance coverage.
Section 6.4 Unemployment Insurance. Lessee must provide unemployment insurance on all employees of Lessee.

Section 6.5 Requirements for all Insurance. All insurance policies (or riders) required by this Article shall be taken out and maintained within responsible insurance companies with a current A.M. Best rating of no less than A:VII, organized under the laws of one of the states of the United States and qualified to do business in the State; provided that Lessee may secure insurance from Lessee's parent corporation's captured insurance company, so long as all other provisions contained in this Lease and applicable to such insurance are maintained. Each policy of insurance shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the certificate holders at least 30 days before the cancellation or revision becomes effective. All insurance policies or riders required by Section 6.1 shall name Lessee as insured party and Lessor as additional insured. Prior to the Transfer Date, all insurance policies or riders required by Section 6.2 shall contain the standard lender's loss payable provisions in favor of Lessor and shall name Lessee as insured party. At Lessor's request, Lessor shall also be a certificate holder of such insurance. Upon request, 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 or evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article, unless such insurance is not obtainable, in which event Lessee shall notify Lessor of this fact.

Section 6.6 Lessee's Negligence.

(a) As of the Commencement Date, Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Leased Property and for injury to or death of any person or damage to any property, 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 property of others, which is proximately caused by the negligent conduct of Lessee, its officers, employees and agents. Lessee hereby assumes responsibility for and agrees to reimburse Lessor for all liabilities, obligations, losses and damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part upon the negligent conduct of Lessee, its officers, employees and agents, with respect to the Leased Property, to the maximum extent permitted by law.

(b) Lessor maintains all risks and liabilities, whether or not covered by insurance, for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Lessor or of third parties, and whether such property damage be to Lessor's property or property of others, which is proximately caused by the negligent conduct of Lessor, its officers, employees and agents and which arises from an event occurring prior to the Commencement Date. Lessor hereby maintains responsibility for and agrees to reimburse Lessee for all liabilities, obligations, losses and damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessee that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part upon the negligent conduct of Lessor, its officers, employees and agents, which occurred prior to the Commencement Date with respect to the Leased Property, to the maximum extent permitted by law.
Section 6.7  **Damage to or Destruction of Leased Property.** If prior to the Transfer Date all or any part of the Leased Property is lost, stolen, destroyed or damaged beyond repair, Lessee shall as soon as practical after such event replace the same at Lessee’s sole cost and expense with equipment of equal or greater value to the Leased Property immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor’s reasonable approval, whereupon such replacement shall be substituted in this Lease by appropriate endorsement.

Section 6.8.  **Coordination of Risk Management.** The parties will coordinate risk management activities with each other, including but not limited to prompt reporting of any and all pending or threatened claims, filing of timely notice of claims, cooperating fully with one another in the defense of any claims, and complying with any defense and reimbursement provision of the State or federal governmental immunity laws and applicable insurance policies.

Section 6.9.  **Indemnification.**

(a) Lessee fully indemnifies the Lessor and holds the Lessor harmless against any and all liability, loss, costs, damages, expenses, claims or actions, including attorneys’ fees which the Lessor, its officers or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of Lessee, its agents or employees, in the execution, performance or failure to adequately perform its obligations pursuant to this Lease.

(b) Lessor fully indemnifies the Lessee and holds the Lessee harmless against any and all liability, loss, costs, damages, expenses, claims or actions, including attorneys’ fees which the Lessee, its officers or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of Lessor, its agents or employees, or arising out of or related to an event which occurred prior to the Commencement Date with respect to the Ambulance Service.

(c) Each party will defend, hold harmless and indemnify the other party against any and all claims, liabilities, damages, judgments, and costs, including attorney fees asserted against, imposed upon or incurred by a party that arises out of the acts or failure to act of any other party, its employees, agents, physicians providing medical control, or other representatives.

(d) The Lessor will not incur any liability related to the regulatory non-compliance of the Ambulance Service occurring after the Commencement Date.

**ARTICLE VII**

**OTHER OBLIGATIONS OF LESSEE**

Section 7.1  **Use: Permits.**

(a) Lessee shall exercise due care in the installation, use, operation and maintenance of the Leased Property, and shall not install, use, operate or maintain the Leased Property 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. Subject to Section 3.2, Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Leased Property. Lessee shall comply with all State and Federal Laws
applicable to the installation, operation, possession and use of the Leased Property. If compliance with any such State and Federal Law requires changes or additions to be made to the Leased Property, such changes or additions shall be made by Lessee at its expenses.

(b) The ambulance units may only be used for the Ambulance Service as contemplated by this Lease, except said units may be used as standby units as required, and from time to time said units may be used for transfer from one hospital or health facility to another and for other service mutual aid agreements; or for local public service events and occasions.

(c) Lessee shall use the Leased Property only for the provision of health care services that will be generally available to the residents of the Primary Service Area continuously during the Term hereof on equal terms. Lessee shall make its best efforts to not discontinue or suspend provision of any service being provided by Lessor as of the date hereof, including but not limited to emergency services, without prior consent of the Lessor. Additionally, Lessee shall not use the Leased Property or operate the Ambulance Service in any manner that is contrary to, or in violation of, any authority, law, ordinance, rule or regulation applicable to Lessor or Lessee or in any way which will cause the Lessee, its affiliates or subcontractors to be in violation of the directives of their sponsoring or accrediting organizations. Lessee shall at all times maintain and use the Leased Property only in a careful, safe and proper manner.

Section 7.2 Maintenance of Leased Property by Lessee. Lessee shall, at its own expense, maintain, preserve and keep the Leased Property in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Leased Property in such condition. Lessor shall have no responsibility for any of these repairs or replacements. Lessee must maintain and keep all ambulances in good and safe working condition. It is understood that the ambulances must be maintained in first class repair and in such condition as may be necessary to provide the Ambulance Service required under this Lease.

Section 7.3 Taxes, Other Governmental Charges and Utility Charges. (a) Except as expressly limited by this section, Lessee shall pay all taxes and other charges of any kind whatsoever which are at any time lawfully assessed or levied against or with respect to the Leased Property, the Lease Payments or any part thereof, or which become due during the Lease Term, whether assessed against Lessee or Lessor. 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.

(b) Lessee may, at its own expense and in its own name, in good faith contest any such taxes and other charges and, in the event of any such contest, may permit the taxes or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of Lessor in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay such taxes or other charges or provide Lessor with full security against any loss which may result from nonpayment, in the form satisfactory to Lessor.

Section 7.4 Lessee's Obligation to Operate. Lessee agrees as follows:
(a) The Ambulance Service must be operated Sunday through Saturday, 24 hours a day, 365 days a year (366 days in leap years).

(b) Lessee will provide Ambulance Service in the Primary Service Area in a manner consistent with good business practices within the medical industry and locate the Leased Property in a configuration substantially similar to that which existed prior to the Commencement Date; provided that Lessee may replace portions the Leased Property as it becomes worn out or obsolete and may relocate or add additional ambulances to meet shifts in population density or demand for service so long as, to the extent reasonably possible, uniform service is provided throughout the Primary Service Area.

(c) Lessee must manage, operate, and administer the Ambulance Service, it being understood that, at all times, Lessee remains accountable to the Lessor as provided in this Lease.

(d) Lessee will provide facilities necessary to house the ambulance units. The facilities may, but need not be the Facilities referred to herein, but may be other facilities in other locations, so long as the Ambulance Service is effectively provided throughout the Primary Service Area. Lessee will be responsible for the upkeep, maintenance and alteration of the Facilities or other facilities in substitution of the Facilities.

(e) Lessee will employ or contract for employment with such other persons as are necessary to efficiently operate the Ambulance Service, including supervisory personnel and medical direction. Lessee will have the sole responsibility and authority to determine staffing levels and to select, evaluate, assign, discipline and transfer personnel consistent with State and Federal Laws, rules and regulations, unless waived by the appropriate authorities.

(f) Lessee will enhance the Ambulance Service from basic life support to part-time ALS in accordance with the plan set forth in Exhibit D to this Lease unless otherwise approved by the parties.

(g) Lessee will provide all vehicles and equipment necessary to effectively operate the Ambulance Service in the Primary Service Area, including the repair, replacement and acquisition of additional ambulance units, as necessary, determined in Lessee’s sole discretion.

Section 7.5 Reports to and Meetings with Lessor. Lessee agrees to provide the Chair of the County Board, annually during the Term, within ninety days of the end of the Fiscal Year, a report regarding the Ambulance Service, including such operating statistics as may be necessary to describe, in summary form, the scope of services provided during the previous Fiscal Year. If Lessor so requests, on reasonable notice, Lessee agrees to meet with Lessor’s appointed representative to discuss the contents of the aforementioned report or the operation of the Ambulance Service.

Section 7.6 Medicare/Medicaid Access Clause.

(a) Lessor agrees, until the expiration of four (4) years after the Commencement Date, to make available, upon request, to the Secretary of the Department of Health and Human Services, the Comptroller
General of the United States or any of their duly authorized representatives, and the books, documents and records of Lessor that are necessary to verify the nature and extent of the cost of services, provided by Lessor prior to the Commencement Date, in accordance with the requirements and procedures set forth in 42 Code of Federal Regulations, Sections 420.300-420.304.

(b) Lessee agrees, until the expiration of four (4) years after the last furnishing of services pursuant to this Lease, to make available, upon request, to the Secretary of the Department of Health and Human Services, the Comptroller General of the United States or any of their duly authorized representatives, this Lease and the books, documents and records of Lessee that are necessary to verify the nature and extent of the cost of such services, in accordance with the requirements and procedures set forth in 42 Code of Federal Regulations, Sections 420.300-420.304. If Lessee carries out any of the duties hereunder through a subcontract with a related organization as defined in 42 CFR § 420.301, having a value or cost of $10,000 or more over a 12 month period, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request, to the Secretary or, upon request, to the Comptroller General, or any of their duly authorized representatives, the subcontract and the books, documents and records of such origination that are necessary to verify the nature and extent of the costs of such services, in accordance with the requirements and procedures set forth in 42 CFR §§ 420.200 through 420.304.

ARTICLE VIII

TITLE

Section 8.1 Title. Prior to the Transfer Date, legal title to the Leased Property and any and all repairs, replacements, substitutions and modifications to it shall be in Lessor's name. On the Transfer Date, Lessor shall convey or release to Lessee all of its right, title and/or interest in and to the Leased Property by delivering to Lessee such documents as Lessee deems necessary for this purpose along with such documents as Lessee may request to evidence the termination of Lessor's security or other interest in the Leased Property.

Section 8.2 Security Interest. Prior to the Transfer Date, Lessor shall have and retain a security interest under the Uniform Commercial Code in the Leased Property, the proceeds thereof and all repairs, replacements, substitutions and modifications thereto or thereof pursuant to Section 8.5, in order to secure Lessee's obligations hereunder to be performed prior to the Transfer Date. Lessee will join with Lessor in executing such financing statements or other documents and will perform such acts as Lessor may request to establish and maintain a valid security interest in the Leased Property prior to the Transfer Date.

Section 8.3 Liens. Prior to the Transfer Date, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or within respect to the Leased Property, other than the respective rights of Lessor and Lessee as herein provided. 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 duly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise prior to the Transfer Date. 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 Leased Property. Lessee may at any time and from time to time, in its sole discretion and at its own expense, install other items of equipment in or upon the Leased Property. 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 any and all damage to the Leased Property resulting from the installation, modification or removal of any such items which occurs prior to the Transfer Date. 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, provided that prior to the Transfer Date no such lien or security interest shall attach to any part of the Leased Property.

Section 8.5 Modification of Leased Property. Lessee shall at its own expense, have the right to make repairs to the Leased Property, and to make repairs, replacements, substitutions and modifications to all or any part of the parts thereof. Prior to the Transfer Date, 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 Leased Property and be subject to the provisions of this Lease. After the Transfer Date, no such conditions shall apply. 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.

Section 8.6 Personal Property. The Leased Property is and shall at all times be and remain personal property notwithstanding that the Leased Property or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanently rested upon real property or any building thereon or attached in any manner to what is permanent by means of cement, plaster, nails, bolts, screws or otherwise.

ARTICLE IX
WARRANTIES

Section 9.1 Inspection of Leased Property. The Leased Property has been inspected by Lessee, and Lessor shall have no responsibility in connection with the condition of the Leased Property, its suitability for the use intended by Lessee.

Section 9.2 Lessor Has No Obligation to Inspect. Lessor shall have no obligation to install, erect, test, inspect, service or maintain the Leased Property under any circumstances, but such actions shall be the obligation of Lessee.

Section 9.3 Warranties. Lessor hereby assigns to Lessee for and during the Lease Term, all of its interest in all warranties and guarantees, express or implied, issued on or applicable to the Leased Property, 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 Patent Infringement. Lessor hereby assigns to Lessee for and during the Lease Term all of its interest in patent indemnity protection provided by any vendor with respect to the Leased Property. Such assignment of patent indemnity protection by Lessor to Lessee shall constitute the entire liability of Lessor for any patent infringement by Leased Property furnished pursuant to this Lease.
Section 9.5 Disclaimer of Warranties. THE LEASED PROPERTY IS DELIVERED 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 LEASED PROPERTY, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY.

ARTICLE X
ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 10.1 Assignment by Lessor. Lessor shall not assign its obligations under this Lease, and no purported assignment thereof shall be effective. All of Lessor's rights, title and/or interest: (a) in and to this Lease, (b) the Lease Payments (c) other amounts due hereunder and (d) the Leased Property may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor at any time, 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 by name, address, telephone number and contact person. Lessee shall pay all Lease Payments to or at the direction of Lessor or the assignee named in the most recent assignment or notice of assignment filed with Lessee. During the Lease Term, Lessee shall keep a complete and accurate record of all such assignments. In the event Lessor assigns participation in its right, title and/or interest in and to this Lease, the Lease Payments and other amounts due hereunder and the Leased Property, such participants shall be considered to be Lessor with respect to their participated shares thereof.

Section 10.2 Assignment, Subleasing, Mortgage or Sale by Lessee. Neither this Lease nor Lessee's interest in the Leased Property may be assigned or subleased by Lessee without the written consent of Lessor. Prior to the Transfer Date, Lessee will not mortgage, sell, assign, transfer or convey the Leased Property or any portion thereof or remove the same from its boundaries, without the written consent of Lessor; provided that if the Lessee in its sound discretion determines that any portion of the Leased Property has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary for the operation of the Ambulance Service, Lessee may, at its expense, remove and dispose of it and substitute and install other items not necessarily having the same function if such removal and substitution does not impair the operating utility and unity of the Ambulance Service.

ARTICLE XI
EVENTS OF DEFAULT AND REMEDIES

Section 11.1 Events of Default Defined. (a) 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 Leased Property, any one or more of the following events:

(i) Failure of Payments. Failure by Lessee to pay any Lease Payment or other payment required to be paid under this Lease at the time specified herein and the continuation of said failure for a period of ten (10) days after telephonic notice or notice by facsimile transmission given by Lessor that the payment referred to in such notice has not been received, such telephonic notice or notice by facsimile transmission to be subsequently confirmed in writing, or after written notice.
(ii) **Breach of Lease.** 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 30 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) **Bankruptcy; Creditor’s Action.** 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.

(b) The provisions of this Section 11.1 and Section 11.2 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to carry out its obligation under this Lease with respect to the Leased Property, other than its obligation to pay Lease 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 nature, 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 11.2 **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 Leased Property, Lessor shall have the right, at its option and without further demand or notice, to take on or any combination of the following remedial steps:

(a) Lessor shall have the right to cancel and terminate this Lease, as well as all of the right, title, and interest of Lessee hereunder, by giving to Lessee not less than thirty (30) days' notice of the cancellation and termination. Such notice may be given on the same date and in the same document as the applicable notice set forth in Section 12.1 hereof. On expiration of the time fixed in such notice, this Lease and the right, title, and interest of Lessee hereunder shall terminate in the
same manner and with the same force and effect, except as to Lessee's liability for Lease Payments and Lessee's other obligations which survive termination of this Lease, as if the date fixed in the notice of cancellation and termination were the end of any Term herein originally determined.

(b) Prior to the Transfer Date, Lessor, with or without terminating this Lease, may repossess the Leased Property, whereupon Lessee shall return the Leased Property in the manner provided in Section 11.3. In the event Lessee fails to do so within ten days after receipt of such notice, Lessor may enter upon Lessee's premises where the Leased Property is kept and take possession of the Leased Property, and charge Lessee for costs incurred in repossessing the Leased Property, including reasonable attorney's fees. Lessee hereby expressly waives any damages occasioned by the repossession.

Pursuit of one remedy shall not bar Lessor from thereafter pursuing any other lawful remedy.

Section 11.3 Return of Leased Property. Upon the termination of this Lease prior to the Transfer Date, Lessee shall return the Leased Property to Lessor in the condition, repair, appearance and working order required in Section 7.2. After the Termination Date, the provisions of Section 4.4 shall apply. If Lessee refuses to return the Leased Property in the manner designated, Lessor may repossess the Leased Property and charge to Lessee the costs of such repossession or pursue any remedy described in Section 11.2.

Section 11.4 No Remedy Exclusive. No remedy conferred upon or reserved to Lessor or Lessee by this Lease 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 or provided by law. 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 by any such right and power may be exercised from time to time as often as may be deemed expedient by Lessor or its assignee.

Section 11.5 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 nondefaulting party should employ attorneys and/or incur other expenses for the collection of monies 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 nondefaulting party the reasonable fee of such attorneys and/or such other reasonable expenses so incurred by the nondefaulting party. In the event that legal proceedings relating to this Lease (but not including an action by a defaulting party against a nondefaulting party) are commenced in any court or before any other tribunal of competent jurisdiction, the reasonable legal fees and other reasonable costs and expenses of the prevailing party shall be paid by the nonprevailing party on demand of the prevailing party.

Section 11.6 Late Charges. Whenever any event of default referred to in Section 12.1(a), clause (i) hereof shall have happened and such default has not been cured by the 25th day following the date on which the Lease Payment was due, Lessor shall have the right, at its option and without any further demand or notice, to require a late payment charge for each 30-day period or part thereof during which such event of default occurs, equal to five percent of the delinquent amount, and Lessee shall be obligated to pay the same immediately upon receipt of Lessor's written invoice thereof, 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.
Section 11.7 Dispute Resolution. The parties agree to cooperate in good faith in all actions relating to this Lease, to communicate openly and honestly, and generally to attempt to avoid disputes in connection with this Lease. If, nevertheless, a dispute should arise in connection with this Lease, and the parties are unable to resolve the dispute informally, then the parties will submit the dispute to binding arbitration, as follows:

(a) Any dispute relating to this Lease or its termination that the parties cannot resolve through good faith negotiations shall be settled exclusively by Arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

(b) Any arbitration proceeding hereunder must be commenced by written notice to the other party mailed within one (1) year after the claim or controversy arose. Failure to commence an arbitration proceeding within such period shall constitute an absolute bar to the institution of any proceedings with respect to such controversy or claim, and a waiver thereof.

(c) The parties expressly intend that the results of such arbitration will be final and binding upon the parties, unless the parties expressly agree otherwise in writing.

(d) Each party will pay its proportionate share of the reasonable fees and expenses of the arbitrator. All other fees and expenses of each party, including without limitation the fees and expenses of its counsel, witnesses and others acting for it, will be paid by the party incurring such costs.

(e) The arbitrator(s) will have no authority to add to, delete from, or otherwise alter or modify the terms of this Lease.

Section 11.8 Limitation of Obligation. Lessee shall not be required to provide any services or do any act in connection with the Leased Property except as specifically set forth herein and the Lease Payments reserved hereunder shall be paid to Lessor without any claim on the part of Lessee or diminution or abatement.

ARTICLE XII
ADMINISTRATIVE PROVISIONS

Section 12.1 Notices. Notwithstanding any provision in this Lease to the contrary, 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 form with postage fully prepaid to the addresses specified below; provided, that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinion or other communication will be sent.
Section 12.2 Financial Information. During the Lease Term, Lessee will provide Lessor with current financial statements, budgets and such other financial information relating to the ability of Lessee to continue to pay the Lease Payments as may be requested by Lessor or its assignee.

Section 12.3 Binding Effect. The terms, conditions and covenants of this Lease shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns and shall run with the Leased Property.

Section 12.4 Construction. Although this Lease may have been drafted by counsel for one of the parties, this Lease has been subject to negotiation and modification prior to final execution and, accordingly is not to be construed for or against either the Lessor or the Lessee but is to be construed as if mutually drawn according to the general tenor of the language.

Section 12.5 Amendments, Changes and Modification. 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 12.6 Expenses. Except as otherwise provided herein, each party shall bear and pay for its own costs and expenses including, without limitation, all fees and disbursements of attorneys, accountants and financial consultants.

Section 12.7 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 Leased Property hereby leased or intended so to be, for indicating the Commencement Date and for carrying out the expressed intention of this Lease.

Section 12.8 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 12.9 **No Partnership/Joint Venture.** Any intention to create a joint venture, partnership or agency relation between the parties hereto is hereby expressly disclaimed.

Section 12.10 **Anti-Discrimination.** Lessee agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, sexual orientation or physical defect or disability with regard to but not limited to employment, upgrading, promotion or transfer, recruitment or recruitment advertising, layoffs or termination or selection for training. It is further understood that any Lessor in violation of this clause shall be barred forthwith from receiving awards of any lease order from the Lessee unless a satisfactory showing is made that the discriminatory practices have been terminated and that a recurrence of such acts is unlikely.

Section 12.11 **Independent Contractors.** The parties agree that the employees of Lessee will always be considered employees of Lessee for all purposes including workers' compensation; and the employees of the Lessor will always be considered employees of the Lessor for all purposes including workers' compensation. No employee of either party will be entitled to any claim or benefit from any other party from any event or occurrence arising out of the performance of this Lease. This Lease is not intended and should not be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto. No party under any circumstance will be liable for any employee benefits of any other party's employees. This Lease must be construed in such a manner as to not interfere with the contractual obligations of either party with its employees under any valid collective bargaining agreement.

Section 12.12 **No Third Party Beneficiary Rights.** No third party, whether a constituent of the Lessor or otherwise, may enforce or rely upon any obligations of, or the exercise of or failure to exercise any right of the parties in this Lease. This Lease is not intended to create any rights of a third party beneficiary.

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

PINE COUNTY, MINNESOTA, as Lessor

By [Signature]

Its Chair

By [Signature]

Its Auditor Co-ordinator

Approved by the Board of Commissioners of Pine County on May 20, 2003.

Approved to form and Execute

[Signature]

Pine Co. 7-1-03
PINE MEDICAL CENTER, as Lessee

By

Its Chair

Approved by the Board of Directors of Pine Medical Center on June 3, 2003.
## EXHIBIT A
### LEASED PROPERTY

PINE COUNTY AMBULANCE - Fair Market Value

**SUMMARY SHEET**

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tr>
<td>Vehicles</td>
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<tr>
<td>Major Equipment</td>
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<tr>
<td>Pagers</td>
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<td>Portable Radios</td>
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<td>Mobile Radios</td>
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<td>Minor Patient Care Equipment</td>
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<td>Office Equipment</td>
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<td>Education Equipment/Training Supplies</td>
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<tr>
<td>Miscellaneous</td>
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**TOTAL FAIR MARKET VALUE ASSESSMENT**: $204,350
# PINE COUNTY AMBULANCE - Fair Market Value

**Definition:** What a willing buyer is willing to offer

## VEHICLES

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<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Fair Market Value</th>
<th>Wheel Base</th>
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<td>138&quot;</td>
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<td>#2</td>
<td>2000 Wheel Coach E-450 Type III Ambulance</td>
<td>$45,000</td>
<td>158&quot;</td>
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<tr>
<td>#3</td>
<td>2000 Wheel Coach E-450 Type III Ambulance</td>
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<td>#4</td>
<td>1997 LifeLine Paraline E-350 Type III Ambulance</td>
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<tr>
<td>#5</td>
<td>1997 LifeLine SuperLiner Type III Ambulance</td>
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<td>158&quot; wheel base</td>
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</tbody>
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**NOTE:** Retail price averages - trade-in or wholesale would be significantly less

**TOTAL FOR VEHICLES** $150,200

## MAJOR EQUIPMENT

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Fair Market Value</th>
<th>Years/Price</th>
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</thead>
<tbody>
<tr>
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<td>Ferno Cots</td>
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<td>1994/1997/$200 each</td>
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<td>Stryker Cots</td>
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<td>5</td>
<td>Nonin Pulse Oximeters</td>
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<td>Oscillmate Blood Pressure Machines</td>
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<td>1991/250 each</td>
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<td>3</td>
<td>Forerunner Automatic Defibrillators</td>
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<td>2002/2003/$1200 each</td>
</tr>
<tr>
<td>1</td>
<td>Heartstart 3000 Defibrillator</td>
<td>$0</td>
<td>1987</td>
</tr>
<tr>
<td>1</td>
<td>Heartstart 4000 Defibrillator</td>
<td>$2,500</td>
<td>2001</td>
</tr>
<tr>
<td>5</td>
<td>Portable Suction machines</td>
<td>$500</td>
<td>2000/2001/2002/$100</td>
</tr>
</tbody>
</table>

**TOTAL FOR MAJOR EQUIPMENT** $10,550

## PAGERS

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Fair Market Value</th>
<th>Years/Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>Motorola Minitor II Pagers</td>
<td>$0</td>
<td>Various years/no parts</td>
</tr>
<tr>
<td>35</td>
<td>Motorola Minitor III Pagers</td>
<td>$7,000</td>
<td>Various years/$200</td>
</tr>
</tbody>
</table>

**TOTAL FOR PAGERS** $7,000

## PORTABLE RADIOS

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Fair Market Value</th>
<th>Years/Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>Motorola SP 50 Radios</td>
<td>$5,250</td>
<td>Various Years/$250</td>
</tr>
</tbody>
</table>

**TOTAL FOR PORTABLE RADIOS** $5,250

## MOBILE RADIOS

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Fair Market Value</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Motorola MCS 2000/100 watt dual head</td>
<td>$1,200</td>
<td>2002 Hinckley</td>
</tr>
<tr>
<td></td>
<td>Kenwood TK 730</td>
<td>$0</td>
<td>1994 Pine City</td>
</tr>
<tr>
<td></td>
<td>Motorola MCS 2000/100 watt dual head</td>
<td>$1,200</td>
<td>2001 Pine City</td>
</tr>
<tr>
<td></td>
<td>Kenwood TK 730</td>
<td>$0</td>
<td>1994 Sandstone</td>
</tr>
<tr>
<td></td>
<td>Motorola MCS 1250</td>
<td>$500</td>
<td>2000 Sandstone</td>
</tr>
</tbody>
</table>

**TOTAL FOR MOBILE RADIOS** $2,900
<table>
<thead>
<tr>
<th>MINOR PATIENT CARE EQUIPMENT</th>
<th>Count</th>
<th>Cost</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 Backboards</td>
<td></td>
<td>$1,000</td>
<td>Various years/$25 each</td>
</tr>
<tr>
<td>8 KEDS</td>
<td></td>
<td>$200</td>
<td>late 1990's/$25 each</td>
</tr>
<tr>
<td>10 Shortboards</td>
<td></td>
<td>$0</td>
<td>Various years</td>
</tr>
<tr>
<td>5 Peds Boards</td>
<td></td>
<td>$500</td>
<td>2001/2002/$100 each</td>
</tr>
<tr>
<td>5 Hare traction splints</td>
<td></td>
<td>$0</td>
<td>1990's</td>
</tr>
<tr>
<td>5 Scoop stretchers</td>
<td></td>
<td>$0</td>
<td>1970's-1980's</td>
</tr>
<tr>
<td>5 Stair chairs</td>
<td></td>
<td>$500</td>
<td>1970's-1980's/$100</td>
</tr>
<tr>
<td>5 Adult MAST suits</td>
<td></td>
<td>$250</td>
<td>2000/2002/$50 each</td>
</tr>
<tr>
<td>3 Pediatric MAST suits</td>
<td></td>
<td>$0</td>
<td>1990's/2001</td>
</tr>
<tr>
<td>TOTAL FOR MINOR PATIENT CARE EQUIPMENT</td>
<td></td>
<td>$2,450</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OFFICE EQUIPMENT</th>
<th>Count</th>
<th>Cost</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Desktop computers</td>
<td></td>
<td>$1,500</td>
<td>2002/$750 each</td>
</tr>
<tr>
<td>1 Laptop computers</td>
<td></td>
<td>$1,800</td>
<td>2003</td>
</tr>
<tr>
<td>1 Laptop Computer</td>
<td></td>
<td>$250</td>
<td></td>
</tr>
<tr>
<td>Sweetsoft billing software</td>
<td></td>
<td>$3,000</td>
<td>2002</td>
</tr>
<tr>
<td>Printer HPLJ6L</td>
<td></td>
<td>$200</td>
<td>2002</td>
</tr>
<tr>
<td>Printer HPLJ2200D</td>
<td></td>
<td>$500</td>
<td>2002</td>
</tr>
<tr>
<td>Office Furniture - desk units</td>
<td></td>
<td>$1,000</td>
<td>2001</td>
</tr>
<tr>
<td>1 - 2 drawer lateral file cabinet</td>
<td></td>
<td>$100</td>
<td>2001</td>
</tr>
<tr>
<td>2 file cabinets</td>
<td></td>
<td>$750</td>
<td>2003</td>
</tr>
<tr>
<td>Printer - LaserJet 6L</td>
<td></td>
<td>$50</td>
<td>1990's</td>
</tr>
<tr>
<td>3 - 5 drawer file cabinets</td>
<td></td>
<td>$75</td>
<td>1990's</td>
</tr>
<tr>
<td>3 - APC powerbackups</td>
<td></td>
<td>$300</td>
<td>1990's</td>
</tr>
<tr>
<td>Miscellaneous office supplies</td>
<td></td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>TOTAL FOR OFFICE EQUIPMENT</td>
<td></td>
<td>$10,025</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Quantity</td>
<td>Price</td>
<td>Year</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>----------</td>
<td>--------</td>
<td>------------</td>
</tr>
<tr>
<td>Miscellaneous books, supplies, disposables</td>
<td></td>
<td>$1,200</td>
<td>1980's</td>
</tr>
<tr>
<td>1/2 torso manikin</td>
<td></td>
<td>$0</td>
<td>1980's</td>
</tr>
<tr>
<td>Full torso manikin</td>
<td></td>
<td>$0</td>
<td>1980's</td>
</tr>
<tr>
<td>2 1/2 torso manikins</td>
<td></td>
<td>$200</td>
<td>1998/1999</td>
</tr>
<tr>
<td>Junior manikin</td>
<td></td>
<td>$100</td>
<td>1998</td>
</tr>
<tr>
<td>Baby manikin</td>
<td></td>
<td>$100</td>
<td>1999</td>
</tr>
<tr>
<td>Adult/junior buddies</td>
<td></td>
<td>$200</td>
<td>2002</td>
</tr>
<tr>
<td>Baby buddy manikin</td>
<td></td>
<td>$200</td>
<td>2002</td>
</tr>
<tr>
<td>2 Simulaid IV arms</td>
<td></td>
<td>$150</td>
<td>2002</td>
</tr>
<tr>
<td>KED</td>
<td></td>
<td>$50</td>
<td>2003</td>
</tr>
<tr>
<td>Intubation Manikin</td>
<td></td>
<td>$800</td>
<td>2002</td>
</tr>
<tr>
<td>3 Forerunner AED Trainers</td>
<td></td>
<td>$450</td>
<td>2002/$150 each</td>
</tr>
<tr>
<td>13&quot; TV/VCR Combination</td>
<td></td>
<td>$25</td>
<td>2001</td>
</tr>
<tr>
<td><strong>TOTAL FOR EDUCATION EQUIP &amp; SUPPLIES</strong></td>
<td></td>
<td>$3,475</td>
<td></td>
</tr>
</tbody>
</table>

**MISCELLANEOUS**

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous Disposables</td>
<td>$7,500</td>
<td>Restocking at all 3</td>
</tr>
<tr>
<td>Miscellaneous Disposables</td>
<td>$5,000</td>
<td>On 5 trucks</td>
</tr>
</tbody>
</table>

**NOTE:** This includes oral/nasal airways, IV supplies, miscellaneous drugs, stethoscopes, BP cuffs, splints, bandaging supplies, c-collars, ambu bags, airway supplies, etc.

**TOTAL MISCELLANEOUS** | $12,500
REAL ESTATE LEASE

The Lease Agreement (this "Lease") is made effective as of July 1, 2007, by and between Robert Hunt Trust ("Landlord"), and Pine Medical Center ("Tenant"). The parties agree as follows:

PREMISES:

Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant a Bus Garage for Pine Medical Center ambulances and personnel (the "Premises") located at 210 5th Ave. SE, Pine City, Minnesota 55063. Please refer to attachment "A". A Landlord covenants and warrants that it has good and marketable title to the premises.

TERM:

The lease term will begin on July 1, 2007, and will terminate on June 30, 2010.

LEASE PAYMENTS:

Tenant shall pay to Landlord monthly payments of $854.00 per month, payable in advance on the fifth day of each month, for a total annual lease payment of $10,248.00. Lease payments shall be made to the Landlord at 743 Chadwood Lane SW, Pine City, Minnesota 55063, which may be changed from time to time by the Landlord.

REAL ESTATE TAXES:

Landlord shall pay all real estate/property taxes due and owing on the premises.

POSSESSION:

Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing. Landlord covenants that Tenant shall, while Tenant is not in default, peaceably and quietly hold and enjoy the Premises for the Lease Term, without interference or hindrance from Landlord or persons claiming by or through Landlord.

USE OF PREMISES:

Tenant may use the Premises only for housing vehicles and personnel. The Premises may be used for any other purpose only with the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

PROPERTY INSURANCE:

Landlord and Tenant shall each be responsible to maintain appropriate insurance for their respective interests in the Premises and property located on the Premises.
DEFAULTS:

Tenant shall be in default of this Lease if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 60 days (or any other obligation within 30 days) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice (to the extent permitted by law), and without prejudicing Landlord’s rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant’s financial obligations under this lease. Tenant shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) suffered by Landlord by reason of Tenant’s defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as “additional rent.”

NOTICES:

Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid and addressed as follows:

Landlord:
Name: Robert Hunt Trust
Address: 743 Chadwood Lane SW
Pine City, MN 55063

Tenant:
Name: Pine Medical Center
Address: c/o Tim E. Zwickey
109 Court Ave. South
Sandstone, MN 55072

Such addresses may be changed from time to time by either party by providing notice as set forth above.

MAINTENANCE AND REPAIRS:

Landlord’s Obligations - Landlord shall maintain the building, including the Premises, in good order and repair. Landlord shall, at its cost, maintain, repair or replace structural elements and equipment, including exterior and interior walls, roofs and roofing, foundation, glass, doors, heating, ventilating and air-conditioning systems, electrical systems, plumbing, (including the computerized components of mechanical, electrical and engineering systems), sidewalks, parking lots, driveways, all common areas, and like structural elements and equipment.

If Landlord fails to make such repairs or replacement as required in a timely fashion, Tenant upon notice shall have the right to make such repairs or replacements and deduct such amounts from rent due hereunder.

Tenant’s Obligations - Tenant shall maintain the Premises in a safe, clean orderly and sanitary condition.

Tenant shall be responsible for minor repairs and maintenance. Tenant shall, throughout the term, take good care of the Premises and fixtures and appurtenances therein, and make all minor and nonstructural repairs thereto as and when needed to preserve the Premises in good order and condition, including the overhead door. Lessee shall give Lessor prompt notice of any accident or needed repairs or replacements.
ENTIRE AGREEMENT/AMENDMENT:

This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY:

If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER:

The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

CUMULATIVE RIGHTS:

The rights of the parties under this Lease are cumulative and shall not be construed as exclusive unless otherwise required by law.

GOVERNING LAW:

This Lease shall be construed in accordance with the laws of the State of Minnesota.

STORAGE:

Tenant shall be entitled to store items of personal property in the garage during the term of this Lease. Landlord shall not be liable for loss of or damage to such stored items.

LATE PAYMENTS:

Payments not paid by the due date shall bear interest at 8% per annum until paid.

HOLDOVER:

If Tenant maintains possession of the Premises for any period after the termination of this Lease ("Holdover Period"), Tenant shall pay to Landlord a lease payment for the Holdover Period equal to the amount set forth in the preceding Lease Payments paragraph. Such holdover shall constitute a month-to-month extension of this Lease.

NON-SUFFICIENT FUNDS:

Tenant shall be charged $50.00 for each check that is returned to Landlord for lack of sufficient funds.
UTILITIES:
Landlord shall have the responsibility for payment of the cost of all utilities serving the Premises.

DESTRUCTION OR CONDEMNATION OF PREMISES:
If the Premises are partially destroyed in a manner that prevents the conducting of Tenant's use of the Premises in a normal manner, and if the damage is reasonably repairable within 60 days after the occurrence of the destruction, and if the cost of repair is less than $500.00, Landlord shall repair the Premises and lease payments shall abate during the period of the repair. However, if the damage is not repairable within 60 days, or if the cost of repair is $500.00 or more, or if Landlord is prevented from repairing the damage by forces beyond Landlord's control, or if the property is condemned, this Lease shall terminate upon 20 days' written notice of such event or condition by either party.

INDEMNIFICATION AND HOLD HARMLESS:
Landlord and Tenant shall indemnify and save each other harmless from and against any and all liabilities, claims and costs (including reasonable attorney's fees, penalties and fines) for death, injury or damages to persons or property during the term of this Lease, arising from (a) any default by each in the performance of its obligations under this lease, or (b) any acts, emissions, or negligence of each party or its agents and employees. If any action or proceeding is brought against the other based upon any such claim, the party at fault shall cause such action to be defended, at its expense, by counsel reasonably satisfactory to the other party. This hold harmless and indemnity shall survive termination of this Lease. Notwithstanding anything in this Section or any other provision of this Lease, Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss to the extent covered by any insurance policy.

ASSIGNABILITY/SUBLETTING:
Tenant may not assign or sublease any interest in the Premises, nor effect a change in the majority ownership of the Tenant (from the ownership existing at the inception of this lease), without the prior written consent of Landlord, which shall not be unreasonably withheld.

LANDLORD:
ROBERT HUNT TRUST
By: ____________________________  Date: ____________________________

TENANT:
PINE MEDICAL CENTER
By: ____________________________  Date: ____________________________
   Tim E. Zwickey
Its: ____________________________  Date: ____________________________
AGENDA REQUEST FORM

Date of Meeting: May 5, 2020

- County Board
- Consent Agenda
- Regular Agenda 5 mins. 10 mins. 15 mins. Other

- Personnel Committee
- Other

Agenda Item: Approve letter of support for grant application

Department: HHS

[Signature]
Department Head signature

Background information on Item:

The MN Department of Human Services has released a Request for Proposals for qualified grantees to improve upon the accessibility and quality of community-based, outpatient mental health services. This is a very competitive grant with many requirements. One of the requirements is a letter of support from the applicant’s local county board. If Pine County is awarded a grant amount, it will be for a two-year time frame (July 1, 2020 through June 30, 2022).

Action Requested:

Authorize Board Chairperson Hallan to sign the letter of support, as required by the grant application.

Financial Impact:

N/A

By applying for this grant, it is the hope that Pine County can build upon the continuum of mental health services that we have so diligently worked to increase over the last five years.
Dear Ms. Jones:

The purpose of this letter is to offer a strong letter of support on behalf of Pine County Health and Human Services in their grant application for expanding and enhancing community-based mental health services in Pine County. We receive continuous feedback from our constituents and from our organization’s department heads that indicate the need for broader community-based mental health services. The expansion and promotion of community-based mental health services are vital to the community’s safety and well-being. The resources made available through this grant will be helpful as we look to improve and expand upon the services that already exist.

Thank you for your time and attention. Please do not hesitate to contact me if you have any questions or concerns regarding this letter of support.

Respectfully Submitted,

Stephen M. Hallan
Pine County Board Chair
AGENDA REQUEST FORM

Date of Meeting: May 5, 2020

☐ County Board
☐ Consent Agenda
☒ Regular Agenda
☐ 5 mins
☐ 10 mins
☐ 15 mins
☐ Other
☐ Personnel Committee
☐ Other

Agenda Item: Re-Appointment County Engineer

Department: Pine County Public Works

[Department Head Signature]

Background information on Item:

Re-Appointment of Public Works Director/County Engineer Mark LeBrun, from May 31, 2020 to May 31, 2024

Action Requested:

Approve

Financial Impact:
AGENDA REQUEST FORM

Date of Meeting: May 5, 2020

☑ County Board
☐ Consent Agenda
☒ Regular Agenda  5 mins.  10 mins.  15 mins.  Other

☐ Personnel Committee
☐ Other ____________

Agenda Item: County COVID-19 Response Update

Department: Administration

Department Head signature

Background information on Item:

The extended Stay-at-Home Order is scheduled to expire on May 3, 2020. The governor had begun to loosen restrictions and it is anticipated that those will continue.

Staff will provide updates on the various aspects of the county response and provide an opportunity for questions.