

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into by and between Independent School District No. 113, Walker-Hackensack-Akeley, a public corporation under the laws of the State of Minnesota, whose address is 301 4th Street, Walker, Minnesota 56484 (hereinafter "Lessor") and the Up North Learning Center, a public corporation under the laws of the State of Minnesota, whose address is 5413 County 37 NW, Walker, MN 56484 formerly 5413 73rd Street NW, Walker, Minnesota 56484 (hereinafter "Tenant").

WHEREAS, Lessor and Tenant desire to enter into a Lease Agreement whereby Tenant will lease the Up North Learning Center ("Leased Premises") located at 5413 County 37 NW, Walker, Minnesota 56484; and

WHEREAS, the Tenant agrees to take said premises "as is."

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, Lessor hereby leases to Tenant, and Tenant leases from Lessor, the premises hereinafter contained, for the time period and upon the terms and conditions hereinafter set forth:

1. PREMISES. In consideration of the provisions contained in this Agreement, Lessor agrees to provide to the Tenant the Leased Premises for Tenant to conduct and operate a Level IV educational program. The space provided consists of approximately 17,000 square feet.
2. CHANGE IN PREMISES. Upon mutual agreement, appropriate and adequate spaces shall be adjusted to suit the needs of Lessor and Tenant. Any additional needs for space or revisions to the space leased as listed in this Agreement shall be modified or amended by an Agreement in writing and signed by Lessor and the Tenant.
3. LEASE TERM. This Lease shall be for a term of one year, commencing on September 1, 2026 and terminating on August 31, 2027.
4. ACCEPTANCE OF THE LEASED PREMISES. Tenant's occupancy of the Leased Premises shall constitute conclusive evidence that the premises were, as of that date, in good, clean and tenantable condition, and as otherwise represented by the Lessor. It is understood and agreed that Lessor shall have a continued right to be on the Leased Premises for the purpose of custodial services and use of the Leased Premises at the times other than those specified for use by the Tenant.
5. RENT. Tenant shall pay to the Lessor during the Lease Term rent in the amount of \$425,000, which is \$85,000 annually per member district. Rent will be invoiced by on a quarterly basis and paid through a lease levy or direct payment as chosen by each member district.
6. USE. The Leased Premises shall be used and occupied by the Tenant for the purpose of running a Level IV Program and purposes incidental to said use, and for no other purposes. No part of the Leased Premises shall be used for any purpose that: constitutes a nuisance;

is illegal, offensive or termed hazardous by insurance companies; may make void or voidable any insurance on the building or increase the premiums therefor; or which might interfere with the general safety, comfort or convenience of Lessor and other occupants of the building.

7. ACCESS TO BUILDING. The Leased Premises identified hereto shall be made available to Tenant for operation of the Level IV Program from 8 a.m. to 3:30 p.m. on school days. Employees of Tenant may be provided access to the Leased Premises beyond the times set forth above, as mutually agreeable between the Lessor and Tenant for purposes of Tenant's normal business operations.
8. PARKING. Tenant shall have use of the Lessor's parking facilities as needed.
9. ALTERATIONS; APPROVALS. Tenant shall not make any alterations of or additions to the Leased Premises without prior written consent of Lessor. All plans, specifications, contractors, and laborers to be used for Tenants improvements must be approved in advance, in writing, by the Lessor.

At the termination of this Lease, Tenant shall, if the Lessor so elects, remove all alterations and additions erected by Tenant and restore the Leased Premises to their original condition; otherwise such improvements shall be delivered up to Lessor with the Leased Premises. All movable office furnishing and trade fixtures installed by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, and shall be removed if required by Lessor. All such removals and restoration shall be accomplished in a good and workmanlike manner so as not to damage the primary structure or structural qualities of the Leased Premises. Personal property remaining in the Leased Premises at the expiration or termination of the Lease Term shall, at the option of Lessor, be deemed abandoned and become property of Lessor, and Lessor may dispose of the same as Lessor deems expedient.

10. ACCESS BY LESSOR.
 - A. Lessor and its agents and representative shall be entitled to keep keys to the Leased Premises and shall have the right to enter and inspect the Leased Premises at any reasonable time for the purpose of ascertaining the condition thereof or in order to make such repairs as may be required to be made by Lessor under the terms of this Lease or as Lessor may deem necessary. It is further provided that such entry shall not unreasonably interfere with Tenant's business operations.
 - B. The right of entry reserved shall not be deemed to impose any greater obligation on Lessor to clean, maintain, repair or change the Leased Premises than is specifically provided in this Lease. Lessor and its agents and representatives may at any time in case of emergency enter the Leased Premises and do such acts as Lessor may deem proper in order to protect the Leased Premises.

11. SUBLETTING AND ASSIGNMENT. Tenant shall not sublease the whole or any part of the Leased Premises without the prior written consent of Lessor, which consent may be given or withheld in the Lessor's sole and absolute discretion. Tenant shall not, voluntarily or by operation of law, assign, pledge or otherwise transfer this Lease without prior written consent of the Lessor, which consent may be given or withheld in Lessor's sole and absolute discretion.

12. FIRE AND OTHER CASUALTY. If the Leased Premises or a substantial part thereof is damaged or destroyed by fire or other casualty, Lessor or Tenant shall have the option, exercisable in their sole and absolute discretion by giving written notice to the other party within ninety (90) days after such damage or destruction, to terminate this Lease within thirty (30) days from the date said notice is given. If a portion of the Leased Premises is damaged by fire or other casualty and this Lease is not terminated pursuant to the preceding sentence, Lessor shall, at its expense, restore the Leased Premises, exclusive of any improvements or other changes made to the Leased Premises by the Tenant, to as near the condition which existed immediately prior to such damage or destruction as reasonable practicable, and all obligations for payment under this Lease Agreement shall abate during such period of time as the Leased Premises are un-tenantable in the proportion that the un-tenantable portion of the Leased Premises bears to the entire Leased Premises. Lessor shall not be responsible to Tenant for, and Tenant shall make no claim against Lessor for, any damage to or theft or destruction of any personal property, furniture, equipment, improvements or other changes made by Tenant in, on or about the Leased Premises, except for any such damage or destruction that is the direct result of any negligent or intentional act or omission of Lessor or its employees.

13. INSURANCE; WAIVER OF SUBROGATION. Tenant shall, at its own cost and expense, carry public liability insurance from an insurer acceptable to Lessor of not less than the statutory limitations pursuant to Minnesota Statutes Chapter 466. All policies of insurance shall name Lessor as an additional insured and loss payee and shall provide for not less than thirty (30) days written notice to Lessor before cancellation. Before taking possession of the Leased Premises, Tenant shall provide Lessor with a certificate of insurance noting the requirements set forth in this Paragraph, and otherwise acceptable to Lessor. Lessor and Tenant each hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage casualties covered by the insurance maintained hereunder, provided, however that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such times as the releasor's policies shall contain a clause or endorsement to the effect that may release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder. The Lessor and Tenant shall cause their respective insurers to include such a clause or endorsement in their policies of insurance.

Tenant shall maintain property loss insurance for its personal property and business fixtures. Lessor shall maintain fire and extended coverage covering the real property.

14. INDEMNITY. To the extent allowable under Minnesota law, Tenant and Tenant's successors and assigns shall indemnify, hold harmless and defend Lessor and Lessor's successors and assigns from any claim or damage arising out of any injury, death or property damage occurring in, on or about the Leased Premises, to the Tenant or an employee, agent, customer or invitee of the Tenant, except to the extent such injury, death or property damage shall be the direct result of the negligent or intentional act or omission of the Lessor or its employees, agents or representatives. Indemnification under this paragraph shall be limited to injury, death or property damage resulting from the negligence, intentional act or omission of Tenant, its employees, independent contractors, business associates or affiliates, guests and invitees.

15. EVENTS OF DEFAULT. Each of the following shall constitute an "Event of Default" by Tenant under this Lease:
 - A. The failure by Tenant to pay any and all charges to be paid pursuant to this Lease within ten (10) days following the due date;
 - B. The insolvency or dissolution of Tenant, any transfer by the Tenant in fraud of creditors, or any assignment by the Tenant for the benefit of creditors;
 - C. The vacating or deserting by Tenant of all or any substantial portion of the Leased Premises;
 - D. The failure by Tenant to comply with any term, provision or covenant of this Lease and the failure by the Tenant to cure such failure within thirty (30) days after notice from Lessor.

16. REMEDIES. Upon the occurrence of any Event of Default, Lessor, at its option and in addition to all other rights and remedies available to Lessor by law or by the other provisions hereof, may:
 - A. terminate this Lease and all of Lessor's and Tenant's rights and obligations hereunder;
or
 - B. declare this Lease forfeited and the Lease Term ended upon ten (10) days written notice to Tenant, and to reenter the Leased Premises, with or without process of law, using such reasonable force as may be necessary to remove all persons and chattels therefrom, and Lessor shall not be liable for damages by reason of such reentry or forfeiture.

17. NOTICE. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid, certified or registered mail, addressed to the parties hereto at the addresses set forth below, or at such other address as they have previously designated in written notice delivered in accordance with this paragraph:

If to Lessor: Independent School District No. 113

If to Tenant: Up North Learning Center

Any notice or document required or permitted to be delivered hereunder by Lessor to Tenant also shall be deemed to be delivered if and when delivered personally to Tenant at the Leased Premises.

18. RULES AND REGULATIONS. Tenant shall observe such rules and regulations which from time to time may be promulgated by the Lessor for the general safety, comfort and convenience of Lessor, occupants and tenants.
19. COMPLIANCE WITH LAWS, REGULATIONS, AND POLICIES. Tenant shall abide by all federal, state, and local laws and regulations. Tenant agrees not to discriminate on the basis of race, color, sex, creed, national origin, disability, age, sexual orientation, status with regard to public assistance, or religion.
20. WAIVER. Any failure of Lessor to insist upon strict performance of any term, covenant or condition of this Lease, or to exercise any option herein contained, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or option, but the same shall continue and remain in full force and effect. The receipt by Lessor of any charges to be paid pursuant to this Lease with knowledge of a breach in any terms, covenants or conditions of this Lease to be kept or performed by Tenant shall not be deemed a waiver of such breach, and Lessor shall not be deemed to have waived any provision of this Lease unless expressed in writing and signed by Lessor.
21. SURRENDER. On the last day of the term of this Lease or on the sooner termination thereof, Tenant shall peaceably surrender the Leased Premises in good condition and repair consistent with the Tenant's duty to make repairs as provided herein. On or before the last day of the Lease Term or on the sooner termination thereof, Tenant shall at its expense remove all of t Tenant's personal property from the Leased Premises, and any property not removed shall be deemed abandoned. All alterations, additions and fixtures which have been made or installed upon the Leased Premises by either Lessor or Tenant shall remain as Lessor's property and shall be surrendered with the Lease Premises as a part thereof. Tenant shall promptly surrender all keys for the Leased Premises and the Building to Lessor at the place then fixed for payment of any charges and shall inform Lessor of combinations on any locks or safes on the Leased Premises.
22. MISCELLANEOUS
 - A. Words of any gender used in this Lease shall be held and construed to include any other gender, and words if the singular number shall be held to include the plural, unless the context otherwise requires.

- B. The terms, provisions, covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective legal representatives, successors and permitted assigns, except as otherwise herein expressly provided.
- C. If any clause or provision of this Lease is or becomes illegal, invalid or unenforceable because of present or future laws or any rule or regulations of any governmental body or entity or valid court order, then the remainder of this Lease shall not be affected thereby unless such illegality, invalidity or unenforceability is, in the sole discretion of the Lessor, essential to the rights of both parties, in which event Lessor shall have the right to terminate this Lease upon written notice to Tenant.
- D. The Lease does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Tenant, the sole relationship between Lessor and Tenant being that of lessor and tenant.
- E. Each term and each provision of this Lease performable by Tenant shall be construed to be both a covenant and a condition.
- F. The paragraph headings of this Lease are for convenience only and do not define, limit or construe the contents of such paragraphs.
- G. This Lease shall supersede all negotiations or other communications, written or verbal, regarding the terms and conditions of the relationship between Lessor and Tenant created hereby, and there are no agreements and conditions of the relationship between Lessor and Tenant created hereby, and there are not agreements between Lessor and Tenant, written or verbal, other than those expressed herein.
- H. This Lease can only be modified or amended by an Agreement in writing signed by Lessor and Tenant.
- I. This Agreement shall be construed in accordance with the laws of Minnesota.
- J. Each party represents and warrants to the other that the signatory of that party is authorized to enter into this Agreement for and on behalf of that party.

25. ENTIRE AGREEMENT. This agreement represents the entire understanding and agreement between the parties hereto and this lease agreement may not be altered, changed or amended, except by an instrument in writing, signed by all parties hereto.

IN WITNESS WHEREOF, the Lessor and the Tenant have executed this Lease Agreement on the respective dates set forth below.

LESSOR: INDEPENDENT SCHOOL DISTRICT NO. 113

By: _____
Its Chair

By: _____
Its Clerk

Dated: _____

TENANT: INDEPENDENT SCHOOL DISTRICT NO. _____

By: _____
Its Chair

By: _____
Its Clerk

Dated: _____

PLEASE INDICATE:

Walker-Hackensack-Akeley ISD #113 is to include the Tenant's lease payments in the MDE

Levy Information System: _____ YES _____ NO

