

SCHEDULE

THIS SCHEDULE is attached to and is a part of that certain Lease Agreement of even date herewith by and between NORTHWOOD CHILDREN’S SERVICES, as Lessor, and INDEPENDENT SCHOOL DISTRICT NO. 709, as Lessee, and relating to school known as Merritt Creek Academy.

1. Merritt Creek Academy – Utilities and Other Services. The parties shall be responsible and pay for the following services as indicated.

	Lessor	Lessee
a. Heat	X	
b. Water	X	
c. Sewage	X	
d. Electricity	X	
e. Telephone		X
f. Lawn Care	X	
g. Garbage Removal	X	
h. Snow Removal	X	
i. Janitorial Service	X	
j. Security	X	
k. Other (as agreed once specified)	X	X

2. Merritt Creek Academy – Repair and Maintenance. The parties shall make repairs and maintain the premises as follows:

	Lessor	Lessee
a. Windows	X	
b. General Exterior	X	
c. Roof	X	
d. Structural	X	
e. Interior of Leased Premises	X	
f. Parking Lot and Driveway	X	
g. Sidewalks, drainage & lawns	X	
h. Interior Plumbing of Leased Premised	X	
i. Exterior Plumbing of Leased Premises	X	
j. Electrical of Leased Premises	X	
k. Heating and Mechanical	X	
l. Replacement of existing desks, chairs, school equipment.		X

3. Insurance. Parties shall secure and pay for insurance as follows:
- a. Lessor agrees to secure and keep in force from and after the date Lessor shall deliver possession of the demised premises to Lessee and throughout the lease term, at Lessor's own cost and expense (1) comprehensive general and commercial liability insurance on an occurrence basis with a minimum limit of liability in an amount of \$1,000,000, including water damages and legal liability. Lessee may be responsible for any deductible amount not covered by Lessor's insurance, up to \$25,000 per occurrence, for any loss, damage or destruction of the building attributable to acts of its employees or others under its supervision. Lessee should also carry personal property insurance to cover equipment or other personal property owned by the Lessee.
 - b. Fire and extended coverage on the building structure on the leased premises shall be at its insurable value and secured and paid for by X Lessor ___ Lessee except that the Lessee may be responsible for any deductible amount not covered by Lessor's insurance, up to \$25,000 per occurrence, for any loss, damage or destruction of the building attributable to acts of its employees or others under its supervision.
4. Relationship of Parties. Nothing contained in this lease shall be deemed to constitute or be construed or implied to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto other than the relationship of Lessor and Lessee.
5. Parking. Parking related to the Lessee needs shall be the sole responsibility of the Lessee. Any parking allowed on property shall be in accordance with applicable local ordinance and laws, and any damage to turf caused due to the Lessee allowing parking to occur on other than designated paved surfaces shall be repaired and the turf restored and cost paid by the Lessee.
6. Examination of Premises. The Lessee has made his own inspection of the premises and hereby agrees to accept the premises as they are, subject to the following notices.
7. Notices. The parties agree that any notices under this lease shall be addressed as follows:

Lessor: President & CEO
 Northwood Children's Services
 714 W. College Street
 Duluth, Minnesota 55811

Lessee: Director of Business Services
 Independent School District No. 709
 215 North First Avenue East
 Duluth, Minnesota 55802

Notices shall be deemed given for purposes of Paragraph 16 upon certified mailing, standard overnight delivery by an established company, or personal delivery service, with written receipt.

Lessor/Security Party

Northwood Children's Services
714 West College Street
Duluth, Minnesota 55811

LESSOR:

Kenneth Johnson, Board Chair Date

Richard Wolleat, President & CEO Date

Lessee/Debtor

Independent School District No. 709
215 North First Avenue East
Duluth, Minnesota 55802

LESSEE:

Tom Kasper, Board Chairperson Date

Mike Miernicki, Clerk of the Board
Date