



FACILITIES MANAGEMENT

Independent School District No. 709

Located at 101 East 3rd Street

Mailing Address: 215 North 1st Avenue East

Duluth, Minnesota 55802

Construction Management (218) 336-8907

Maintenance (218) 336-8906

Operations (218) 336-8905

Fax (218) 336-8909

Memorandum

To: Bill Hanson
School Board

From: Kerry M. Leider

Date: May 31, 2012

Re: Valley Youth Center Lease Agreement

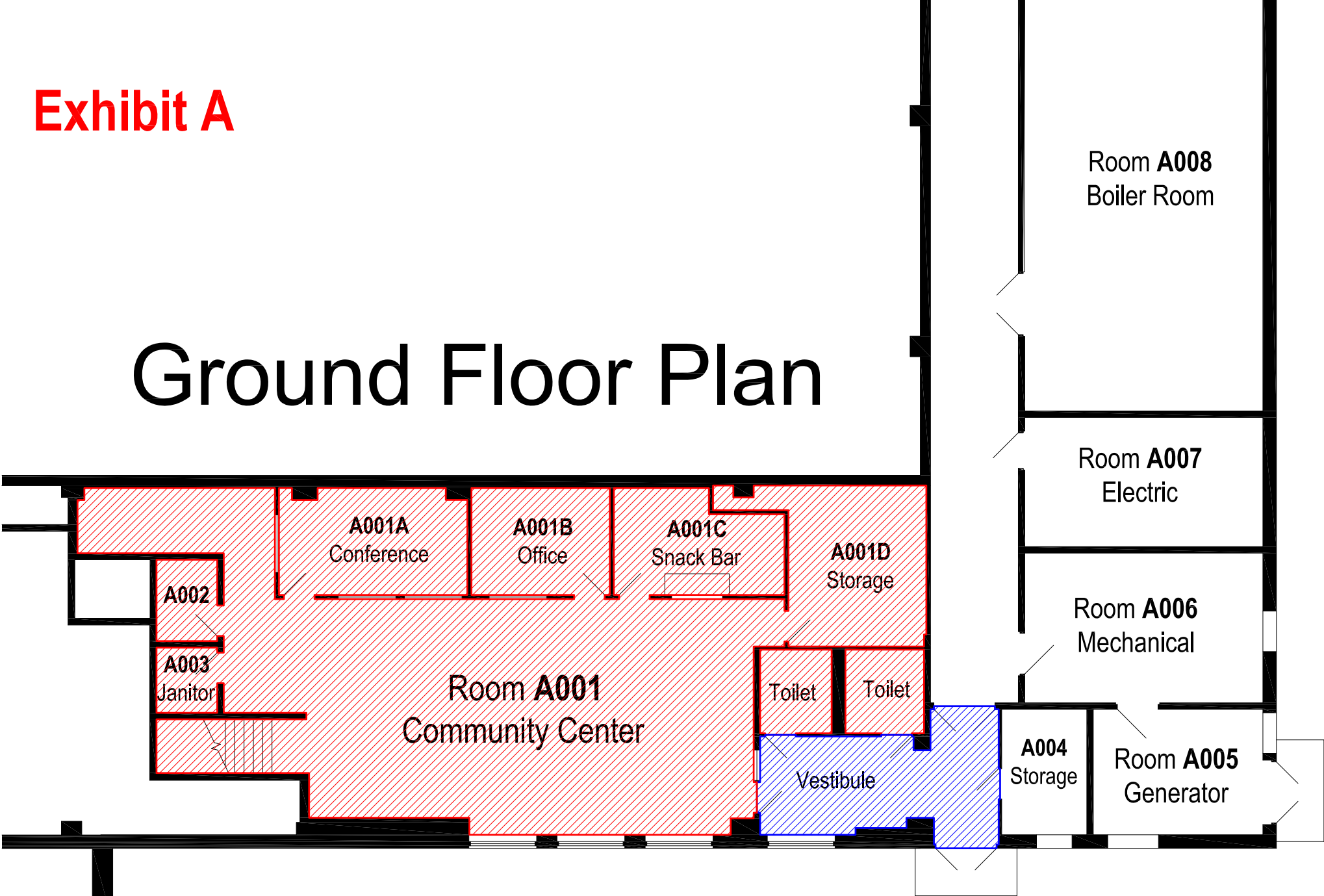
Attached please find a copy of the lease agreement between the Welch Center, Inc. doing business as the Valley Youth Center and ISD 709 for the use of space at the new Laura MacArthur School. This Agreement covers the period from June 5, 2012 – June 30, 2017, with the option to extend five (5) additional years at no cost during the term of the agreement.

It is recommended the Duluth School Board approve the Lease Agreement with the Valley Youth Center.

Attachment

Exhibit A

Ground Floor Plan



 Leased Space 2,252 sq.ft,
 Shared Space

LEASE AND COOPERATIVE OPERATING AGREEMENT

THIS AGREEMENT made and entered into this 5th day of June, 2012, by and between Independent School District #709, a public corporation, party of the first part, hereinafter called Lessor, and The Welch Center, Inc., doing business as Valley Youth Center, party of the second part, hereinafter called the Lessee.

RECITALS

The Valley Youth Center is located in the Memorial Park Community Center within Laura MacArthur Elementary School, which is located at 720 North Central Avenue. Laura MacArthur School is owned, maintained and operated by Independent School District #709, a Body Corporate Politic, (The Lessor) pursuant to M. S. Sec. 123B.02. It is hereby attested that Independent School District Number 709 endeavors to provide opportunities to youth through its collaborative efforts with The Welch Center, Inc. doing business as Valley Youth Center, a Non-Profit Corporation. Independent School District Number 709 is dedicated to continuing to serve the residents in the neighborhoods surrounding Laura MacArthur School by committing existing facilities as part of a collaborative effort with The Welch Center, Inc. doing business as Valley Youth Center. Consistent with the mission of the school district, the Welch Center, Inc. doing business as Valley Youth Center is an entity committed to helping youth of all backgrounds, with special concern for those from disadvantaged circumstances, develop the qualities needed to become responsible citizens and leaders.

AGREEMENT

ARTICLE 1. DEFINITIONS

- 1.0 **AUTHORITY TO LEASE:** Independent School District Number 709 is authorized to lease facilities according to M.S. Sec 123B.02.
- 1.1 **THE LESSOR** shall mean: Independent School District Number 709, A Minnesota Public Corporation.
- 1.2 **THE LESSEE** shall mean: The Welch Center, Inc. doing business as Valley Youth Center, a Non Profit Corporation.
- 1.3 **BUILDING** shall mean: Portions of the Existing Laura MacArthur School consisting of approximately 2,252 square feet.
- 1.4 **LEASED SPACE** shall mean that portion of the Building to which the Lessee shall have the exclusive right of occupancy under this Agreement. The Leased Space is more particularly described in Exhibit A, which is attached hereto and incorporated herein by reference.

1.5 SHARED SPACE shall mean those portions of the building that are anticipated to be utilized by the Lessee and Lessor. The Shared Space areas shall specifically include, with limitations described in Article 6 of this agreement, the Vestibule and Hallway. The Shared Space is more particularly described in Exhibit A, which is attached hereto and incorporated herein by reference.

1.6 OUTSIDE PLAYGROUND FACILITIES shall mean all of the outdoor recreational facilities and open spaces located on Laura MacArthur School property.

1.7 PREMISES shall mean the Leased Space and Shared Space.

1.8 BUILDING USE PERMIT shall mean a permit granted by Lessor which allows access to a portion of the School Premises other than the Leased Space or Shared Space.

1.9 PROGRAMMABLE SPACE shall mean areas of the building that School or Lessee activities can be conducted. This space does not include corridors, vestibules, restrooms, mechanical rooms, crawl spaces, equipment rooms, attic spaces, boiler rooms.

ARTICLE 2.

GRANT OF OCCUPANCY TO LEASED SPACE

2.1 The Lessor does hereby demise and let unto the Lessee, and the Lessee does hereby lease from the Lessor, the Leased Space described in Exhibit A.

ARTICLE 3.

TERM

3.1 Term. The initial term of this Agreement ("Initial Term") shall be for a period beginning on the 5th day of June, 2012 and ending on the 30th day of June, 2017.

Upon expiration of the Initial Term of this Agreement, if the Lessor determines that the use will continue to be compatible and consistent with its programs and building space needs, the Lessee shall have the option to extend the term of this Agreement for one additional period of five (5) years. The Lessee may exercise such Renewal Term option by giving written notice to the Lessor no later than sixty (60) days prior to expiration of: the Initial Term. All the terms and conditions, except those made pursuant to Article 4, of this Agreement shall apply during any Renewal Term except that the Lessee shall have no further options to extend the term of this agreement beyond expiration of the Renewal Term.

ARTICLE 4.

RENT

4.1 Rent. The Lessee shall pay \$5.00 as total rent for the five year term of this agreement, such rent payable in one non refundable lump sum amount payable in one installment on the effective date of this agreement.

ARTICLE 5.
USE

5.1 Permitted Uses. Unless specifically agreed to in writing by the Lessor, the Lessee shall use the Premises only for the following purposes:

5.1.A. Social, educational, recreational, individual and family support, citizenship and leadership, enrichment, and youth related community outreach programming.

5.1.B. Administrative offices and staff facilities for the Lessee.

5.2 Non-discrimination Covenant. The Lessee hereby covenants and agrees that it will not engage in or permit unlawful discrimination against persons seeking access to the Premises or to programming conducted by the Lessee on the basis of age, sex, race, religion, color, creed or national origin, status of recipient of economic assistance, or status as a veteran of war.

5.3 Prohibited Uses. The Lessee shall not use or occupy the Premises or knowingly permit the Leased Space to be used or occupied for any purpose or activity which is contrary to any statute, rule, order, ordinance, requirement or regulation applicable thereto or in any manner which would violate any certificate of occupancy effecting the same, or which would be likely to cause structural injury to the Premises or improvements thereon or cause the value or usefulness of the Premises or any part thereof to be substantially diminished, or which would adversely affect the Lessor's activity on or adjacent to the Premises, or which would constitute a public or private nuisance or waste. Upon discovery of any use prohibited hereunder, the Lessee shall promptly take all necessary steps to discontinue such non-conforming use. The Lessee agrees that, during such times as it has the exclusive right to occupy any portion of the non-leased area of the school, it will take reasonable measures to prevent the above-referenced prohibited uses from occurring.

ARTICLE 6.
MANAGEMENT

6.1 Scheduling.

6.1.A. Leased Space. The Lessee shall allow the Lessor access to those areas to which it is entitled pursuant to Article 13.2 of this Agreement.

6.1.B. Non-leased School Space. The Lessor shall be responsible for scheduling the Non-leased School Areas and Outside Playground Facilities in a fair and reasonable manner to allow the Lessee access by permit to those areas for the purpose of carrying out Lessee's programming. The Lessor shall have the right to promulgate reasonable rules and regulation for use of the entire school building and property including the Leased

space. Such rules and regulations shall not violate or be contrary to any state or federal law, local ordinance, or provision of this Agreement.

6.2 Programmer Meetings. The Lessor shall conduct meetings of all program providers permanently officing in the Building no fewer than two times per year to discuss operation and management of the facility. On-site staff of all program providers will meet on a regular basis not less than bi-monthly to facilitate effective, non-conflicting programming and scheduling.

6.3 Dispute Resolution. If a dispute develops between the parties regarding the performance by a party of its obligations under this Agreement or the interpretation of the rights and obligations of the parties under this Agreement such disputes shall be promptly referred by each party to its next administrative level which will settle the dispute. Such referral shall continue to succeeding levels of the respective party's administration until all administrative levels have been exhausted.

ARTICLE 7. SUPERVISION AND EQUIPMENT

7.1 Supervision. Each party shall provide reasonable supervision and security for all activities scheduled by it.

7.2 Equipment. Each party will furnish all of its own equipment except as agreed in advance by the authorized staff of the parties.

7.3 Appropriate Activities. The parties agree that they will limit their activities in the Premises to those for which the Premises was designed and which will not present an unreasonable risk of damage or destruction to the facility or equipment or carry an unreasonable risk of injury to the participants supervisors or spectators. Activities to be conducted in the Leased Space or the Non-leased Area of the School that would violate the terms of this section must be approved in advance by both parties.

ARTICLE 8. ORDINANCES BUILDING RESTRICTION'S AND REGULATION'S

8.1 The Lessee during the term of this Agreement shall at its expense comply with all valid applicable laws ordinances and regulations of duly constituted public authorities now or hereafter in any manner affecting the Premises and any improvements thereon or the use thereof. The Lessee shall indemnify and hold the Lessor harmless from the consequences of any violation of any such law ordinance or regulation by the Lessee. The Lessee shall not permit any activity contrary to any law ordinance or regulation to occur in the Leased Space and during such times as it has the exclusive right to occupy any portion of the school other than the Leased Space, and it will take reasonable measures to prevent such activities from occurring in such portion(s) of the Frequently Permitted Space. Notwithstanding the foregoing and Section 5.3, it shall be the Lessor's responsibility, rather than the Lessee's responsibility to ensure that the Building and the Premises exclusive of any improvements or alterations made by the Lessee to the Leased Space

subsequent to the Commencement Date are constructed and maintained in accordance with all building codes ordinances and laws.

ARTICLE 9. ALTERATIONS

9.1 No Alterations Without Consent. The Lessee shall make no changes or alterations to the exterior of the Building without the Lessor prior written approval. The Lessee may at its expense make changes or alterations to the interior of the Premises provided that the Lessor has first consented in writing to the proposed plans and specifications for said changes or alterations. The Lessor shall not unreasonably withhold consent to such alterations provided that the Lessor shall be entitled to withhold consent if it determines in its reasonable discretion that the improvements proposed by the Lessee will not be useful to the Lessor upon reversion of the Premises to the Lessor at the termination of the Agreement. According to local building and zoning code, the Lessee shall have the right to erect and maintain a sign on the Building identifying its presence in the Building subject to the mutual agreement of the parties regarding the size and design of the sign. The parties agree that such sign shall be aesthetically consistent with the exterior of the Building. The Lessee shall also be permitted to place such lettering on the main door to the Premises as it deems appropriate to identify its business and business hours.

9.2 Mechanic's Liens. The Lessee shall not suffer or permit any statements of mechanic's liens to be filed against the Premises or any part thereof by reason of work, labor, services or materials supplied or claimed to have been supplied to the Lessee or anyone holding the Premises or any part thereof through or under the Lessee. If any such statement of mechanic's lien shall at any time be filed against the Premises, the Lessee shall cause the same to be discharged of record within twenty (20) days after the date of actual notice to the Lessee of filing the same. If the Lessee shall fail to discharge such mechanic's lien within such period, then in addition to any other right or remedy of the Lessor, may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit in court, by giving security, in such other manner as is or may be prescribed by law. Any amount paid by the Lessor for any of the aforesaid purposes, and all reasonable other expenses of the Lessor, including reasonable attorneys' fees, in or about procuring the discharge of such lien, with all necessary disbursements in connection therewith, with interest thereon at the rate of eight percent (8%) per annum from the date of payment, shall be repaid by the Lessee to the Lessor on demand, and if unpaid may be treated as Additional Rent. The Lessor shall have the right to post and maintain on the Premises notices of non responsibility under the laws of Minnesota, and nothing herein shall be construed to subject the Lessor's property, if otherwise exempt to such liens.

ARTICLE 10. REPAIRS AND MAINTENANCE

10.1 Obligations of Lessee. The Lessee, at its sole cost and expense, shall repair, restore or replace promptly to the satisfaction of the Lessor all damage or injury to the Building or the fixtures, appurtenances and equipment relating thereto caused by: the

Lessee moving property in or out of the Premises; installation or removal of furniture, fixtures, equipment or other property by the Lessee, its agents, contractors, servants or employees; or resulting from any other cause of any other kind or nature whatsoever due to carelessness, omission, neglect, improper conduct or other causes of the Lessee, its servants, employees, agents, visitors or licensees. All repairs, restorations and replacements shall be in quality and class equal to the original work. If the Lessee fails to make such repairs, restorations or replacements, the same may be made by the Lessor, and the same shall be paid by the Lessee to the Lessor within five (5) days' rendition of a bill or statement therefor. Notwithstanding the foregoing, under no circumstances shall the Lessee be obligated to make any repairs or replacements made necessary as a result of damage caused by fire or other casualty, caused beyond its control, or any cause that would ordinarily be covered by a first and extended coverage insurance policy, irrespective of any negligence on the Lessee's part causing or tending to cause the same. The Lessee shall not be obligated to make any repairs or replacements made necessary as a result of the Lessor's negligence, wrongful conduct or breach of this Agreement.

10.2 Scheduled Maintenance. The Lessor shall prepare at the Lessor's expense, a schedule of recommended routine maintenance and repairs for the Leased Space. If requested by the Lessee the Lessor shall perform such routine maintenance and repairs. The Lessee shall pay the reasonable cost of such maintenance and repair services performed by the Lessor, unless such maintenance and repairs are otherwise the responsibility of the Lessor under this Agreement. The Lessor shall also, upon the Lessee's request, perform additional specific maintenance and repairs to the Leased Space, the reasonable cost of which shall be paid by the Lessee, unless such maintenance and repairs are otherwise the responsibility of the Lessor under this Agreement.

10.3 No Duty for the Lessor to Repair. Nothing herein contained shall imply any duty on the part of the Lessor to do any such work which the Lessee may be required to perform under any provision of this Agreement and the performance thereof by the Lessor shall not constitute a waiver of the Lessee' default in failing to perform the same.

10.4 Obligations of Lessor. The Lessor shall, during the term of this Agreement, at its expense (but subject to Section 4.2), keep the School Building, the electrical, plumbing, air conditioning equipment, heating equipment, water system, toilet facilities, and other machinery and equipment in the Building, and the roof, foundation, and structural elements of the Building, in good condition and repair, and shall promptly and adequately repair all damaged or broken glass, fixtures and appurtenances within a reasonable period of time. The Lessor shall also maintain the Outside Playground Facilities, sidewalks and parking facilities in a safe, clean and orderly condition consistent with the practices of the Lessor for the other facilities in its School system.

10.5 Daily Operations and Cleaning. The Lessee shall be responsible for all daily operations and cleaning of the Leased space, and shall be responsible for the cleaning of school areas the Lessee is issued a permit to use related to its activities and uses allowed by this lease or otherwise permitted.

ARTICLE 11.

INSURANCE

11.1 The Lessee shall, at its sole cost and expense, be responsible for obtaining and maintaining:

11.1a Insurance for its fixtures and personal property in or about the Leased Space against loss or damage by fire or other casualty. Such insurance coverage shall be for the benefit of both the Lessor and the Lessee, as their respective interests may appear.

11.1b. General public liability insurance against claims for personal injury, death or property damage occurring upon or about the Premises and on in or about the adjoining lands, streets and passageways, such insurer to afford protection to the limit of not less than One Million Five Hundred Thousand Dollars (\$1,500,000) with respect to injury or death to a single person, to the limit of not less than One Million Five Hundred Thousand Dollars (\$1,500,000) with respect to any one accident, and to the limit of not less than One Million Five Hundred Thousand Dollars (\$1,500,000) with respect to any property damage, naming both the Lessor and the Lessee as insured.

Such policies of insurance to be obtained by the Lessee shall be written in companies reasonably satisfactory to the Lessor, and shall be written in such form and shall be distributed in such companies as shall be reasonably acceptable to the Lessor. Such policies shall be delivered to the Lessor endorsed "premium paid" or with a receipt for payment of the premium issued by the company or agency issuing the policy or accompanied by other evidence satisfactory to the Lessor that the premiums thereon have been paid, not less than ten (10) days prior to occupancy of the Premises and the expiration of any then current policy. The policy must include a provision the Lessor be notified in writing prior to any cancellation.

ARTICLE 12. INDEMNITY

12.1 Obligations of Lessee. The Lessee shall indemnify and hold the Lessor harmless against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations; arising from the conduct or management of all activities or from any work or thing whatsoever done in or about the Premises by the Lessee; arising from any breach or default on the part of the Lessee in the performance of any covenant or agreement on the part of the Lessee to be performed pursuant to the terms of this Agreement; arising from any act of negligence on the part of the Lessee, or any of its agents, contractors, servants, employees or licensees; or arising from any accident, injury or damage whatsoever occurring during the Term of this Agreement in or about the Leased Space, other School Space the Lessee is issued a permit to use, or the Outside Playground Facilities (during such times as the Lessee has the exclusive right of access to such Space and Outside Playground Facilities) incurred by any person, firm or corporation participating in a program of the Lessee or present at the invitation of the Lessee. The Lessee shall further indemnify and hold the Lessor harmless from and against all costs, reasonable attorneys' fees, expenses and liabilities incurred in or about any such claim or

action or proceeding brought thereon. In case any action or proceeding is brought against the Lessor by reason of any such claim, the Lessee, upon notice from the Lessor, shall resist or defend such action or proceeding by counsel reasonably satisfactory to the Lessor. Counsel selected by the Lessee's insurance carrier shall be deemed satisfactory to the Lessor. Notwithstanding the foregoing and anything; in this Agreement to the contrary, the Lessee shall not be obligated to defend, indemnify or hold the Lessor harmless as to any claim, or matter based on the Lessor's negligence, wrongful conduct or breach of this Agreement; or as to claims or matters arising from latent defects in the Premises existing on the date of this commencement of the term of this Agreement.

12.2 Obligations of Lessor. The Lessor shall indemnify and hold the Lessee harmless against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations: arising from the conduct or management of all activities or from any work or thing whatsoever done by the Lessor in or about the Premises or the Outside Playground Facilities; arising from any breach or default on the part of the Lessor in the performance of any covenant or agreement on the part of the Lessor to be performed, pursuant to the terms of this Agreement; arising from any act of negligence on the part of the Lessor, or any of its agents, contractors, servants, employees or licensees; or arising from any accident, injury or damage whatsoever occurring during the term of this Agreement in or about the Premises (excluding the Leased Space) or the Outside Playground Facilities (excluding such times as the Lessee has the exclusive right of access to such Space and Outside Playground Facilities) incurred by any person, firm or corporation participating in a program of the Lessor or present at the invitation of the Lessor. The Lessor shall further indemnify and hold the Lessee harmless from and against all costs, reasonable attorneys' fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon. In case any action or proceeding is brought against the Lessee by reason of any such claim, the Lessor, upon notice from the Lessee, shall resist or defend such action or proceeding by counsel reasonably satisfactory to the Lessee. Counsel selected by the Lessor, or its insurance carrier if any, shall be deemed satisfactory to the Lessee. Notwithstanding the foregoing and anything in this Agreement to the contrary, the Lessor shall not be obligated to defend, indemnify or hold the Lessee harmless as to any claim or matter based on the Lessee's negligence, wrongful conduct or breach of this Agreement.

12.3 Release and Waiver of Subrogation. Notwithstanding anything in this Agreement to the contrary (including, without limitation, sections 5.3, 7.3, 10.1, 12.1, 12.2, 15.1 and Articles 17 and 20), each party hereunder (the "releasing party") hereby releases the other party and the other party's agents, employees, licensees and invitees (the "released party"), from any and all liability or responsibility to the releasing party or anyone claiming through or under the releasing party by way of subrogation or otherwise for any loss or damage to property caused by fire or any casualty which would ordinarily be covered under a fire and extended coverage or supplementary contract of insurance (whether or not the releasing party has such insurance), even if such fire or other casualty shall have been caused by the fault or negligence of the released party, or anyone for whom such party may be responsible. Such release applies notwithstanding whether the releasing party's policies (if any) shall contain a clause or endorsement to the effect that any such release shall not

adversely affect or impair said policies or prejudice the right of the releasing party to recover thereunder except as expressly provided in this Agreement.

ARTICLE 13.

LESSOR 'S USE AND ACCESS TO PREMISES

13.1 Use of Building by the Lessor. As part of the consideration for this Agreement, the Lessor reserves for itself the exclusive use of all portions of the Building not specifically identified as Leased Space in Exhibit A. The Lessor may use said space for any purpose it deems necessary or appropriate.

13.2 Access to Leased Space by the Lessor. The Lessee shall permit the Lessor and the authorized representatives of the Lessor to enter the Leased Space at all times during usual business hours for the purpose of inspecting the same and making any necessary repairs to comply with any laws, ordinances, regulations or requirements of any public authority or of the Lessor's of fire underwriters or any similar body. However, except as expressly provided in this Agreement, nothing in this Agreement shall be construed so as to impose any obligation on the Lessor to make any such repairs, alterations or improvements. The Lessor may, during the progress of any work on the Leased Space, keep and store upon the Leased Space all necessary materials, tools and equipment. The Lessor shall not, in any event, be liable for any inconvenience, annoyance, disturbance, loss of business or other damage to the Lessee by reason of making repairs or the performance of any work on the Leased Space or on account of bringing materials, supplies and equipment into or to the Leased Space during the course thereof. The obligations of the Lessee under this Agreement shall not thereby be affected in any manner whatsoever. The Lessor agrees, however, in connection with the performance of any such work, to cause as little inconvenience, annoyance, disturbance, loss of business or other damage to the Lessee as may reasonably be possible in the circumstances.

ARTICLE 14.

ASSIGNMENT

14.1 Assignment or Subletting. The Lessee shall not assign this Agreement or sublet the Premises or any portion of the Premises except as provided in Article 14.2 of the Agreement.

14.2 Assignment. The Lessee shall not assign or sublet any portion of the Leased Space without first obtaining the written consent of the Lessor at least sixty days before the proposed commencement of occupancy by the subtenant. The Lessee shall notify the Lessor of the name of the proposed new subtenant, the amount of space proposed to be occupied by the new subtenant, and the amount of rent proposed to be paid by the new subtenant. Sublease agreements must be for a minimum of two (2) years in length unless the prior written consent of the Lessor is obtained. The Lessor shall at its sole discretion decide whether to grant permission to the Lessee to sublet space and shall not grant permission to sublet to any subtenants whose use of the Premises will not be consistent with all of the terms and conditions of this Agreement most specifically the requirement that the use be for the purposes of carrying out the government program. In the alternative

to venting a sublease the Lessor may elect to exclude from this Agreement the space proposed to be sublet and release the Lessee from its obligations with regard to such space. The Lessor may then lease such space directly to the proposed subtenant upon the termination of any such lease for such space. The Lessee shall have the right of first refusal to lease the space before the Lessor may enter into a lease agreement with a new tenant.

ARTICLE 15.
NO AGENCY

The parties acknowledge that Tenant is an independent contractor and that nothing contained herein shall be construed to make Tenant or its agent or employees agents or servants of Lessor.

ARTICLE 16.
DEFAULT

16.1 Default; Notice; Remedies. If the Lessee shall vacate or abandon the Premises; shall allow the Premises to be appropriated to or used for any other purpose or use than those set forth in Article 5.1 hereof; or shall allow any liquor gambling or any other immoral practices on the Premises; or if any damage or waste shall be made thereon; or if any term condition or covenant of this Agreement shall be violated by the Lessee; then and in any of said cases the Lessee shall be in default of this Agreement. If such default is not cured by the Lessee within ten (10) days after mailing of written notice of the conditions of default the Lessee does hereby authorize and fully empower the Lessor to cancel and annul this Agreement and to reenter and take possession of the Premises and by force if necessary and to remove all persons and their property therefrom and to use such force and assistance in effecting and perfecting such removal as the Lessor may deem advisable to recover at once full and exclusive possession of all the Premises, whether in possession of the Lessee or a third person or vacant. The Lessor's failure to give immediate notice of default or agreement to allow more than ten days to cure a default shall in no way constitute a waiver of any remedy available to the Lessor upon default by the Lessee.

ARTICLE 17.
EMINENT DOMAIN

If the Building or any portion thereof is taken by any public authority under the power of eminent domain. the term of this Agreement shall cease as of the day possession shall be taken by such public authority. All damages awarded for such taking under the power of eminent domain shall belong to and be the property of the Lessor irrespective of the basis upon which they are awarded; except that the Lessee shall be entitled to any relocation allowance separately awarded to the Lessee.

ARTICLE 18.
SURRENDER

On the last day of the term of this Agreement or on the sooner termination thereof the Lessee shall peaceably surrender the Premises in good condition and repair consistent with the Lessee' duty to make repairs as provided in Article 10 hereof wear and tear and damage by fire and other casualty excepted. On or before the last day of the term of the Agreement or the sooner termination thereof the Lessee shall at its expense remove all of its equipment from the Premises and any property not removed shall be deemed abandoned. The Lessee shall have the right to remove any trade fixtures that the Lessee has installed provided however that the Lessee shall restore the Premises to substantially the same condition as said Premises were in before the removal of said trade fixtures. All alterations and additions other than the Lessee' equipment and trade fixtures which have been made or installed by either the Lessor or the Lessee upon the Premises shall remain as the Lessor's property and shall be surrendered with the Premises as part thereof. If the Premises be not surrendered at the end of the term or sooner termination thereof the Lessee shall indemnify the Lessor against loss or liability resulting from delay by the Lessee in so surrendering the Premises including without limitation claims made by any succeeding the Lessee founded on such delay. The Lessee shall promptly surrender all keys for the Premises to the Lessor.

ARTICLE 19.
ATTORNEYS' FEES

If it is necessary for either party to retain the services of an attorney at law to enforce any of the terms, covenants or provisions of this Agreement or to collect any sums due thereunder, such party shall be entitled to recover from the other party the reasonable cost of such services and related expenses incurred in enforcing the Agreement.

ARTICLE 20
TERMINATION OF AGREEMENT

This Agreement may be terminated by either party with 90 days written notice.

ARTICLE 21
NOTICES

Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and sent by registered or certified mail to the addresses of the parties set forth below. Either party hereto may change the address to which notices may be sent by giving written notice of such change of address to the other party.

As to the Lessor: Independent School District # 709
 215 North 1st Avenue East
 Duluth, MN 55802

As to the Lessee: Valley Youth Center
 720 North Central Avenue
 Duluth, MN 55807

ARTICLE 22.
CONDITION OF PROPERTY AT TERMINATION

Upon the termination of this Agreement, whether by lapse of time or otherwise, the Lessee shall return the Premises in as good condition as when the Lessee took possession, excepting only ordinary wear and tear and condemnation, damage or destruction.

ARTICLE 23.
QUIET ENJOYMENT

The Lessor covenants and agrees with the Lessee that, upon the Lessee observing and performing all the terms, covenants and conditions on the Lessee part to be observed and performed under this Agreement, the Valley Youth Center may peaceably and quietly enjoy the Leased Space and all of the Lessee' rights under this Agreement, during the Initial Term or any Additional Term hereof.

ARTICLE 24.
ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties and there are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever. Any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Agreement in whole or in part unless such agreement is in writing and signed by the parties against whom enforcement of the change, modification, discharge or abandonment is sought.

ARTICLE 25.
HOLDOVER

If the Lessee shall hold over possession of the Premises after expiration of the Initial Term or any Additional Term hereof, the Lessor may, at its election, either treat the Lessee as a trespasser and eject the Lessee therefrom, or recognize the Lessee as a tenant at will or from month to month, but upon all of the conditions and covenants herein contained. However, in no event shall the Lessee's holding over enlarge the Lessee's rights or status beyond those of a month to month tenant or tenant at will under the laws of Minnesota.

ARTICLE 26.
DESTRUCTION

In case the whole or any part of the Premises be destroyed or damaged by fire or other cause, whether or not as a result of the Lessee's negligence, then in every such case, if the Premises are not usable for the normal conduct of business, in whole or in part, then this Agreement may be terminated at the election of the Lessor. Upon termination as aforesaid this Agreement and the term thereof shall cease, terminate and expire.

ARTICLE 27.

HEADINGS

The headings incorporated in this Agreement are for convenience and reference only and are not a part of this Agreement and do not in any way limit or add to the terms or provisions hereof.

ARTICLE 28.
SITUS

This Agreement was executed in Duluth, Minnesota, and shall be governed by the Laws of the State of Minnesota.

ARTICLE 29.
BINDING EFFECT

All of the covenants, conditions and agreements herein contained shall extend to, be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

THE WELCH CENTER, INC. DOING BUSINESS AS VALLEY YOUTH CENTER

President

Executive Director

INDEPENDENT SCHOOL DISTRICT NUMBER 709

Board Chair

Board Clerk