

LEASE AGREEMENT

THIS LEASE is entered into by Greenway Public Schools ("Greenway") and Kootasca Community Action, Inc, (aka "Head Start Program"), a nonprofit corporation. The parties agree as follows:

1. PREMISES AND COMMON AREAS:

Landlord leases to KOOTASCA and KOOTASCA leases from Landlord, upon all of the terms and conditions hereof, the following premises (the "Premises"):

- a. Approximately 2700 square feet of rentable area consisting of three classrooms and located on the ground floor of the building located on land and commonly known as 201 Kate Street, Marble MN 55764 such land and building being referred to as the "Building".
- b. KOOTASCA and its invitees have the right to use all parking spaces and playground area associated with the Building.
- c. KOOTASCA and its agents, employees and invitees have the right together with Landlord and others designated by Landlord, to the use of the common areas in the Building (including bathrooms, hallways, and classroom storage areas) for the common areas' intended and normal purposes.

2. ALTERNATIONS, ADDITIONS and IMPROVEMENTS

- a. KOOTASCA may, at its sole option and expense, make changes, additions, deletions, improvements, and alternations (collectively, "alternations") to the Premises provided KOOTASCA shall not make any alternations other than decorative or cosmetic changes to the Premises, without Landlord's prior written approval, which shall not be unreasonably withheld.

3. TERM

- a. The term of this Lease shall begin on August 1, 2025, and shall continue, unless sooner terminated or extended as herein provided, until July 31, 2026.
- b. EARLY TERMINATION. Notwithstanding anything to the contrary contained herein, KOOTASCA shall have the right to terminate this Lease by giving Landlord 30 days' written notice at any time during the term of this lease. Upon such termination of this Lease, KOOTASCA shall have no further obligations or responsibilities under this Lease or relating to the Premises, and Landlord shall be deemed to have released KOOTASCA from any such further obligations or responsibilities without the need for further action on the part of Landlord.

4. RENT

KOOTASCA agrees to pay, and Landlord agrees to accept, as rent for the Premises, the sum of Twenty Four Thousand Three Hundred and no cents (\$24,300) per year, payable semiannually in December and June of the term.

5. PROPERTY TAXES

Landlord shall be responsible for and shall pay when due all real estate taxes and special assessments which at any time during the term hereof may be assessed, levied, imposed upon or become due and payable with respect to the Premises.

6. COSTS AND UTILITIES.

- a. Paid by KOOTASCA: In addition to the monthly rent set out in Paragraph 4, KOOTASCA shall be responsible for direct payment of the following costs: NONE
- b. Paid by Landlord: The Landlord shall be responsible for direct payment of the following costs, which are included in the monthly rent set out in Paragraph 4: Landlord will pay all water, pest control, garbage, sewer, electric and gas cost of the facility. Landlord shall pay for phone and internet services.

7. DEPOSIT

Within ten (10) days of execution of this LEASE, KOOTASCA shall pay a deposit to Landlord to secure KOOTASCA performance of its obligations under the Lease. NO DEPOSIT REQUIRED

8. USE OF PROPERTY.

KOOTASCA shall use and occupy the Premises only for the purpose of providing Head Start/Early Head Start services, and directly related activities, and for no other purpose. Landlord warrants as a term of this Lease that the Premises meets all federal, state and local standards applicable to the Head Start/Early Head Start activities taking place in the Premises. In the event that it is determined by Kootasca that the Premises fails to meet any federal, state or local standard applicable to program operation in the Premises, or the Premises cannot be licensed as a child care facility under applicable state law, the failure may constitute an event of default on the part of the landlord. Landlord agrees, at its sole expense, to correct all violations of applicable laws, regulations or deficiencies thereof requested by Kootasca within a reasonable period (as agree upon by both parties) after identification thereof by Kootasca. If Landlord fails to correct any such violations or deficiencies, Kootasca may immediately terminate this Lease by notice to Landlord, in which event Kootasca shall have no further obligations hereunder.

9. INSURANCE

Landlord's Insurance. Landlord shall maintain insurance with respect to the Premises against loss or damage by fire, lightning windstorm, tornado, hail and such other risks as are customarily covered by extended coverage endorsement in the amount sufficient to cover the replacement cost of the Premises. The cost shall be paid by the Landlord.

Landlord shall also maintain general liability insurance on any common areas shared by KOOTASCA with the Landlord and/or other tenants, in an amount of at least \$1,000,000 per occurrence and \$3,000,000 aggregate coverage.

b. KOOTASCA Insurance. KOOTASCA shall, at its expense, at all times maintain:

1. Insurance with respect to KOOTASCA alternations, if any, equipment, machinery, and personal property against loss or damage by fire, lightning, windstorm, tornado, hail and other risks as are customarily covered by extended coverage; and
2. Commercial general liability insurance against claims for death and bodily injury arising on or about the Premises, with a limit of not less than \$1,000,000 per occurrence, \$3,000,000 in the aggregate.

c. General. Within ten (10) days after the execution of this Lease, and prior to the expiration of each policy, each party shall furnish to the other a certificate of insurance evidencing the coverage required hereunder and upon request shall furnish a copy of any policy required hereunder.

10. WAIVER OF SUBROGATION

Notwithstanding any other provision in this Lease to the contrary, Landlord and KOOTASCA hereby agree, for themselves and their respective insurers, successors and assigns, that neither of them will, either directly or by way of subrogation or otherwise, assert against the other any claim that the other is liable or responsible for any loss or damage that is covered by property or liability insurance maintained by a party or that would be covered if each party maintained all insurance required to be maintained hereunder, even if such loss or damage shall have been caused by the fault or negligence of the other party, or of anyone for whom such party may be responsible. Each party shall take all necessary action to confirm that such party's insurer (s) has agreed to the foregoing limitation on recoveries by subrogation or otherwise.

11. REPAIRS AND MAINTENANCE/GENERAL CLEANING

a. Routine Repairs and Maintenance. Subject to the provisions of Section 11b and 11c below, KOOTASCA shall, at its expense, perform all routine repairs and maintenance to the Premises, including such preventative maintenance as is customarily performed by tenants under leases for comparable terms; provided, however, that KOOTASCA shall not be required to pay the costs of such repair and maintenance per lease year. KOOTASCA obligations with respect to repair maintenance of the Premises shall be measured based upon the present condition of the Premises. Any repair or maintenance shall be Landlord's responsibility.

b. Structural Repairs. Landlord shall promptly, as its expense, perform any necessary replacements or repairs to the structure, roof, heating, cooling, ventilating, electrical,

mechanical or plumbing or other building systems or utility lines. Such repairs shall be made to keep the Premises in a condition comparable to or better than other comparable facilities in the area in which the Premises is located and in compliance with all applicable laws and regulations.

c. Right of Entry. In the event that emergency repairs to the Premises are required, Landlord may enter the Premises immediately, and without notice to KOOTASCA. In all other circumstances, Landlord may enter the Premises for inspection, repair, alteration or improvement of the Premises in accordance with 11b above, but will provide KOOTASCA with 24 hours' notice of its intention to enter the Premises, and will not interfere with KOOTASCA business operations during entry of the Premises.

d. General Cleaning. KOOTACA is responsible to maintain the classrooms in a clean and sanitary condition throughout the lease term.

12. DAMAGE OR DESTRUCTION OF PREMISES

In the event the Premises are damaged or destroyed by fire or other casualty to the extent that a substantial part of the Premises are rendered substantially untenable, KOOTASCA may terminate this lease by written notice to Landlord given within 30 days after such damage or destruction. If KOOTASCA does not give such notice to terminate, then Landlord shall restore the Premises to a condition at least as good as exists on the date hereof, and rent shall abate hereunder from the date the Premises are rendered untenable until the date the Premises are restored to tenantability.

13. DEFAULT

a. By KOOTASCA: In the event that KOOTASCA defaults in the performance of any obligation under this Lease, including abandonment of the Premises, Landlord shall provide KOOTASCA with written notice of the default. If the default in performance by KOOTASCA is not cured within thirty (30) days after receipt of notice of default from Landlord, KOOTASCA shall vacate the Premises and return it to Landlord within the same thirty (30) day period. Subject to Paragraph 3(b) and the duty of Landlord to mitigate damages, Landlord shall retain the right to compensation for all amounts due and owed by KOOTASCA to Landlord under this Lease if Landlord re-takes possession of the Premises due to non-performance of this Lease by KOOTASCA.

b. By Landlord: In the event that Landlord defaults in the performance of any obligation under this Lease, KOOTASCA shall provide Landlord with written notice of the default. In the event that the default is not cured within thirty (30) days, this Lease shall terminate, and KOOTASCA may vacate the Premises and shall have no further obligations under the Lease or relating to the Premises. In the event that the default of Landlord results from failure of the Premises to meet any federal, state or local standard applicable to operation of a Head Start/Early Head Start program, this Lease may be terminated immediately upon written notice to the Landlord, if KOOTASCA determines that continued use of the Premises creates a danger to the health and

safety of children or KOOTASCA staff or if the facility cannot be licensed as a child care facility under applicable state law.

14. ASSIGNMENT

a. Except as set forth in subparagraph (b) of this section, KOOTASCA shall not assign the Lease or sublet all or any part of the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed.

b. Landlord and KOOTASCA agree that, notwithstanding anything to the contrary contained in the Lease, KOOTASCA may assign all its rights, duties and obligations under the Lease at any time to a grantee selected to replace KOOTASCA as the Head Start/Early Head Start provider for the Program, without Landlord's further consent. Upon such assignment, KOOTASCA shall have no further obligations or responsibilities under the Lease or relating to the Premises and Landlord shall be deemed to have released KOOTASCA from any such further obligations or responsibilities without the need for further action on the part of Landlord.

15. NOTICE

Notice under this Lease shall be given in writing, U.S. Mail, postage pre-paid and addressed as noted below, and shall be effective three (3) days after the date upon which notice is given:

If to Landlord:

Greenway Public Schools
Superintendent David Pace
P.O. Box 227
Coleraine, MN 55722

If to KOOTASCA:

Kootasca Community Action
Nick Adams, Director of Education
822 NE 5th Avenue
Grand Rapids, MN 55722

Director Of Education, Kootasca

Date

Superintendent, Greenway Public Schools

Date

