

USE AND OCCUPANCY AGREEMENT

THIS AGREEMENT, entered into this 31st day of August, 2010, by and between WOODLAND HILLS, Lessor, and INDEPENDENT SCHOOL DISTRICT NO. 709, a public corporation, Lessee,

WITNESSETH, That the Lessor, in consideration of the rents and covenants hereinafter mentioned, does hereby Remise, Lease and Let unto the Lessee, the following described premises situated in the County of St. Louis and State of Minnesota:

All of the building located at 110 West Redwing Street, Duluth, Minnesota, which is currently designated by Lessor as classroom space.

TO HAVE AND TO HOLD, that above rented premises unto the said Lessee for and during the full term of July 1, 2010, to and including June 30, 2013, for the purposes of a Special Education and Regular Education School Program for students receiving services through WOODLAND HILLS.

And the said Lessee agrees to and with the said Lessor to pay as rent for the above-mentioned premises the sum of Four Hundred and Sixty Thousand Five Hundred and Ninety Dollars (\$460,590) for the period commencing July 1, 2010 and ending June 30, 2013. Payments are to be due as follows: \$75,750 on 12/31/10, \$75,750 on 6/30/11, \$76,507.50 on 12/31/11, \$76,507.50 on 6/30/12, 78,037.50 on 12/31/12, and \$78,037.50 on 6/30/13.

Lessor and Lessee agree that Lessee shall have exclusive use during the term of this agreement of the aforementioned spaces, during the academic year and summer term for daily hours or 7:45 A.M. to 3:45 P.M., Monday through Friday. Lessee shall have use of the parking lot on the premises during these periods also but such use shall not be exclusive. Lessor shall have exclusive use of the rooms and spaces herein described at all other times.

Lessor agrees to furnish all utilities during the term of this lease for and in consideration of the monthly payment stated above, including city water, light, local telephone, heat and electric service, and to provide custodial services and all necessary repairs to the premises. Lessee shall be responsible for all long distance telephone charges.

Lessor shall carry liability insurance on said premises covering its own operations on the premises and Lessee shall carry liability insurance covering its operations on the premises.

This lease may be cancelled on 90 days written notice by Lessee to Lessor upon payment by Lessee to Lessor of any sums owing to the Lessor by Lessee to the date of cancellation and the payment of any damages provided herein. This lease may be cancelled on 90 days written notice by Lessor to Lessee.

And it is further agreed by and between the parties as follows: That should the said Lessee fail to make the above-mentioned payments as herein specified, or to pay the rent

aforesaid when due, or fail to fulfill any of the covenants herein contained, then and in that case it shall be lawful for the said Lessor to re-enter and take possession of the above rented premises, and hold and enjoy the same without such re-entering working a forfeiture of the rents to be paid and the covenants to be performed by the said Lessee for the full term of this lease.

And the said Lessee also covenants and agrees to and with the said Lessor not to assign this lease or underlet the above rented premises or any part thereof, without first obtaining the written consent of the said Lessor, and that said Lessee will, at the expiration of the time as herein recited, quietly yield and surrender the aforesaid premises to the said Lessor, its heirs and assigns.

And the said Lessor does covenant that the said Lessee, on paying the rent and performing the covenants aforesaid, shall and may peaceably and quietly have, hold and enjoy the said remised premises for the time aforesaid.

That in case the buildings on the said remised premises shall, without any fault or neglect on the part of said Lessee or of its servants or employees, be destroyed, or be so injured by the elements or any cause, as to be untenable and unfit for occupancy, then the liability of said Lessee or the rent of said premises thereafter, and all right to the possession thereof shall at once cease.

And it is Mutually Agreed, That all the covenants, terms and conditions of this lease shall extend, apply to and firmly bind the heirs, executors, administrators and assigns of the respective parties hereto as fully as the respective parties are themselves bound.

This lease shall be effective until and unless disapproved by the Commissioner of Education pursuant to MN Stat., Section 123.37, Subds. 3-14.

IN TESTIMONY WHEREOF, Both parties have hereunto set their hands and seals the day and year hereinbefore written.

INDEPENDENT SCHOOL DISTRICT #709

WOODLAND HILLS

By _____
Chair

By _____
Its Chairman, Board of Trustees

By _____
Clerk