

EXHIBIT 1

FIRST AMENDMENT TO CENTRAL HILLSIDE COMMUNITY CENTER LEASE & MANAGEMENT AGREEMENT BETWEEN THE CITY OF DULUTH AND ONE ROOF COMMUNITY HOUSING

The Central Hillside Community Center Lease and Management Agreement dated January 27, 2023 (the “Agreement”) between the City of Duluth, a municipal corporation organized and existing under the laws of the State of Minnesota (“City”), and One Roof Community Housing, a Minnesota non-profit corporation (“Tenant”) is amended as set forth in this First Amendment to Central Hillside Community Center Lease and Management Agreement (this “First Amendment”). Capitalized terms used in this First Amendment, but not defined herein, shall have the same meaning ascribed to them as in the Agreement. City and Tenant are hereinafter collectively referred to as the “Parties.”

WHEREAS, the Parties wish to amend the Agreement to change select terms of the of the Agreement.

NOW, THEREFORE, in consideration for the mutual benefits contained herein, the Parties agree to amend the Agreement as follows:

- A. Article I, Section E of the Agreement is amended and completely replaced with the following Article I, Section E:

I. Grant of Rights

E. The Community Center is a multi-use facility requiring the cooperation of all users and coordination of all activities. This cooperation includes ingress and egress, amenities, and related improvements. Tenant acknowledges that the City’s Property Services Supervisor or their designee (the “Manager”) shall ultimately determine the appropriate use of the Community Center and shall decide any disputes between Tenant and any other users or tenants of the Community Center.

- B. Article II of the Agreement is amended and completely replaced with the following Article II.:

II. Rent

A. For the period January 1, 2023 through December 31, 2023, Tenant shall pay rent of \$7.93 per square foot for office space (4,521 square feet)

and \$3.61 per square foot for storage space on the lower level of the Community Center (488 square feet), for a total rent payment for the year 2023 of Thirty-seven Thousand Six Hundred Thirteen and 21/100ths Dollars (\$37,613.21). Rent payments shall be due and payable in advance in twelve (12) approximately equal monthly installments, on or before the first day of each month starting on January 1, 2023.

B. For the period January 1, 2024 through December 31, 2024, Tenant shall pay rent of \$8.17 per square foot for office space (4,521 square feet) and \$3.72 per square foot for storage space on the lower level of the Community Center (488 square feet), for a total rent payment for the year 2024 of Thirty-eight Thousand Seven Hundred Fifty-one and 93/100th Dollars (\$38,751.93). Rent payments shall be due and payable in advance in twelve (12) approximately equal monthly installments, on or before the first day of each month starting on January 1, 2024.

C. For the period January 1, 2025 through December 31, 2025, Tenant shall pay rent of \$8.42 per square foot for office space (4,521 square feet) and \$3.83 per square foot for storage space on the lower level of the Community Center (488 square feet), for a total rent payment for the year 2025 of Thirty-nine Thousand Nine Hundred Thirty-five and 86/100th Dollars (\$39,935.86). Rent payments shall be due and payable in advance in twelve (12) approximately equal monthly installments, on or before the first day of each month starting on January 1, 2025.

D. For the period January 1, 2026 through December 31, 2026, no rent shall be owed so long as Tenant maintains the Community Center, at its sole cost, in accordance with its responsibilities under Article V of this Agreement.

E. All payments made to the City shall be mailed to the City Auditor, Room 120 City Hall, 411 W. 1st Street, Duluth, MN 55802. Rent payments shall be deposited in Fund 110, Public Administration 121, Property and Facilities Management 1222, Rent for Land 4623.

C. Article III of the Agreement is amended and completely replaced with the following Article III:

III. Term

Notwithstanding the date of execution of this Agreement, the term of this Agreement shall be deemed to commence on January 1, 2023 and shall expire on the end of the day on December 31, 2026 (the "Term").

- D. Article IV, Section C of the Agreement is amended and completely replaced with the following Article IV, Section C:

IV. Early Termination or Expiration of Agreement

C. Without Cause. This Agreement may be terminated without cause by either party by serving at least 30 days' written notice upon the other.

- E. Article IV, Section E of the Agreement is amended and completely replaced with the following Article IV, Section E:

IV. Early Termination or Expiration of Agreement

E. Surrender Possession.

1. Upon termination or expiration of this Agreement, Tenant shall surrender possession of the Leased Premises to the City in as good condition and state of repair as the Leased Premises were in at the time Tenant took possession.

2. Prior to expiration of this Agreement or within fourteen (14) days of early termination, whichever occurs first, Tenant shall remove all personal property from the premises. Any personal property not removed in accordance with this section will be treated in accordance with Minn. Stat. § 504B.271.

- F. Article VII, Section E of the Agreement is amended and completely replaced with the following Article VII Section E:

VII. Alcohol, Tobacco, and Drug Use

E. There shall be no smoking of any product, and no use of tobacco products, or illegal drugs whatsoever at the Community Center or as otherwise prohibited by state or local laws.

G. Article X of the Agreement is amended and completely replaced with the following Article X:

X. Insurance and Indemnification

A. *Tenant shall comply with the following insurance obligations and shall provide the minimum amounts of insurance from insurance companies authorized to do business in the state of Minnesota and comply:*

1. *Workers' compensation insurance in accordance with the laws of the State of Minnesota;*
2. *Commercial General and Automobile Liability Insurance with limits not less than \$1,500,000 Single Limit, and twice the limits provided when a claim arises out of the release or threatened release of a hazardous substance. Such insurance shall be in a company approved by the City of Duluth; and shall provide for the following: Liability for Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability. Umbrella coverage with a "form following" provision may be utilized to meet the required minimum amount stated above. Such insurance shall indemnify Tenant and City from all liability described in the Indemnification paragraphs above;*
3. *City of Duluth shall always be named as Additional Insured under the Commercial General, and Automobile Liability Policies;*
4. *For any new building construction or new building addition for which the value exceeds \$100,000, the Tenant shall provide proof of Builders Risk Insurance on an "All-Risk" basis, which includes theft of material not installed and glass breakage, to the full value of the new building. Tenant is liable for losses within deductible coverage; and*
5. *Tenant to provide Certificate of Insurance evidencing all coverages required above. Such Certificate shall contain an unconditional requirement that the insurer must notify the City without fail not less than 30-days prior to any cancellation, or 10 days prior to any non-renewal of the policy or coverages evidenced by said certificate, and shall further provide that failure to give such notice to City will render any such change*

or changes in said policy or coverages ineffective as against the City. The use of an "Accord" form as a certificate of insurance shall be accompanied by two forms – 1) ISO Additional Insured Endorsement (CG 2010 pre-2004); and 2) Notice of Cancellation Endorsement (IL 7002) or equivalent, as approved by the Duluth City Attorney's Office.

- B. The insurance required herein shall be maintained in full force and effect during the life of this Agreement and shall protect Tenant, its employees, agents and representatives from claims and damages including but not limited to personal injury and death and any act or failure to act by Tenant, its employees, agents and representatives in the negligent performance of work covered by this Agreement.*
- C. Certificates showing that Tenant is carrying the above described insurance in the specified amounts shall be furnished to the City prior to the execution of this Agreement and a certificate showing continued maintenance of such insurance shall be on file with the City during the term of this Agreement.*
- D. The City of Duluth does not represent or guarantee that these types or limits of coverage are adequate to protect the Tenant's interests and liabilities. Nothing in this provision shall affect the limitations of liability of the City as set forth in Minnesota Statutes Chapter 466.*
- E. To the fullest extent permitted by law, the Tenant agrees that it shall defend, indemnify, and hold harmless the City, its officers, employees, and agents, from and against any and all costs or expenses, claims or liabilities, including but not limited to, reasonable attorney's fees and expenses, whether asserted by Tenant or any third party. Said obligations to defend, indemnify, and hold harmless shall include, but not be limited to the obligation to defend, indemnify, and hold harmless the City in all matters where claims of liability against the City arise out of, relate to, are attributable to, are passive or derivative of, or vicarious to the negligent, intentional, or wrongful acts or omissions of the Tenant, including but not limited to the failure to supervise, breach of warranty, the failure to warn, the failure to prevent such act or omission by Tenant, its employees, or its agents, and any other source of liability. Said obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against City. On ten days'*

*written notice from the City of Duluth, the Tenant shall appear and defend all lawsuits against the City of Duluth growing out of such injuries or damages. Tenant shall not be required to indemnify City for amounts found by a fact finder to have arisen out of the intentional, willful, or wanton acts or omission of the City. This Section, in its entirety, shall survive the termination of this Agreement. Nothing in this provision shall affect the limitations of liability of the City as set forth in Minnesota Statutes Chapter 466. **The Tenant understands this provision may affect its rights and may shift liability and specifically agrees to the same.***

- H. Except as specifically amended pursuant to this First Amendment, the Agreement remain in full force and effect. In the event of a conflict between the provisions of this First Amendment and the provisions of the Agreement, the provisions of this First Amendment shall govern.
- I. For clarity, any part of this First Amendment that specifically amends one Section within an Article, that expressly identified Section is the only portion of the Article that is amended and all other Sections of the identified Article remain in full force and effect as written in the Agreement. In any part of this First Amendment that does not specifically amend one Section within an Article, the entire Article is amended to reflect what is written in this First Amendment.

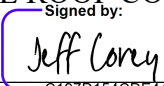
[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have hereunto set their hands the day and date first shown below:

CITY OF DULUTH

ONE ROOF COMMUNITY HOUSING

By: _____
Mayor

By:  _____
Signed by: C197D154CDE4442...

Attest: _____
City Clerk

Its: CEO
Authorized Representative

Dated: _____

Printed Name: Jeff Corey

Countersigned:

Dated: 8/10/2026 | 11:54:58 CDT

City Auditor

Approved as to form:

City Attorney