

LEASE

Lease made this ____ day of _____, 2021, between MDC Land, Inc. of 7711 Ewing Boulevard, Suite 100, Florence, State of Kentucky, 41042, herein referred to as Lessor and Boone County School District Finance Corporation, 8330 U.S. Highway 42, Florence, KY 41042, herein referred to as Lessee.

RECITALS

1. Lessor is the sole owner of the business premises described below having office space therein to let.
2. Lessee desires to lease space from Lessor for the purpose of operating a school and related businesses.
3. The parties desire to enter a Lease Agreement defining their respective rights, duties, and liabilities relating to the premises.

In consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE **DESCRIPTION OF PREMISES**

Lessor leases to Lessee premises of the office building at 7627 Ewing Blvd., City of Florence, State of Kentucky as shown on the diagram attached hereto as Exhibit "A". The total square footage to be leased totals 7,452 sf.

The premises shall be used for the purpose of the operation of a school and related businesses and general office and for no other purpose. The demised premises are located on commercial property presently zoned for the following purposes: Office Building. This includes the purpose for which Lessee desires the premises.

SECTION TWO **LEASE TERM**

The Lease shall last for twelve (12) months, to commence on June 1, 2021 and terminate on May 31, 2022.

SECTION THREE **RENTAL**

Lessee shall pay a total base rental of \$8.00/sq. ft. for the initial term of this Lease, payable as follows: The Lessee shall pay the sum of Four Thousand Nine Hundred Sixty-Eight Dollars and no/100 (\$4,968.00) per month in equal monthly payments due on the first of each month for the succeeding month's rental.

Payments shall be made to Lessor at the address specified above, and a payment shall be delinquent if not paid by the tenth day after which it is due. On Lessee's failure to pay the rental on a timely basis, Lessor, following the ten (10) days written notice, shall have the right to terminate this Lease as set forth in Section Twelve, and the Lease will there upon be forfeited.

SECTION FOUR

RESTRICTIONS ON USE

Lessee shall not use or permit the premises, or any part thereof, to be used for any purpose other than those set forth herein. Lessee shall neither permit on the premises any act, sale, or storage that may be prohibited under the standard forms of fire insurance policies, nor use the premises for any such purpose. In addition, no use shall be made or permitted to be made that shall result in (1) waste on the premises, (2) a public or private nuisance that may disturb the quiet enjoyment of other tenants in the building, (3) improper, unlawful, or objectionable use, in the sale, storage, or preparation of food, alcoholic beverage, or materials generating an odor on the premises, or (4) noises or vibrations that may disturb other tenants.

Lessee shall comply with all governmental regulations and statutes affecting the premises either now or in the future. Lessee's obligations under the preceding sentence relate to any specific manner of use of the premises adopted by Lessee, or any improvements to the premises that Lessee may desire to make. It remains Lessor's responsibility to assure that the property as a whole, apart from any modifications made or other actions taken by Lessee, is and remains in compliance with applicable laws and regulations including but not limited to zoning and building codes and the Americans with Disabilities Act.

SECTION FIVE

TAXES

Lessor shall pay all real property taxes during the term of this Lease. Provided, however, the excess of any real property tax assessment over the amount assessed for calendar year 2020, will be payable by the Lessee in the same proportion that the area of space leased bears to the total leasable area of the building as an additional CAM charge. Lessee shall pay any and all personal property or other taxes levied against Lessee.

SECTION SIX

UTILITIES AND MAINTENANCE

Lessor shall furnish all electric and gas, water and sewage to the demised premises as needed for comfortable occupancy. Lessee agrees to reimburse Lessor these costs within 30 days of billing. Lessee will be responsible for the costs in the same proportion that the area of spaces leased bears to the total leasable area of the building as an additional CAM change.

Lessor shall furnish all electricity and gas required by Lessee in the normal conduct of business activities on the premises, but Lessor shall be entitled to review the proposals of Lessee to add any equipment requiring large electrical power supplies, and to charge Lessee for any additional cost of installing any wiring, transformer equipment or other equipment necessary to provide said service to the premises, if Lessor deems the necessity therefore reasonable or necessary; and Lessee shall pay all charges for the consumption of said additional electrical power.

Lessor shall furnish all grounds keeping around the demised premises as needed for comfortable occupancy. Lessee agrees to reimburse Lessor these costs within 30 days of billing. Lessee will be responsible for the costs in the same proportion that the area of spaces leased bears to the total leasable area of the building as an additional CAM change.

Lessee shall provide snow removal, janitor service and interior maintenance to the demised premises.

Lessor shall maintain the outer walls, roof and superstructure of the building including the HVAC Systems, plumbing and electrical systems and other building systems (excluding any modifications made by Lessee or abuse by Lessee), grounds and parking lot and all other parts of the property which are not Lessee's responsibility under Section Eight (8) at Lessor's cost and expense.

SECTION SEVEN PARKING

Lessor shall provide parking sufficient for five cars for each 1,000 square feet of leased area (37 cars). Lessee shall have the privilege of using any other parking space on the demised premises if such use does not interfere with the use by other tenants.

SECTION EIGHT RESPONSIBILITY FOR PREMISES

Lessee shall take good care of the interior of the premises and shall not alter, repair, or change the premises without the written consent of Lessor, which shall not be unreasonably withheld or delayed (Lessor's consent is not required for minor redecorating such as painting and window coverings). Except for the initial renovation which shall be done at Lessee's expense, all alterations, improvements, and changes that Lessee may desire shall be done either by or under the direction of Lessor, but at the expense of Lessee and shall become the property of Lessor and remain on the premises, except that, at the option of Lessor, Lessee shall, at its expense, remove from the premises all partitions, counters, railings, and similarly installed improvements and all trade fixtures when surrendering the premises. All damage or injury done to the premises by Lessee or any person who may be in or on the premises with the consent of Lessee shall be paid for by Lessee. Lessee shall, at the termination of this Lease, surrender the premises to Lessor in as good condition and repair as reasonable and proper use thereof will permit and except for damage by insurable casualty.

Lessee shall permit Lessor and its agent to enter the premises at all reasonable times, with reasonable notice except for emergencies, to inspect the premises, maintain the building and premises, make repairs, alterations, or additions to the premises, or any portion of the building, including the erection of scaffolding, props, or other mechanical devices, to post notices of non-liability for alterations, additions, or repairs, without any rebate of rent to Lessee or damages for any loss of occupation or quiet enjoyment of the premises. Lessor may, at any time within One Hundred Twenty (120) days prior to the expiration of this Lease, place on the windows and doors of the premises any usual or ordinary "To Let" or "To Lease" signs. Lessor and his agent may, during the last mentioned period, enter on the premises at reasonable hours, and exhibit the same to prospective tenants.

SECTION NINE LIABILITY OF LESSOR

To the extent permitted by law, Lessee shall indemnify Lessor on account of any damage or injury to any person or to the goods of any person to the extent permitted by law. Lessee will indemnify Lessor on account of any damage or injury to any person, or to the goods of any person, arising from the use of the premises by Lessee, or arising from the failure of Lessee to keep the premises in good condition as provided herein, except to the extent caused by the negligence or other fault of Lessor. Lessor shall not be liable to Lessee for any damage by or from any act or negligence, unless gross negligence. Lessee agrees to pay for all uninsured damage to the building, or other property of Lessor or its agents, caused by misuse or neglect of the premises by Lessee.

Lessee assumes the responsibility for and agrees to replace at Lessee's expense any damaged or broken plate glass windows or doors in the leased area.

SECTION TEN **ASSIGNMENT AND SUBLEASE**

Lessee shall not assign any rights or duties under this Lease nor sublet the premises or any part thereof, nor allow any other person to occupy or use the premises without the prior written consent of Lessor which consent shall not be unreasonably withheld. A consent to one assignment, sublease, or occupation or use by any other person shall not be a consent to any subsequent assignment, sublease, or occupation or use by another person. Any assignment or subletting without consent shall be void. This Lease shall not be assignable, as to the interest of Lessee, by operation of law, without the written consent of the Lessor. Lessor shall not unreasonably withhold consent to assignment or sublease of the demised premises by Lessee if Lessee will provide evidence of the financial responsibility of the intended assignee or sublease and if the proposed use of the demised premises by the assignee or sub-Lessee is materially different from Lessee's use, such use is subject to reasonable objections by Lessor.

SECTION ELEVEN **BREACH OR DEFAULT**

Lessee shall have breached this Lease if (1) Lessee files a Petition in Bankruptcy or insolvency or for reorganization under any creditor's statute, (2) involuntary proceedings are instituted against Lessee under any bankruptcy act, (3) Lessee fails to pay any rent or other payment when due, or (4) Lessee fails to perform or comply with any of the covenants or conditions of this Lease; and shall be considered in default thereunder if Lessee fails to cure such breach after notice as provided in Section Twelve (12).

SECTION TWELVE **EFFECT OF BREACH**

In the event of a breach of this Lease as set forth in Section Eleven (11), and the failure of the Lessee to correct said breach within ten (10) days after having been notified in writing by Lessor to do so, or in case of a non-monetary default, such longer time as may be reasonably required, the rights of the Lessor, in addition to all other rights provided by law, shall be as follows:

(1) Lessor shall have the right to cancel and terminate this Lease, as well as all of the rights, title, and interest of Lessee hereunder, by giving to Lessee not less than ten (10) days' notice of the cancellation and termination. On expiration of the time fixed in the notice, this Lease, and the right, title and interest of Lessee hereunder shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.

(a) In addition to Lessee's liability to Lessor for breach of the Lease, Lessee shall be liable for all expenses of the reletting for the alterations and repairs made, and for the difference between the rent received by Lessor under the new Lease Agreement and the rent installments that are due for the same period under this Lease.

(b) Lessor shall have the right to apply the rent received from reletting the premises (1) to reduce Lessee's indebtedness to Lessor under the Lease, not including indebtedness for rent, (2) to expense of the reletting and alterations and repairs made, (3) to rent due under this Lease, or (4) to payment of future rent under this Lease as it becomes due.

SECTION THIRTEEN
ATTORNEY'S FEES

In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.

SECTION FOURTEEN
NOTICE

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered as follows:

MDC Land, Inc., Attention Edward S. Monohan, 7711 Ewing Boulevard, Suite 100, Florence, Kentucky, 41042.

Boone County School Finance Corporation, Mr. Matt Turner, 8330 U.S. Highway 42, Florence, KY 41042.

SECTION FIFTEEN
INSURANCE AND WAIVER OF RIGHTS

Lessee agrees to keep all its property on the premises insured to full value under a standard "all risk" property insurance policy, and Lessor agrees to keep the building and its property insured to full value under a standard "all risk" property insurance policy. Each party shall assure that its policy permits the waiver of subrogation set forth in the next sentence. Lessor and Lessee each waive any right of action each may acquire against the other for loss or damage to its property or to the property in which it may have an interest in or upon the property of Lessor of which the leased premises are a part, where such loss is caused by fire or any of the extended insurance coverage hazards or any other insurable cause, regardless of fault or negligence, to the extent that such loss or damage is covered and paid by property insurance maintained by the waiving party (or would have been covered if the waiving party had maintained insurance as required under this Lease).

In witness thereof, the parties have affixed their signatures at the City of Florence, in the State of Kentucky, on the year and date first above written.

MDC Land, Inc. (LESSOR)

BY: _____

The foregoing instrument was acknowledged before me by Edward S. Monohan of MDC Land, Inc. this ____ day of _____, 2021.

My Commission Expires: _____

Notary Public, State at Large

Boone County School District Finance Corporation (LESSEE)

BY: _____

The foregoing instrument was acknowledged before me by _____, of Boone County School District Finance Corporation this _____ day of _____, 2021.

My Commission Expires: _____
Notary Public, State at Large

The foregoing Lease was prepared by:

Edward S. Monohan, V
Attorney
Florence, KY 41042