**INTERGOVERNMENTAL LEASE**

 **THIS LEASE AGREEMENT,** made and entered into this 21st day of April

2022, by and between **HARDIN COUNTY BOARD OF EDUCATION,** of 65 W.A. Jenkins

Road, Elizabethtown Kentucky 42701, herein referred to as ("HCBE"), and THE CITY OF WEST POINT, Kentucky a Municipality with an address of 509 Elm St. West Point, KY 40177, herein referred to as "Lessee".

**WITNESSETH:**

HCBE is the owner of the premises described below and desires to lease the premises to a suitable Lessee for government, education, and business purposes.

Lessee desires to lease premises for the purpose of conducting the business of Local Governance, providing citizen services, and limited commercial use to support the mission, and the parties desire to enter a lease agreement defining their rights, duties and liability relating to the premises.

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

# SUBJECT PROPERTY

HCBE leases to Lessee the property located in the County of HARDIN, Commonwealth of Kentucky, located at 209 North 13 St, West Point, KY 40177.

# TERM AND RENT

HCBE demises to Lessee the above premises for a term of THREE (3) YEARS, commencing on the 1st day of June 2022 and terminating on the 31st day of May 2025, at an annual rental of One Dollar ($1). All rental payments shall be made to HCBE at the address specified above. Lessee shall pay the rent as specified herein.

# LATE CHARGE

In the event any rental payment is FIVE (5) DAYS late, there shall be a late charge assessed in the amount of Five Percent (5%) of the annual rental payment.

# SECURITY DEPOSIT

Lessee shall deposit the sum of One Thousand Dollars ($1,000) with HCBE which shall not bear interest, and which need not be kept separate as security for Lessee's full and prompt performance of all of the terms and conditions hereof, including specifically but not exclusively, the payment of rent. Within thirty (30) days after Lessee has vacated the premises, at the end of the term of this Lease, Lessor shall return to HCBE all or so much of said deposit as HCBE has not properly applied to Lessee's defaults hereunder, including specifically but not exclusively, the restoration of the premises to the proper conditions required by this Lease.

# ADDITIONAL RENT

All taxes, charges, costs and expenses that Lessee assumes or agrees to pay hereunder, together with all interest and penalties that may accrue thereon in the event of the failure of Lessee to pay those items, and all other damages, costs, expenses and sums that HCBE may suffer or incur, or that may become due, by reason of any default of Lessee or failure by Lessee to comply with the terms and conditions of this Lease shall be deemed to be additional rent, and, in the event of nonpayment, HCBE shall have all the rights and remedies as herein provided for failure to pay rent.

# ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

1. Lessee agrees to make no structural changes or alterations in the premises or the improvements thereon without first obtaining HCBE's written consent, and any permission given by the HCBE to make structural changes or alterations shall be on the condition that the work shall be at the Lessee's expense, unless otherwise agreed in writing, and shall be in accordance with the building code and zoning laws, if applicable, and shall be such as not to weaken any structure or building.

1. Conditions with respect to alterations, additions, or improvements are as follows:

* 1. Before commencement of any work, all plans and specifications shall be

filed with and approved by all governmental departments or authorities having jurisdiction and any public utility company having an interest therein, and all work shall be done in accordance with requirements of local regulations.

* 1. Prior to commencement of any work Lessee shall pay the amount of any

increase in premiums on insurance policies provided for herein because of endorsements to be made covering the risk during the course of work.

1. All alterations, additions and improvements on or in the demised premises at the commencement of the term, and that may be erected or installed during the term, shall become part of the demised premises and the sole property of HCBE, except that all moveable trade fixtures installed by Lessee shall be and remain the property of Lessee.

# REPAIRS AND MAINTENANCE

Lessee shall financially participate in all repairs, alterations and improvements to the building located on the demised premises which may be necessary to maintain the same in good condition and repair, or which may be necessary in order that the demised premises and improvements thereon shall conform to all lawful requirements, laws and ordinances, the direction of proper public authority and the requirements of all policies of insurance then in Force, **PER ADDENDUM “A”.** Lessee further agrees, **PER ADDENDUM “A”**, it shall be partially responsible for all repairs and/or replacements of all components and/or systems of the electrical, plumbing and/or HVAC systems, and other general maintenance required with respect to the Leased Premises including, but not limited to, the repair and/or replacement of (i) any burst, stopped or leaking water, gas, sewer or other pipes or plumbing fixtures or equipment; (ii) any dysfunctional or malfunctioning lighting, electrical, or heating, ventilation and air conditioning components, circuits, ballasts, facilities or systems; (iii) any fences, parking lots, sidewalks, asphalt or concrete driveways, landscaping and signs; (iv) any sprinklers or other fire or smoke alarm of control devices; and (v) any foundations, structural components, exterior or interior walls and surfaces, roofs, gutters, downspouts, ceilings, windows and doors.

# ASSIGNING OR SUB-LEASING OF PREMISES

The Lessee shall not assign this Lease or any interest hereunder and shall not sublet the leased premises or any part thereof without the prior written consent of HCBE.

# TAXES

HCBE shall, during the term of this Lease, pay on or before the last day on which payment may be made without penalty or interest all real estate taxes and assessments of every nature levied and assessed against the demised premises including all buildings and improvements presently thereof and all additions, fixtures, improvements and repairs made upon the premises by the Lessee. Lessee shall pay all taxes and assessments upon any personal property, including any and all equipment belonging to Lessee taxed at the demised premises.

# UTILITIES

All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be liable for utility charges PER ADDENDUM “A” as they become due, including but not limited to those for sewer, water, gas, cable, electricity, and telephone services. Lessee shall also be solely responsible for running any additional utility or service lines, if necessary, to the Leased Premises and shall bear all costs related thereto.

# INSURANCE

1. Lessee shall provide an insurance certificate from the Lessee’s current insurer naming HCBE an additional insured to protect the Leased Premises against fire, theft, vandalism, malicious mischief, or other extended coverage on the Leased Premises.
2. Lessee shall provide an insurance certificate from the current Lessee’s policy naming HCBE an additional insured with a reliable insurance company to cover any liability that may result from the operation of any lawful business upon the said premises and said insurance shall be in an amount of not less than $1,000,000 with respect to injuries to, or death of, any persons on the Leased Premises, or occurrences of any property damage to third parties caused on the Leased Premises, whether or not caused by any of Lessee's employees, agents, representatives, guests, invitees or third parties.
3. Lessee shall deliver to HCBE copies of the insurance certificates required under this section or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to HCBE. No such policy shall be cancelable or subject to reduction of coverage or other modification except after ten (10) days' prior written notice to HCBE. Lessee shall, within ten (10) days prior to the expiration of any policy, furnish HCBE with renewals or "binders" thereof, or HCBE may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to HCBE upon demand of HCBE or the applicable insurance company.

# ENVIRONMENTAL

Lessee shall be responsible for all Environmental Matters and Hazardous Materials in or on the building and further shall be responsible and fully liable for any additional Environmental Matters, Hazardous Materials occurring or damages arising from releases occurring in or on the building, after execution of this lease.

The Lessee shall be responsible for all Environmental Conditions occurring after the date of this lease and shall indemnify, defend and hold harmless HCBE and its lenders, tenants, guests, agents, officers, directors, employees, members, managers, successors and assigns from and against any damages and environmental matters incurred by, imposed on or asserted against HCBE which are caused by or arise out of any Environmental Conditions after the date of the lease.

For purposes of this Agreement, "Environmental Matters" shall mean and include any condition, claim, cost, order, demand, requirement or liability either (i) regulated or arising under any environmental law, or (ii) caused by or relating to any Hazardous Materials or environmental contamination at, on, under, in or emanating from the Property, including without limitation underground storage tanks. "Hazardous Materials" shall mean and include any substance, product, matter, material, waste, solid, liquid, gas or pollutant, the generation storage disposal handling recycling release treatment discharge or emission of which is regulated, prohibited or limited under any environmental law, and shall also include without limitation: (i) gasoline, diesel, fuel, fuel oil, waste oil and any other petroleum hydrocarbons including any additives or other byproducts associated therewith, (ii) asbestos and asbestos containing materials in any form, and (iii) polychlorinated biphenyls. Environmental laws shall mean and include without limitation (i) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984, as now or hereafter amended (42 U.S.C. § 6901 et seq.), (ii) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, as now or hereafter amended (42 U.S.C. § 9601 et seq.), (iii) the Clean Water Act, as now or hereafter amended (33 U.S.C. § 1251 et seq.), (iv) the Toxic Substances Control Act, as now or hereafter amended (15 U.S.C. § 2601 et seq.), (v) the clean air Act, as now or hereafter amended (42 U.S.C. § 7401 et seq.), (vi) the Safe Drinking Water Act, (42 U.S.C. § 300f et seq.), (vii) all regulations promulgated under any of the foregoing, (viii) any local or state law, statute, regulation or ordinance analogous to any of the foregoing, and (ix) any other federal, state, or local law (including any common law), statute, regulation, or ordinance regulating, prohibiting, or otherwise restricting the pollution, protection of the environment or the use, storage, discharge or disposal of Hazardous Materials.

# MECHANICS OR MATERIALMEN'S LIENS

Unless Lessee shall contest the validity thereof as hereinafter provided, Lessee shall not allow any mechanic's, materialmen or other lien to be filed against the building or any part thereof as a result of any act of omission by Lessee. Lessee may contest, by appropriate proceedings, the amount, validity or application of any mechanic's, materialman's or other lien filed against the Building or any part thereof so long as (i) no part of the Building would be subject to loss, sale or forfeiture before determination of such contest; (ii) HCBE is not subject to any criminal penalty as a result of the failure to pay such lien; and (iii) Lessee conducts all such contests, at Lessee's sole expense, with due diligence and in good faith.

# INDEMNIFICATION AND LIABILITY OF PARTIES

Lessee agrees to indemnify and save HCBE harmless from and against any and all claims, causes of action, actions, damages, liability and expense including, without limitation, attorneys' fees in connection with any and all loss of life, personal injury and damage to property occurring on or about the demised premises, which injury results from the careless or improper conduct on the part of Lessee, Lessee's agents or employees.

# DEFAULT BY LESSEE

If the Lessee shall fail to pay the rent or other charges at the time, place and in the manner provided, or if said Lessee shall otherwise make default in any of the covenants and agreements herein contained, the HCBE or its agents or representatives by reason thereof are hereby expressly authorized to declare the term hereof ended and re-enter and repossess the leased premises either with or without process of law and expel the Lessee, agents and employees and those claiming under said Lessee and remove its effects from said premises.

# INSOLVENCY OF LESSEE

If the Lessee shall at any time during the term hereby demised become insolvent, or if proceedings in bankruptcy shall be instituted by or against the Lessee, or a petition shall be filed by or against the Lessee under the reorganization provisions of the United States Bankruptcy Code or under any other federal law or any state law of like import, or a petition shall be filed by the Lessee under the arrangement provisions of the United States Bankruptcy Code or under the provisions of any federal or state law or like import, or a petitions shall be filed by the Lessee under the arrangement provisions of the Unites States Bankruptcy Code or under the provisions of any federal or state law of like import, or if a trustee or a receiver shall be appointed for the Lessee or for the Lessee's property, or if the Lessee shall make an assignment for the benefit of creditors or if this Lease shall, by operation of law, devolve upon or pass to any person or

persons other than the Lessee, and the HCBE shall have received reliable information of any such case, then in each of said cases it shall and may be lawful for the HCBE, at the HCBE's election to terminate said Lease, re-enter the leased premises and take possession thereof as of its former estate without the service of any notice or demand whatsoever.

# DAMAGE OR DESTRUCTION OF PREMISES

It is understood and agreed by and between the parties hereto, that in case any structure now on said premises shall, without any fault or neglect on the part of the Lessee, be destroyed or damaged by the elements or other cause, so as to be unfit for occupancy and said premises cannot be made inhabitable by repair within thirty (30) days from the happening or the event that rendered the premises uninhabitable, Lessee shall not be liable for rent for the premises from and after the time Lessee shall have surrendered possession of said premises to HCBE.

# CONDEMNATION

In the event that any part of the premises herein demised is appropriated or otherwise taken under the power of eminent domain or by paramount authority, then Lessee shall have the right and option to terminate this Lease by giving Sixty (60) days' written notice of such intention to HCBE. In the event that any part of the building or improvements, including parking area, on said premises is appropriated or taken as hereinabove described, and Lessee does not elect to terminate this Lease, the rental shall be reasonably reduced in the proportion that the value of the building or improvements so appropriated bears to the total value of the premises herein demised. In the event this Lease is terminated in accordance herewith, the rental shall be adjusted to the date of termination and Lessee shall have no further duty or obligation hereunder.

# NOTICES

All notices, demands, requests and communications which may or are required to be given by either party to the other shall be in writing. All such notices, demands, requests and communications shall be sent to the addresses listed above, or some other address as designated by each party.

# QUIET ENJOYMENT

The HCBE covenants and agrees that the Lessee complying with all the terms, covenants, conditions, rules and regulations contained herein and hereon shall and may have at all times during the full term of this Lease peaceably and quietly have, hold and enjoy the leased premises without any hindrance from the HCBE.

# REGULATION COMPLIANCE

Lessee shall, at all times keep and maintain the demised premises and the improvements thereon in a clean, safe and sanitary condition; shall not use or permit said premises to be used for any unlawful or immoral purpose; shall obey, observe and promptly comply with all present and future laws of the Commonwealth of Kentucky and the United States of America, and the lawful rules, regulations, orders and requirements of any governmental authorities or agencies with reference to the said premises, the parking area and the driveways, and the use and occupancy thereof.

# RIGHT OF ENTRY

The HCBE, may at all reasonable times, enter and occupy the leased premises for the purpose of inspecting and/or making such repairs or alterations therein as shall be necessary or proper for the safety, protection, preservation, or improvement of said premises or any part thereof, and may authorize anyone else to do so, without obtaining the Lessee's consent. HCBE may, during the last four (4) months of the lease, place "For Sale" or similar signs upon the demised premises if Lessee has given notice of non-renewal.

# HOLD-OVER

If the Lessee should continue to occupy the leased premises after the expiration of the term of this Lease, without any agreement in writing with the HCBE as to the terms of such continued possession, then such additional tenancy shall be on a month to month basis and otherwise at the same rental and under the same terms and conditions as provided in this Lease, and in case of such continued possession, the month to month tenancy created thereby may be terminated and canceled either by the HCBE or by the Lessee, by giving thirty (30) days written notice to the other party.

# OPTION TO EXTEND LEASE

It is hereby expressly agreed and understood that the Lessee is hereby granted options to extend this Lease for two separate five (5) year periods immediately subsequent to the end of this Lease period herein granted. Said option shall be on the same terms and conditions except that the rental rate shall be negotiated at that time. Said Lessee(s) shall exercise the option in writing at least one hundred and twenty (120) days prior to the end of the present Leasehold term.

# OPTION OF LESSOR TO SUBDIVIDE

It is hereby expressly agreed and understood that the Lessor shall maintain the right to sub-divide the property and lease up to one hundred percent (100%) of the total floor space to other entities in concert with the Lessee. The Lessee will cooperate fully in this endeavor to maximize the financial productivity of the space while maintaining the best and highest use for the benefit of the community.

# RIGHT OF FIRST REFUSSAL

Should the Hardin County Board of Education decide to sell said property, the City of West Point shall have the right to purchase said property at a price to be negotiated at the time of sale. Upon notice of the sale, the City of West Point will have 60 days to purchase said property. If the City of West Point does not purchase the property within the 60-day period, the Hardin County Board of Education is free to dispose of the property as it sees fit.

# SURRENDER OF POSSESSION

Lessee shall upon termination of this Lease by lapse of time or otherwise, surrender up and deliver the premises together with all improvements made thereon by Lessee in as good order and repair as when first received or constructed by the Lessee, reasonable wear and use thereof and damage by fire and the elements excepted, unless caused by Lessee's negligence, in which case Lessee shall be responsible.

# ATTORNEY FEES AND COSTS

If any party shall default with respect to any of such party's obligations under this lease, such defaulting party shall pay all costs, expenses, and reasonable attorneys' fees which are incurred or paid by the other party to this Lease in enforcing the covenants and agreements of the defaulting party under this Lease.

# SEVERABILITY AND INVALIDITY

The invalidity or unenforceability of any provision hereof shall not affect or impair any other provisions hereof; provided, however, should any provision hereof providing for the payment of any rents, compensation or reimbursement to HCBE be invalid or unenforceable, HCBE may, at its sole option, terminate this lease at any time giving Lessee Ten (10) days' prior written notice of such election to terminate.

# GOVERNING LAW

This Lease shall be construed and interpreted in accordance with the laws of the Commonwealth of Kentucky with venue in Hardin County, Kentucky, without regard to any of its conflict of laws provisions.

# COUNTERPARTS

This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

This Lease, including Addendum No. 1, constitutes the entire agreement between the parties and shall be binding upon the parties, their successors and assigns, and their heirs and representatives.

The words "HCBE" and "Lessee" wherever herein occurring and used, shall bind and inure to the benefit of the successors or assigns of HCBE and Lessee, respectively as if each fully expressed.

# EARLY TERMINATION

This agreement may be terminated by either party by providing a 90 Day notice of same. Upon proper notice the lease will terminate on the first day of the first month after the 90-day period.

IN WITNESS WHEREOF, the parties hereto have set their hands this day and year first above written.

**HCBE:**

 **BY:**

**LESSEE:**

 **BY:**

STATE OF KENTUCKY COUNTY OF HARDIN

 Subscribed and sworn to before me this\_\_\_\_\_\_ day of , 20 , by,

HCBE, by and through\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ who acknowledged that he/she signed the foregoing as his/her free act and deed.

 Notary Public, Kentucky State at Large

My commission expires: -------

 Notary ID: \_

STATE OF KENTUCKY COUNTY OF HARDIN

 Subscribed and sworn to before me this \_\_\_\_ day of , 20 , by

Lessee, by and through\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ who acknowledged that he/she signed the foregoing as his free act and deed.

Notary Public, Kentucky State at Large

 My commission expires: \_

 Notary ID: \_