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**POWELL COUNTY BOARD OF EDUCATION
LEASE AGREEMENT
WITH MOREHEAD STATE UNIVERSITY**

LEASE NUMBER MSU-034

THIS LEASE AGREEMENT entered this _____ day of _____, 2023 between **POWELL COUNTY BOARD OF EDUCATION**, 691 Breckinridge Street, P.O. Box 430, Stanton, KY 40380, 606-663-3300, its heirs and assigns, hereinafter called LESSOR, and **MOREHEAD STATE UNIVERSITY**, HM 305, Morehead, Kentucky 40351, hereinafter referred to as the LESSEE.

WITNESSETH: that for the consideration hereinafter mentioned, the parties hereto agree as follows:

1. **LEASE OF PREMISES.** In consideration for rent, the Lessor leases to Lessee, the space ("Premises"), located at the following described premises with its appurtenances: **POWELL COUNTY ADULT LEARNING CENTER, Stanton, Powell County, Kentucky.**

Said Premises consisting of 938 square feet are to be rented at the annual cost of \$6,210.00 and will be used by the Lessee for office, classroom, and instructional space. All existing classroom and office furniture and equipment, computers, adult education instructional materials, software, and supplies purchased from previous Kentucky Adult Education funds shall remain in the facilities for use in providing adult education instruction.

2. **RELATIONSHIP OF THE PARTIES.** The Lessee acknowledges that, where appropriate, it will look to and require the Lessor to provide services, as appropriate under this Agreement. The Lessor assumes no liability for any willful misconduct, gross negligence or negligence of the Lessee and the Lessor covenants only to deliver such services as are provided in this Agreement. The Lessee's sole remedy for the



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Lessor's failure to deliver such services is rescission. The Lessee further agrees to observe and follow all rules and regulations promulgated by the Lessor.

3. **TERM.** Subject to the limitations imposed by law and as provided in paragraphs five (5) and fourteen (14) of this lease the Lessee shall lease the Premises for the term of **One year beginning July 1, 2023 and ending on June 30, 2024**. Lessor shall not be liable for failure to deliver the Premises to Lessee on the beginning date of this Lease for reasons beyond Lessor's control.
4. **RENT.** Lessee agrees to pay Lessor rent at the annual rate of \$6,210.00 to be made in equal monthly payments of \$517.50, in advance, by the fifth day of each calendar month during the term. In the event that the term agreed to does not begin on the first day of the month, or end on the last day of the month, the first and/or last monthly rental payment shall be prorated. The Lessor shall provide the Lessee with the following: gas, electricity, water, and janitorial services. Telephone and internet services will not be provided by the Lessor. Lessee shall be responsible for providing all telephone and internet services to be used by the Lessee.
5. **EXTENSION OF LEASE.** This lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months not to exceed 5 extension periods unless either party shall give the Lessor or Lessee written notice, 30 days prior to the expiration of the term or any extension, that the period of occupancy of the leased premises shall not extend beyond the 30th day of June 2023.
6. **CARE OF PREMISES AND PROPERTY.** In addition to the other provisions of this Lease, Lessee agrees:
 - A. To comply with all applicable laws, including common law, ordinances or regulations of any governmental body having jurisdiction over the Premises and the Property and to conform to all reasonable rules or regulations which the Lessor may establish.
 - B. Not to damage any part of the Premises or the Property.



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- C. Not to permit any trade or occupation which is unlawful or any activity which would create a hazard which would adversely affect any insurance on the Premises or the Property.
- D. Not to place any sign on the Premises or the Property except that which Lessor has first approved in writing.
- E. Not to permit any employee, agent, customer or visitor of Lessee to violate any obligation of Lessee under this Lease.

7. **USE OF PREMISES.** The Premises shall only be used for: Morehead State University.

8. **REPAIRS & MAINTENANCE.** By taking possession of the Premises, the Lessee shall be deemed to have accepted the Premises as being in good sanitary order, condition and repair. The Lessee shall upon the expiration or sooner termination of this Lease surrender the Premises to the Lessor in good condition, ordinary wear and tear and damage from causes beyond the reasonable control of the Lessee excepted. Unless specifically provided in an addendum in this Lease, the Lessor shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises or any part of it and the parties hereto affirm that the Lessor has made no representations to the Lessee respecting the condition of the Premises and the building except as specifically set forth in this Agreement.

Despite the above provisions, the Lessor shall repair and maintain or cause to be repaired and maintained the structural portion of the building, including the standard plumbing, air conditioning, heating and electrical systems furnished by the Lessor, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty of the Lessee, its agents, employees or invitees, in which case the Lessee shall pay to the Lessor the reasonable cost of such maintenance and repairs.

The Lessee shall give the Lessor written notice of any required repairs or maintenance. The Lessor shall not be liable for any failure to repair or to perform



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any maintenance unless such failure shall persist for any unreasonable time after written notice. Except as specifically stated in this Agreement, there shall be no abatement of rent and no liability of the Lessor by reason of any injury to or interference with the Lessee's business arising from making of any repairs, alterations, or improvements to any portion of the building or the Premises or to fixtures, appurtenances and equipment. The Lessee waives the right to make repairs at the Lessor's expense under any law, statute, or ordinance now or hereafter in effect.

9. **ALTERATIONS.** The Lessee shall not, without first obtaining the written consent of the Lessor, make any alterations, additions, or improvements, in, to or about the Premises. Any such alterations, additions or improvements, including, but not limited to, wall covering, panels, and built-in cabinet work, but excepting movable furniture and trade fixtures, shall become a part of the realty, shall belong to the Lessor and shall be surrendered to the Premises at expiration or termination of the Lease. If the Lessor consents to any such alterations, additions, or improvements by the Lessee, they shall be made by the Lessee at the Lessee's costs, and any contractor or person selected by the Lessee to perform the work shall first be approved of, in writing, by the Lessor.

Upon expiration, or sooner termination of the term, the Lessee shall upon written demand by the Lessor promptly remove any alterations, additions or improvements made by the Lessee and designated by the Lessor to be removed. Such removal and repair of any damage to the Premises caused by such removal shall be at the Lessee's cost.

10. **ASSIGNING AND SUBLETTING.** Lessee shall not assign or sublet its interest in this Lease without prior written consent of the Lessor. Any assignment or sublease shall relieve the Lessee of any obligations under this Lease. Any assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this Lease.

11. **ENTRY & INSPECTION.** The Lessor reserves the right to enter the Premises at any time to inspect the Premises, to provide any service for which the Lessor is obligated, to submit the Premises to prospective purchasers or Lessees, to post notices of non responsibility, to alter, improve, maintain, or repair the Premises or any portion of the building of which the Premises are a part of that the Lessor deems necessary or



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desirable, all without abatement of rent. The Lessor may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, but shall not block entrance to the Premises and not interfere with the Lessee's business, except as reasonably required for the particular activity by the Lessor.

The Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business nuisance, interference with quiet enjoyment, or other damage arising out of the Lessor's entry on the Premises as provided in this section, except damage, if any, resulting from the negligence or willful misconduct of the Lessor or its authorized representative. The Lessor shall retain a key to unlock all doors into, within, and about the Premises, excluding the Lessee's vaults, safes, and files. In any emergency, the Lessor shall have the right to use any means that the Lessor deems reasonably necessary to obtain entry to the Premises, without liability to the Lessee except for any failure to exercise due care for the Lessee's property. Any such entry to the Premises by the Lessor shall not be construed or deemed to be forcible or unlawful entry into or a detained of the Premises or an eviction of the Lessee from the Premises or any portion thereof.

12. **INDEMNIFICATION OF LESSOR.** The Lessee shall hold Lessor harmless to the extend Kentucky state law and federal law may provide from any claims arising out of a breach or default of Lessee.

The Lessor and its agents shall not be liable for any damage to property entrusted to the employees of the building, nor for loss or damage to any property by theft or damage, nor from any injury to or damage to persons or property resulting from any cause whatsoever, unless caused by or due to the negligence or willful misconduct of the Lessor, its agents or employees. The Lessor shall be liable for any latent defect in the Premises or in the building of which they are a part, unless caused by Lessee's negligence. The Lessee shall give prompt notice to the Lessor in case of fire or accidents on the Premises or in the building or of alleged defects in the building, fixtures or equipment. Lessor must maintain insurance coverage and name Lessee as additional insured for liability due to property defects.



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13. **LESSEE'S DEFAULT.** Any one or more of the following events shall be default by Lessee under this Lease:

A. Lessee fails to pay within 90 days of the due date any rent or additional obligation provided for in this Lease;

B. Lessee fails to observe or perform any other promise or obligation of this

Lease; C. Lessee fails to provide proof of insurance as required by this

Agreement;

D. After two weeks notice from Lessor, Lessee fails to immediately cure any hazardous condition which Lessee has created; or

E. Lessee abandons the Premises.

14. **LESSOR'S DEFAULT.** Any one or more of the following events shall be default by Lessor under this Lease;

A. Lessor fails to make repairs per Section 8;

B. Lessor fails to name Lessee as additional insured;

C. Lessor fails to provide gas, electricity, water, and adequate janitorial services per Section 4; or

D. Lessor fails to observe or perform any other promise or obligation of this Lease.

15. **RIGHTS AND REMEDIES.** If a default occurs, parties shall have the following rights and remedies:

A. Lessor or Lessee may terminate this Lease by giving the other party at least 30 day's prior written notice.



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B. The failure of Lessor or Lessee to declare a default of this Lease for violation of any term, condition or covenant shall not be construed as a waiver of either party's rights to declare a default of this Lease upon the occurrence of any subsequent act or omission, the right to declare a breach or forfeiture being a continuing one.

16. **NOTICE OF TERMINATION.** Either party may terminate this Agreement, for convenience by giving at least 30 day's prior written notice.
17. **INSURANCE.** The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased Premises and name Lessee as an additional insured. If Lessee makes improvements to the Premises, Lessee shall be named as a loss payee on Lessor's property coverage for 100% of Lessee's improvements and betterments. Lessor shall maintain 100% replacement cost on Lessor's property insurance. Lessor shall provide a copy of the Certificate of Insurance to Lessee annually. Lessee shall maintain insurance on all content within the leased Premises and shall deliver to the Lessor prior to occupancy of the Premises copies of the insurance policy required by this Agreement.
- a. Each of Lessor's insurance policy required by this provision shall provide the required coverage and shall not be suspended, voided, or cancelled except after thirty (30) day's prior written notice has been given to Lessee, except when cancellation is for non-payment of premium; then ten (10) day's prior notice may be given. Such notice shall be sent directly to Lessor's Director of EHS, Risk Management, and Insurance at 150 University Blvd., Morehead, KY 40351. If any insurance company refuses to provide the required notice, the Contractor or its insurance broker shall notify Lessee of any cancellation, suspension, or non renewal of any insurance within seven (7) days of receipt of insurers' notification to that effect.
18. **Waiver of Subrogation.** Lessor waives all rights of recovery against the Lessee on account of loss and damage occasioned to the property to the extent that Lessor is entitled to proceeds for such loss and damage under any insurance policies carried or otherwise required by this Lease.
19. **ATTORNEY FEES.** In case suit should be brought for recovery of the Premises, or for any sum due under this Agreement, or because of any act that may arise out of the possession of the Premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.



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20. **WAIVER.** No failure of the Lessor or Lessee to enforce any term of this Agreement shall be deemed to be a waiver.
21. **PARKING.** The Lessor shall provide parking facilities for the Lessee's staff and students.
22. **SEX OFFENDERS:** The Premises to be leased by the Lessee is located on school grounds. Pursuant to KRS 17.545 a registered sex offender may not be on school grounds without written consent of the school principal, school board or day care director. As a result, the Lessee must establish guidelines to provide that no registered sex offenders are permitted on the leased Premises without the express written consent of the school principal, school board or day care director.
23. **SEVERABILITY.** It is agreed by the parties hereto that if any one of the provisions of this lease shall contravene or be invalid under the laws of the Commonwealth of Kentucky such contravention or invalidity shall not invalidate the whole lease but it shall be construed as if not containing that particular provision or provisions and the rights and obligations of the parties shall be construed accordingly.
24. **MISCELLANEOUS.**
 - A. **Smoking Area.** Parties agree that no smoking is to occur indoors or outdoors on the Premises.
 - B. **Loitering.** The Lessee shall insure that no loitering occurs in or around the steps of the Premises.
 - C. **Sign-in/Safety Procedures.** The Lessee shall devise and implement for safety reasons a sign-in procedure to record the names of all individuals entering the Premises.
25. **AUTHORITY.** The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and if a firm, partnership, corporation, business trust or other organization is involved, then he is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Lessee, Commonwealth of Kentucky, and that he is not or will not be violating any conflict of interest statute (118 451.340, 164.390 or any other applicable



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statute) or principle by the performance of this lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor agrees to notify the Lessee of all persons owning or upon any change or transfer of ownership involving 5% or more in stock, in partnership, business trust, or corporation, including silent or limited partners. Non-compliance may result in termination of the lease agreement.

26. **SAFETY STANDARDS.** The Lessor shall comply with all standards set by the State Fire Marshal, Department of Housing, Building & Construction, Division of Building Codes Enforcement, and that the Kentucky Occupational Safety & Health Standards Board and the Americans with Disabilities Act (ADA).

IN WITNESS WHEREOF, the parties hereto have subscribed their names:

LESSEE

LESSOR

Morehead State University

Powell County Board of Education
Superintendent

Lessor's Fed. ID No. or Soc. Sec. No.

Approved this _____ day of _____, 20_____