

# Lease Agreement

THIS LEASE AGREEMENT made and entered into this 12th day of April, 2024 by and between HP Brown Court, LLC, organized in the State of Kentucky, whose mailing address is 400 Ring Road, Suite 100, Elizabethtown, Kentucky 42701 hereinafter referred to as Lessor, and Hardin County Board of Education, organized in the State of Kentucky, whose mailing address is 65 W.A. Jenkins Rd, Elizabethtown, KY 42701, hereinafter referred to as Lessee.

## WITNESSETH:

1. LEASED PREMISES. The Lessor hereby leases rental space located at 421 E Dixie Ave, Suite 102, Elizabethtown, Kentucky 42701 (the "Premises"), consisting of approximately twenty thousand (20,000) square feet.

2. CONDITION OF THE PROPERTY. Prior to occupancy, the Lessee may inspect the Premises and the improvements therein. The taking possession of said Premises by the Lessee shall be conclusive evidence against the Lessee that said Premises are in good and satisfactory condition when possession of the same was so taken.

3. TERM. The term of this Lease shall be twelve (12) months commencing on the 1<sup>st</sup> day of July, 2024, and ending on the 30th day of June, 2025.

4. RENT. The monthly rent for the Premises is Eight Thousand and Two Hundred Dollars (\$ 8200.00), payable in advance and due on the first of each month. The monthly rent payments shall be payable at the address of the Lessor or at such other place as the Lessor may designate in writing. Rent due for any partial month shall be pro-rated on a daily basis.

5. [NOT USED].

6. POSSESSION. Lessee shall have possession of the Premises on July 1, 2024.

7. SECURITY DEPOSIT. The Lessee shall pay to the Lessor, simultaneously with the execution of this Lease, a security deposit of (first and last month's rent) in the amount of Eight Thousand and Two Hundred Dollars (\$8200.00) for each months' rent, totaling Sixteen Thousand and Four Hundred Dollars (\$16,400.00), to be held by Lessor until the expiration of the Lease, without interest. Upon the expiration of this Lease or earlier termination by forfeiture or otherwise, Lessor shall inspect the Premises and determine the cost to repair any damage to the Premises that occurred during the Lessee's occupation thereof. The Lessor may deduct the cost to repair from the security deposit and pay the balance over to the Lessee. If the cost to repair exceeds the amount of the security deposit, the Lessee agrees to promptly pay the Lessor for the cost of repairs that exceed the security deposit.

8. USE OF PREMISES. The Lessee shall have the right to use the Premises for the purpose of operating as an educational occupancy. The Lessee covenants to use the Premises as a educational occupancy unless the Lessee obtains the prior written approval of the Lessor to use the Premises for some other lawful purposes. The Lessee, in the use and occupation of the Premises and conduct of any business therein, shall comply with the requirements of all laws, orders, ordinances, rules and regulations of the federal, state, county and municipal authorities. The Lessee covenants that it will not use or permit to be used any part of the Premises for any dangerous, noxious, or offensive trade or business, and will not cause or maintain any nuisance, in at or on the Premises.

9. REPAIRS AND MAINTENANCE. The Lessor shall, at its own expense, make all necessary structural repairs and replacements to the Premises. Lessor shall repair, maintain, and keep in good condition the building foundation, structural walls, and roof located on the Premises, repair and replace the electrical system that brings electric power, plumbing, water and sewer services to the building, as needed, but not including minor repairs to sinks, toilets or other plumbing or electrical fixtures or repairs located within the Premises. A "minor repair" is a single repair that costs less than four hundred dollars (\$400.00). The Lessee shall, at its own expense, repair, maintain and keep the Premises in good condition. The Lessee shall be responsible for desired interior improvements as may be approved by the Lessor. The Lessee shall further be responsible for the replacement of light bulbs, filters, window dressings, etc.

10. SURRENDER OF PREMISES. At the expiration of this Lease, the Lessee shall surrender the Premises in as good a condition as it was at the beginning of the term, reasonable use and ordinary wear and tear excepted.

11. ALTERATIONS. No alterations, additions or improvements to the Premises shall be made by the Lessee without written consent of the Lessor, but such consent shall not be unreasonably withheld.

12. UTILITIES. Lessee shall pay all charges for water and sewer, gas, electricity and telephone or other communication service used, rendered, or supplied upon or in connection with the Leased Premises. Lessee shall register electricity in Lessee's name. Water, sewer, and gas will be invoiced monthly for lessee's share of the water, sewer and gas bill based on a square footage or other fair and equitable basis.

13. TAXES. The Lessor shall be responsible for paying all real property taxes assessed against the Premises. Lessee shall be responsible for paying personal property taxes for its furniture, furnishings and other personal property stored and located in the Premises.

14. PROPERTY INSURANCE. The Lessor shall carry "all risk coverage," including the standard fire and extended coverage and vandalism and malicious mischief perils or other casualty in the amount of the full replacement value of the building and fixtures. It is the intent of the parties hereto that the Lessor assume the full risk of any and all damage to the building, and that the Lessee assume the full risk of any and all damage to any improvements to the Premises made

by the Lessee, and any and all damage to the Lessee's personal property located at the Premises, including any Lessee's leasehold improvements to the Premises.

15. LIABILITY INSURANCE. At all times during the term of this Lease, the Lessee, at its sole expense, shall carry and maintain general public liability insurance against claims for injury, wrongful death, or property damage occurring upon, in or about the Premises in amounts not less than \$500,000.00 in respect to injury or wrongful death to any one person. Each insurance policy required under this Section 15 shall insure the interest of Lessor regardless of any such breach of violation by Lessee of any warranties, declarations or conditions contained in such policies. Each such policy shall be primary without any right of contribution from any insurance maintained by Lessor. Each such policy shall insure Lessee's contractual liability to Lessor contained in this Agreement (with a Breach of Warranty endorsement). Each policy shall contain an agreement by the insurer that notwithstanding the lapse of any such policy for any reason or any right of cancellation by the insurer or Lessee, whether voluntary or involuntary, such policy shall continue in force for the benefit of Lessor for at least thirty (30) days after written notice of such lapse or cancellation shall have been given to Lessor. Each policy shall contain an agreement by the Insurer to provide Lessor with thirty (30) days advance written notice of any deletions, cancellation or material change in coverage. Each policy shall name Lessor as an additional insured. The Lessee shall provide the Lessor with a copy of the Proof of Insurance naming the Lessor as an additional insured simultaneously with the payment of the first month's rent and security deposit.

16. INDEMNIFICATION: (a) Warehouse shall indemnify and hold Lessee, its employees, agents, officers, directors, and stockholders harmless from and against all claims arising in favor of any person, firm, or corporation on account of Warehouse's acts and omissions in complying with the terms and conditions under this Agreement. The foregoing indemnity shall include all costs incurred by the Lessee, including reasonable attorney fees and disbursements.

(b) Lessee shall indemnify and hold Warehouse, its employees, agents, officers, directors, and stockholders harmless from and against all claims arising in favor of any person, firm, or corporation on account of Lessee's acts and omissions in complying with the terms and conditions under this Agreement. The foregoing indemnity shall include all costs incurred by Warehouse, including reasonable attorney fees and disbursements.

17. DEFAULT OF LESSEE. If there shall be a default in the payment of rent or any part thereof for more than ten (10) days after written notice of such default by the Lessee, or if there shall be default in the performance of any other covenant, agreement, condition, rule or regulation herein contained or hereinafter established on the part of the Lessee for more than ten (10) days after written notice of such default by the Lessee, this Lease (if the Lessor so elects) shall thereupon become null and void, and the Lessor shall have the right to re-enter or repossess the Premises, by forcible detainer, if necessary. In such case, the Lessor may, at its option, re-let the Premises or any part thereof, as the agent of the Lessee, and the Lessee shall pay the Lessor the difference between the rent thereafter received and the agreed rent owed by the Lessee for the portion of the term remaining. Nothing herein shall prevent the Lessor from seeking a judgment against the Lessee for any and all unpaid or lost rent for the balance of the Term of this Lease.

18. RIGHT OF ENTRY. The Lessor and its representatives may enter the Premises, at reasonable times, with proper notice to the Lessee for the purpose of inspecting the Premises, performing any maintenance or upgrades or improvements to the Premises or for which the Lessor elects to undertake made necessary by reason of the Lessee's default under the terms of this Lease, or for the further purpose of exhibiting the Premises for sale, lease, or mortgage financing.

19. CONDEMNATION. If the whole of the Premises, or such portion thereof as will make the Premises unsuitable for the purposes herein leased, is condemned for any public use or purpose by any legally constituted authority, then this Lease shall cease from the time when possession is taken by such public authority and rental shall be accounted for between the Lessor and the Lessee as of the date of the surrender of possession. Such termination shall be without prejudice to the rights of either the Lessor or the Lessee to recover compensation from the condemning authority for any loss or damage caused by condemnation. Neither the Lessor nor the Lessee shall have any right in or to any claim or award made to the other by the condemning authority.

20. ASSIGNMENT. The Lessee may not assign this Lease nor sublet all or any portion of the Premises without the written approval of the Lessor, which approval shall not be unreasonably withheld, and if Lessee is not then in default of any of the terms and conditions of the Agreement existing between the parties. Any such assignment or sublease shall not release the Lessee of its obligations under this Lease.

21. SIGNAGE. Lessee shall have the right, at its expense, to install identification signage on the front door or immediately above the entry door to the Premises. All signage for the Premises shall be subject to Lessor's approval, which shall not be unreasonably withheld. The City of Elizabethtown does have a sign ordinance restricting the size and types of signage allowed on a property. The Lessor and Lessee will agree to the sign size allocated to the Lessee. Any sign the Lessee wishes to erect must be approved by and meet City regulations.

22. NOTICES. Whenever it is provided herein that notice, demand, request or other communication shall or may be given to either of the parties by the other, such notice, demand, request or other communication shall be in writing and, shall not be effective for any purpose unless it shall be served by hand delivery thereof or by mailing such notice by certified mail, postage prepaid, return receipt requested, to the address listed in the preamble of this Lease or to such other address as either party may from time to time designate by notice given to the other by certified mail. Any such notice, demand, request, or other communication shall be deemed to have been given three (3) days following date it is duly deposited and certified in any United States Post Office or Branch Post Office.

23. GOVERNING LAW. This Lease shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Kentucky.

24. NON-WAIVER. The failure of either party to insist upon strict performance of any of the covenants or conditions of this Lease, or to exercise any option of either party herein conferred in any one or more instances, shall not be construed as a waiver of any of their rights or remedies in this Lease, and shall not be construed as a waiver, relinquishment of failure of any such covenants, conditions, or options but the same shall be and remain in full force and effect.

25. SUCCESSORS, HEIRS, AND ASSIGNS. The covenants, terms, conditions, provisions and undertakings in this Lease or in any renewals thereof shall extend to and binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto, as if they were in every case named and expressed, and shall be construed as covenants running with the land, and wherever reference is made to either of the parties hereto, it shall be held to include and apply also to the heirs, executors, administrators, successors and assigns of such party, as if in each and every case so expressed.

26. ENTIRE AGREEMENT. This Lease, together with any written agreement which shall have been executed simultaneously herewith, contains the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in this Lease or the simultaneous writings heretofore referred to. All prior understandings, terms or conditions are deemed merged in this Lease. This Lease cannot be changed or supplemented orally.

27. SEVERABILITY. If any provision of this Lease shall be declared invalid or unenforceable, the remainder of the Lease shall continue in full force and effect.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto the date and year aforesaid.

LESSOR:

LESSEE:

HP Brown Court, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_