

OK AS TO FORM
AMH 10-4-2024

ADDENDUM #1 TO Lease Agreement

This Addendum #1 to the **Lease** entered into as of July 7, 2023, ("**Effective Date**"), by and between **ERDCO PROPERTIES, LLC**, a Kentucky Limited Liability Company ("**Landlord**"), and **BOARD OF EDUCATION OF JEFFERSON COUNTY, KENTUCKY**, operating as Jefferson County Public Schools ("**Tenant**").

The Terms of this Lease are and shall be two (2) year terms, renewable prior to expiration of each two (2) year **Term**. As stated in the **Lease**, (pg. 1, par. 2), Tenant shall have the right to terminate this Lease effective as of the last day of the first year of the Lease Term upon written notice to Landlord at least one hundred twenty (120) days before the last day of the first year of the Lease Term. The Lease Term may thereafter, be renewed for additional two-year terms by mutual agreement of the Landlord and Tenant, which shall be set forth in writing and signed by both Landlord and Tenant, provided that JCPS shall have the right to terminate this Lease before the expiration of the first year of each such two-year term.

By signing below, both the Landlord and the Tenant agree to renew this Lease for a second two-year term, which shall begin on July 10, 2025, and end on July 9, 2027. Base Rent for July 2025- July 2026 shall be \$15.98 PSF (annual rate) for 60,196 square feet, with a monthly payment of \$80,191.00. Base rent for July 2026 – July 2027 shall be \$16.30 PSF (annual rate) for 60,196 square feet with a monthly payment of \$81,766.23

This document must be signed on or before November 15, 2024.

TENANT: BOARD OF EDUCATION OF
JEFFERSON COUNTY, KENTUCKY
(Operating as Jefferson County
Public Schools)

LANDLORD: ERDCO PROPERTIES, LLC

BY: _____

TITLE: _____

DATE: _____ TIME: _____

By:  _____

TITLE: Member _____

DATE: 9/10/24 TIME: 2:18 pm EST



JEFFERSON COUNTY BOARD OF EDUCATION

June 06, 2023, Regular Business Meeting

Agenda Item: **XI.X. Recommendation for Approval of Lease Agreement with ERDCO Properties, LLC for Space Located at 3301 Stober Rd.**

Recommendation: Superintendent Martin Pollio recommends the Board of Education approve the attached lease agreement with ERDCO Properties, LLC as the landlord, for space located at 3301 Stober Road and authorize the superintendent sign same.

Rationale: ERDCO Properties, LLC will lease 60,196 square feet of space located at 3301 Stober Road to Jefferson County Board of Education to be used as office space for JCPS Employees.

The project directly supports strategy 3.1.1 of *Vision 2020*.

Submitted by: Chris Perkins

Attachments

OK AS TO FORM
A.M.H. 6.6.2023

LEASE AGREEMENT

(With Option to Purchase)

This Lease Agreement (this "Lease") is made and entered into as of JUNE 7, 2023, which date is the last of Landlord and Tenant to sign this Lease (the "Effective Date"), by and between ERDCO PROPERTIES, LLC, a Kentucky limited liability company ("Landlord") and BOARD OF EDUCATION OF JEFFERSON COUNTY, KENTUCKY, operating as Jefferson County Public Schools ("Tenant").

WITNESSETH:

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

Landlord, for and in consideration of the rent, terms, covenants and conditions set forth in this Lease, hereby leases the Premises (as defined below) to Tenant, with Tenant to have and to hold the Premises with all rights, privileges, and appurtenances thereunto belonging unto Tenant for and during the Lease Term (as defined below). Landlord covenants to keep Tenant in quiet possession of the Premises during the Lease Term of this Lease, provided Tenant shall pay the rent and perform its other obligations hereunder in accordance with the terms and provisions of this Lease.

1. PREMISES. The leased premises under this Lease is the tract of real property located at 3301 Stober Road, Louisville, Kentucky 40213, having Parcel ID# 061502220000, which includes a single story building ("Building") consisting of approximately 60,196 square feet of rentable space and perimeter offices, open work areas, indoor dry storage, two dock doors to accommodate shipping and receiving, and approximately 270 parking spaces therein or thereon (the "Premises"). Floor plans for the Building are attached hereto as Exhibit A and made a part hereof (the "Floor Plans").

2. LEASE TERM. The term of this Lease is and shall be two (2) years beginning on July 10, 2023 (the "Commencement Date") and ending on July 9, 2025, unless sooner terminated pursuant to an express right of Landlord or Tenant to do so set forth in this Lease (the "Lease Term"). Tenant shall have the right to terminate this Lease effective as of the last day of the first year of the Lease Term upon written notice to Landlord at least one hundred twenty (120) days before the last day of the first year of the Lease Term. The Lease Term may thereafter be renewed for additional two year terms by mutual agreement of the Landlord and Tenant, which shall be set forth in writing and signed by both Landlord and Tenant, provided that JCPS shall have the right to terminate this Lease before the expiration of the first year of each such two year term.

3. RENT. The rent for each month of the Lease Term shall be paid to Landlord at Landlord's address set forth herein in the amount of Seventy Eight Thousand Six Hundred Five and 94/100 Dollars (\$78,605.94) per month. To the extent permitted by applicable law, Tenant shall pay such equal monthly installments of rent in advance on the Commencement Date with respect to the month of July 2023 and on the first (1st) business day of each and every calendar month thereafter during the Lease Term; provided, however, Rent for any period less than a

calendar month shall be prorated according to the fraction which the number of days in such period bears to the actual number of days in such month. Tenant shall pay a late charge of three percent (3%) of the rent due for any rent payment made after the tenth (10th) of the month in which such payment was due. In addition to monthly rent, Tenant shall pay, as additional rent, reasonable costs associated with certifications for the backflow preventer and fire sprinkler system at the Premises which are required to be serviced annually. Tenant shall pay invoices for such costs within thirty (30) days after receipt of such invoices from Landlord. A schedule for monthly rent is set forth below; provided, however, for clarity, the "Rent Escalators" segment of the schedule pertaining to "Year 3" through "Year 10" is non-binding and subject to mutual agreement in writing of Landlord and Tenant (which must be signed by Landlord and Tenant) after the date of this Lease, before the beginning of each two year term (if any) that occurs after the Lease Term.

RENT SCHEDULE:

Base Rent

Years 1 - 2 \$15.67 PSF Annual Rate 60,196 SF = \$78,605.94 per month

Rent Escalators

Year 3 with 2% increase in PSF = \$15.98*

Year 4 with 2% increase in PSF = \$16.30*

Year 5 with 2% increase in PSF = \$16.63*

Year 6 with 2% increase in PSF = \$16.96*

Year 7 with 2% increase in PSF = \$17.29*

Year 8 with 2% increase in PSF = \$17.64*

Year 9 with 2% increase in PSF = \$17.99*

Year 10 with 2% increase in PSF = \$18.35*

*Subject to mutual agreement in writing between Landlord and Tenant (which must be signed by Landlord and Tenant) after the date of this Lease, before the beginning of each applicable two year period.

4. USE. The Premises shall be used for administrative purposes with business occupancy. In no event shall Tenant make any use of the Premises which is in violation of any applicable laws, regulations and codes.

5. POSSESSION. Tenant shall receive possession of the Premises no later than the Commencement Date of July 10, 2023.

6. TAXES AND ASSESSMENTS. Landlord shall pay all real estate taxes and real estate assessments levied by any governmental body against the Premises during the Lease Term and applicable to the Lease Term. Tenant shall pay all taxes and assessments levied by any governmental body with respect to Tenant's trade fixtures, equipment, furnishings and any other of Tenant's personal property in the Premises.

7. UTILITIES; SERVICES. Landlord shall provide, in a commercially reasonable manner, hot and cold water, gas, electricity, plumbing and sewer services to the Premises and heating, ventilation and air-conditioning required for comfortable occupancy of the Premises under Tenant's normal business operations all throughout the Lease Term. Landlord and/or Tenant shall arrange for invoices from the applicable utility companies to be delivered directly to Tenant for payment, which Tenant shall timely pay. Tenant shall have the right to purchase, arrange, install and maintain, at Tenant's sole cost and expense, any telephone, internet, information technology, fiber/cable/satellite and other communication services for furnishing to the Premises during the Lease Term. Tenant, at Tenant's sole cost and expense, shall at all times be responsible for any and all snow and ice removal services, security services and janitorial services to the Premises and trash removal from the Building, and Tenant shall keep the Premises in a neat, clean and orderly condition.

8. TENANT'S REPAIR AND MAINTENANCE OBLIGATIONS. Except for HVAC (as defined below) and the other items designated as Landlord's responsibility in Section 9 below, Tenant, at Tenant's sole cost and expense, shall be responsible for repairing and maintaining (and shall repair and maintain), in a commercially reasonable manner and in good order and condition (normal wear and tear excepted), the interior of the Premises in the Building as well as the area above the drop ceiling, which shall include the sprinkler system, duct work, supplies and returns, low voltage cabling and electrical junction boxes.

9. LANDLORD'S REPAIR AND MAINTENANCE OBLIGATIONS. Landlord shall be responsible for repairing, maintaining and replacing (and shall repair, maintain and/or replace), in a commercially reasonable manner and in good order and condition, the exterior of the Premises within the Building and the exterior grounds of the Premises (including without limitation lawn, landscaping, parking lots, driveways, sidewalks but excluding snow and ice removal), and the structure, roof top units, roof, roof membrane foundation, underflooring, exterior walls, drains and downspouts of the Building. In addition, Landlord shall be responsible for repairing, maintaining and replacing (and shall repair, maintain and/or replace) each heating, ventilation and air conditioning unit and system serving the Premises ("HVAC") that need to be repaired, maintained and/or replaced in order to function in a commercially reasonable manner for Tenant's normal operations permitted in this Lease.

Tenant shall promptly notify Landlord in writing of any necessary or appropriate repairs, maintenance or replacements for which Landlord is responsible. If Landlord provides any non-standard services and/or supplies to Tenant for Tenant's use of the Premises (excluding any services and supplies expressly required by Landlord in this Lease but including, without limitation, carpet cleaning, non-standard repairs, non-standard locks, additional keys) at Tenant's request, all charges for such non-standard services and/or supplies shall be billed to Tenant and payable by Tenant.

Prior to Tenant's occupancy of the Premises on the Commencement Date, Landlord shall "debrand" the Premises, paint and repair damaged ceiling tiles, and clean break rooms.

10. SECURITY DEPOSIT. There shall be no security or damage deposit in connection with this Lease.

11. LANDLORD'S INSURANCE. Landlord at all times during the Lease Term shall, at Landlord's sole cost and expense, procure and keep in force and effect, insurance on the building and other insurable structural improvements on the Premises, insuring the same against loss or damage by fire and such other hazards, casualties and contingencies as are included under insurance policies written on a special form basis. Tenant covenants that Landlord shall not be liable for damage to or destruction of Tenant's personal property by fire or other casualty from any cause whatsoever except for damage or destruction caused by Landlord's intentional acts or gross negligence. Premiums for all policies of insurance referred to in this Section 11 and all renewals thereof shall be paid by Landlord on or before the beginning date of the next annual policy or renewal period. Such insurance shall be written by a reputable and solvent insurance company. Landlord, upon request by Tenant, shall deliver to Tenant any and all certificates of insurance evidencing such coverage.

12. TENANT'S INSURANCE. Tenant at all times during the Lease Term shall, at Tenant's sole cost and expense, procure or cause to be procured and keep in force and effect, commercial general liability insurance covering personal injury or death, and property damage, in an amount not less than One Million Dollars (\$1,000,000) combined single limit coverage. Tenant shall have the right to maintain the first Five Hundred Thousand (\$500,000) of such coverage under Tenant's self-insurance program. Premiums for all policies of insurance herein referred to and all renewals thereof shall be paid by Tenant on or before the beginning date of the next annual policy or renewal period. Such insurance shall be written by a reputable and solvent insurance company. In addition, Tenant shall procure and maintain insurance on Tenant's trade fixtures, equipment, furnishings and other personal property of Tenant in commercially reasonable amounts and maintain any governmentally mandated insurance in statutorily required amounts. Any insurance policies purchased or maintained by Tenant for such coverage shall not be modified or canceled by Tenant without at least thirty (30) days prior written notice to Landlord. Tenant, upon request by Landlord, shall deliver to Landlord any and all certificates of insurance evidencing such coverage.

13. WAIVER OF SUBROGATION. Landlord and Tenant and all parties claiming under them hereby mutually release and discharge each other from all claims and liabilities arising from or caused by any hazard to the extent that such is covered by insurance on the Premises, or covered by insurance in connection with property owned or activities conducted on the Premises, regardless of the cause of the damage or loss.

14. WARRANTY. Landlord represents, warrants and covenants that it is lawfully seized of the Premises in fee simple and has a right to lease same for the Lease Term; that, during the time when Tenant shall not be in default hereunder, Landlord shall indemnify and save Tenant harmless from the adverse title or possessory claim of any and all persons claiming by or through Landlord; that as of the date Tenant receives possession of the Premises, the Premises and all base building systems serving the Premises (including, but not limited to

plumbing, electrical, mechanical, HVAC and fire/life safety systems) (collectively, "Base Building Systems") will be in good working order and condition and the Premises will be in compliance with all applicable laws, regulations and codes. Landlord shall cause the Premises to be in compliance with all laws, regulations and codes applicable to buildings in which there is a tenant that is a board of education such as Tenant throughout the Lease Term. Landlord further represents, warrants and covenants that there was a complete renovation of the Building in 2016 and that accurate specifications for the Building are attached hereto as Exhibit B and made a part hereof. Landlord acknowledges and agrees that Tenant may be subject to certain codes of conduct and requirements applicable to boards of education. Landlord represents, warrants and covenants that as of the date Tenant receives possession of the Premises, (i) the existing internet cabling at the Premises shall remain intact for use by Tenant, (ii) the Premises shall contain a Best Small Format Interchangeable core, Cormax Patented system, and (iii) all entry doors to the Premises shall contain card readers that are usable by Tenant for access to the Premises pursuant to a reasonable amount of keys/key cards provided by Landlord to Tenant at no cost to Tenant.

15. PARKING. So long as this Lease remains in effect and no event of default is continuing, Tenant and persons designated by Tenant shall have non-exclusive access to and use all of the parking spaces on the Premises.

16. ALTERATIONS. Tenant shall not have the right to make (and shall not make) alterations or improvements to the Premises without the Landlord's prior written approval, which approval the Landlord may withhold in the Landlord's sole discretion. If and to the extent Landlord provides any such approval, only Landlord shall perform and complete such alterations or improvements, which Landlord shall (if applicable) perform and complete in compliance with all applicable laws, regulations and codes.

Tenant acknowledges Landlord is not providing any allowance for Tenant improvements. Subject to representations, warranties and covenants expressly made by Landlord in this Lease, the Premises shall be delivered to Tenant "as is". Tenant shall reimburse the Landlord for cost of any improvements requested by Tenant and completed by Landlord.

17. TENANT'S RESTORATION OBLIGATIONS. Upon expiration or earlier termination of this Lease, Tenant, at Tenant's sole cost and expense, shall be responsible for the cost of making repairs to restore Premises to the same or similar condition it was in at the time Tenant took occupancy on the Commencement Date, to the extent such repairs are needed due to damage caused by the neglect, misuse, fault of, or omission of any duty by Tenant, its agents, contractors, employees, licensees or invitees.

18. TENANT'S EQUIPMENT AND OTHER PERSONAL PROPERTY. Tenant shall have the right to install and relocate decorations and Tenant's trade fixtures, equipment, furnishings and other personal property without Landlord's consent. Any decorations, trade fixtures, equipment, furnishings and other personal property installed or placed upon the Premises by or on behalf of Tenant shall be removed by Tenant upon the expiration or earlier termination of this Lease; provided, however (and notwithstanding anything in this Lease to the contrary), Tenant may, in Tenant's sole discretion, leave any telephone, internet, information technology and fiber/cable/satellite equipment and other related equipment installed by Tenant or

on behalf of Tenant at the Premises and cause the same to be inoperable, unusable and/or to have no value.

19. LIENS. Landlord shall keep the Premises free and clear of all mechanics' and materialmen's liens and other liens on account of work (if any) done by or under the direction of Landlord or persons claiming under or on behalf of Landlord. Tenant shall keep the Premises free and clear of all mechanics' and materialmen's liens and other liens on account of work (if any) done by or under the direction of Tenant or persons claiming under or on behalf of Tenant.

20. SIGNAGE. Subject to Landlord's prior written approval, not to be unreasonably withheld, conditioned or delayed, Tenant shall have the right to install and maintain interior and exterior signage on the Premises throughout the Lease Term, so long as such signage complies with all applicable laws, regulations and codes; provided, however, Landlord shall install, at Landlord's sole cost and expense, a monument sign at the main entrance to the Premises.

21. QUIET ENJOYMENT. Provided Tenant performs all of the terms, conditions, covenants and obligations applicable to Tenant set forth in this Lease, Tenant shall have the peaceful and quiet enjoyment of the Premises.

22. CONVEYANCE OF PREMISES: In the event that all or any portion of the Premises is transferred or conveyed to any person or entity by sale, donation or otherwise, such transfer or conveyance shall be deemed to be made expressly subject to all the terms, conditions, covenants and obligations of this Lease.

23. SUBORDINATION. If the Premises is encumbered by a mortgage with a bank, building and loan association, insurance company, REIT or other generally recognized lending institution, Tenant agrees that when called upon Tenant will join in the execution of instruments reasonably acceptable to Tenant as may be necessary to subordinate this Lease to the lien of any mortgage financing, provided that said lender provides a customary agreement not to disturb Tenant's occupancy of the Premises reasonably acceptable to Tenant.

24. LANDLORD'S RIGHT OF ENTRY AND INSPECTION. Landlord shall have the right to conduct a "walk through" inspection of the Premises each month during normal business hours upon at least forty eight (48) hours prior notice from Landlord to Tenant to address any necessary or appropriate repairs, maintenance and replacements, provided that Landlord shall make reasonable efforts to not interfere with Tenant's normal business operations.

25. FIRE OR OTHER CASUALTY.

a. If the Premises shall, during the Lease Term, be damaged by fire or other casualty, Landlord will cause the same to be promptly repaired at Landlord's sole cost and expense subject to Landlord's receipt of insurance proceeds in an amount sufficient to pay for the cost of such repairs. If said Premises are so damaged as to be unfit for occupancy or use in the manner theretofore used, then the rent hereby reserved, or a fair and just proportion thereof, according to the nature and extent of use the Tenant actually makes of the Premises shall, until the said Premises shall have been repaired or rebuilt and made fit for occupancy and use, be abated, provided, however, that in case the Premises are totally destroyed by fire or other casualty or so damaged that the Premises

cannot be satisfactorily repaired, then this Lease may, at the option of the Landlord or Tenant, be terminated. Notwithstanding the foregoing, if any such damage by fire or other casualty is the result of the willful conduct or negligence of the Tenant or its employees, agents or contractors, the Tenant agrees that it will not have such termination right and to the extent permitted by applicable law Tenant shall continue to pay rent during the period of repairs to the Building if Landlord's insurance policy does not cover such rent during the repair period. Tenant shall promptly give Landlord notice of any casualty damage to, or destruction of, the Premises.

b. The obligation of Landlord to rebuild or cause a rebuild, if any, hereunder shall be limited to repairing and restoring the Premises to the same condition as existed immediately prior to such damage by fire or other casualty. Landlord shall not be liable to repair or restore any trade fixtures, equipment, furnishings, or other property brought upon the Premises by Tenant.

26. EMINENT DOMAIN.

a. If the whole of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public purpose, than all rent shall be paid to the Landlord up to the date title vests in the public body and Landlord or Tenant may terminate this Lease as of the date of such vesting of title. All proceeds and damages resulting from such acquisition or condemnation shall belong to and be the property of Landlord. Provided, however, Tenant shall have the right to claim and recover from such acquiring or condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in its own right on account of any and all damages, costs and expenses to Tenant by reason of such acquisition, condemnation, business interruption or displacement.

b. If part of the Premises shall be acquired or condemned by use of the power of eminent domain for any public or quasi-public purpose rendering the Premises unusable for the business of Tenant, Tenant at its option, may terminate this Lease as of the date title vests in the public body. If such partial taking is not sufficiently extensive to render the Premises unusable for the business of Tenant, the Landlord may restore the Premises to a condition comparable to the condition thereof at the time of such condemnation and the rent (and any other sums owed hereunder) shall be adjusted between the parties to take into account the loss suffered as a result of the taking. If the parties are unable to agree upon a suitable rent, the question shall be determined by arbitration pursuant to the Kentucky Statutes governing arbitration as then in effect and the decision of the arbitrators shall be final and not subject to further appeal.

27. DEFAULT BY TENANT. The occurrence of any one of the following shall constitute a default by Tenant.

A. Failure to pay rent when due, and such failure shall continue for a period of ten (10) days after Landlord has given Tenant notice thereof, provided however that if more than two (2) notices are given by Landlord within a twelve (12) month period, the notice requirement in this provision shall no longer be in effect;

B. Abandonment or vacation of the Premises (it being agreed that absence from the Premises for more than thirty (30) consecutive days or the removal of substantially all of Tenant's property will create a conclusive presumption of abandonment);

C. Declaration of Tenant as insolvent or bankrupt, or an assignment made by Tenant for the benefit of its creditors or the appointment of a receiver, guardian, or trustee for Tenant's property; or

D. Failure to perform or observe any other of its obligations under this Lease if such failure shall continue for a period of fifteen (15) days (or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure not to exceed twenty (20) additional days) provided that Tenant has commenced such cure within the original 15-days cure period and is diligently pursuing the cure thereof) after Tenant receives written notice from Landlord specifying the default.

28. LANDLORD'S REMEDIES. To the extent permitted by applicable law and subject to the Mitigation Efforts Requirement (as defined below), Landlord shall have the following remedies if Tenant commits a default under this Lease:

A. Declare the rent for the balance of the Lease Term immediately due and payable and collect the present value of same.

B. Terminate this Lease and require Tenant to vacate the Premises and relet the Premises at such amount as Landlord deems reasonable; provided, however, if the rent to be paid pursuant to such relet exceeds the rent due and owing under this Lease such excess shall operate as an offsetting credit against the amount of rent due and owing under this Lease as the same thereafter becomes due and payable hereunder.

C. Landlord may "lock out" Tenant, or may enter the Premises and evict and expel Tenant therefrom without prejudice to other remedies and without being deemed guilty in any manner of trespass.

Landlord shall be obligated to make commercially reasonable efforts to mitigate any damages resulting from a default by Tenant under this Lease (the "Mitigation Efforts Requirement"). If Tenant fails to vacate the Premises as herein provided, Landlord shall have the right to remove all trade fixtures, equipment, furnishings and other personal property of Tenant from the Premises and place the same either in storage provided by Landlord or provided by a storage company having facilities in the Commonwealth of Kentucky.

All rights and remedies of Landlord are cumulative, and the exercise of any one shall not be an election excluding Landlord at any other time from exercising a different or inconsistent remedy.

29. DEFAULT BY LANDLORD; TENANT'S REMEDIES. Landlord's failure to perform or observe any of its obligations under this Lease shall constitute a default by Landlord under this Lease only if such failure shall continue for a period of fifteen (15) days (or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure not to exceed twenty (20) additional days provided that Landlord has commenced such cure

within the original 15-days cure period and is diligently pursuing the cure thereof) after Landlord receives written notice from Tenant specifying the default. If Landlord shall default in the performance of any of its obligations under this Lease (after notice and opportunity to cure as provided herein), and Tenant may sue for injunctive relief or to recover actual (but not consequential, special, or punitive) damages for any loss resulting from the default, or may take such action as may be reasonably necessary to cure the default and recover its costs from Landlord.

30. ASSIGNMENT AND SUBLETTING. Tenant may not assign this Lease nor sublet the Premises or any part thereof without the prior written approval of Landlord, which approval may be withheld in the Landlord's sole discretion. Landlord shall have the right to make Landlord's consent to any assignment and subletting subject to certain conditions including (i) Landlord's receipt of a copy of the agreement memorializing such transaction on a form acceptable to Landlord, (ii) Tenant is not in default under this Lease and (iii) such assignee or subtenant assumes in writing (acceptable to and approved by Landlord) the covenants and obligations of Tenant under this Lease. Landlord may assign this Lease, provided such assignee assumes the liabilities, covenants and obligations of Landlord under this Lease pursuant to an assignment and assumption of lease in a form and with content reasonably acceptable to Tenant.

31. NOTICES. All notices shall be in writing. Notices may be delivered in person, by email (with confirmation that such email was sent), by prepaid registered or certified mail, or by a recognized overnight delivery service addressed to the parties hereto at the following addresses or at such other place as the parties hereto may designate by giving notice as specified herein.

The address of Landlord is:

ERDCO Properties, LLC
8204 Limehouse Lane
Louisville, KY 40220
Attn: Richard Banta, Jr. and Denis Diemer, Jr.
Email: richard.banta@erdcoproperties.com and
denis.diemer@erdcoproperties.com

The address of Tenant is:

JCPS
CB Young Service Center
3001 Crittenden Drive
Louisville, Kentucky 40209
Attn: Amanda Satterly, Coordinator of Fiscal Operations
Email: amanda.satterly@jefferson.kyschools.us

Such notices shall be deemed delivered on the date of delivery if personally delivered or emailed, four (4) business days after mailing if sent by certified or registered mail, and the next business day if sent by overnight courier.

32. WAIVER & MODIFICATION. The failure of any party hereto to insist in any instance on strict performance of any term, condition, covenant or obligation set forth in this

Lease shall not be construed as a waiver of such term, condition, covenant or obligation. No modifications of any provision set forth in this Lease shall be valid unless in writing and signed by the parties hereto.

33. SUCCESSORS AND ASSIGNS. This Lease shall be binding upon and shall inure to the benefit of the parties hereto and the successors and permitted assigns of the parties hereto.

34. GENDER, NUMBER. As used herein the masculine shall include the feminine, and vice versa, and the singular shall include the plural, and vice versa, whenever such meanings would be appropriate.

35. CAPTIONS. The captions appearing at the beginning of each of the Sections of this Lease are for references only and are not to be considered a part of this Lease.

36. PARTIAL INVALIDITY. If any term, covenant, condition or obligation of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant, condition or obligation to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby; and such remaining terms, covenants, conditions or obligations of this Lease shall be valid and be enforced to the fullest extent permitted by law.

37. END OF LEASE TERM, HOLDING OVER AND ATTORNEY'S FEES. Upon the expiration of the Lease Term or earlier termination of this Lease, Tenant shall surrender to Landlord the Premises in broom clean condition, subject to ordinary wear and tear. If Tenant shall holdover after the expiration of the Lease Term or earlier termination of this Lease, such holding over shall not be deemed to be a renewal of this Lease but shall be deemed to create a tenancy from month-to-month and by such holding over Tenant shall be deemed to have agreed to be bound by all of the terms and conditions of this Lease except as to the term hereof and except that during said tenancy from month to month, Tenant shall pay monthly rent at a rate equal to one hundred two percent (102%) of the monthly rate Tenant was paying at the expiration of the Lease Term just prior to the holdover period. If any rent or other sums owing under this Lease are collected by or through an attorney-at-law after a default by Tenant, to the extent permitted by applicable law Tenant agrees to pay Landlord's reasonable attorney's fees. In no event shall Tenant holdover without the express consent of Landlord. Landlord reserves and shall have all rights and remedies under this Lease in the event of such holdover including the right to terminate this Lease and the right to evict and expel Tenant from the Premises.

38. ESTOPPEL CERTIFICATE. Tenant shall, within thirty (30) days after receipt of a written request from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect, or if modified, stating the nature of such modification (or if this Lease is claimed not to be in force and effect, specifying the ground therefore) and any dates to which the rent has been paid in advance, (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder or specifying any claimed defaults, and (iii) certifying to such other matters as Landlord may reasonably request.

39. BROKER FEES AND REPRESENTATION. Landlord hereby represents and warrants to Tenant that Landlord has not dealt with any broker, consultant, finder or like agent who might be entitled to any compensation in connection with this Lease except for Grisanti Group Commercial Real Estate, LLC serving exclusively as Landlord's broker ("Landlord's Broker"). Tenant hereby represents and warrants to Landlord that Tenant has not dealt with any broker, consultant, finder or like agent who might be entitled to any compensation in connection with this Lease except for Duncan Commercial Real Estate, LLC serving exclusively as Tenant's broker ("Tenant's Broker"). Landlord's Broker shall be paid a commission fee by Landlord pursuant to separate agreement between Landlord and Landlord's Broker. Tenant's Broker shall be paid a commission fee by Landlord pursuant to separate agreement between Landlord and Tenant's Broker. Landlord agrees to hold Tenant harmless and indemnify Tenant from and against any and all costs, expenses (including reasonable attorneys' fees) and liability for any compensation, commissions, or charges claimed by Landlord's Broker and/or Tenant's Broker.

40. COMPLIANCE WITH LAWS AND REGULATIONS. The parties hereto shall at all times, obey and comply with all laws, regulations and codes applicable to the Premises including those pertaining to environmental matters, or regulating, prohibiting or otherwise having to do with asbestos and all other toxic, radioactive, or hazardous wastes or materials including, but not limited to the Federal Clean Air Act, the Federal Water Pollution Control Act, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as from time to time amended.

41. COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The parties hereto may rely on signature by facsimile, emailed PDF or other electronic signature to the same extent as if they were original signatures.

42. GOVERNING LAW. This Lease shall be governed by and construed under the laws of the Commonwealth of Kentucky and the parties hereto agree that any dispute arising out of this Lease shall be litigated only in the courts of the Commonwealth of Kentucky.

43. OPTION TO PURCHASE. Landlord hereby grants to Tenant the exclusive option to purchase (the "Option to Purchase") the Premises during the timeframe of November 1st through December 31st of each year of the Lease Term (the "Option to Purchase Timeframes") for the price to be determined by Landlord at a later date. If Tenant exercises the Option to Purchase, Landlord and Tenant shall enter into a sale and purchase agreement mutually acceptable to Landlord and Tenant within sixty (60) days after the date Tenant delivers to Landlord written notice of Tenant's election to exercise the Option to Purchase. Tenant's obligation to purchase the Premises after electing to exercise the Option to Purchase shall be contingent upon Tenant obtaining final approval of such sale and purchase agreement (and Tenant's execution thereof) from the required amount of the board members of Tenant and any and all final necessary consents and approvals from the chief state school officer pursuant to 702 KAR 4:050 and, from the Kentucky Department of Education, and as otherwise required under applicable laws, rules and regulations. Landlord and Tenant shall equally share costs associated with the closing (the "Closing") of the purchase and sale of the Premises, and the Closing shall occur on or before a date mutually acceptable to the Landlord and Tenant but in no event later than sixty (60) days after the expiration the Lease Term, and shall be at a location and manner

mutually acceptable to Landlord and Tenant. Tenant shall pay the full Purchase Price to Landlord at the Closing. At the Closing, Landlord shall deliver to Tenant a general warranty deed conveying the Lease Premises to Tenant. The monthly installments of rent under this Lease are non-refundable and hold no cash value toward the Purchase Price.

If (and only if) Tenant has not delivered written notice to Landlord of Tenant's election to exercise the Option to Purchase within the Option to Purchase Timeframes, subject to Section 22 Landlord shall have the exclusive right to sell the Leased Premises to anyone, in Landlord's sole discretion.

44. AUTHORITY. Tenant hereby warrants and represents that the individual executing this Lease on behalf of the Tenant is duly authorized to execute and deliver this Lease and that Tenant is an entity duly formed and existing under the laws of the Commonwealth of Kentucky, is qualified to do business in the Commonwealth of Kentucky, and has the power and authority to enter into this Lease, and that all action requisite to authorize Tenant to enter into this Lease has been duly taken. Landlord hereby warrants and represents that the individual executing this Lease on behalf of the Landlord is duly authorized to execute and deliver this Lease and that Landlord is an entity duly formed and existing under the laws of the Commonwealth of Kentucky, is qualified to do business in the Commonwealth of Kentucky, and has the power and authority to enter into this Lease, and that all action requisite to authorize Landlord to enter into this Lease has been duly taken.

<the remainder of this page is intentionally left blank; signature page follows>

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease effective as of the Effective Date.

LANDLORD:

ERDCO PROPERTIES, LLC,
a Kentucky limited liability company

By: 

Name: RICHARD BANTA JR

Title: MEMBER

Date: 06-06-23

TENANT:

BOARD OF EDUCATION OF JEFFERSON COUNTY, KENTUCKY, operating as Jefferson County Public Schools

By: 
Dr. Martin A. Pollio, Ed.D., Superintendent

Date: 6/7/23

Attachments:

Exhibit A - Floor Plans

Exhibit B - Building Specifications

EXHIBIT A

Floor Plans

[attached hereto]

EXHIBIT B

Building Specifications

Building Specifications

Complete renovation of building in 2016.

- Mechanical, electrical, and plumbing systems upgraded
- New finishes, flooring, ceilings, and walls
- Replaced all exterior windows and store-front with low E, gas-filled, high-efficiency units
- Site reconfigured to accommodate 270 parking spaces and add new landscaping
- A new roof was installed on half of the building while the other half of the roof was inspected and refurbished as required.
- Market/café is centrally located and provide outdoor seating
- Interior and exterior lighting fixtures are high quality LED products
- Entire facility's electrical infrastructure has been replaced and modernized with metal enclosed load interrupter switchgear providing safe, reliable switching and fault protection for all circuits and cubicles
- Replacement of all HVAC systems units to offer better efficiency and ventilation capability
- An enterprise class data center has been installed to provide safe, secure, optimum operations.
- Interior workspace has been maximized to provide the highest efficiency in the high-volume and high-traffic areas.
- Cluster workstations maximize the available space while eliminating the inefficiencies and distractions of stall facing each other
- Building is fully sprinkled; the Data/Server Room has a fully functional and independent preaction system with service and compressor located in the Fire Protection Room
- Reception area with desk constructed of high-pressure laminate with solid surface tops.
- Two sets of break rooms; casework constructed of high pressure laminate with solid surface tops.
- Four restrooms (2 Men's and 2 Women's)
 - Ceramic floor and wall tile
 - Automatic flush water closets, urinals, faucets, soap dispensers, and drop in porcelain bowls
 - Glass mosaic tile around mirrors; beveled and etched mirrors with LED Lighting
 - Four (4) quartz vanity tops in all restrooms
- Kawneer exterior windows are insulated, double pane, mill finish aluminum with end dams and weeps
- One addressable fire alarm system

Additional Building Features

- 21 Offices
- 8 Conference Rooms

- 1 Data Room/1 IT Room
- 1 Mothers/Recharge Room
- 2 Computer Labs
- 1 Shipping & Receiving room
- 2 Dock doors
- 1 Maintenance Shop
- 1 Mini Mart / Lounge (leads to patio area)
- 2 Kitchens
- 3 Electrical Rooms
- Sound masking system installed above ceiling
- York RTUs (HVAC systems) & controls
- LED Lighting throughout with lighting control panel
- Parking ratio 4.4 spaces per 1,000SF

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