Fayette County Public Schools

Fayette County Board of Education Meeting
Agenda Item Executive Summary

MEETING: Planning **DATE:** 11/09/2026

TOPIC: Approval of a final lease agreement, a Revised BG-1 for BG# 26-250, and the adoption of a resolution.

PREPARED BY: Myron Thompson, COO

Recommended Action on: 11/23/2026
Action Item for Vote (REGULAR MEETING)

Superintendent Prior Approval: Yes

Recommendation/Motion: A motion is in order to approve the final lease agreement of Edythe Jones Hayes Middle School to Central Kentucky Japanese School as approved by the Kentucky Department of Education on October 21, 2026, to approve a revised BG-1 for BG# 26-250, and to adopt a resolution to request and accept from the finance corporation the property deed for Edythe Jones Hayes Middle School.

Background/Rationale: In accordance with 702 KAR 4:090(6), the district submitted an initial BG-1 to the Kentucky Department of Education (KDE) for the disposition by lease of a portion of Edythe Jones Hayes Middle School for the operation of a Saturday School by Central Kentucky Japanese School (CKJS). The lease was approved by KDE on October 21, 2026, with a slight revision to the annual right of review and termination by Landlord changing the 90-day written notification and effective date to 90-day written notification effective on the third anniversary of the date of the Termination Notice and a final 10-year contract amount of $1,272,460. The BG-1 Form is being updated from $1,272,465.60 to $1,272,460. The attached resolution requests the deed from the Finance Corporation to be returned to the Board of Education.

Strategic Priority:
☒ Student Achievement ☐ Unity, Belonging & Student Efficacy
☐ Highly Effective & Culturally Responsive Workforce
☒ Outreach & Engagement ☒ Organizational Health & Efficiency

Data Considerations: District Facility Plan and Deferred Maintenance

Policy: 01.1, 01.11, 05.3

Fiscal Impact: $1,272,460

Attachments: KDE Letter 10.21.2026, Final Lease Agreement, Revised BG-1 Form, Resolution to the Conveyance of Edythe Jones Hayes Middle School, and the Deed.

Andy Beshear
Governor

Jamie Link
Secretary
Education and Labor Cabinet

Dr. Robbie Fletcher
Commissioner of Education

KENTUCKY DEPARTMENT OF EDUCATION
300 Sower Boulevard • Frankfort, Kentucky 40601 Phone: (502) 564-3141 • www.education.ky.gov

October 21, 2026

Int. Supt. Dr. Bill Bradford
Fayette County Board of Education
450 Park Place
Lexington, KY 40511

Dear Interim Superintendent Dr. Bradford:

Please be advised of the approval of the attached lease agreement between the Fayette County Board of Education and Central Kentucky Japanese School, Inc., pursuant to KRS 65.944 and 702 KAR 4:090.

All IN,

Dr. Robbie Fletcher
Commissioner of Education

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") made this the_____ day of _____, 20__, by and between the **BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY,** with a mailing address of 450 Park Place, Lexington, Kentucky 40511 ("Landlord"), and the **CENTRAL KENTUCKY JAPANESE SCHOOL, INC.,** a Kentucky non-profit corporation, with its principal place of business at 264 Richardson Place, Lexington, Kentucky 40509 ("Tenant").

WHEREAS:

A. Tenant is a non-profit educational entity that currently operates a Japanese educational program on Saturdays for the benefit of the citizens of Kentucky at the Edythe Jones Hayes Middle School, 260 Richardson Place, Lexington, Kentucky ("School Site").

B. In 2006, Tenant constructed and, upon completion, donated to Landlord certain improvements to the School Site known as the Central Kentucky Japanese School Building ("CKJS Building"), as part of the current Lease Agreement between Landlord and Tenant. The CKJS Building, except for Tenant's office /administrative area, is used by Landlord during the week.

C. Landlord and Tenant desire to renew their current Lease Agreement in order to continue the operation of the Saturday Japanese educational program at the School Site.

AGREEMENT:

NOW, THEREFORE, in consideration of the rent payable by Tenant to Landlord as hereinafter specified and the covenants and agreements herein expressed, Landlord and Tenant hereby agree as follows:

A. PREMISES. Subject to the terms hereof, Landlord hereby agrees to lease to Tenant and Tenant agrees to lease from Landlord for forty four (44) Saturdays during each year the following described premises: 1) the CKJS Building – Saturday exclusive use; 2) 20 additional classrooms selected by mutual agreement of the Parties, all located within the remainder of the building on the School Site, the cafeteria per the attached Operational Guidelines, excluding the kitchen area unless Tenant receives prior approval from Landlord and complies with Landlord's policies regarding same, the gymnasium per the attached Operational Guidelines, the restrooms and drinking fountains located within the remainder of the building on the School Site – Saturday exclusive use; 3) outdoor athletic facilities located on the School Site one Saturday per year, as mutually agreed to by the Parties; 4) the non-exclusive right to use all common and appurtenant sidewalks, driveways and parking areas on the School Site; and 5) the non-exclusive right for ingress and egress, including buses and trucks along an existing twenty-five (25) foot wide right-of-way on the School Site (collectively, "Premises"). Tenant's use of the Premises shall be subject to the Operational Guidelines set forth in Exhibit "A" attached hereto.

Tenant shall use the Premises for the purpose of operating a Saturday school with related offices, including all uses incidental or related thereto. On Monday through Friday, Landlord shall have the exclusive right to use the CKJS Building, except for Tenant's office/administrative area located in the CKJS Building, such use to be at the sole risk of Landlord. During the term of this Agreement, Landlord shall at its sole cost maintain, clean, repair, replace, insure (as provided herein) and otherwise keep the Premises in good condition, reasonable wear and tear excepted, and in compliance with any applicable governmental standards pertinent thereto.

B. TERM. This Agreement shall Commence on _____, 2026 (the "Commencement Date"), and shall terminate on the date twenty (20) years following the first (1st) day of the month following the Commencement Date (hereinafter "Lease Term"), subject to an annual right of review and earlier termination by Landlord, in its sole discretion, delivered in writing within ninety (90) days prior to any anniversary of the Commencement Date ("Termination Notice") and effective on the third anniversary of the date of the Termination Notice. At the end of the Lease Term if Landlord decides to again lease the Premises, then and in that event, Tenant shall have a right of first refusal to renew this Agreement under the same terms and conditions as set forth herein except that (1) the rent, as hereinafter described, and the Lease Term for this new agreement shall be agreed to by the Parties. In the event Landlord terminates this Agreement as herein provided, Landlord will endeavor to the extent possible to assist Tenant in finding alternative space to rent at one of Landlord's other properties. This assistance by Landlord shall not be considered in any manner to be an obligation on its behalf to find such alternative space.

C. RENT. Rent for the Premises during the first 10 years of the Lease Term, shall be $127,246.00 per year, due and payable in advance on the date this Agreement is fully executed, in the amount of $1,272,460.00 ("Rent"). Prior to the conclusion of year 10 of the Lease Term, the parties agree that Rent will be adjusted and set at a rate determined by applying the same criteria (Board of Education policy on school facilities use) used to determine the Rent for the first 10 years of the Lease Term ("Adjusted Rent") with the same discounts applied for the first 10-year period, as reflected on Exhibit B, adjusted for inflation. The Adjusted Rent will be set forth in writing as an Addendum to this Agreement and will be paid in its entirety for the remaining Lease Term in advance at the beginning of the 11th year of the Lease Term.

D. TENANT'S CONDUCT OBLIGATIONS. Tenant, its employees, agents, invitees or assigns, shall be obligated to comply (collectively, "Legal Compliance") with all applicable laws, including the United States and Kentucky Constitutions, statutes, regulations, ordinances, common law, and such Landlord policies and/or administrative procedures as (i) are generally applicable to the Landlord's properties, (ii) have not been created solely to apply to Tenant or the Premises and (iii) as relate to the use of the Premises by a volunteer organization. The requirements of this section are for the benefit of Landlord and Tenant only and shall not provide the basis for any rights, entitlements or causes of action in favor of any employees, officers or students of Tenant.

E. INDEMNIFICATION. To the extent permitted by law, Landlord shall indemnify and hold Tenant and Tenant's officers, employees and agents, harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the use and occupancy of the Premises by Landlord, its licensees, invitees, servants or agents, excepting, however, such claims or damages as may be due to or caused by the acts or omissions of Tenant, its employees, invitees or agents. To the extent permitted by law, Tenant shall indemnify and hold Landlord and Landlord's members, officers, employees and agents, harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the use and occupancy of the Premises by Tenant, its licensees, invitees, servants or agents, excepting, however, such claims or damages as may be due to or caused by the acts or omissions of Landlord, its employees, invitees or agents.

F. INSURANCE. Landlord agrees to insure/self-insure the School Site for its full replacement value in accordance with the replacement cost estimates provided annually by the chief state school officer, and to maintain such insurance/self-insurance throughout the Lease Term. Such insurance/self-insurance shall not be terminable except upon 30 days notice to Tenant and shall, if possible, name Tenant as an additional insured. Landlord and Tenant each agree that, at its own cost and expense, each will maintain comprehensive general liability and property liability insurance with liability limits of not less than $2,000,000 for injury to or death of one or more persons in any one occurrence and $1,000,000 for damage or destruction to property in any one occurrence, provided that such limits are subject to increase (i) as applicable to Tenant, as necessary to correspond to the limits carried by similar entities in the Lexington area (private or non-profit schools such as Sayre, The Lexington School and Lexington Catholic) engaged in similar educational uses and (ii) as applicable to Landlord, as required by applicable state regulations. Tenant shall additionally insure Tenant's personal property located on the Premises, at its sole cost and expense.

G. OPTIONAL TERMINATION BY TENANT. Not withstanding anything to the contrary contained herein, and provided Tenant is not in default hereunder and shall have paid all rents and sums due and payable to Landlord by Tenant, Tenant shall have the right to terminate this Agreement upon the annual anniversary of this Agreement provided that sixty days prior notice is given to Landlord ("Tenant's Optional Termination Notice") in which event Landlord shall have no obligation to Tenant including the refund of any prepaid Rent. If Landlord is in breach of this Agreement and said breach is not cured by Landlord within thirty (30) days after written notice of same is given to Landlord by Tenant , Tenant shall have the right to terminate this Agreement, provided Landlord shall have such extended period of time as may be required beyond the thirty (30) days, as reasonably agreed to by Tenant , if the nature of the cure is such that it reasonably requires more than thirty (30) days and Landlord commences promptly and diligently pursues the cure to completion. Expressly excepted from this cure timeline is any default that creates a health or safety concern ("Health and Safety Default") as that term is used in Section Q of this Agreement. Tenant will be entitled to repayment in accordance with Section H in the event of termination of this Lease due to a breach by Landlord as described herein.

H. TERMINATION COMPENSATION. To effect any termination other than (i) by Tenant's Optional Termination Notice, as provided in Section G, or (ii) after Tenant's Uncured

Default as provided in Section Q, Landlord shall deliver to Tenant a single payment in an amount equal to $10.603.88 multiplied by each full month remaining in the portion of the Lease Term for which Rent has been prepaid by Tenant (the "Termination Compensation"). During the second ten (10) year term of this Agreement the Adjusted Rent on a monthly basis will be substituted for the $10.603.88 and used to make the aforesaid calculation. Termination Compensation will be prorated for any partial month remaining in the Lease Term.

I. RIGHTS UPON SALE. At any time during the Lease Term of this Agreement, should Landlord decide to sell all or any part of the Premises , such sale shall be under and subject to this Agreement and Tenant's rights hereunder.

J. QUIET ENJOYMENT. Landlord covenants that Tenant, on paying the Rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Tenant's rights to the Premises as set forth herein.

K. TITLE. Landlord covenants that Landlord is seized of good and sufficient title and interest to the Premises and has full authority to enter into and execute this Agreement subject to the approval of same by the Kentucky Department of Education. Landlord further covenants that, other than any future bond issues involving contracts of lease and rent which Landlord may cause to be issued in accordance with Section Z of this Agreement, there are no liens, judgments or impediments of title on the Premises or affecting Landlord's title to same and that there are no covenants, easements or restrictions which prevent the use of the Premises by Tenant as set forth above. Tenant (i) shall not cause or allow any mortgages, mechanics liens or other encumbrances arising from Tenant's use of the Premises to attach to the Premises and (ii) shall obtain the release of such an encumbrance within 30 days of notice from Landlord.

L. INTEGRATION. It is agreed and understood that this Agreement contains all agreements, promises and understandings between Landlord and Tenant and that no verbal or oral agreements, promises or understandings shall be binding upon either Landlord or Tenant in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the Parties. In the event any provision of this Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement, provided such provisions can be given effect without the unenforceable provisions. The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under the Agreement shall not waive such rights as to future violations and such Party shall have the right to enforce such rights as to future violations and take such action as may be lawful and authorized under this Agreement, either in law or in equity.

M. GOVERNING LAW. This Agreement and the performance thereof shall be governed, interpreted, construed, and regulated by the laws of the Commonwealth of Kentucky, with venue in Fayette County.

N. ASSIGNMENT. This Agreement may be sold, assigned or transferred by Tenant to any party that accepts and assumes in writing all of Tenant's obligations hereunder, provided

that any transfer shall be only with the written consent of Landlord, not to be unreasonably withheld.

O. NOTICES. All notices hereunder must be in writing and shall be deemed validly given if hand delivered or sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

Landlord:	Superintendent Fayette County Public Schools 450 Park Place Lexington, Kentucky 40511
With a copy to:	General Counsel Fayette Public Schools 450 Park Place Lexington, Kentucky 40511
Tenant:	Central Kentucky Japanese School, Inc. Attn: _____ Address: _____ _____
With a copy to:	Name: _____ Address: _____ _____

Notice shall be effective upon mailing or delivering same to a commercial courier, as permitted above.

P. SUCCESSORS. This Agreement shall extend to and bind the representatives, successors and assigns of the Parties hereto, provided that any assignment shall be governed by the applicable terms of this Agreement.

Q. DEFAULT. In the event there is a default by Tenant with respect to any of the provisions of this Agreement or its obligations under it, Landlord shall give Tenant written notice of such default. After receipt of such written notice, Tenant shall have thirty (30) days in which to cure any default, provided Tenant shall have such extended period as may be required beyond the thirty (30) days, as reasonably agreed to by Landlord, if the nature of the cure is such that it reasonably requires more than thirty (30) days and Tenant commences promptly and diligently pursues the cure to completion. Expressly excepted from this cure timeline is any default that creates a health or safety concern ("Health and Safety Default"), in which case a cure shall be immediate. Upon notice by Landlord designating a Health and Safety Default,

should an immediate cure not occur, Landlord reserves the right to require Tenant to cease operation until cure of such Health and Safety Default is completed. Landlord may not maintain any action or effect any remedies for default against Tenant unless and until Tenant has failed to cure the same within the time periods provided herein (an "Uncured Default") (except for Health and Safety Defaults as provided herein). In the event of an Uncured Default, Landlord may enjoin Tenant's actions, correct any such Uncured Default and recover the cost of such correction from Tenant with such costs to include all of Landlord's costs incurred to enforce this section, including but not limited to, court costs, reasonable attorney's fees, etc. or, if Tenant fails to comply with such injunction or pay such costs, terminate this Agreement and pursue all other remedies available at law or in equity. The Parties recognize the significance of Tenant's payment of the Rent and agree that Landlord shall not seek termination of this Agreement if Landlord sustains a solely monetary loss that is promptly paid or reimbursed by Tenant.

R. ENVIRONMENTAL, SAFETY AND INDUSTRIAL HYGIENE.

Landlord will be responsible for all obligations of compliance with any and all environmental, safety and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental, safety or industrial hygiene conditions or concerns as may now or at any time hereafter be in effect, that are or were in any way related to activity now conducted in, on, or in any way related to the Premises, unless such conditions or concerns are caused by the activities of Tenant.

Tenant shall comply with all environmental, safety and industrial hygiene laws, including but not limited to, blood borne pathogens, chemical laboratory hygiene, and hazard communication programs, to the extent applicable to Tenant's use of the Premises.

To the extent permitted by law, Landlord shall hold Tenant harmless and assume all duties, responsibility and liability at Landlord's sole cost and expense, for payment of penalties, sanctions, forfeitures, losses, costs, or damages and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to: (a) Landlord's failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, unless such compliance results from conditions caused by Tenant, its employees, servants, agents, licensees, and invitees ("Tenant Parties") and (b) any environmental or industrial hygiene conditions arising out of or in any way related to the condition of the Premises or activities conducted thereon, unless such environmental conditions are caused by Tenant Parties.

To the extent permitted by law, Tenant shall hold Landlord harmless and assume all duties, responsibility and liability at Tenant's sole cost and expense, for payment of penalties, sanctions, forfeitures, losses, costs, or damages and for responding to any action,

notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to: (a) Tenant's failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, unless such compliance results from conditions caused by the Landlord, its employees, servants, agents, licensees, and invitees ("Landlord Parties"); and (b) any environmental or industrial hygiene conditions arising out of or in any way related to the condition of the Premises or activities, conducted thereon, unless such environmental conditions are caused by Landlord Parties.

S. CASUALTY. In the event of damage by fire or other casualty to the Premises Landlord shall promptly rebuild and restore same. If such damage cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Premises is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt Tenant's operations at the Premises for more than forty-five (45) days, then Tenant may at any time following such fire or other casualty, provided Landlord has not completed the restoration required to permit Tenant to resume its operation at the Premises, terminate this Agreement upon fifteen (15) days written notice to Landlord. Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement, provided that Tenant shall be entitled to the Termination Payment.

T. CONDEMNATION. In the event of any condemnation of the Premises, this Agreement may be terminated if the parties mutually agree that such condemnation may reasonably be expected to disrupt Tenant's operations at the Premises for more than forty-five (45) days, whereupon Landlord shall pay to Tenant the applicable Termination Compensation. In addition, Tenant may obtain from the condemning authority any relocation or related costs provided by applicable law.

U. AUTHORIZATION. Except for approval from KDE which Landlord must obtain, each Party hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to giving legal effect to this Agreement.

V. APPLICABLE LAWS. Subject to the terms of this Agreement,Tenant shall use the Premises as may be required or as permitted by applicable laws, rules and regulations. Landlord agrees to keep the Premises in conformance with all applicable laws, rules and regulations in effect from time to time, except as Landlord may be grandfathered or otherwise exempt, and agrees to reasonably cooperate with Tenant regarding any compliance required by Tenant in respect to its use of the Premises. This provision shall not change the effect of any grandfathering or other exemption applicable to Landlord.

W. SURVIVAL. To the extent permitted by law, the provisions of this Agreement relating to indemnification from one Party to the other Party shall survive any termination or

expiration of this Agreement. Additionally, any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall also survive such termination or expiration.

X. CAPTIONS. The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of this Agreement.

Y. CONFLICTS OF INTEREST. KRS 45A.455 PROHIBITS CONFLICTS OF INTEREST, GRATUITIES, AND KICKBACKS TO EMPLOYEES OF THE LANDLORD IN CONNECTION WITH CONTRACTS FOR SUPPLIES OR SERVICES WHETHER SUCH GRATUITIES OR KICKBACKS ARE DIRECT OR INDIRECT. KRS 45A.990 PROVIDES SEVERE PENALTIES FOR VIOLATIONS OF THE LAWS RELATING TO GRATUITIES OR KICKBACKS TO EMPLOYEES WHICH ARE DESIGNED TO SECURE A PUBLIC CONTRACT FOR SUPPLIES OR SERVICES.

Z. FUTURE BOND ISSUES. Tenant hereby acknowledges and confirms that the School Site may in the future be part of a bond issue involving a contract of lease and rent, and if there is such a bond issue this Agreement will be subject to, inferior and subordinate to the terms and conditions of any such bond issue which may involve the School Site, and Landlord acknowledges and agrees that in the event that Landlord gains title or a leasehold interest in all or a portion of the School Site pursuant to, or following the enforcement of any future bonds, Landlord shall enter into an agreement for Tenant's use of such property for the remainder of the Term on substantially the same terms as set forth herein. Tenant specifically agrees to execute and deliver at any time during the term of this Agreement any and all documents deemed necessary by Landlord to carry out the terms and intent of this provision. Landlord and its Finance Corporation will enter into a sublease with Tenant for those portions of the School Site subject to this Agreement.

Z.1 SECURITY FOR THE PREMISES. Tenant acknowledges that Landlord is not providing any security services with respect to the Premises on the 44 Saturdays during the year when the Premises are in use by Tenant and that it is Tenant's responsibility to provide for such security. Tenant, on an annual basis, shall present to Landlord, for its approval, Tenant's plan for providing security for the Premises which approval shall not be unreasonably withheld by Landlord. Tenant agrees that Landlord shall not be held liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises on the 44 Saturdays during the year when the Premises are in use by Tenant. When the Premises are in use by Tenant, it shall be solely responsible for the personal safety of its students, employees, agents, officers, guests and invitees while any such person is in, on or about the Premises.

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

BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY

By: _____

Tyler Murphy, Chairperson
("Landlord")

CENTRAL KENTUCKY JAPANESE SCHOOL, INC., A KENTUCKY NON-PROFIT CORPORATION

By: _____

Its: _____

("Tenant")

EXHIBIT "A"

OPERATIONAL GUIDELINES

I. Tenant shall have the use of the following:

A. Exclusive use of 20 additional classrooms, on the School Site, in addition to the four classrooms in the CKJS Building for 44 Saturdays throughout the year, with specific dates to be agreed to annually.

B. Custodial service to maintain classrooms and other facilities.

C. The gymnasium and cafeteria, to be scheduled and coordinated with the principal of EJHMS.

D. Restrooms and drinking fountains.

E. Marker boards in the 20 additional classrooms.

II. Tenant shall be subject to all applicable policies of Landlord and the following rules and regulations.

A. Any telephone service to Tenant's classrooms, library and office/administrative areas shall be separately metered and all costs associated therewith (including service) shall be the responsibility of Tenant.

B. Storage will be in the office/administrative area of the CKJS Building or as mutually agreed to by Tenant and the EJHMS administrative staff.

C. If anything is broken or damaged during Tenant's use of Landlord's property, the following steps shall be taken by Tenant's school teachers, administrators, and students:

1. Report it to the associate principal of Tenant.

2. The associate principal of Tenant shall report it to the principal and the appropriate custodian of EJHMS.

3. Tenant shall pay the costs of any damage caused by Tenant's students, employees, agents, officers, guests and invitees.

D. Marker boards used by Tenant must be left 100% clean at the end of the school day with appropriate cleaners that are provided by Landlord.

E. Materials that do not belong to Tenant may not be removed from the school rooms.

F. Use of specialized or exploratory areas must be arranged with the principal of EJHMS. Training for use of equipment must occur and be documented.

G. Meals will be eaten in the cafeteria, and all preparation and serving of the meals shall be the responsibility of Tenant. Students shall clean the tabletops when they are finished eating, and the cafeteria shall be left in good order by Tenant.

H. The gymnasium will only be used during the times approved by the principal of EJHMS, and any use is to be scheduled with the EJHMS principal.

I. Office supplies and equipment are to be provided by Tenant. EJHMS office supplies and equipment may not be used by Tenant.

J. Drawings by Tenant's students will be exhibited in the CKJS Building, but shall not be hung in the rest of the EJHMS facility unless first cleared with the principal of EJHMS.

K. Tenant shall fully reimburse Landlord for any costs necessitated by the repair and/or replacement of damaged property.

L. Tenant shall provide, at its expense, teachers and other professional staff necessary to operate Tenant's school and will provide any necessary supervision needed for such staff and students except that, as above stated, custodial help will be provided by Landlord.

III. It is agreed that no use by Tenant of Landlord's facilities shall, in any way, interfere with the operation of the public school program at EJHMS.

IV Except for access during the 44 Saturdays throughout the year, Tenant's access to its office/administrative area will only be on those days and during those hours when EJHMS is open for school purposes or when EJHMS administration or personnel are present on site.

EXHIBIT "B"

Space	Maint. Fee	Rental Fee	#	Hrs./day	# days	Total
Classroom	$ 22.29	$ 27.55	20	8	44	$350,873.60
Cafeteria	$ 36.96	$ 35.84	1	2	44	$ 6,406.40
Gym	$ 24.76	$ 26.26	1	2	44	$ 4,489.76
Outdoor Space	$ 24.75	$ 28.78	1	8	1	$ 428.24
Custodian	$ 47.00	$		4	44	$ 8,272.00
						$370,470.00

Payment Method One-Annual Payments

Discount per year for annual payments and non-profit benefit to the schools and community as a whole (50%) <185,235.00>

Rental payment per year $185,235.00

Payment Method Two-10 Year Lump Sum Payment

Discount for lump sum payment, ongoing long-term activities, and non-profit benefit to the schools and community as a whole (66%-rounded) <2,432,240.00>

Lump sum payment $1,272.460.00

FACILITY USAGE HOURLY RATE SCHEDULE FOR SCHOOL YEAR 2025-2026
(Effective July 1, 2025)

Type of Room/Facility	Utility Maintenance Fee	Personnel Fee	Rental Fee
Classroom/Library:			
Elementary School	$12.54	See Personnel Fees	$22.62
Middle School	$22.29	See Personnel Fees	$27.55
High School	$29.46	See Personnel Fees	$31.14
Auditorium:			
High School	$61.38	See Personnel Fees	$47.10
Cafeteria:			
Elementary School	$24.75	See Personnel Fees	$29.74
Middle School	$36.96	See Personnel Fees	$35.84
High School	$61.38	See Personnel Fees	$48.05
Kitchen:			
Elementary School	$12.54	See Personnel Fees	$22.63
Middle School	$24.75	See Personnel Fees	$28.78
High School	$32.37	See Personnel Fees	$43.68
Athletic Facility:			
Gymnasium:			
Elementary School	$19.77	See Personnel Fees	$26.24
Middle School	$24.76	See Personnel Fees	$26.26
High School	$86.18	See Personnel Fees	$59.47
Football Field	$177.07	See Personnel Fees	$104.94
Running Track	$73.92	See Personnel Fees	$53.37
Baseball Field	$47.04	See Personnel Fees	$39.93
Softball Field	$47.04	See Personnel Fees	$39.93
Other:	$24.75	See Personnel Fees	$28.78

PERSONNEL FEES

CUSTODIAL: The Personnel Fee for custodians is $47.00 per custodian per hour. As a general rule, at least one custodian or other type of District employee is required to be on duty for all rentals. If the District determines additional custodial or other personnel are required, the applicant will be charged accordingly.

CHILD NUTRITION: The Personnel Fee for Child Nutrition staff is $51.00 per staff per hour. At least one child nutrition employee is required to be on duty at all times for rentals involving kitchen areas—no exceptions. If the District determines additional child nutrition personnel are required, the applicant will be charged accordingly.

TECHNICAL SUPPORT: The Personnel Fee for technical support personnel is $77.00 per technician per hour. As a general rule, at least one technician is required to be on duty during the use of school-owned technical equipment (audio, video, lighting, etc.). If the District determines additional technical support personnel are required, the applicant will be charged accordingly.

SECURITY: The Personnel Fee for FCPS Police personnel is $79.00 per officer per hour. If the District determines security is required for an activity, at least one District Police Officer must be on duty at all times designated by the District. If the District determines additional law enforcement personnel are required, the applicant will be charged accordingly.

DRAFT

BG1 Project Application Form ~~(Initial)~~ (Revised)

(Ref# ~~23107)~~ TBD

Form Status: Approved

Tier 4 Project: Lease of Edythe J. Hayes Middle by Central Ky Japanese School

BG Number: 26-250 District: Fayette County (HB678) (165)

Status: Active Phase: Project Initiation (View Checklist)

Emergency	No
Project Type	Property
Property Delivery Method	Disposition by Lease (Landlord)
Procurement Standard	Model Procurement

Project Type and Description

Applicable Items

New Building	No
Addition	No
Major Renovation	No
GESC	No
Roofing	No
HVAC	No
ADA Compliance	No
Life Safety	
Security	
Life Safety / Security	
Minor Project	No
New Relocatable Classroom	No
Equipment / Furnishings Procurement	No
Site Acquisition	No
Site Disposition	No
Site Easement	No
Site Lease (Landlord)	Yes
Site Lease Number of Acres	
Site Lease Site Location	260 Richardson Place, Lexington, KY 40509
Site Lease Information on the Lessee	Central Kentucky Japanese School, Inc. 264 Richardson Lane Lexington, KY 40509
Site Lease Surplus per KAR requirements	No

District Facility Plan (DFP)

Compliance with 702 KAR 4:180 and 702 KAR 4:160

DFP Approval Date	5/1/2025
DFP Priority	
Project Not Listed on DFP	Yes

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Project Not Listed on DFP Description
Twenty year lease of classrooms and common areas described more fully below in scope.

Inventory

Facility Name

Edythe Jones Hayes Middle School (B10000484)

Scope

Provide a Complete Narrative of the Proposed Project
Lease to Tenant for forty four (44) Saturdays during the year the following described premises: 1) the CKJS Building - Saturday exclusive use; 2) 20 classrooms, the cafeteria, the gymnasium, restrooms and drinking fountains located within the remainder of the building on the School Site - Saturday exclusive use; 3) outdoor athletic facilities located on the School Site one Saturday per year, as mutually selected by the parties; 4) the non-exclusive right to use all common and appurtenant sidewalks, driveways and parking areas on the School Site; and 5) the non-exclusive right for ingress and egress, including buses and trucks along an existing twenty-five (25) foot wide right-of-way on the School Site (collectively, the "Premises").

$127,246.00

Initial 10-year-lease trm, rent in the amount of ~~$127,246.56~~ per year, due and payable in advance on the date this Lease Agreement is fully executed, in the amount of ~~$1,272,465.60~~ $1,272,460.00 ("Rent").

Second 10-year-lease term shall be readjusted as set out in paragraph B of Lease Agreement.

Fair market value (rental) was determined by following the Board's regulations as to the fees for the use of school facilities, waiving the rental portion of the fee (per Board regulations) since CKJS is a nonprofit corporation providing a benefit to FCPS and/or the community as a whole and applying a discount for the long-term nature of the lease and upfront payment for the first 10 years.

Work Related to Project But Excluded from this BG1 Scope

Financial Plan

Probable Costs

Proposed Plan to Finance Application

Total Construction Cost	
Construction Contingency	
Architect / Engineer Fee	
Construction Manager Fee	
Fiscal Agent Fee	
Bond Discount	
Equipment / Furnishings	
Equipment / Computers	
Technology Network System (KETS)	
Site Acquisition/Disposition	~~$1,272,465.60~~ $1,272,460.00

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Site Survey
Geotechnical Investigations
Special Inspections
Commissioning
Advertising
Printing

Other Probable Costs

Title	Amount
No Data	
No Data	
No Data	
Total Project Cost	~~$1,272,465.60~~ $1,272,460.00

Funds Available

Bond Sale - SFCC		
Bond Requirement - SFCC		
Local FSPK Bond Sale		
Local General Fund Bond Sale		
Cash - SFCC Requirement		
Cash - Building Fund		
Cash - Capital Outlay		
Cash - Investment Earnings		
Cash - General Fund	~~$1,272,465.60~~	$1,272,460.00
City - County - KYTC Reimbursement		
KETS		
Federal Funds		
External Partner Agreement		

Residual Funds

BG Number	Fund Source	Amount
No Data	No Data	No Data
	Residual Funds Total:	$0.00

Other Available Funds

Title	Amount
No Data	
No Data	
No Data	
No Data	
Total Funds Available	~~$1,272,465.60~~ $1,272,460.00

Attachments

Edythe J Hayes Middle -- Central Ky Japanese School -- initial BG1 (lease) 5-11-26.pdf

DRAFT

BG1 Signature Page (Online Form Ref# ~~23107~~) TBD

The signing of this financial document certifies the above stated funds are available and designated for this project during this fiscal year.

Superintendent	Date
Finance Officer	Date
Chairman	Date

NOTE: Any district anticipating the financing of this and/or other projects in a combined school revenue Bond should discuss the financing with the Director/Branch Manager, KDE - District Financial

RESOLUTION OF THE BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY RELATING TO A REVISED LEASE AGREEMENT WITH CENTRAL KENTUCKY JAPANESE SCHOOL, INC. FOR THE OPERATION OF THE SATURDAY JAPANESE EDUCATIONAL PROGRAM AT EDYTHE JONES HAYES MIDDLE SCHOOL

REASON:
This resolution is for the purpose of authorizing a revised lease agreement ("Revised Lease") by and between the Board of Education of Fayette County, Kentucky ("Board of Education") and the Central Kentucky Japanese School, Inc. ("CKJS") for the operation of the Saturday Japanese Educational Program at Edythe Jones Hayes Middle School ("School Site"). The Board of Education previously approved the original lease agreement between the parties. In order to finalize this transaction it is necessary for the Board to: (1) authorize the Revised Lease; and (2) direct the Fayette County School District Finance Corporation ("Finance Corporation") to convey to the Board of Education the remaining portion of the School Site. A portion of the School Site was previously conveyed to the Board of Education from the Finance Corporation. The Kentucky Department of Education has approved the Revised Lease.

RATIONALE:
This Resolution is necessary to authorize and finalize the lease transaction described above.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY AS FOLLOWS:

1. All statements and recitals set forth in the REASON and RATIONALE sections of this Resolution including any terms defined therein, if any, are hereby affirmed and adopted as part of this Resolution.

2. The Finance Corporation is hereby directed to convey to the Board of Education the remaining portion of the School Site more particularly described in Exhibit "A" attached hereto and made a part hereof.

3. The Board of Education does hereby approve and accepts the deed from the Finance Corporation.

4. The Board of Education does hereby approve and accept the Revised Lease. The Chairperson of the Board of Education is hereby authorized and directed to execute on behalf of the Board of Education the Revised Lease submitted herewith (and adopted as a part hereof).

5. This Resolution shall take effect from and after its passage.

Adopted _____, 2026

Tyler Murphy, Chairperson

ATTEST:

Dr. Bill Bradford, Interim Secretary

Exhibit "A"

EDYTHE JONES HAYES MIDDLE SCHOOL

Being all of Tract 6 (19.72 acres) and Parcel 14 (0.28 acres) of the Richardson Property as shown on the Minor Easement Amendment and Consolidation Plat of the Richardson Property, Chilesburg Road, Lexington, Fayette County, Kentucky of record in Plat Cabinet L, Slide 832, in the Fayette County Clerk's Office, to which plat reference is hereby made for a more particular description.

Being part of the same property conveyed to the Fayette County School District Finance Corporation from the Board of Education of Fayette County, Kentucky by deed dated March 1, 2003 and of record in Deed Book 2349, Page 569, Fayette County Clerk's Office.

THERE IS EXCEPTED from the above described property that certain tract or parcel of land containing 1.23 acres previously conveyed to the Board of Education of Fayette County, Kentucky from the Fayette County School District Finance Corporation by deed dated May 22, 2006 and of record in Deed Book 2646, Page 23, Fayette County Clerk's Office and to which deed reference is hereby made for a more particular descriptin of said property.

This DEED, made and entered into this the _____ day of _____, 2026, by and between the FAYETTE COUNTY SCHOOL DISTRICT FINANCE CORPORATION, an agency, instrumentality and constituted authority of the Board of Education of Fayette County, Kentucky which has a mailing address of 450 Park Place, Lexington, Kentucky 40511, party of the FIRST PART, and the BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY, which has a mailing address of 450 Park Place, Lexington, Kentucky 40511, party of the SECOND PART. The in-care of tax mailing address for the current year is c/o Board of Education of Fayette County, Kentucky, 450 Park Place, Lexington, Kentucky 40511.

W I T N E S S E T H :

WHEREAS, the party of the second part, pursuant to Chapter 162 of the Kentucky Revised Statutes, caused the following described school site to be conveyed to the party of the first part for the purpose of the issuance of certain school building revenue bonds in connection with the construction of improvements to said school site; and

WHEREAS, the aforesaid school building revenue bonds have been fully and completely paid, and the terms and conditions of the aforesaid contract of lease and rent have been fulfilled, all of which are more particularly described as: School Building Revenue Bonds Series 2003A with a final maturity date of February 28, 2023 and the contract of lease and rent therefore being dated March 1, 2003 and of record in Deed Book 2351, Page 197, Fayette County Clerk's Office.

WHEREAS, it was a condition of the conveyance of the following described school site and the aforesaid contract of lease and rent that if the party of the second part paid the rentals in full the leased premises should be and would become the property of the party of the second part, and the party of the first part agreed to reconvey said school site to the party of the second part, and said contract of lease and rent further provided that the consideration for said reconveyance should be the recital of the fulfillment of the terms and conditions of said contract of lease and rent.

NOW THEREFORE, for and in consideration of the fulfillment of the terms and conditions of the aforesaid contract of lease and rent and in further consideration that all of the aforesaid school building revenue bonds have been fully and completely paid; the receipt and sufficiency of which is hereby acknowledged, the party of the first part does hereby grant and convey unto the party of the second part, its successors and assigns forever, the following described property located in Lexington, Fayette County, Kentucky, to wit:

See Exhibit "A" Attached Hereto And Made A Part Hereof

TO HAVE AND TO HOLD the above-described property, together with all the rights, appurtenances and privileges thereunto belonging unto the party of the second part, its successors and assigns forever in fee simple.

The party of the first part does hereby release and relinquish unto the party of the second part, its successors and assigns forever, all of its right, title and interest in and to the above described property, including all of its right, title and interest in and to the reciprocal easements and right of way described in the deed of record in Deed Book 2646, Page 23, Fayette County Clerk's Office, and does WARRANT SPECIALLY its title to same.

There is excepted from the foregoing warranty and covenants of title, and this conveyance is hereby made subject to any restrictive covenants, easements or agreements which may be of record in the aforesaid Fayette County Clerk's Office affecting the above-described property.

This conveyance is exempt from the transfer tax pursuant to KRS 132.050(7)(b).

Being first duly sworn, the parties hereto certify that the consideration set forth in this deed is true and correct and is the full consideration paid for the property conveyed. The party of the second part joins in this deed for the sole purpose of certifying the consideration pursuant to KRS 382.135.

IN WITNESS WHEREOF, the party of the first part and the party of the second part have set their hand by and through their duly authorized officers this the day and year first above written.

FAYETTE COUNTY SCHOOL
DISTRICT FINANCE CORPORATION

By: _____
Tyler Murphy, President

BOARD OF EDUCATION OF FAYETTE
COUTY, KENTUCKY

By: _____
Tyler Murphy, Chairperson

STATE OF KENTUCKY)
)SCT.
COUNTY OF FAYETTE)

The foregoing instrument with consideration certificate was acknowledged, subscribed and sworn to before me this the _____ day of _____, 2026 by Tyler Murphy, President of the Fayette County School District Finance Corporation on behalf of said corporation and the foregoing consideration certificate was acknowledged, subscribed and sworn to before me by Tyler Murphy, Chairperson of the Board of Education of Fayette County, Kentucky on behalf of said Board of Education.

My Commission Expires: _____

_____
NOTARY PUBLIC, STATE AT LARGE, KY
PRINT NAME: _____
NOTARY ID #: _____

Prepared By:

_____
George F. Allgier, Jr.
Attorney-at-Law
155 E. Main Street, Suite 101
Lexington, Kentucky 40507
(859) 255-8543

Exhibit "A"

EDYTHE JONES HAYES MIDDLE SCHOOL

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