

LEASE AGREEMENT

THIS LEASE, effective as of July 1, 2013, by and between **GLENNCASE, LLC**, a Kentucky limited liability company, with a mailing address of 1385 Pridemore Ct. Lexington, Kentucky 40505 ("**LESSOR**"), and the **LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created pursuant to KRS Chapter 67A, 200 East Main Street, Lexington, Kentucky 40507 ("**LESSEE**").

RECITALS:

Lessor and Lessee desire to enter into this Lease, pursuant to which Lessee shall lease from Lessor, and Lessor shall lease to Lessee, certain real property, upon the terms and conditions set forth herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the parties hereby agree as follows:

1. LEASED PREMISES.**1.1 Lease.**

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, for the term, at the rental and upon all of the conditions set forth herein, the premises located at 801 East New Circle Road, Lexington, Fayette County, Kentucky, more particularly described on Exhibit A, which is attached hereto and made a part hereof (the "Real Property"), and all of Lessor's right, title and interest, if any, in and to any and all easements appurtenant to such Real Property and any and all roads, streets, lanes and

highways adjacent to or adjoining such Real Property (collectively, the "Leased Premises").

1.2 Covenant of Title.

Lessor covenants, represents and warrants that it has full right and power to execute and perform its obligations under this Lease and to grant the estate demised herein and that Lessee, or its successors and assigns permitted hereunder, on payment of the rent herein required and performance of the covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Leased Premises during the Term without molestation or hindrance by any person, and if at any time during the Term, the title of Lessor shall fail or it shall be discovered that its title does not enable Lessor to grant the term hereby demised, Lessee, or its successors and assigns permitted hereunder shall have the option at Lessor's expense to correct or contest such defect or action, or to annul and void this Lease with full reservation of its rights to damages, if any, against Lessor.

2. TERM.

2.1 Initial Term.

The initial term of this Lease ("Term") shall be for a period of two years, commencing on July 1, 2013 and ending June 30 2015, unless sooner terminated; provided, however, that in the event the Urban County Council does not appropriate funds for the continuation of this Lease for any fiscal year (July 1 to June 30), this Lease shall be terminated at the end of the then current fiscal year. In the event of such termination, the Lessee shall not be obligated to pay any amounts due for rent or maintenance beyond the end of the then current Fiscal Year. Such termination shall not

constitute a default under this Lease. The lease can be renewed for an additional year by Lessee with 30 days written notice to Lessor.

2.2 Termination.

Lessee/Lessor may cancel this Lease at any time by giving the Lessor/Lessee written notice of cancellation not less than sixty days (60) days prior to the date of cancellation. Upon termination of this Lease, Lessee will return the leased Premises to Lessor in the same condition that they were in at the beginning of the term, ordinary wear and tear excepted.

3. RENTAL AND TAXES

3.1 Base Rent.

Lessee shall pay rental to Lessor the sum of **One Thousand Five Hundred Dollars (\$1,500.00)** per month, payable quarterly in advance, by the 10th of each quarter.

3.2 Property Taxes.

The Lessee is renting the premises as described on Exhibit A for a public purpose; therefore, pursuant to the Governmental Leasing Act, KRS 65.940 to KRS 65.956, this property is exempt from ad valorem taxes. In the event that the requirements of the above referenced statute are no longer met then the Fayette County Property Valuation Administration shall be notified by the Lessee.

4. UTILITIES AND INSURANCE

Lessee shall pay all of the following:

4.1 Gas, Electricity and Utility Services.

Lessee shall pay when due and keep current all gas, electric and utility bills and statements incurred by Lessee on the Leased Premises, and shall hold Lessor

harmless from any liability thereunder. Bills and statements for the last year of the Term shall be pro-rated as to all annual charges.

4.2 Insurance.

Lessee shall pay the premium for all insurance required by Section 10 hereof, in each case prior to the due date thereof.

5. ASSIGNMENT AND SUBLETTING.

The premises shall not be sublet, assigned, transferred or set over by Lessee, by process or operation of law, or in any other manner whatsoever without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

6. IMPROVEMENTS.

Lessee shall have the right, at Lessee's cost and expense, to make improvements and alterations upon the Leased Premises provided that Lessor has approved (in writing) such improvements. Such approval shall not be unreasonably withheld and if withheld serves as a termination of the lease. All structural improvements to the Leased Premises shall be the property of Lessee and may be removed by Lessee at the termination of the lease. Lessee shall repair and restore all damage done to the Leased Premises by removal of its improvements, fixtures and equipment, and upon termination of this Lease shall return the Leased Premises to Lessor in its original condition, reasonable wear and tear excepted.

7. SIGNAGE.

Lessee may install and display such signs on the Leased Premises as Lessor has approved in writing, provided that such signage complies with all applicable laws, rules and regulations, and provided that all such signage is installed only by contractors that

have been approved by Lessor in writing, which consent shall not be unreasonably withheld. Lessee shall be solely responsible for maintenance, repair and replacement of its signage. Upon expiration of this Lease, Lessee shall remove all signs and restore any and all damage caused by such removal.

8. MAINTENANCE OF THE LEASED PREMISES.

Lessee shall maintain any improvement made on the Leased Premises. Lessee shall, at all times, take good and ordinary care of the Leased Premises.

Lessor shall maintain and repair the Leased Premises excluding any improvements or damage done by Lessee.

9. USE OF THE LEASED PREMISE.

Lessee shall use the Leased Premises only for governmental purposes and for no other purpose, unless otherwise agreed to in writing by the parties. Lessee shall not use or permit the use of the Leased Premises in violation of any law or ordinance of the United States, Commonwealth of Kentucky, Lexington-Fayette Urban County Government, or any other governmental authority. Lessee shall not commit any act of waste in, on or about the Leased Premises, and Lessee shall not create, maintain or permit any nuisance in the Leased Premises.

10. LIABILITY AND PROPERTY INSURANCE

10.1 Fire and Hazard Insurance.

Lessee shall, at its expense, obtain and keep in force at all times during the Term of this Lease, a policy or policies of insurance covering loss or damage to the Leased Premises and all improvements thereon in the amount of the full replacement value thereof, providing protection against all perils included within the classifications of fire,

extended coverage, vandalism, malicious mischief and special extended perils (all risks), and hazard insurance under a standard fire and extended coverage endorsement.

10.2 Liability Insurance.

Lessee shall, at its expense, obtain and keep in force at all times during the Term of this Lease, an insurance policy or policies of comprehensive general liability insurance insuring Lessor and Lessee against all liability arising out of the use or occupancy of the Leased Premises and all improvements located thereon, with a limit of not less than \$1,000,000 per occurrence combined single limit and \$2,000,000 general aggregate inclusive of contractual liability coverage.

10.3 Personal Property Insurance.

All personal property placed in or on the Leased Premises by Lessee shall be at the sole risk of Lessee. Lessee shall, at its expense, obtain and keep in force at all times during the Term of this Lease, a policy or policies of insurance covering loss or damage to Lessee's personal property, equipment, furniture, trade fixtures and fixtures located in or on the Leased Premises, providing protection against all perils included within the classifications of fire, extended coverage, vandalism, malicious mischief and special extended perils (all risks).

11. DAMAGE TO LEASED PREMISES; RESTORATION.

11.1 Total Destruction.

If, during the Term, the Leased Premises shall be totally damaged by fire, the elements, casualty, war, insurrection, riot, public disorder or any other cause so as to be totally destroyed, then this Lease shall be deemed terminated as of the date of such

occurrence; provided, however, that if within one hundred twenty (120) days after any such occurrence, Lessor shall give Lessee written notice of its intention to restore the Leased Premises to substantially its condition prior to such damage, and if Lessor so restores the Leased Premises within two hundred seventy (270) days after such occurrence, then this Lease shall not terminate, but the Rent, as applicable, payable hereunder shall abate during the period the Leased Premises cannot be occupied for business by Lessee. Upon termination of this Lease in the event of damage as described in this section, the Rent due hereunder shall be prorated through the date of such termination, and any Rent paid in advance shall be refunded to Lessee.

11.2 Partial Destruction.

If, during the Term, the Leased Premises shall be partially damaged by any cause as described in Section 11.1 above, and Lessee is reasonably able to continue in business, Rent shall be abated by the number of square feet of the Leased Premises that are not available to the Lessee for its use for the duration of the period that such use is lost, and Lessor shall restore the Leased Premises to the extent of insurance proceeds actually received by Lessor.

12. EMINENT DOMAIN.

If the whole or any substantial part of the Leased Premises or access thereto should be taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, this Lease shall terminate and the Rent and other sums due hereunder shall be abated during the unexpired portion of this Lease, effective when the physical taking of the Leased Premises shall occur.

14. NOTICES.

All notices and payments required to be given under this Lease shall be deemed to be given if sent by certified mail, return receipt requested, or by facsimile, to be effective either upon receipt or on notification by the post office of refusal or non-delivery, at the following addresses:

If to Lessor: Glenncase, LLC
 1385 Pridemore Ct.
 Lexington, Kentucky 40505
 Telephone: (859) 255-0717

If to Lessee: Lexington-Fayette Urban County Government
 Department of Environmental Quality and Public Works
 200 East Main Street, Suite 936
 Lexington, Kentucky 40507
 Telephone: (859) 258-3400

Lessor and Lessee may, from time to time, by written notice to the other, change the address set forth herein, at which time notice shall be deemed given if given to such changed address.

15. MISCELLANEOUS GENERAL PROVISIONS.

15.1 Quiet Enjoyment.

Lessee shall peaceably and quietly hold and enjoy the Leased Premises for the Term and all extensions and renewals thereof without hindrance or interruption by Lessor or any other person or persons claiming by, through, under or superior to Lessor.

15.2 Force Majeure.

In the event either party hereto shall be delayed or hindered in or prevented from the performance required hereunder by reason of strikes, lockouts, labor trouble, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of

the party delayed in performing work or doing acts ("Permitted Delay" or "Permitted Delays"), such party shall be excused for the period of time equivalent to the delay caused by such Permitted Delay. Notwithstanding the foregoing, any extension of time for a Permitted Delay shall be conditioned upon the party that is seeking an extension of time delivering to the other party a written notice of such Permitted Delay, provided that the maximum period of time which Lessor may delay any act or performance of work due to a Permitted Delay shall be sixty (60) days.

15.3 Complete Agreement, Modification.

The Lease, including the Exhibit, constitutes the entire agreement between the parties. It supersedes all previous understandings and agreements between the parties, and no oral or implied representation or understandings shall vary its terms. It may not be amended except by a written instrument executed by both parties, and Lessor acknowledges that Lessee may make such changes only with the approval of its legislative authority, the Lexington-Fayette Urban County Council, and signed by its Mayor.

15.4 Successors and Assigns.

This Lease shall bind and inure to the benefit of the heirs, successors and assigns of the parties.

15.5 Headings.

The topical headings in this Lease are inserted only as a matter of convenience and reference, and do not affect, define, limit or describe the scope or the intent of this Lease.

15.6 Number and Gender.

All of the terms and words used in this Lease, regardless of the number and gender in which they were used, shall be deemed and construed to included any other number (singular or plural), and any other gender (masculine, feminine or neuter) as the context or sense of this Lease or any paragraph or clause hereof, may require, the same as if the words had been fully and properly written in the number and gender.

15.7 Partial Invalidity.

If any clause of provision of this Lease is held to be illegal, invalid, or unenforceable under present or future law, the remainder of this Lease shall not be affected thereby.

15.8 Choice of Law; Jurisdiction.

This Lease shall be interpreted and enforced under the laws of the Commonwealth of Kentucky, and venue for all actions shall lie in Fayette County, Kentucky.

WITNESS, the signatures of Lessor and Lessee, by and through their duly authorized agents or officers, as of the day and year first above written.

LESSOR:

GLENNCASE LLC

BY: 

LESSEE:

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: 

JIM GRAY, MAYOR

ATTEST:

Susan Lamb
URBAN COUNTY COUNCIL CLERK

STATE OF Ky)
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me by Gerard Dejean for
and on behalf of Glenncase, LLC, on this the 14 day of June, 2013.

My Commission Expires: 6-5-2016

[Signature]
NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me by Jim Gray, as Mayor, for
and on behalf of the Lexington-Fayette Urban County Government, on this the 16th day
of July, 2013

My Commission Expires: November 10, 2016

Meredith Elaine Nelson #476523
NOTARY PUBLIC, STATE AT LARGE, KY.

Exhibit A

801 New Circle Road
Lexington, Fayette County, KY
Plat Cabinet B Slide 779

Commencing at the Northeast corner of Lot 1-A of Block "B" Tract 1 of the Eastland Parkway Subdivision, recorded in the city of Lexington, Fayette County, Kentucky as shown by map, plat or deed of record in Plat Cabinet B, Slide 779 and Deed Book 3059 Page 365, in the office of the Fayette County Clerk, also known as 801 New Circle Road; thence along the North property line of lot 1-A and along the south right of way of Eastland Parkway S 48°22'20" W 439.61 feet more or less to a northwest property corner of lot 1-A and the northeast property corner Parcel 1 Lot 1; thence along the west property line of lot 1-A and the east property line of Parcel 1 Lot 1 for three calls; S 02°21'00" W 137.65 feet more or less to a property corner thence; S 87°39'00" E 193.24 feet more or less to a property corner; thence S 02°21'00" W 168.23 feet more or less to The True Point of Beginning; thence along the west property line of lot 1-A and the east property line of Parcel 1 lot 1 S 02°21'00" W 152.78 feet more or less to a point; said point also being the Southwest corner of Lot 1-A of Block "B" Tract 1 of the Eastland Parkway Subdivision and along the north property line of Lot 1; thence N 87°39'00" W 284.46 feet more or less along the north property line of Lot 1, and across Parcel -1 Lot-1 to a point along the west property line of Parcel 1 Lot-1 and the east property line of lot 2; thence along the east property line of lot 2 N 03°16'46" E 157.43 feet more or less to a point; thence leaving the east property line of lot 2 S 86°43'14" E 281.95 feet more or less and across Parcel-1 Lot-1 to the point of beginning; containing 43,914.8 square feet more or less (1.008 acres).

* This description of the above should be known as
Rear side of Property between Eastland Drive and,
Specian College. and old Motel Buddy. J.L. 4/13/13

Access Easement

Commencing at the Northeast corner of Lot 1-A of Block "B" Tract 1 of the Eastland Parkway Subdivision, recorded in the city of Lexington, Fayette County, Kentucky as shown by map, plat or deed of record in Plat Cabinet B, Slide 779 and Deed Book 3059 Page 365, in the office of the Fayette County Clerk, also known as 801 New Circle Road; thence along the North property line of lot 1-A and along the south right of way of Eastland Parkway S 48°22'20" W 439.61 feet more or less to a northwest property corner of lot 1-A and the northeast property corner Parcel 1 Lot 1; thence along the west property line of lot 1-A and the east property line of Parcel 1 Lot 1 for three calls; S 02°21'00" W 137.65 feet more or less to a property corner thence; S 87°39'00" E 193.24 feet more or less to a property corner; thence S 02°21'00" W 321.00 feet more or less to the north property line of Lot-1 and the south west property corner of Lot-1-A and the north east property corner of Parcel-1 Lot-1 thence; N 87°39'00" W 184.46 feet more or less to The True Point of Beginning thence; along the west property line of Lot-1 and the east property line of Parcel-1 Lot-1 for three calls; S 02°21'00" W 93.31 feet more or less thence; N 87°39'00" W 45.04 feet more or less to a point thence; S 02°31'21" W 592.30 feet more or less to a point in the north right of way of the N. E. Ramp From Winchester Road thence; along the north right of way of the N. E. Ramp From Winchester Road and the south property line of Parcel-1 Lot-1 for two calls N 44°41'30" W 99.47 feet more or less to a point thence; N 39°33'50" W 70.12 feet more or less to a point thence; N 02°31'21" E 312.66 feet more or less to a point leaving north right of way of the N. E. Ramp From Winchester Road and follow along the east property line of Lot-2 and the west property line of Parcel-1 Lot-1 for the next three calls thence; S 87°25'59" E 61.41 feet more or less to a point thence; N 03°16'46" E 253.34 feet more or less to a point thence; S 87°39'00" E 100.00 feet more or less and across Parcel-1 Lot-1 to a point to the point of beginning; containing 63,606.3 square feet more or less (1.460 acres).
