

LEASE AGREEMENT

This Lease Agreement (the "Lease") made this ___ day of February, 2015, by and between Jeffery M. Skelly ("Landlord"), an individual, with a mailing address of 526 Washington Ave, Ogdensburg, New York and St. Lawrence-Lewis Board of Cooperative Educational Services ("Tenant"), a body, duly created pursuant to the laws of the State of New York with an office at 40 West Main Street, Canton, New York. Landlord and Tenant may sometimes be referred to herein individually as a "party" and collectively as the "parties."

WHEREAS, Tenant has a need for additional space for educational purposes and seeks to utilize space in the Washington Education Building (the "Building"), owned by Landlord and located at 616 Rensselaer Ave, Ogdensburg, New York, for the purpose of operating its programs and activities; and

NOW, THEREFORE, in consideration of the promises set forth herein, and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I – RECITALS

1. **Recitals:** The recitals set forth above shall be incorporated into this Lease as if fully set forth herein.

ARTICLE 2 - PREMISES

2. **Premises:** Subject to the terms and conditions set forth herein, Landlord, for and in consideration of the covenants and agreements set forth in this Lease, hereby leases and grants to Tenant the entire building located at, 616 Rensselaer Ave, Ogdensburg together with the right to the use of parking areas and grounds, (the "Leased Premises"). Tenant may not alter or undertake any construction or demolition of the Leased Premises without Landlord's prior written consent.

ARTICLE 3 – TERM; RENT

3.1 **Term.** The Lease shall commence on the date that the title to the Leased Premises transfers from the Tenant to the Landlord (the "Commencement Date"), and shall terminate on June 30, 2015.

3.2 **Rent.** In consideration of the covenants and obligations herein undertaken by Landlord, Tenant shall pay to Landlord a monthly rent of \$5,000.00. Tenant shall pay to Landlord rent, in equal monthly installments during the lease term, beginning on the Commencement Date and on the first day of the month following thereafter during the lease term for the duration of this Lease. If the Commencement Date occurs on other than the first day of the month, the Tenant shall be responsible to pay only the pro rata share of the rent for the first month of the Lease.

ARTICLE 4 – USE OF LEASED PREMISES

4.1 Permitted Uses. Tenant shall use and occupy the Leased Premises during the Term for educational purposes, related programs which may include, without limitation, use of the Leased Premises as office space or storage space. Landlord represents that the Leased Premises lawfully may be used for such purposes.

4.2 Compliance with Laws. Each party shall comply with all statutes, ordinances, rules, orders, regulations and requirements of the federal, state and local governments and of any and all their departments and bureaus applicable to the Leased Premises, for the correction, prevention, abatement of nuisances or other grievances, in, upon, or connected with the Leased Premises during the Term; and also shall comply promptly with all applicable rules, orders and regulations of the New York Board of Fire Underwriters, or any other similar body.

ARTICLE 5 – CONDITIONS PRECEDENT TO LEASE

5. Approvals. This Lease and any modifications are subject to approval by the Tenant's Board, and compliance with the New York Education Law and all applicable regulations promulgated thereunder. The Lease is further subject to approval by the New York State Commissioner of Education. The Parties agree to submit this Lease and diligently pursue approval by the Commissioner in accordance with Education Law §1950. If the State Education Department of the State of New York ("SED") does not grant approval to the instant lease, both parties will cooperate to modify this lease to the extent necessary to obtain such approval. If Landlord and Tenant cannot agree on the terms and conditions of any such modification, this lease shall be deemed terminated and neither Landlord nor Tenant shall have any further obligations or liability to the other hereunder.

ARTICLE 6 – RESPONSIBILITIES OF LANDLORD

6.1 Insurance. Landlord shall maintain its property and liability insurance policies on the premises during the Term of this agreement. Landlord shall also maintain any existing automobile liability, workers' compensation and employer's liability policies at existing levels. The premiums for such insurance shall be paid by Landlord, as required, and Tenant shall be furnished with proof of insurance at least annually. Tenant shall be responsible for insuring any of Tenant's personal property located in the Leased Premises.

6.2 Indemnification. On or after the Commencement Date, it is agreed that Landlord, including its successors and assigns, indemnify, protect, defend and hold harmless Tenant, including its successors and assigns, from and against all costs, expenses, liabilities of any kind or nature arising from and against, or related to, a breach or inaccuracy of Landlord's representations and/or warranties under this Lease.

ARTICLE 7 – RESPONSIBILITIES OF TENANT

7.1 Maintenance and Repairs. Tenant shall take good care of the Leased Premises and shall be responsible for any and all damages to the premises caused by Tenant's occupancy. At the end or other expiration of the Term, Tenant shall deliver the Leased Premises in good order and condition, damages by the elements and reasonable wear and tear excepted. Tenant shall make no alteration or changes in the Leased Premises unless it has first received written consent from Landlord approving such alterations or changes, such consent not to be unreasonably withheld, conditioned or delayed. Tenant shall, at Tenant's sole cost and expense, maintain the structural integrity of the Leased Premises, including without limitation, the roof, foundation, exterior walls, windows, window glass, plate glass and all doors and shall maintain, repair and replace as necessary, at its sole cost and expense, all water, sewer or utility pipes, and water or utility meters serving the Leased Premises, Tenant shall maintain, repair, and replace, as necessary, all major systems serving the Leased Premises, including, without limitation, electrical systems, heating systems and plumbing systems. Under no circumstances shall Tenant be required to make a repair the cost of which exceeds \$10,000.

Tenant shall maintain the parking lots, driveways, sidewalks, common areas, and all exterior landscaping serving the Leased Premises at Tenant's sole cost and expense, as needed to maintain the standards of maintenance and appearance for similar buildings in similar localities. Tenant shall provide and pay for all snow and ice removal from the parking lots, driveways, sidewalks and doorways serving the Leased Premises. Tenant shall undertake and provide all custodial and trash removal for the premises.

7.2 Utilities. Tenant shall be responsible for providing and paying its own telephone, cable and internet service, and Landlord shall allow Tenant such access as is necessary or appropriate to install such service. Tenant shall also be responsible for paying for heat, water and electricity on the premises.

7.3 Assignment/Subletting. Tenant, its successors, representatives, executors or administrators, shall not assign this Lease, or underlet or underlease the Leased Premises, or any part thereof, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

7.4 Tenant's Default. If the Leased Premises, or any part thereof, shall be abandoned during the Lease Term, or if any default be made in the payment of the Rent, or any part thereof, or if any default be made in the performance of any of Tenant's covenants herein contained, Landlord may re-enter the Leased Premises by summary proceedings and remove all persons therefrom, without being liable to Tenant for prosecution therefore. Landlord may rent the Leased Premises on behalf of Tenant, reserving the right to rent the Leased Premises for a longer period of time than fixed in the original lease without releasing Tenant from any liability, applying any moneys collected to the payment of Rent and all other charges due and to grow due to Landlord, any surplus to be paid to Tenant.

7.5 Insurance. Tenant shall carry adequate comprehensive general liability insurance with limits of not less than \$1,000,000.00 naming the Landlord as an additional insured. Tenant shall also maintain automobile liability coverage on rental vehicles parked by the tenant with policy limits of not less than One Million (\$1,000,000.00) Dollars and Workers' Compensation at statutory limits, as well as an employer's liability policy with a policy limit of not less than statutory limit.

7.6 Right of Entry. Tenant agrees that Landlord and Landlord's agents and other representatives shall have the right to enter into and upon the Leased Premises, or any part thereof, at all reasonable hours for the purpose of examining the same, or making such repairs or alterations therein as may be necessary for the safety and preservation thereof. Such right of entry shall be upon reasonable notice to Tenant.

7.7 Indemnity. Tenant shall defend, indemnify and hold the Landlord harmless for any and all claims, damages, liabilities or expenses arising out of (a) Tenant's use of the premises or the building, (b) any and all claims arising from any breach or default in the performance of any obligation of Tenant, (c) any act, omission or negligence of Tenant, its agents, invitees or employees; excluding acts or losses caused by Landlord's negligence. Tenant further releases Landlord from liability for any damages sustained by Tenant or any other person claiming by, through or under Tenant due to the premises, the building, or any part thereof or any appurtenances thereto becoming out of repair so long as such disrepair is not caused by the act, error, omission or negligence of the Landlord, or due to the happening of any accident, including, but not limited to any damage caused by water, snow, windstorm, tornado, gas, steam, electrician wiring, plumbing, heating apparatus, so long as such accident is not caused by the act of omission or negligence of the Landlord. Landlord shall not be liable for any damage to or loss of Tenant's personal property, inventory, fixtures or improvements, from any cause whatsoever, except the affirmative acts or proven negligence of Landlord, and then only to the extent not covered by insurance to be obtained by Tenant.

ARTICLE 8 – REPRESENTATIONS AND WARRANTIES OF LANDLORD

8.1 Title. Landlord represents and warrants to Tenant that Landlord holds legal title to the Premises in its name, and has all necessary right, title and authority to enter into this Lease and perform Landlord's obligations hereunder.

8.2 Health and Safety. Landlord maintains the premises meet all minimum applicable standards for the health, safety and comfort required for occupants and the intended use herein.

8.3 Compliance with Laws. The real property upon which the Building and the Leased Premises are located, the Leased Premises and Tenant's proposed use of the Leased Premises as provided in this Lease, will comply during the Term and any Renewal Period, in all material respects, with the applicable restrictive covenants, agreements, zoning and subdivision ordinances, and all applicable building codes, laws and regulations, including, without limitation, those governing asbestos and NYCRR Title 8, Part 155.4.

8.4 Eminent Domain. Landlord has received no notice of any condemnation or eminent domain proceedings or negotiations for the purchase of all or any portion of the Leased Premises in lieu of condemnation and, to the best of Landlord's knowledge, after due inquiry, no condemnation or eminent domain proceedings or negotiations have been commenced or threatened in connection with the Leased Premises or any portion of it.

8.5 Condition of Leased Premises. The Leased Premises are, and during the entire Term and any Renewal Period, will be structurally sound.

8.6 Environmental Matters. The following definitions shall be applicable to this Section and wherever used elsewhere in this Lease:

- (i) "Environmental Condition" means any condition with respect to the Building, the Leased Premises or the land on which the Building is located (collectively referenced in this Section as the "Premises") including any conditions contained therein or derived therefrom, of any kind or nature including, without limitation, structural, architectural, engineering, and environmental condition, soil, surface waters, ground waters, land, stream sediments, surface or subsurface condition and ambient air, Hazardous Substances on or about the Premises, whether or not yet discovered, or violation of any Environmental Laws, arising from or related to the operation of any business that is or was conducted by Landlord or any previous tenant or owner (or Landlord's lessees, sub-lessees, predecessors or occupants) on the Premises, or any activity conducted by any person or entity on the Premises during the time of Landlord's ownership, or occurring prior to that time and known to Landlord.
- (ii) "Environmental Laws" means all applicable statutes, regulations, local laws and ordinances adopted pursuant thereto ("Statutes") relating to the protection of human health or the environment, including, without limitation, to any and all laws, rules, regulations, ordinances, guidelines or statutes relating to the existence of any Environmental Condition including without limitation reporting, licensing, permitting Hazardous Substances, Underground Storage Tanks, lead-based paint, investigation, removal or remediation of emissions, discharges, release or threat of release of any substance, gas, material or chemical into the environment, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any substance, gas, material, waste or chemical, including, without limitation, any substance, gas material or chemical, which in each case is or may hereafter be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous wastes" or words of similar import under any Environmental Law, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 et. seq. ("CERCLA"); the Hazardous Materials Transportation Act, as amended, 42 U.S.C. §1801 et. seq. ; the Resource

Conversation and Recover Act, as amended, 42 U.S.C. §9601 et. seq.; the Federal Water Pollution Contract Act, as amended, 33 U.S.C. §1251 et. seq.; The Clean Air Act, 42 U.S.C. §7404 et. Seq.; the New York State Environmental Conservation Law, including Article 13 of Title 27; and the New York State Navigation Law, Article 12; and all applicable statutes, laws, rules, regulations, guidelines or ordinances pertaining to the protection of the health and safety of employees or the public.

- (iii) “Hazardous Substances” means any: (i) substance, gas, material or chemical which poses or may pose a hazard to human health or safety; (ii) toxic substance or hazardous waste, substance or related material, or any pollutant or contaminant; or (iii) asbestos, USTs (as defined herein below), lead-based paint, urea formaldehyde foam insulation, petroleum and petroleum by-products which, in each case, is now or hereafter subject to Environmental Laws.

- (iv) Except as previously disclosed to Tenant and as set forth herein, neither Landlord nor, to the best of Landlord’s knowledge, any previous owner, tenant, occupant, user of the Premises, or other person or entity has engaged in, or permitted any operations upon, or any use or occupancy of, the Premises, or any portion thereof, for any purpose in any way involving the handling, manufacture, treatment, storage, use, generation, release, discharge, refining, dumping or disposal in any amount of any Hazardous Substances (whether legal or illegal, accidental or intentional) on, under, in or about the property, or transported any Hazardous Substances to, from or across the Premises. Except as previously disclosed to Tenant, to the best of Landlord’s knowledge, no Hazardous Substances presently are constructed, deposited, stored or otherwise located on, under, in or about the Premises nor, to the best of Landlord’s knowledge and unless otherwise disclosed, have any Hazardous Substances migrated to or from the Premises. To the best of Landlord’s knowledge, no federal, state or local action, claim or lien for environmental damage, natural resource damage, personal injury or property damage arising from environmental contamination of or from the Premises or from any activity by any person, group or corporate entity involving Hazardous Substances at, on or migrating to or from the Premises is pending or has been filed, threatened, noticed or negotiated. There is no Environmental Condition, to Landlord’s knowledge, located on, about, in or under the Premises. Landlord knows of no violations of Environmental Laws with respect to the Leased Premises.

8.7 Authorization. The execution, delivery and performance by Landlord of this Lease if not threatened with invalidity or unenforceability by any action, proceeding or investigation pending or threatened by or against Landlord, jointly or severally, or the Leased Premises or any part thereof, and does not and will not: (1) require any consent or approval of any third party, except as provided herein; (2) violate any provision of any law, rule, regulation,

order, write, judgment, injunction, decree, determination, award or other restriction presently in effect having applicability to Landlord; or (3) result in a breach of, or constitute a default under, any indenture, lease or any other agreement or instrument to which Landlord is a party or by which Landlord or its properties may be bound or affected, create or cause to be created any mortgage, lien, encumbrance or charge on the Leased Premises other than those permitted by this Lease, if any. To the best of Landlord's knowledge, Landlord is not in violation in any material respect of any such law, rule, regulation, judicial order, other restriction or any such indenture, agreement, lease or instrument.

ARTICLE 9 – DAMAGE BY FIRE OR CASUALTY

9.1 Damage by Fire or Other Casualty. If the Leased Premises shall be damaged by fire or other casualty insured against by Landlord's fire and extended coverage insurance policy covering the Leased Premises can be fully repaired, in Landlord's opinion, within one hundred and twenty (120) days from the date of such damage, Landlord, at Landlord's sole cost and expense, shall repair such damage to Tenant's satisfaction. Except as otherwise provided herein, until the repairs to the Leased Premises are substantially completed, the Rent and Ancillary Services Charge shall abate pro-rata based on the part of the Leased Premises which is unusable by Tenant. If, however, the Leased Premises are rendered wholly untenable by fire or other cause as determined by the local fire marshal having jurisdiction over the Leased Premises, or such other duly-authorized governmental individual or entity having jurisdiction over said matters, including the Landlord's Board of Education and the Landlord shall decide not to rebuild the same, or if the entire Leased Premises be so damaged that Landlord shall decide to demolish it or not to rebuild it, then or in any of such events, Landlord may, at its option, cancel and terminate this Lease by giving Tenant notice in writing, within thirty (30) days of the occurrence of the event causing the damage, of its intention to cancel this Lease, whereupon the term of this Lease shall terminate upon the thirtieth (30th) day after such notice is given and Tenant shall vacate the Leased Premises and surrender the same to Landlord.

9.2 Termination. Effective upon any termination of this Lease and the surrender of the Leased Premises by Tenant under any of the provisions of this Lease, the parties shall be released thereby and neither party shall have any further liability to the other for any matters arising under this Lease, except for Rent, and other items which accrued prior to the effective date of termination and are then unpaid or which this Lease provides shall survive its termination. Upon termination, tenant shall be responsible for restoring the property to its original condition.

9.3 Repair and Restoration. It is hereby understood that if Landlord is obligated or elects to repair or restore as herein provided, Landlord shall be obligated to make repairs or restoration only of those portions of the Leased Premises which were originally provided at Landlord's expense, and the repair and restoration of items not provided at Landlord's expense shall be the obligation of Tenant. In no event shall Landlord be obligated to repair or restore any personal property belonging to Tenant.

ARTICLE 11 – EMINENT DOMAIN

10.1 Total Taking. If, during the Term or any renewal, all or a substantial part of the Leased Premises shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or condemnation, or should be sold under threat of such action, this Lease shall terminate and the Rent shall be abated during the unexpired portion of this Lease, effective from the date that such authority takes possession of the Leased Premises.

10.2 Partial Taking. If less than a substantial part of the Leased Premises is taken for public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or condemnation, or if sold to such authority under threat of such action, Landlord, at Landlord's option, may, by written notice, terminate this Lease or shall, forthwith at Landlord's sole cost, expense and risk, restore and reconstruct all improvements situated on the Leased Premises to make the same reasonably tenantable and suitable for the purposes for which Tenant leased the Leased premises. The Rent payable hereunder during the unexpired portion of this Lease shall be reduced in an equitable manner.

10.3 Award. All damages awarded for any such taking under the power of eminent domain, whether for the whole or any part of the Leased Premises, shall belong to and be the property of Landlord, whether such damages shall be awarded as compensation for diminution in value of the leasehold or for the fee; provided, however, that Landlord shall not be entitled to any award made to Tenant for loss of, or damage to, Tenant's improvements and personal property so long as such award to Tenant is in addition to, or exclusive of, any award for compensation for diminution in value of the leasehold and fee. The termination of this Lease shall not affect the rights of Landlord and Tenant to such respective awards.

ARTICLE 11 – MISCELLANEOUS

11.1 Entire Agreement, Modification, Severability, Waiver. This Lease contains the entire understanding between the parties with respect to the subject matter hereof. All prior negotiations between the parties are merged into this Lease and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties other than as set forth in this Lease. This Lease shall not be modified, amended, altered or changed except by a writing duly executed by Landlord and Tenant, or their successors or assigns. Any provisions of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Lease. The waiver by either party of any breach by the other of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach hereof.

11.2 Quiet Enjoyment. Landlord covenants that Tenant, on paying the Rent as required hereby and performing the covenants set forth herein, shall and may peacefully and quietly have, hold and enjoy the Leased Premises for the Term and any Renewal Period.

11.3 Counterparts. This Lease may be executed in one or more counterparts each of which shall be deemed an original, but all of which taken together, shall constitute one and the same instrument. Facsimile signatures shall be accepted as originals.

11.4 Notices. All payments, notices, consents, requests, instructions, approvals and other communications given in connection with this Lease shall be in writing and shall be deemed to have been validly made or given when delivered personally, or when received if properly deposited with the United States Postal Service, postage prepaid certified or registered mail, return receipt requested or with a nationally recognized overnight courier service to the address set forth below; provided, however, that notice shall be deemed sufficiently given upon such mailing or deposit with such courier service if delivery is refused by the intended recipient or cannot be completed because the intended recipient has not notified the sender of a changed address in accordance with this provision:

(a) If to Landlord:

Mr. Jeffery Skelly
526 Washington Ave
Ogdensburg, New York
13669

(b) If to Tenant:

District Superintendent
St. Lawrence-Lewis Board of Cooperative Educational Services
40 West Main Street
Canton, NY 13617

or to such other name or address as any party shall have specified by notice in writing to the other party. Any notice which is mailed in accordance with the provisions of this Section shall be deemed received five (5) days after mailing.

11.5 Binding Effect. All the terms, conditions and covenants of this Lease shall be binding upon Landlord and Tenant and their respective heirs, executors, successors, and assigns.

11.6 Captions; Language. The captions or headings of paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

11.7 Governing Law. This Lease shall be governed by, construed, and enforced in accordance with, the laws of the State of New York without reference to the principles of conflict of laws thereof, if any, that would operate to defeat the application of New York law.

11.8 Fully Negotiated Agreement. This Lease has been fully negotiated in an arms' length transaction and neither Landlord nor Tenant has been coerced in any manner to execute this Lease. Each party has had the opportunity to employ legal counsel and seek advice from such counsel with respect to this Lease, its obligations, terms, and implications, and has sought and received such counsel and advice. Neither this Lease, nor any term or provision of this Lease, shall be construed against either Landlord or Tenant as a result of the drafting of this Lease or any term or provision thereof by Landlord or Tenant, or their respective counsel.

11.9 Right to Cure. In the event either party claim's default by the other party under this lease, it shall give written notice of the default to the allegedly defaulting party, and such defaulting party shall have ten (10) days after written notice to cure such default.

11.10 Conflicts. It is acknowledged this lease shall be void and unenforceable if entered in violation of General Municipal Law §801 or New York State Education Law §410.

Each individual executing this Agreement on behalf of the respective party represents and warrants that he/she is duly authorized to execute and deliver this Agreement. In the case of the Tenant, written approval of the Commissioner of Education is required and which approval Tenant shall use its best efforts to obtain as expeditiously as possible.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed as of the day and year first above written.

[Signature Page Follows]

Mr. Jeffery M. Skelly
LANDLORD

Name: Jeffery M. Skelly

**ST. LAWRENCE-LEWIS BOARD OF
COOPERATIVE EDUCATION
SERVICES**

By: _____
Name: Thomas Burns
Title: District Superintendent