

LEASE AGREEMENT

This Lease Agreement ("Lease"), is made and entered into on January 1, 2012, by and between the Village of Granville, Ohio, a municipal corporation ("Lessor"), and the Board of Granville Township Trustees, an unincorporated municipal township ("Lessee").

It is hereby mutually agreed as follows:

1. PREMISES

The Lessor, in consideration of the agreements and covenants hereinafter set forth, does hereby grant, demise and lease to Lessee, the certain real property located 133 North Prospect Street, Granville, Ohio as further described in Exhibit A, attached and incorporated hereto (the "Premises").

2. LEASE TERM

This Lease shall be for a term of five (5) years, beginning on the date of this Lease and ending December 31, 2016. Provided Lessee is not in default, Lessee shall have the option to extend the term of this Lease for one (1) additional five (5) year term. Lessee must provide Lessor notice of its election to renew or not renew the term of this Lease at least twelve (12) months prior to the date of expiration of the original term as set forth above.

3. RENT

The rent for the Premises shall be One Dollar (\$1.00), payable annually by January 31 of each year, during the entire term of this Lease at the office of Lessor, 141 East Broadway, PO Box 514, Granville, Ohio 43023.

4. USE OF PREMISES

The Premises are to be used and occupied by Lessee for the limited purpose as: (i) a fire station and (ii) emergency medical services (EMS) facility, which is to provide fire and EMS services to the geographic area served by Granville Township Fire Department. Lessee hereby covenants and agrees it shall not use or permit the use of the Premises, or any part of the Premises, for any purpose other than as a fire station and EMS facility. In the event Lessee shall no longer intend to use and occupy the Premises to provide fire and EMS services, Lessee shall notify Lessor of such change of use and occupancy at least twelve (12) months prior to any such change (the "Notice Period") or within a reasonable period of time after Lessee has knowledge of such change in which case Notice Period shall be no less than ninety (90) days prior to any such change. Lessee hereby agrees that upon expiration of the Notice Period that it shall surrender Premise to Lessor.

If at any time during the term, or any renewal, of this Lease, Lessee has ceased to use and operate the Premises for fire and EMS services, then this Lease shall automatically terminate and the Premises shall revert to the sole ownership and occupancy of the Lessor.

5. TERMINATION BY LESSOR

In the event that Lessor is required by any order, law or regulation of the State of Ohio or any instrumentality thereof or any other governmental or regulatory body having jurisdiction of the matter, to establish its own municipal fire department and/or EMS services, Lessor shall have the right to cancel this Lease or any renewal thereof by giving Lessee notice at least twelve (12) months prior to any such cancellation unless a shorter period of time is otherwise required by any such order, law or regulation.

In the event Lessor decides to sell or otherwise transfer the Premises during the term of the Lease, or any renewal hereof, Lessor agrees to give Lessee a right of first refusal to purchase the Premises upon the same terms and conditions as a bona fide third party purchaser for fair market value. The Lessee must exercise its right of first refusal, if at all, by providing notice to Lessor of the exercise of the right of first refusal within thirty (30) days after Lessor notifies Lessee of its intent to sell the Premises. If Lessee exercises its right of first refusal, Lessee must consummate the purchase of the Premises within sixty (60) days of exercising its right of first refusal. Should the Lessee not exercise its right of first refusal, the Lessee agrees to vacate the Premises and terminate the remaining term of this Lease or any then-existing renewal upon notice from the Lessor at least twelve (12) months prior to any such termination and hold the Lessor harmless on the remaining terms and conditions of the Lease or any renewal thereof.

In the event Lessor decides to use the Premises for any other municipal purpose during the term of this Lease or any renewal thereof, Lessee agrees to vacate the Premises and terminate the remaining term of this Lease or any then-existing renewal upon notice from the Lessor at least twelve (12) months prior to any such termination and hold the Lessor harmless on the remaining terms and conditions of the Lease or any renewal thereof.

6. UTILITIES

Lessee shall pay or cause to be paid all charges for all utilities to the Premises or utilities used on or related to the Premises during the term of this Lease, or any renewal hereof, excluding water. Lessor shall furnish water to the Premises at no cost to Lessee.

7. MAINTENANCE, REPAIRS, REPLACEMENTS AND IMPROVEMENTS

Lessee shall, at its sole costs and expense, comply with all orders and/or deficiencies issued or determined by any governmental authority having jurisdiction of the Premises requiring repairs, modifications, additions or deletions to fixtures and/or structural aspects of the Premises under all existing laws, rules, regulations, or ordinances governing the same.

Lessee shall make and pay for all structural and non-structural maintenance, repairs and replacements to the Premises, so that the Premises will remain in the same or better condition as exists on the date of this Lease, including but not limited to maintenance of the exterior and maintenance and replacement of the HVAC system. Lessee shall at its expense keep the Premises clean and free from all obstructions, refuse, dirt, snow and ice and keep the Premises properly maintained.

Lessee shall have the right during the term of this Lease to make such alterations, changes and improvements to the Premises as may be proper and necessary for the conduct of Lessee's use of the Premises, so long as Lessee obtains prior written permission from Lessor for any alterations, changes or improvements which collectively would entail an expenditure of \$5,000.00 or greater, which consent may be withheld in Lessor's sole and absolute discretion. Lessee shall pay all costs and expenses of such permitted alterations, changes, and improvements, shall make the same in a good and workmanlike manner, and in accordance with all applicable laws, codes, and regulations, and shall assure Lessor, in form reasonably satisfactory to Lessor, that payment for the same will be made by Lessee. In the event Lessee erects any such alterations or improvements, Lessee hereby agrees to and hereby shall indemnify and hold Lessor harmless against any mechanics liens filed against the Premises. Any such mechanic liens arising out of such alterations, changes, and/or improvements shall be paid by Lessee within fifteen (15) days after the lien had been filed by payment, bonding or otherwise, as permitted by law.

Lessee shall deliver and surrender to Lessor possession of the Premises, including all improvements, alterations and replacements to the Premises during the term of this Lease, upon the expiration of this Lease or its termination in any manner whatsoever, in substantially as good condition and repair and in substantially similar form, character and manner as the same shall be on the date of this Lease with permitted changes, improvements and additions during the term, except as authorized herein, subject to no liens, encumbrances, charges, restrictions, conditions, limitations or claims whatsoever, and deliver the Premises to Lessor.

8. LIENS

Lessee shall not mortgage the Premises, cause the Premises to be mortgaged or in any way cause a lien or encumbrance upon the Premises without the prior written consent of the Lessor.

9. LESSOR'S RIGHT OF ENTRY

Lessor or its agents shall have the right to enter the Premises during reasonable business hours with reasonable notice to Lessee to inspect the Premises. The right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions, which do not conform to this Lease.

10. LESSEE'S INSURANCE

Throughout the term of this Lease, Lessee shall, at its sole expense, procure and maintain with respect to the Premises, Commercial General Liability insurance, including Bodily Injury, Property Damage Liability and Fire Damage Liability against any and all damages and liability, on account of or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on or about the Premises in amounts not less than \$1,000,000 per occurrence, \$2,000,000 annual aggregate, and \$1,000,000 Fire Damage Liability.

All insurance provided for in this Section shall be in a form satisfactory to Lessor and carried with insurance companies reasonably acceptable to Lessor that are licensed or authorized to do business in the State of Ohio, are in good standing with the Ohio Department of Insurance and have a current rating issued with A.M. Best Company of not less than A-VII, and/or whose claim paying ability is rated no lower than A by Standard & Poor's Ratings Service and A2 by Moody's Investors Service. Insurance coverage shall be written as primary policy coverage and not contributing with or excess of any coverage which Lessor may carry, and Lessor shall be named as an additional named insured. Lessee shall furnish Lessor at the inception of this Lease with a certificate of insurance evidencing that all such insurance is in effect and that Lessor will be given at least thirty (30) days prior written notice of cancellation or non-renewal, and Lessee shall further provide proof that premiums have been paid by Lessee. Lessee will annually each January 31 during the term of this Lease provide to the Lessor a certificate of insurance identifying the Village of Granville as an additional named insured.

In the event Lessee shall fail to procure any contract of insurance required under the terms hereof or any renewal of or replacement for any contract of insurance that is expiring or has been canceled, Lessor may, but shall not be obligated to, procure such insurance on behalf of Lessee and the cost thereof shall be payable to Lessor as additional rent within ten (10) days following written demand of such rent.

11. INDEMNIFICATION OF LESSOR

Lessor shall not be liable for any damage by or from any act of the Lessee, its employees, contractors, invitees, or agents. Lessee shall indemnify, defend and hold harmless Lessor and its officers, directors, employees, attorneys and agents from and against any and all claims, demands, causes of action, judgments, costs, expenses, losses and damages, attorney fees, incurred in the defense of any such claim or any action or proceeding which may be brought against, out of or in any way arising from: (i) Lessee, its employees, contractors, invitees, or agents use of the Premises, or from the conduct of its business or from any activity, work, or other acts or things done, permitted or suffered by Lessee, its employees, contractors, invitees, or agents, in or about the Premises; (ii) any breach or default in the performance of any obligation of Lessee to be performed under the terms of this Lease, or arising from any gross negligence or willful or criminal misconduct of Lessee, or any officer, agent, employee, contractors or invitees.

12. LESSEE'S RESPONSIBILITIES

At its own expense, Lessee will procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Lessee's use of the Premises. Lessee will not cause or permit any Hazardous Substance to be brought upon, kept or used in or about the Premises by Lessee, its agents, employees, contractors or invitees without the prior written consent of Lessor. Lessee will cause any and all Hazardous Substances brought upon the Premises by Lessee to be removed from the Premises and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Lessee will, in all respects, handle, treat, deal with and manage any and all Hazardous Substances in, on, under or about the Premises in total conformity with all applicable Environmental Laws and prudent industry practices regarding management of

such Hazardous Substances. Upon expiration or earlier termination of the term of the Lease, Lessee will cause all Hazardous Substances placed on, under or about the Premises by Lessee or at Lessee's direction to be removed and transported for use, storage or disposal in accordance and compliance with all applicable Environmental Laws. Lessee will not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises without first notifying Lessor of Lessee's intention to do so and affording Lessor ample opportunity to appear, intervene or otherwise appropriately assert and protect Lessor's interests with respect thereto.

Definitions: For the purposes of this Lease, the following terms have the following meanings:

- (a) "Environmental Laws" means any law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environment including, without limitation, CERCLA (Comprehensive Environmental Response, Compensation and Liability Act of 1980), RCRA (Resources Conservation and Recovery Act of 1976) and SARA (Superfund Amendments and Reauthorization Act of 1986).
- (b) "Hazardous Substance" means any substance, material or waste which is or becomes designated, classified or regulated as being "toxic" or "hazardous" or a "pollutant" or which is or becomes similarly designated, classified or regulated, under any Environmental Law, including asbestos, petroleum and petroleum products.

13. ENVIRONMENTAL INDEMNIFICATION

If the Premises becomes contaminated in any manner for which Lessee is legally liable or otherwise become affected by any release or discharge of a Hazardous Substance, Lessee shall immediately notify Lessor of the release or discharge of the Hazardous Substance, and Lessee shall indemnify, defend and hold harmless Lessor and its officers, directors, employees, attorneys and agents from and against any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, a decrease in value of the Premises, damages caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees and expenses, consultant fees and expert fees) arising during or after the term of this Lease and arising as a result of such contamination, release or discharge. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal or restoration mandated by federal, state or local agency or political subdivision.

14. DEFAULT

The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Lease by Lessee:

- (a) The vacating or abandonment of the Premises by Lessee for thirty (30) days.
- (b) The failure by Lessee to make any payment of rent, additional rent or other amount due under this Lease and after thirty (30) days prior written notice.
- (c) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, where such failure shall continue for a period of thirty (30) days after written notice thereof by Lessor to Lessee; provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

15. REMEDIES

If any Event of Default shall exist beyond any applicable cure period, Lessor may at any time thereafter, exercise any one or more of the following rights or remedies:

- (a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all reasonable and necessary damages incurred by Lessor by reason of Lessee's default; or
- (b) Cure any default or breach of warranty of Lessee hereunder, and perform any covenants which Lessee has materially failed to perform, and any sums expended by Lessor in curing such default or breach of warranty and performing such covenants shall be paid by Lessee to Lessor immediately upon demand.
- (c) Pursue any other remedy or combination of remedies now or hereafter available to Lessor under the laws or judicial decisions of the State of Ohio.

16. LOSS OR DESTRUCTION OF PREMISES

If the Premises become, as a practical matter, totally untenable after a casualty loss such as fire, storm, explosion, earthquake, or other casualty loss, and if the casualty loss is not due to the negligence or fault of the Lessee or the Lessee's its employees, contractors, invitees, or agents, either Lessor or Lessee may terminate this Lease within thirty (30) days after such damage or destruction and Lessee shall deliver to Lessor all insurance proceeds from such damage or destruction. In such event, the Lessee shall only be entitled to a pro-rata refund of rent from the date of move-out. If this Lease is not terminated as set forth above, this Lease shall continue under its terms and conditions.

Should only a part of the Premises thereby be rendered untenable, such part so injured shall be restored by Lessee as speedily as practicable, after which the full rent shall recommence and the Lease continue according to its terms.

17. EMINENT DOMAIN

If the entire Premises is taken by condemnation or right of eminent domain, this Lease shall terminate as of the day possession shall be taken by the taking authority, and Lessor and Lessee shall be released from any further liability hereunder thereafter accruing. In the event only a portion of the Premises shall be taken by condemnation or right of eminent domain, an appropriate reduction of rent will be made by Lessor.

Lessee shall not be entitled to any part of any award or settlement of damages representing the value of land and buildings appropriated, the value of this Lease or any estate therein, or damage to the residue of the Premises or other property of Lessor; it being agreed as between Lessor and Lessee any such award shall be the sole property of Lessor. No appropriation of part or all of the Premises or cancellation of this Lease pursuant to this Section shall be deemed an eviction of Lessee, or a breach of any covenants of Lessor hereunder.

18. ASSIGNMENT OR SUBLEASE

Lessee shall not assign this Lease or sublet the Premises, or any part of the Premises or this Lease without the prior written consent of the Lessor.

19. EFFECT OF FAILURE TO STRICTLY COMPLY WITH LEASE PROVISIONS

Lessor's failure to object to any default on the part of Lessee shall not be construed as a waiver of such default, nor shall any custom or practice that may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of Lessor to insist on the performance of the provisions of this Lease.

20. ENTIRE AGREEMENT

This Lease, together with any addendums, covenants, conditions, and agreements by which reference are herein made a part of this Lease, constitute the entire agreement and there are no other agreements, oral or written, pertaining to this Lease.

21. SEVERABILITY

If any provision in this Lease shall be invalid by judgment or court order, all other provisions shall remain in full force and effect.

22. WAIVER

One or more waivers of any covenant, condition, or term of this Lease by the Lessor or by the Lessee shall not be construed as a waiver or further breach of the same.

23. CAPTIONS

The captions are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Lease, nor the intent of the provisions thereof.

24. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of the State Ohio.

[Signature on Next Page.]

LEASE AGREEMENT

Signature Page

IN WITNESS WHEREOF, the parties have executed or caused the execution of this Lease Agreement as of the day and year set forth below.

Lessor:
Village of Granville

Lessee:
The Board of Granville Township Trustees

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Acknowledgement

STATE OF OHIO :
: **SS:**
COUNTY OF _____ :

The foregoing instrument was acknowledged before me this _____, 2011, by _____, the _____ of **Village of Granville, Ohio**, on behalf of said entity.

Notary Public

STATE OF OHIO :
: **SS:**
COUNTY OF _____ :

The foregoing instrument was acknowledged before me this _____, 2011, by _____, the _____ of **The Board of Granville Township Trustees**, on behalf of said entity.

Notary Public

LEASE AGREEMENT

EXHIBIT A

Legal Description of Premises

The Lessor does hereby let and lease unto the Lessee the following described premises:

Situated in the Village of Granville, Licking County, Ohio, and being more particularly bounded and described as follows:

First Parcel: Being a part of Inlot #114 in said Village; beginning at the southeastern corner of the brick blacksmith shop on said Lot #114 (which shop is now the property of the Village of Granville and used as a Fire Department building) supposed to be 34 feet 9 inches north from the southeast corner of Inlot #114 on the west line of Prospect Street; thence south on the west line of Prospect Street 32 feet 3 inches to a point on the east line of said Inlot #114, which point is 2 feet 6 inches north from the southeast corner of said Inlot #114; thence west through said Inlot #114, parallel with the south line thereof to the west line thereof; thence north on the west line of said Inlot #114 32 feet 3 inches; thence easterly on a line parallel with the south line of said Inlot #114 to the place of beginning.

Second Parcel: Being 34 feet 9 inches off the south end of Inlot #113 in said Village across the entire width of said lot.

Third Parcel: Being a part of lot #114 in said Village, which part of said lot is described as follows: beginning at a point in the west line of said Inlot #113, which point of beginning is 110.8 feet south of the center line of the street pavement in College Street; thence east, 66 feet, to a point in the west line of Prospect Street; thence south on the west line of Prospect Street, 60 feet; thence west, 66 feet to a point in the west line of lot #114, 60 feet to the place of beginning. Together with the building situated thereon.