

AGREEMENT OF LEASE

The Village of Granville, Ohio, (hereinafter, Lessor, Landlord, or Municipality), and Granville Studio of Visual Arts (hereinafter, Lessee or Tenant), hereby agree as follows:

1.0 Leased Premises

Landlord, in consideration of the rents to be paid, the representations of Lessee set forth herein and the covenants to be performed by Lessee hereunder, leases to Lessee and Lessee, in consideration of the representations of Landlord set forth herein and the covenants to be performed by Landlord hereunder, leases from Landlord for the term contained herein and subject to the representations, covenants and conditions established hereinafter the following described premises:

The building identified as the Terrace House at Bryn Du at 537 Jones Road, Granville, Ohio.

The Premises includes three entrances, two from the plaza (east entrances) and one handicap entrance on the west side of the building. The plaza/east entrances are for the education studio and the public gallery. The handicap/west entrance is the main entrance for daily handicap visitors and all visitors. Lessee and Bryn Du event signage will direct visitors to the west entrance.

The parties agree that the Premises contain 3,674 square feet; 2,814 commercial space on the first floor and 860 net square feet on the second floor. Lessor shall deliver the Premises to Lessee free of asbestos or other hazardous material.

The Bryn Du Commission (hereinafter, Commission) is charged with managing the daily operation of the Bryn Du property, including the Premises to be leased, and is acting as the Lessor's agent with respect to this lease, including, but not limited to, the collection of rent and other amounts payable hereunder.

Lessor shall provide parking sufficient to meet local code. Parking shall include all parking areas on the property subject to advance coordination of tenants and events with the Executive Director of the Commission.

2.0 Term

The term of this lease is for three, (3), calendar years and three (3) months commencing on December 4, 2011, and ending on February 28, 2015, subject to the options set forth in Section 2.1, below, ("Additional Terms"), and Section 2.2, below, ("Restrictions on Additional Terms").

2.1 Additional Terms

If Lessee faithfully performs all obligations of Lessee as set forth herein the Lessee shall have the option to renew this lease for an additional three, (3), year period commencing March 1, 2015, and ending on February 28, 2018. In addition, if Lessee faithfully performs all obligations as set forth in this lease or in any lease instrument executed relative to the first additional term set forth above, (2015-2018), then Lessee shall have the option to renew this or any subsequent lease for a second additional term of three, (3), years commencing March 1, 2018, and ending February 28, 2021. In addition, if Lessee faithfully performs all obligations as set forth in this lease or in any lease instrument executed relative to the second additional term set forth above, (2018-2021), then Lessee shall have the option to renew this or any subsequent lease for a third additional term of three, (3), years commencing March 1, 2021, and ending February 29, 2024. In addition, if Lessee faithfully performs all obligations as set forth in this lease or in any lease instrument executed relative to the third additional term set forth above, (2021-2024), then Lessee shall have the option to renew this or any subsequent lease for a fourth additional term of three, (3), years commencing March 1, 2024, and ending February 28, 2027. The options for additional terms are contingent upon the faithful performance of all obligations imposed upon Lessee by this or any subsequent amendments to this lease and the restrictions set forth in Section 2.2 of this lease.

At the end of the final term of this lease, if the Lessor is still intending to lease the Premises to others, Lessee shall have the right to be the first to negotiate for a new lease for the premises.

2.2 Restrictions of Additional Terms

In order for Lessee to exercise any of the options for an additional term set forth in Section 2.1, above, Lessee must notify Lessor in writing of the desire to exercise the option. Such notification may be made at any time during the final year of a three-year term but no later than 90 days prior to the end of the existing term.

2.3 Early Termination

Tenant shall have the right, at any time, and in Tenant's sole discretion, to terminate the lease provided that if renovations have been contracted for or commenced, the lease only may be terminated if the improvements are finished, useable and paid for and there are no liens against the property related to the improvements. If Tenant exercises this right, Tenant shall not be entitled to any credit or reimbursement for funds it expended on improvements and all improvements will be the property of the Landlord. All obligations and rights of both the Landlord and the Tenant shall cease 180 days after the date on which the Landlord receives a termination notice.

3.0 Rent

Lessee will pay the Commission as rent for the premises \$612.33 per month for the first three months ending February 28, 2012 and then during the remaining term of this lease Net Rent Payable according to the following schedule commencing March 1, 2012:

<u>Lease Period</u>	<u>Rent per Square Foot</u>	<u>Credit for Improvements</u>	<u>Net Rent Payable</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Year 1-3	\$10 per square foot	\$7.40 per square foot	\$2.60 per square foot	\$ 9,542	\$ 795.17
Years 4-6	\$10.20 per square foot	\$7.23 per square foot	\$2.97 per square foot	\$ 10, 899.90	\$ 908.32
Years 7-9	\$10.51 per square foot	\$7.11 per square foot	\$3.40 per square foot	\$ 12,478.00	\$ 1,039.83
Years 10-12	\$10.83 per square foot	\$.10 per square foot	\$10.73 per square foot	\$ 39,379.10	\$ 3,281.59

This formula would apply against the total square footage rounded to 3,670 square feet.

All monthly installments set forth herein are due and payable to the Commission on the first, (1st), day of each month of the term specified.

4.0 Renovations and Improvements

As additional consideration, Lessee has caused certain permanent renovations and improvements to be made to the premises including: (a) renovation and redesign of the interior of the structure; (b) installation and finishing of floors, walls and ceilings; (c) repair or replacement of the existing exterior doors; (d) add additional exterior lighting; (e) installation of new HVAC systems; (f) construction of a handicap accessible restroom on the first floor; and, (g) installation of a handicap access ramp on the west exterior. Tenant paid a total of \$322,000 (or in-kind equivalent) for the building restoration, \$252,000 (or in-kind equivalent) for the main floor and \$70,000 (or in-kind equivalent) for the upstairs.

It is understood that all permanent renovations and permanent improvements, whether set forth herein or subsequently made, must receive prior approval of the Commission and of the proper municipal authorities whether of the Planning Commission, the Board of Zoning and Building Appeals, or of Village Council. All Village Ordinances, regulations and procedures will be applicable to the consideration of renovations and improvements.

Permanent renovations and improvements made shall become a part of the premises and shall become property of the Village. Except as provided under Sections 3.0, 4.1 and 6.0 herein, the Village shall not be obligated to compensate Lessee in any manner as a consequence of the renovations or improvements made to the premises it being understood that such renovations and improvements represent one of the conditions precedent to this lease.

4.1 Effect of Lease Termination on Renovations and Improvements

It is understood by the parties that the renovations and improvements set forth in Section 4.0, or subsequently approved and made, represent a substantial addition to the value of the property. These improvements, although a condition to this lease, would not be made but for the anticipation of the parties that Lessee will be able to exercise the options set forth in Section 2.1. In consideration thereof, it is agreed that the total cost of the renovations and improvements set forth in Section 4.0, or subsequently approved and made, will be assigned a useful life equal to twelve, (12), years.

If the whole or any part of the demised premises shall be acquired or condemned by eminent domain for any public or quasi public use or purpose, then Lessor and Lessee agree as to the total cost of the renovations and improvements set forth in Section 4.0, or subsequently approved and made, that the Village shall return to Lessee that sum equal to the unrealized benefit to Lessee of the renovations and improvements made to the property. This amount shall be calculated by subtracting from the total costs of the agreed upon renovations and improvements the amount of Credit for Improvements provided above in Section 3.0 that has been received by Lessee throughout the lease term to date along with any Credits for Improvement received under prior lease terms. This agreement by Lessor and Lessee as to the return of these amounts reflecting the unrealized benefit to Lessee of the renovations and improvements made to the property is limited to those items only, and is not intended to set or establish any other amounts which Lessee may claim as a consequence of such acquisition or condemnation, or in anyway otherwise impact the respective rights of the Village or Lessee in the event of such acquisition or condemnation.

Should this lease or any subsequent lease terminate as a consequence of a breach of the terms of the lease by Lessee, no payments for any unrealized benefit shall be due Lessee. In addition, should Lessee determine not to exercise any of the options granted by virtue of this Agreement, no amounts will be due Lessee for any of the unrealized benefit to Lessee of the renovations and improvements made to the property.

5.0 Use of Premises

Lessee shall have exclusive use of the building. Lessee's hours of operation shall be at Lessee's discretion, seven, (7), days per week, subject to advance coordination of services and events with the Executive Director of the Commission. Lessee will not commit or suffer any waste in the premises, use the premises or permit them to be used for any unlawful purpose, or any purposes not permitted within the Zoning district for the premises, or any dangerous, noxious or offensive activity or cause or maintain any nuisance in the premises. At the end of the term of this lease, Lessee will deliver up the premises in as good an order and condition as they now are, or may be put by Lessor or Lessee, reasonable use and ordinary wear and tear thereof and damage by fire or other casualty excepted.

Lessee shall have the right to use the plaza or grass area for GSVA education and GSVA fund raising events, based upon availability in the Bryn Du schedule, Sunday through Thursday. Lessee may use the plaza two Saturday afternoons and evenings per year at the rate charged to non-profits if no more than three months prior to the date requested the plaza has not been reserved for another event or use. All such uses and the related terms must be scheduled through the Executive Director of the Bryn Du Commission at least fourteen, (14), days prior to the event for Sunday through Thursday usage and three, (3), months prior to the event for Saturday usage. Any items used at such event must be returned to the building each evening and the plaza should be cleaned to the standards established by the Commission. A reduced rate of \$150 shall apply for use of the plaza on the above terms for the first three-year lease period.

Lessee shall have the right to install, maintain, and place the Lessee's sign and logo on and over the leased Premises, and on any common signage for tenants of the property. Signage must meet Village and Commission requirements.

6.0 Damage or Destruction to Premises

If fire or other casualty shall cause the demised premises or the building in which they are situated to be destroyed, or damaged to such an extent as to amount practically to total destruction thereof, or if the damage caused thereby cannot be reasonably repaired within sixty, (60), days from the happening of such fire or other casualty, then in any of said events, the term hereby created, shall, at the option of the Lessee, cease and become null and void from the date of such damage or destruction, upon written notice given by the Lessee not later than forty-five, (45), days from the happening of such fire or other casualty, and the rent shall be apportioned to the time of such damage or destruction. In all other cases where the demised premises are destroyed or damaged by fire or other casualty, Lessor shall repair the damage with reasonable dispatch, and if such damage has rendered the premises untenantable in whole or in part, there shall be an apportionment of the rent until the damage has been repaired. In determining what constitutes "reasonable dispatch", consideration shall be given to delays caused by strikes, adjustments of insurance and other causes beyond the Lessor's control.

7.0 Maintenance, Repairs, Utilities, Insurance and Taxes

Lessee shall be responsible for all utility charges. All utilities will have meters installed for the Terrace House building. Fees for the installation of the meters will be paid by Lessee. Currently the property is exempt from real property taxes. If the Lessee's activities result in the imposition of real property taxes on the leased premises, the Lessee shall be responsible for such real property taxes. Landlord shall be responsible for all assessments. Lessee shall be responsible for all routine maintenance and repairs to the interior of the premises. Any repairs or maintenance required to the premises outside the scope of normal, customary and routine maintenance shall be the responsibility of Lessor unless such repairs or maintenance are determined to be required as a consequence of the acts or failures to act of Lessee. Except as set forth in Section 4.0, repairs, maintenance and replacement of roofs, gutters, exterior walls and doors, foundations, structural elements, components and members, drainage, utility services under the main floor, utility services exterior to the building, and major mechanical and electrical units and components thereof (including any geothermal units and fire alarm systems) shall not be considered as normal, customary and/or routine and shall be the responsibility of the Landlord.

Lessor shall maintain the common areas, building exterior and grounds as it reasonably determines is needed, including snow removal from and salting of the parking lot and sidewalks; provided, Lessee shall provide snow removal and salt for a pathway to its doors and will provide clean-up of outside areas following use by Lessee.

Lessee shall permit Lessor and its agents to enter into and upon the premises at all reasonable times for the purpose of inspecting the property or maintaining the property or making repairs, improvements or alterations.

Lessee shall obtain and maintain from a company or companies providing insurance in the State of Ohio appropriate fire and extended coverage insurance on the personal property and contents maintained at the leased premises and shall obtain and maintain liability insurance for loss from accident resulting in bodily injury to or death of persons in a minimum amount of one-million dollars per person and two-million dollars per occurrence (\$1,000,000/\$2,000,000). Lessee shall cause the Village of Granville and the Commission to be named as additionally named insured under such policy or policies.

Lessee will pay to Commission its share of the expense of the waste removal. Lessee has the right to set up individual waste removal in the future, if needed.

8.0 Assignment and Sublease

Lessee shall have the right to rent the Premises to third parties for visual art events on a short-term basis. Lessee will not assign this lease or sublet the premises, or any part thereof, without the prior written consent of the Commission and Lessor which consent can not be unreasonably withheld.

9.0 Default

In the event that; (a) the rent, or any part thereof, remains unpaid for fourteen, (14), days after it becomes due; (b) Lessee's interest herein is sold under execution or other legal process; (c) Lessee makes an assignment for the benefit of creditors; (d) any proceeding in bankruptcy or for a wage earner's plan, an arrangement or reorganization, or any other proceeding under any insolvency law, is instituted by or against Lessee; (e) a receiver or trustee is appointed for the property of Lessee; or (f) Lessee fails to keep any of the other covenants of this lease, it will be lawful for Lessor to reenter and repossess the premises and thereupon this lease shall terminate.

Upon Lessor's determination that Lessee is in default of any of the terms, conditions or covenants established by this Agreement, Lessor shall advise Lessee of such default in writing setting forth the particulars of such default. Thereafter, Lessee shall, within fourteen, (14), days cure or agree to a reasonable schedule of completion to cure. Should Lessee cure such default within the time established, then and in that event, Lessee shall not be considered to be in breach of this Agreement. If Lessee fails to cure or fails to follow the schedule of completion to cure, Lessor may terminate this lease agreement.

10.0 Quiet Enjoyment

Lessor agrees that if Lessee pays the rents and keeps and performs the covenants of this lease on the part of Lessee to be kept and performed, Lessee will peaceably and quietly occupy the premises during the term hereof without any hindrance, ejection or molestation by Lessor or any person lawfully claiming under Lessor.

11.0 Binding Effect

This lease and the agreements of Lessor and Lessee contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Agreement on the 4th day of January, 2012.

Signed and acknowledged in presence of:

VILLAGE OF GRANVILLE

By: _____
Steve Stilwell
Village Manager

GRANVILLE STUDIO OF VISUAL ARTS

By: _____
Kerry Dixon
Co-Director Granville Studio of Visual Arts

STATE OF OHIO, COUNTY OF LICKING, ss:

Before me, a Notary Public, in and for said county and state, personally appeared the above-named _____ known to me to be the Lessor in the foregoing instrument, and who acknowledge that they did sign said instrument and that the same is their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 201_, at Granville, Ohio.

NOTARY PUBLIC

STATE OF OHIO, COUNTY OF LICKING, ss: