

**L E A S E
READERS' GARDEN
AND
THE VILLAGE OF GRANVILLE**

THIS LEASE, made this 1st day of October, 2012, by and between The Village of Granville (Ohio), whose mailing address is 141 East Broadway, PO Box 514, Granville, Ohio, hereinafter called "LANDLORD" and Readers' Garden, Inc., an Ohio corporation, of 141 East Broadway, Granville, Ohio, hereinafter called "TENANT."

W I T N E S S E T H

PREMISES;

LANDLORD, in consideration of the rents hereinafter reserved, and the covenants and agreements hereinafter contained, and by the TENANT to be paid and performed, hereby leases to the TENANT, the following described premises situated in the Village of Granville, County of Licking, and State of Ohio, and being a part of the building known as 143 East Broadway, Granville, Ohio. The part leased to TENANT is more particularly described as follows:

Being the street level property known as 143 East Broadway, Granville, Ohio, containing approximately six hundred eighty nine (689) square feet.

The lease premises also includes access to the premises and storage area via a common hallway at the rear of the property, as well as use of a common rest room facility that is likewise accessed via the common hallway.

TERM:

The term of this lease shall be approximately three (3) years, commencing on October 1, 2012, and terminating on December 31, 2015, unless renewed as hereinafter provided. TENANT shall be permitted to take possession of the premises prior to the commencement of the term for the purposes of painting, installing carpet, shelving, trade fixtures, and otherwise preparing for the opening of the business. Such possession shall be granted upon the surrender of the premises by the prior tenant. The pre-term possession by TENANT shall be subject to all of the terms and conditions of this lease (including, but not limited to, the obtaining of insurance, payment of utilities, and other duties and obligations), except for the payment of rent as provided for below.

RENT:

1. Base Rent. The annual base rent of this Lease shall be eleven thousand, four hundred dollars (\$11,400.00).

LANDLORD and TENANT further covenant and agree as follows:

USE OF PREMISES:

2. TENANT will use and occupy the leased premises as a commercial, non-residential property and for no other purpose, and TENANT, in such use and occupancy, will comply with all valid and applicable present and future laws, ordinances, rules, regulations, requirements and orders of any governmental authority respecting the use and occupancy of the leased premises. Conduct of activity, which is declared to be a public nuisance or public health hazard or the issue of any order to abate a public nuisance or public health hazard by the local Board of Health or State Health Director, shall be a breach of this covenant at the time of the declaration or order regardless of the outcome of any adjudication or litigation over the property.

LATE PAYMENT PENALTY:

3. TENANT will pay all rents at the time and place and in the manner provided herein. In the event the rent is not paid by the 15th of each month, a late charge will also be paid by TENANT in an amount equal to 2% of the monthly rental installment for each month that the payment remains in arrears. Each rental payment received from TENANT shall be applied to the oldest or most delinquent payment first and then to the next oldest or most delinquent and so forth.

UTILITIES:

4. The leased premises are served by common utilities for gas, electric, water and sewer. These are included in the base rent. The LANDLORD shall not provide telephone or trash service, but TENANT must arrange for this service privately. TENANT must dispose of all trash, debris, and rubbish off the premises at reasonable and regular intervals depending on the nature of TENANT'S business.

TAXES:

5. Tax Distribution

- a. Real Estate Taxes – Assessments. TENANT will pay all real estate taxes and assessments, if any, (including any fine, penalty, interest or cost may be added thereto for the nonpayment thereof), which may be assessed with respect to the 689 square feet herein leased to the TENANT, by reason of the execution of this lease and/or the occupation of the TENANT.
- b. Personal Property Taxes. TENANT will pay all personal property taxes levied against the fixtures of equipment in or on the leased premises that become due and payable during the term of this lease.
- c. Tenant's Failure to Pay. If TENANT does not promptly pay personal property taxes when due, LANDLORD can pay such tax or charge and TENANT will reimburse LANDLORD for the tax or charge at the time of payment of the next month's rent.

MAINTENANCE AND REPAIRS:

6. TENANT shall be responsible for all maintenance of the interior surfaces of the building occupied by TENANT. LANDLORD shall be responsible for the maintenance and repairs of all mechanical systems, including, but not limited to, heating, cooling, electrical and plumbing as well as the structural and exterior elements of the building.

INSURANCE:

7. Insurance

(a) TENANT'S Liability Insurance

TENANT must maintain during the entire Lease term, at TENANT'S cost, an "owners, landlord and tenant's liability" insurance policy which shall insure TENANT and the LANDLORD (LANDLORD shall be listed as an additional insured on the policy) for liability to third persons with regard to injuries to persons or property damage arising on the premises or associated with its use. The policy shall be intended for the benefit of both parties of this Lease. The amount of liability insurance available to TENANT and LANDLORD shall not be less than \$1,000,000 per occurrence. The policy shall also include a minimum of \$100,000 of coverage for fire damage to the leased premises, being the area within TENANT'S care, custody and control. If the general liability policy does not include this minimum \$100,000 coverage, then TENANT must obtain a supplemental policy which shall also include the LANDLORD as an additional insured. Failure to maintain this insurance continuously during the Lease term shall be a material breach of the Lease. LANDLORD can require TENANT to produce proof of insurance at any time and from time to time.

(b) Plate Glass Insurance:

TENANT shall maintain, during the entire Lease term, plate glass insurance for all glass at the storefront of the leased premises. This policy is intended for the benefit of TENANT and LANDLORD. LANDLORD shall be shown as an additional insured on the policy that shall be provided from a company and agent approve by LANDLORD.

TENANT'S PROPERTY:

8. All goods and property stored or kept in or on the leased premises shall be at the risk of TENANT and LANDLORD shall not be responsible for any theft, loss, damage, or destruction thereof or thereto. This provision shall not apply to the personal property of LANDLORD, which may be stored at the premises during the term of this Lease, in any.

CONDITION OF PREMISES:

9. TENANT has examined and knows the condition of the Leased premises and has received the same in good order and repair and acknowledges that no representations as of the condition and repair thereof have been made by the LANDLORD prior to the execution of this Lease. TENANT will take good care of and maintain in good order and repair the leased premises throughout the term of this Lease. The TENANT will not make any claim or demand upon or bring any action against the LANDLORD, for any loss, cost, injury, damages or other expenses caused by any failure or defect, structural or nonstructural, of the leased premises of any part thereof.

ALTERATIONS:

10. TENANT shall make no alternations or additions in or to the leased premises without the prior written consent of the LANDLORD. LANDLORD shall not unreasonably withhold its consent, but shall have absolute discretion to withhold consent with regard to any alteration that involves or may affect a structural part of the building.

SIGNS AND EXTERIOR LIGHTING:

11. All interior and exterior signs, lighting, and fixtures must comply with all building codes, zoning codes, sign ordinances and all other applicable laws, ordinances and rules and must have the prior approval of LANDLORD. "Sign" is intended to include all signs, posted, bills, notices and the like.

FIXTURES:

12. All trade fixtures and signs installed by TENANT in the leased premises including, but no limited to, display cases, counters, shelves, racks and equipment associated with TENANT'S business and such shall be and remain the property of TENANT and may be removed by TENANT during the lease term. These items shall be removed by TENANT at the expiration of the Lease term or vacation of the premises by TENANT, if prior to expiration, provided the removal does not cause injury to the premises. Any such fixtures remaining at the premises after expiration of the Lease or vacation of the premises by TENANT shall be deemed abandoned by TENANT and shall become the LANDLORD'S property.

PARKING AREA AND COMMON GROUNDS:

13. Common Areas

- (a) TENANT and all other tenants of the building, in which the leased premises is located and their agents, employees and business invitees, shall be allowed the right of ingress and egress to and from the public street and the parking area behind the building that is owned by LANDLORD. The parking area may be used in common by all tenants, their agents, employees and business invitees. At the time of this Lease, LANDLORD does not contemplate designating certain parking spaces or areas of the parking lot for use only by any particular tenant. However, LANDLORD reserves the right to create reasonable rules and regulations to control the use of the parking area and other common areas and which may relate to the safety, cleanliness and care of the parking area. TENANT agrees to abide by these rules provided they are not inconsistent with other provisions of this Lease or do not unreasonably interfere with TENANT'S reasonable sue and enjoyment of the premises. Except for those spaces which

have been designated for police or other official use for which LANDLORD reserves the exclusive use, all other spaces shall be used and occupied on a first-come, first-served basis.

- (b) LANDLORD will provide and pay for removal of snow from the sidewalks, parking area, lawn mowing and care of the grass on common areas and care for any plants or landscape items.

NO WASTE:

- 14. TENANT will use and occupy the leased premises and all parts of the building in which the same are situated in a careful, safe and proper manner and will not commit or suffer any waste therein or thereon.

ASSIGNMENT / SUBLEASE:

- 15. TENANT shall not assign or transfer this Lease, or sublet the leased premises or any part thereof, without the written consent of the LANDLORD, which consent shall not unreasonably be withheld. In the event that TENANT wishes to sublease, TENANT shall supply to LANDLORD, in writing delivered to the Village Manager, the name, address, phone number, ownership, and intended business use of the proposed sublessee. LANDLORD shall then have thirty (30) days from the date of delivery of such notice to approve or disapprove the proposed subletting. In the event that no response is received within the thirty (30) day period, the proposed subletting shall be deemed to be approved.

LANDLORD'S ACCESS:

- 16. TENANT will permit the LANDLORD, or its agents, to enter upon or into the leased premises at all reasonable times for the purposes of inspection, making of such repairs, replacements additions in, to, on or about the premises as the LANDLORD deems necessary or desirable, exhibiting the premises to prospective purchasers of the real property on which the premises are located, and exhibiting the premises to prospective tenants thereof.

EMINENT DOMAIN:

- 17. If the leased premises shall be legally taken by appropriation under the right of eminent domain, or if the LANDLORD shall convey he same to any public authority in settlement of any pending or threatened proceedings under the right of eminent domain, then the TENANT shall vacate the premises, whereupon this Lease shall be terminated the TENANT shall not be entitled to any part of any award or payment for the damages or compensation as a result of any such taking or settlement.

DESTRUCTION OF PREMISES:

- 18. In the event that the leased premises are damaged or destroyed by fire or other casualty, and such damage or destruction cannot reasonably be repaired within sixty (60) days after the date of such damage or destruction, this Lease shall terminate at TENANT'S election and rental shall be apportioned as of the date of such damage or destruction. In the event that the leased premises are damaged or destroyed by fire or other casualty and such damage or destruction can reasonably be repaired within sixty (60) days after the date of such damage or destruction, such damage and destruction shall not cause a termination of the Lease, and the damaged or destroyed part of the leased premises shall be repaired or restored promptly by the LANDLORD. Rent shall be abated during any period of time during which the leased premise are rendered unfit for occupancy by reason of such damage or destruction or repair or restoration. If the premises are fit for occupancy in part only, and TENANT can reasonably continue business in that part, then rent shall be prorated on a per square foot basis.

TENANT'S NEGLIGENCE / WAIVER OF SUBROGATION:

19. TENANT shall be responsible for damage or destruction of all or any part of the leased premises or the building in which the same are situated caused by the willful act or negligence of the TENANT or agents or employees of the TENANT. If any loss sustained by the LANDLORD because of any such damage or destruction is covered by casualty insurance provided by LANDLORD and if such casualty insurance provides for waiver of subrogation rights by the insurance company or companies against the TENANT and the agents or employees of TENANT, and if such insurance shall not be invalidated by such waiver and release, then LANDLORD hereby waives and release any claim it might have to recover from the TENANT or the agents or employees of TENANT for any such damage or destruction caused by his or their negligence to the extent that the LANDLORD is indemnified by the proceeds of such insurance for its loss arising from such damage and destruction. Similarly, if insurance for the premises has been provided by TENANT and the loss has been caused by an act of the LANDLORD, the TENANT shall waive or release any claim TENANT may have against LANDLORD to the extent of indemnification from the proceeds of the insurance.

REASONABLE DEPRECIATION:

20. Upon Termination of this Lease, whether by lapse of time or otherwise, TENANT shall surrender the leased premises in good condition and repair, except for reasonable wear, tear and depreciation. Upon such termination, the TENANT shall deliver all keys for the leased premises to the LANDLORD.

DEFAULT:

21. If the TENANT fails to pay any installment of rent or other money obligation imposed upon it by the terms and provisions of this Lease and such rent or other money obligation remains unpaid for a period of thirty (30) days after the same becomes due, or if the TENANT fails at any time to keep and perform any of the covenants, agreements, or conditions of this Lease, which are to be kept and performed by the TENANT, or if the TENANT abandons or vacates the leased premises during the term hereof, or is adjudicated a bankrupt or makes an assignment for the benefit of creditors, or suffers a receiver to be appointed in any action or proceeding by or against the TENANT or if the TENANT'S interest in the premises be sold upon execution or other legal process, the LANDLORD may enter in and upon the premises and again have and possess and enjoy the same as if the Lease had not been made and thereupon this Lease and everything herein contained on the part of the LANDLORD to be kept and performed shall cease, determine and be utterly void, without prejudice; however, to the right of the LANDLORD to recover from the TENANT all rents and claims due under the provisions hereof. The commencement of a proceeding or suit in forcible entry and detainer or in ejectment or otherwise, after any default by TENANT, shall be equivalent in every respect to actual entry by the LANDLORD. In case of any such default by the TENANT and entry by the LANDLORD, LANDLORD may relet the leased premises for the remainder of the term of this Lease for the highest rent reasonably obtainable therefor and may recover from TENANT any deficiency between the amount so obtained and the amount of the rent hereinafter reserved.

NO WAIVER BY LANDLORD:

22. All rights and remedies of the LANDLORD enumerated herein shall be cumulative, none shall exclude any other right or remedy allowed by law or in equity, and said rights or remedies may be exercised and enforced concurrently. No waiver by LANDLORD of any covenant or condition or the breach of any covenant or condition of this Lease shall constitute a waiver of any subsequent breach of such covenant or condition or authorize the breach or non-observance on any other occasion of the same or any other covenant or condition hereof.

PARTIAL PAYMENTS / ACCORD AND SATISFACTION:

23. No payment by the TENANT or receipt by the LANDLORD of a lesser amount than the monthly rent stipulated in this Lease shall be deemed other than a payment on account of the earliest rent due, nor shall any endorsement or statement on any check or any other letter accompanying any check or payment as rent be deemed an accord and satisfaction and the LANDLORD may accept such check as payment without prejudice to LANDLORD'S rights to recover the balance of the rent or to pursue such other remedy provided for in this Lease or by law.

QUIET ENJOYMENT:

24. LANDLORD covenants the TENANT, upon paying the rent hereinbefore reserved and performing the conditions and agreements on the part of TENANT to be kept and performed, shall, at all time during the term of the Lease, peaceably and quietly have, hold, occupy and enjoy the leased premises and the appurtenances thereunto belonging without hindrance or molestation by LANDLORD.

ENTIRE AGREEMENT:

25. This Lease contains all of the agreements, promises and understandings of the parties hereto, and no oral agreement, promise or understanding of any kind or nature shall be binding. All additions, variations or modifications of this Lease shall be valid and effective only if in writing and signed by the parties hereto. The Lease shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and, to the extent permitted by the terms and provisions hereof, assign.

GUARANTEE:

26. As further consideration to the LANDLORD hereunder, Jo Anne Geiger, the shareholder of TENANT, and her spouse, Robert Geiger have joined this Lease in their individual capacities to guarantee the performance of Tenant and be jointly liable with TENANT as to all of the terms, conditions, and provisions of this Lease. Each person signing this Lease on behalf of TENANT represents and warrants that he/she has full authority to execute this Lease and bind the entity shown as TENANT.

IN WITNESS WHEREOF, the parties to these presents have hereunto signed this Lease the day and year first above written.

Signature Page of Parties

IN WITNESS WHEREOF, this Contract has been executed as of the day and year set forth above.

VILLAGE OF GRANVILLE, OHIO
LANDLORD

THE READERS' GARDEN, INC.
an OHIO CORPORATION, TENANT

Village Manager

Jo Anne Geiger, its President

Approved as to form

Law Director, Village of Granville, Ohio

Jo Anne Geiger, individually (executing for the purpose of the guarantee provision of Item 27 above)

Robert Geiger, individually (executing for the purpose of the guarantee provision of Item 27 above)

STATE OF OHIO
COUNTY OF LICKING, SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 2012.

Notary Public