

LEASE AGREEMENT

This Lease Agreement made this 22nd day of January, 2019, between the Town of Bridgewater, a Vermont municipality located in Windsor County, Vermont (hereinafter referred to as the "LESSOR") and Bridgewater Area Community Foundation, a Vermont nonprofit corporation having its offices in Bridgewater, Vermont (hereinafter referred to as "LESSEE").

In consideration of the mutual covenants and agreements herein contained, Lessor does lease and let to Lessee, and Lessee lets and leases from Lessor, certain lands and premises located in Bridgewater, Vermont as follows:

Being the so-called Bridgewater Village School House property located at 7313 US RT 4 in Bridgewater, Vermont, together with all fixtures and improvements thereon including, but not limited to, a 13,000 square foot two-story building (the "Building") and the grounds and areas around said Building (hereinafter, together, the "Property"). The Property is depicted on a survey plat prepared by Gordon Tuthill, titled "Properties of Town of Bridgewater," dated July 1988 and recorded at Map Slide 1A of the Bridgewater land records.

1. TERM. This lease shall commence on January 22, 2019 and shall continue for a term of 5 years, terminating on January 21, 2024, unless terminated sooner as herein provided. The Lease may be extended by the Lessee with approval of the Lessor.
2. RENTAL. In consideration of this lease, Lessee shall pay Lessor annual rent of one dollar (\$1.00), which shall be due and payable upon each anniversary date of this lease.
3. USE. (a) Lessee shall use and occupy the Property primarily for community-oriented businesses and activities (such as a senior center, a day care center, or other similar uses), as the business and administrative offices of the Lessee, and for other purposes as are consistent herewith. In addition, the Property may be used for fund raising events, and any other functions which have historically been conducted at the Property and for functions that are reasonably acceptable to the Lessor.

(b) Lessee shall use and maintain the Property in a safe and orderly condition consistent with its intended uses. Lessee may change all locks with duplicate keys going to the Town of Bridgewater. Town employees and the Selectboard may not enter the building when representatives of Lessee are not present without permission of the Lessee, unless there is an emergency.
4. TAXES. Lessee shall pay all state and local taxes assessed against the Property, if any. Failure by Lessee to pay such taxes on or before the date due shall constitute a default of this lease if not corrected in sixty (60) days. Notwithstanding the foregoing, the parties hereto recognize that the Property is not currently taxed.
5. UTILITIES AND MAINTENANCE. (a) During the term of this Lease, the Lessee shall be responsible for securing the following utility services to the Property: electricity, heat, phone, sewer (Lessee shall pay for at least 2 units at all times during the Term of this Lease and the number of units shall be adjusted as usage increases), and shall be solely responsible for paying all cost, charges, fees and levies associated with such utility services provided to the Property. Lessor may, from time to time ask Lessee to provide a copy of Lessee's most recent utility bills for electricity, heat, and phone to verify that Lessee is making required payments.

(b) Lessee shall be responsible for all testing and maintenance of the Building's fire alarm system, sprinkler system, and lift/elevator.

(c) Lessee shall be responsible for providing all custodial services for the Property, including trash removal, and for routine maintenance of the Property.

(d) Lessee shall be responsible for all routine, external property maintenance, including snow removal, grass cutting and general exterior maintenance of the Building. If Lessee wants to have the Building painted, it shall be done at Lessee's expense. If Lessor wants to have the Building painted, it shall be done at Lessor's expense.

(e) Lessee shall be responsible for maintenance, repair, and replacement of all structural components of the Building and all other structures on the Property, including but not limited to the roof, walls, exterior and interior windows and doors, foundation, load-bearing walls, as well as the plumbing, heating, and electrical systems. Notwithstanding the foregoing, in the event that a structural replacement would cost Lessee more than \$15,000, Lessee may terminate this Lease upon thirty (30) days notice to Lessor.

(f) Lessee shall remove and mitigate all mold issues within the Building, including determining cause and rectifying same.

(g) Lessee may park behind (north of) the Building. Lessee may also use four parking spaces in the parking lot behind the municipal building in the area between, and to the left of, the first apple tree and the access driveway. For special events, the Lessee may use additional parking in the parking lot behind the municipal building with the prior approval of the Selectboard.

(h) Lessor and Lessee acknowledge that water service to the Building is shared with the Brick School House and Town Municipal Office Building. Lessee shall not interfere with the shared water service and shall allow Lessor access to the Building and Property at all reasonable times for purposes of repairing and maintaining water service to the Brick School House and Town Municipal Office Building.

6. INDEMNIFICATION AND INSURANCE. (a) Lessee does hereby indemnify and hold Lessor harmless from and against all liability or damages, including court costs and reasonable attorney's fees, resulting from injuries to persons or property in, on or about the Property, including, without limitation, injuries attributable to conditions known or unknown in the Building and Property. Lessee does not indemnify Lessor from injuries arising from or related to negligent or wrongful conduct by Lessor or its employees.

(b) At all times during the term, Lessee will maintain: (i) Property Insurance covering all of Lessee's improvements, equipment, and other personal property located on the Premises, and (ii) Commercial General Liability insurance covering bodily injury, death, or property damage in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. All insurance policies shall name the Lessor as an additional insured. Lessee will provide the Lessor with certificates evidencing the required insurance policies before the start date of the Term. Lessor shall maintain fire and casualty insurance for the Property, and Lessee shall reimburse Lessor for the full cost of such insurance promptly upon receipt of an invoice from the insurance company.

7. **PROPERTY DAMAGED, DESTROYED OR UNINHABITABLE.** If during the term of this Lease the Property is destroyed by Fire or other elements or by acts of providence or by other causes so as to render the Property unsuitable for the uses of the Lessee, then at Lessee's option this Lease shall cease and become null and void from the date of the destruction of the Property, and Lessee shall immediately surrender the Property to Lessor and shall pay rent only to the date of surrender. In the event the Property is partially destroyed, Lessor shall have the option of repairing the damaged portion of the Property and, during the period until the Property is fully repaired, Lessee shall be obligated to pay a just and fair portion of the original rent according to the extent to which portions of the Property are unavailable for Lessee's use, or to terminate the Lease and quit possession.
8. **CONSTRUCTION AND IMPROVEMENTS.** (a) Lessee shall have the obligation to conduct any construction (at Lessee's sole expense) and improvements that may be required to use the Property as specified in Section 3 above. Lessee may also construct such fixtures on the Property (at Lessee's sole expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken only with the prior written consent of the Lessor, which shall not be unreasonably withheld.
- (b) Any work by Lessee shall be performed in a good and workmanlike manner, in accordance with all applicable insurance requirements and all rules, regulations, and requirements of all governmental authorities having jurisdiction. Lessee at its own expense, will obtain all permits, approvals, and certificates from said governmental authorities and will furnish the Lessor with a copy of all such certificates, permits, and approvals.
- (c) Lessee shall pay for all work performed for it in the Property promptly and shall cause to be discharged any materialmen's or mechanic's lien that may be filed against the Property or building due to Lessee's work within 15 days of the filing of the lien.
9. **TERMINATION BY LESSOR.** Lessor may cure any default by Lessee; any expenses incurred shall become additional rent due from Lessee on demand by Lessor. In the alternative, Lessor may terminate this lease upon Lessee's failure to comply with any terms or conditions herein if such non-compliance shall continue for a period of thirty (30) days following written notice for Lessor, provided that if such non-compliance cannot reasonably be cured within thirty (30) days, then such longer period as may be reasonably necessary as long as such cure is commenced within thirty (30) days and pursued with due diligence to completion. Upon expiration of such thirty (30) day period Lessor shall provide Lessee written notice of such termination and such termination shall become effective seven (7) days following the mailing of such notice. Upon such termination, Lessor shall be entitled to immediate possession of the Property and Lessee agrees to peaceably yield up to Lessor the Property in good order and repair.
10. **TERMINATION BY LESSEE.** Lessee may terminate this Lease upon thirty (30) days written notice to Lessor. Any rent due or paid Lessor shall be pro-rated as of the date such termination becomes effective.
11. **LESSOR'S REPRESENTATIONS.** Lessor DOES NOT WARRANT AND MAKES NO REPRESENTATION that the Property is: (a) suitable for Lessee's intended use or for any use; (b) free from asbestos, lead paint, lead water pipes or any other known or currently unknown

hazardous materials or substance (collectively, "Hazardous Substances"); or (c) structurally sound and free of defects that could result in collapse of the building. The presence of any of these conditions in the building or on the Property shall not constitute a negligent or wrongful act of Lessor, regardless of whether Lessor knew of or should have known of such conditions.

12. ENVIRONMENTAL INDEMNIFICATION. Lessee hereby agrees to indemnify and to hold harmless Lessor from and against any and all expense, loss, cost, claim, damage, penalty, fine, or liability of any kind or nature suffered by Lessor by reason of the presence or release of Hazardous Substances at or from the Property, or any violation of environmental statutes by the Property, as a result of the acts or omissions of Lessee, or its contractors or agents. Notwithstanding anything to the contrary in this Section, Lessee shall have no liability to Lessor with respect to Hazardous Substances present at the Property due to the acts or omissions of any party other than Lessee and/or its contractors or agents.

Lessor hereby agrees to indemnify and to hold harmless Lessee and its officers, directors, and principals, from and against any and all expense, loss, cost, claim, damage, penalty, fine, or liability of any kind or nature suffered by Lessee by reason of the presence or release of Hazardous Substances at or from the Property, or any violation of environmental statutes by the Property, as a result of the acts or omissions of Lessor or Lessor's contractors or agents.

13. LESSEE'S REPRESENTATIONS. Lessee understands and agrees that Lessee is leasing the Building and Property "AS IS" with no representations or warranties from Lessor regarding the condition of the Property.
14. PERMITS. Lessee shall, at Lessee's expense, obtain all applicable permits, licenses or approvals required for its intended use of the Property prior to commencement of use of the Property and maintain said permits in full force and effect for the duration of this Lease. Lessee shall be responsible for the cost of any repair, replacement, or reconstruction of the Building or Property necessary to obtain any required permit, license or approval. If Lessee fails to obtain permits required for Lessee's occupancy and use of the Property within three (3) months of the commencement of this Lease, Lessor may terminate this Lease pursuant to paragraph 8 above. Notwithstanding the previous sentence, as long as Lessee is legally occupying and using the Property for one or more uses, Lessor shall not have the right to terminate this Lease simply because Lessee is pursuing other permits to allow additional uses, such as licenses for a day care facility. Lessee shall cure any violation of any permit within a reasonable time after notification of the violation, or, if Lessee elects to challenge the existence of the violation, within a reasonable time after a determination that the violation exists becomes final.
15. COVENANTS OF QUIET ENJOYMENT, PEACEFUL SURRENDER. (a) Lessor covenants with Lessee that Lessor is the owner in fee simply of the Property, and that Lessee shall and may peacefully and quietly have, hold, occupy and enjoy the Property for the term herein specified.
- (b) Lessee covenants with Lessor that the expiration of this Lease or renewed Lease, Lessee shall peacefully quit possession of the Property and surrender the same to Lessor. Lessee further covenants that upon expiration of the Lease, Lessee shall leave the Property in as good state and condition as they were at the commencement of this Lease, reasonable wear and tear expected, provided, however, that where termination is the result of the conditions and circumstances

contemplated in Section 7 hereof, Lessee shall be relieved of the obligation to leave the Property in as good state and condition as they were at the commencement of the Lease.

16. NOTICES. All notices required by this Lease shall be sent to Lessor in care of its Clerk, and to Lessee in care of the Bridgewater Area Community Foundation, at P.O. Box 163, Bridgewater, VT 05034.
17. BINDING EFFECT. This Lease shall be binding upon the successors and assigns of the respective parties hereto.
18. AMENDMENT OF MODIFICATIONS. No amendment or modification to this Lease shall be effective and enforceable unless the same is in writing, signed by authorized representatives of the Lessor and Lessee.
19. GOVERNING LAW. This Lease shall be interpreted and enforced in accordance with the laws of the State of Vermont.
20. ASSIGNMENT. Lessee may not sublet the premises or assign this Lease without the prior written consent of Lessor, acting through its Selectboard, which consent may be granted or withheld in the Selectboard's sole discretion.
21. FUNDING. Lessee has already requested that Lessor allow use of school building reserve funds for restoration of the Building. It is a condition of this Lease that Lessee, after commencement of the Lease and during the term of the Lease, shall not make any additional request for funding from the Town of Bridgewater, including any funding request related to, or arising from, Lessee's occupancy of the Property under this Lease.
22. GRANTS. During the term of the Lease, Lessor shall have no obligation to administer or manage any grant for renovation or rehabilitation of the Building or Property, but Lessor agrees that it will reasonably cooperate with Lessee to allow Lessee to apply for grants for the renovation and/or rehabilitation of the Building, including, without limitation, signing application documents and allowing Lessee to submit grant applications in Lessor's name and to provide information to allow Lessee to fill out grant applications, provided that such grants for renovation and/or rehabilitation of the Building do not limit the Town's ability to apply for or receive other grants. Furthermore, Lessor shall have no responsibility for repayment of any grant received by Lessee or the fulfillment of any grant obligation incurred or undertaken by Lessee. All grants will be sub-granted, if reasonably possible.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals as of the date above recited.

IN THE PRESENCE OF:

LESSOR

TOWN OF BRIDGEWATER

Mary Ralston

By: Mason March II
Its Duly Authorized Agent

LESSEE

BRIDGEWATER AREA COMMUNITY
FOUNDATION

Mary Ralston

By: [Signature]
Its Duly Authorized Agent

State of Vermont
County of Windsor, SS.

At Bridgewater this 22nd day of January, 2019 Nelson Martin II
Duly Authorized Agent of the Town of Bridgewater personally appeared, and he acknowledged
this instrument, by him sealed and subscribed, to be his free act and deed, and the free act and
deed of the TOWN OF BRIDGEWATER, VERMONT.

Mary Ralston
Notary Public

State of Vermont
County of Windsor, SS.

At Bridgewater this 22 day of Jan, 2019 Henry Smith
Duly Authorized Agent of the Bridgewater Area Community Foundation, personally appeared,
and he/she acknowledged this instrument by him/her sealed and subscribed, to be his/her free
act and deed, and the free act and deed of the BRIDGEWATER AREA COMMUNITY
FOUNDATION.

Mary Ralston
Notary Public