

LEASE

THIS LEASE, made as of the 1st day of January 2011, BETWEEN

THE ASHFORD-CLINTON CORP., c/o Russell J. Petralia, 501 Main Street, PO Box 4969, Utica, New York 13504 (“Landlord”),

and

THE NEW HARTFORD CENTRAL SCHOOL DISTRICT, 33 Oxford Road, New Hartford, New York 13413 (“Tenant”);

LANDLORD AND TENANT AGREE:

1. Lease: Landlord leases to Tenant, subject to the conditions hereinafter contained, that certain parcel of real property together with the buildings and improvements situate thereon, located at 29 Oxford Road, Town of New Hartford, Oneida County, New York (the “Demised Premises”) to be used only as an administrative office, meeting and training facility. The Demised Premises shall include all personal property presently on site, unless specifically excluded by this agreement.

2. Term: The original term of this Lease shall be for a period of two (2) years and shall commence on the first (1st) day of December, 2010, and shall terminate at midnight on the 30th day of November, 2012 (unless ended sooner as mentioned in this Lease). If Tenant is not then in default, Tenant shall have the right to renew this Lease for up to three (3) renewal terms of one (1) year each upon all of the same terms and conditions as provided for in the original term except as to rent as hereinafter mentioned. In order to exercise such right to renew, Tenant must give Landlord notice of Tenant’s election to renew at least two (2) months prior to expiration of the original term.

3. Rent:

(a) Original Term. Tenant shall pay, as minimum rent during the original term,

the sum of Two Thousand and 00/100ths (\$2,000.00) per month. The rent shall be paid by Tenant upon the signing of this Lease and rent for each subsequent month shall be paid, in advance, on the first (1st) day of each month during the original term.

(b) Renewal Term. Tenant shall pay, as minimum rent, during years 3-5 of the renewal term the sum of Two Thousand and 00/100ths (\$2,000.00) per month.

(c) Added Rent. Tenant shall pay as added rent, reasonable incidental costs and expenses incurred by landlord relating to repairs and improvements of the Demised Premises. All such costs and expenses related to capital and infrastructure improvements shall be capitalized over 5 years and be due and payable in equal monthly installments during the remaining term of the lease and any renewals.

(d) Termination Fee. In the event that Tenant shall terminate this lease, Tenant shall also pay a termination fee of \$336.95 per month from the date of inception of this lease through the date of termination.

4. Utilities: Tenant shall pay or cause to be paid all charges for air conditioning, heat, water, gas, electricity, light, telephone, cable TV or any other communication or utility service used in or rendered or supplied to the Demised Premises through the term of this Lease, and shall indemnify Landlord and save Landlord harmless against any liability or damage on such account.

5. Security: Tenant has delivered to Landlord One Thousand Seven Hundred Dollars (\$1,700.00) as security for the performance by Tenant of the terms of the Lease. This security remains the money of the Tenant which is held in trust by the Landlord for the Tenant. If Tenant fails to comply with any part of the Lease, Landlord may apply or keep all or any part of the security, to the extent necessary for the payment of any rent or damage resulting from the breach of this Lease by Tenant. Such security, minus any part kept by Landlord for breach of this Lease,

shall be returned to Tenant as soon as possible after the end of the Lease and after Tenant has vacated the Demised Premises.

6. Space Rented "As Is": Tenant has inspected the Demised Premises, has full knowledge of their condition, and agrees to take the Demised Premises in their present condition or with such changes as are noted in this Lease.

7. Subordination: All mortgages of the Demised Premises that are now in effect or which may be made after this Lease is signed are superior to and take priority over this Lease, so that under circumstances set forth in said mortgages this Lease can be ended. Superior mortgages include renewals, modifications, consolidations, replacements, and extensions of existing mortgages. This paragraph is self-operative, requiring no further act by the Tenant, except to turn over any necessary documents confirming the subordination of this Lease to prior mortgages when requested by the Landlord or mortgage holder.

8. Tenant's Right of Possession: Landlord agrees that upon Tenant's paying the rent and obeying the terms of this agreement Tenant's rights under the Lease cannot end before the expiration date, except as provided in this Lease and mortgages of the Demised Premises to which this Lease is subordinate as set forth in paragraph 8 hereof.

9. Tenant's Right to Quiet Enjoyment: Tenant is entitled to the quiet and peaceful possession and enjoyment of the Demised Premises during the Lease term.

10. Real Estate Taxes:

(a) Landlord shall, in the first instance, bear, pay and discharge punctually during the term all real estate taxes and other charges assessed or imposed upon Landlord's land and the buildings and other improvements thereon.

(b) Landlord may also charge, and Tenant shall pay in addition to the rent, the

actual real property taxes and other charges assessed or imposed incurred by Landlord. Tenant shall pay Landlord for the taxes within 30 days of receipt of notice of said tax bill and request for payment by Landlord.

(c) Notwithstanding anything to the contrary contained in this lease, Tenant has the right to apply for any tax abatements and exemptions which it might be entitled to and benefit from as the lessee of the premises.

11. Insurance:

(a) Tenant shall, at Tenant's own cost and expenses, at all times during the term, insure the premises and provide and keep in force liability insurance in the amount of at least Ten Million Dollars (\$10,000,000.00) for injury or death to any one or more persons and damage to property, all with respect to any one (1) accident, protecting and indemnifying Landlord from liability for injuries to persons or damage to property occurring in, at or about the Demised Premises. The policy shall also provide for loss of rental/business interruption coverage covering the monthly rental should the premises become untenable. Such policy shall designate Landlord as a named insured; coverage will be primary and non-contributing. Tenant may fulfill the terms of this subparagraph by adding the Demised Premises to its existing policy of insurance.

(b) Tenant shall, prior to commencement of the term, deliver to Landlord, together with proof of payment of the premium therefor, a duplicate original or a certificate of all policies of insurance required to be provided by Tenant under this paragraph, which policies shall include an endorsement which states that such insurance may not be cancelled except on thirty (30) days prior written notice to Landlord. All such policies shall be written by one or more responsible insurance companies authorized to do business in the State of New York and shall waive any rights of subrogation on the part of the insurer against Landlord or Landlord's designees. At

least twenty (20) days prior to expiration of each such policy, Tenant shall deliver to Landlord a duplicate original or a certificate of all policies procured in replacement or renewal thereof, which policy or policies, if in replacement, shall have a similar cancellation provision.

(c) Any improvements shall be covered by Tenant's insurance.

(d) In all the above identified provisions herein, Tenant's coverage shall be primary.

12. Assignment and Subletting: The Tenant has the right to sublease or assign the Demised Premises subject to the written consent of the Landlord given in advance. The Landlord may not unreasonably withhold consent to the proposed subleasing or assignment. Tenant must inform the Landlord of Tenant's intent to sublease or assign by mailing a notice of such intent by registered or certified mail to the Landlord. The request shall be accompanied by the written consent of any co-tenant or guarantor of the Lease and a statement of the name, business and home address of the person to whom Tenant wishes to assign or sublet. Within ten (10) days after the mailing of such request, the Landlord may ask the Tenant for additional information as will enable the Landlord to determine if rejection of such request would be unreasonable. Within thirty (30) days after the mailing of the request for consent, or of the additional information reasonably asked for by the Landlord, whichever is later, the Landlord shall send a notice to the Tenant of his consent or, if he does not consent, his reasons. Landlord's failure to send such a notice shall be deemed to be a consent to the proposed subletting or assignment. If the Landlord consents, the premises may be sublet or assigned in accordance with the request, but the Tenant shall nevertheless remain liable for the performance of their obligations under the Lease.

13. Fire or Casualty: If the Demised Premises are destroyed by fire or so injured by the elements or any other cause as to be untenable and unfit for occupancy and the destruction or

injury occurred without Tenant's fault or neglect, Tenant may surrender possession of the Demised Premises. Tenant shall then no longer be liable to pay rent for the time subsequent to the surrender and any rent paid in advance or which may have accrued shall be adjusted to the date of such surrender.

14. Occupancy: The Demised Premises may be occupied only by Tenant.

15. Alterations: Tenant agrees not to make changes, alterations or improvements of any kind to the Demised Premises without Landlord's prior written consent, nor to deface any part of the Demised Premises. All said improvements shall be at Tenant's sole cost and expense. Prior to the expiration or cancellation of the Lease, Tenant will, at his own expense, remove any wall covering, bookcases, bookshelves, cabinets, mirrors, painted murals, or any attachments Tenant may have installed as requested by Landlord. This agreement shall continue in effect and survive after the end, renewal, or extension of the Lease.

16. Repairs by Landlord: Landlord shall keep, maintain and repair the structural portions of the Demised Premises, except that Tenant shall promptly repair any damage thereto caused by its own act or negligence of its employees or agents. Except as provided herein, the Landlord shall not be responsible to maintain or make any repairs. Any expenditures made by Landlord under this section shall be paid by Tenant as provided in Section 3(c).

17. Repairs by Tenant: Tenant agrees to take good care of the Demised Premises, and not permit or do any damage, except for ordinary wear and tear. Tenant shall also, at its own expense, maintain the yard and shall keep the sidewalks and driveway free of all dirt, debris, snow, ice, rubbish and other obstructions. Tenant shall further maintain all nonstructural components as and when necessary. For purposes of this provision, such obligation will extend to repairs and replacements to pipes, furnace, heating and plumbing systems, the roof, light

fixtures as well as equipment used in connection with the leased property. Maintenance and repairs to the premises shall be the obligation of Tenant. Repairs to the Demised Premises resulting from the misuse or negligence of Tenant, Tenant's servants, or visitors, if not made by tenant, may be made by Landlord at the expense of Tenant.

18. Tenant's Duty to Obey Laws: Tenant must obey local, State and Federal Laws, and orders and regulations of the New York Board of Fire Underwriters which affect the Demised Premises, and comply at Tenant's expense with all notices given to Landlord or Tenant which arise from Tenant's improper use of the Demised Premises. Landlord further acknowledges Tenant's obligations under this lease are contingent upon Landlord securing the approval of the Commissioner of Education.

The Landlord has the right to end the lease and recover possession of the Demised Premises in the event of conduct by the Tenant which: (1) violates government laws, orders or regulations or the rules of this Lease; (2) makes the Demised Premises unfit for human habitation; (3) results in conditions which are dangerous, hazardous or detrimental to the proper enjoyment of the Demised Premises.

Landlord acknowledges that this lease shall be void and unenforceable if entered into in violation of Section eight hundred one (§801) of the New York General Municipal Law or Section four hundred ten (§410) of the Education Law.

19. Loss of or Damage to Property: Landlord will not be responsible to Tenant for loss of property or injury to Tenant resulting from theft or other crime at the Demised Premises not resulting from Landlord's negligence.

20. Entry to Demised Premises: Landlord or Landlord's representatives may enter the Demised Premises during reasonable hours to inspect the Demised Premises, and to make repairs

and changes and Landlord shall be allowed to take all material into the Demised Premises that may be necessary for such reasons. The rent to be paid by Tenant under the Lease shall not be reduced while such repairs and changes are being made, or because of any such work.

For a period of three (3) months before the end of the Lease, Landlord may enter the Demised Premises for the purpose of showing it to persons who might wish to rent or purchase the same and may place a “for sale” or “for rent” sign thereon.

21. Abandonment: If the Demised Premises are vacated by Tenant before the end of the Lease without the agreement of the Landlord, the Lease shall not end and Tenant shall remain responsible for each monthly installment of rent as it becomes due until the end of the Lease term unless Landlord ends the Lease according to the terms of this Lease. In such event, Tenant shall remain responsible to Landlord for damages as mentioned in this Lease.

22. Default: The following will result in the Tenant being in default and entitle the Landlord to terminate the Lease: (1) if Tenant fails to keep any of Tenant’s agreements mentioned in the Lease other than Tenant’s agreement to pay rent: (2) if the Demised Premises are vacated by all occupants; (3) if any execution or attachment is issued against Tenant or any of Tenant’s property resulting in the Demised Premises or any part hereof being taken or occupied by someone other than Tenant. If any of these events occur, Landlord may serve upon Tenant five (5) days’ written notice stating the nature of the default, and if the default of the Tenant has not been cured and corrected or the objectionable conduct stopped with the five (5) days, the Landlord may serve upon Tenant thirty (30) days’ notice of Landlord’s intention to end the Lease. Upon the end of the thirty (30) days the Lease will end and Tenant must give up the Demised Premises to Landlord, but Tenant will remain responsible to Landlord as stated in this Lease.

23. Remedies of Landlord: If Landlord re-enters the Demised Premises or if the Lease is ended as a result of dispossess proceedings or in any manner, Landlord may relet the Demised Premises and Tenant is responsible for legal expenses, attorneys' fees and other costs of dispossess proceedings. Tenant is also responsible to Landlord for: (1) any difference between the rent to be paid under this Lease and the amount, if any, of the rent collected from the subsequent lease, and (2) Landlord's expenses for attorneys' fees, advertisements, brokerage and putting the Demised Premises in good order to prepare it for re-rental.

Damages shall be paid in monthly installments by Tenant on the rent day mentioned in the Lease and any legal action brought to collect the amount of the loss for rent for any month shall not prejudice the rights of Landlord to collect the loss of rent for any subsequent month by a similar proceeding. Tenant shall not receive the excess, if any, of rents collected by Landlord as a result of re-letting the Demised Premises at a greater amount than the rent Tenant must pay under this lease.

24. Public Taking: If all or any part of the Demised Premises is acquired or condemned by any government body, the term of this Lease shall end from the date such body takes title to the Demised Premises or building and Tenant will have no claim for the value of any unexpired term of the Lease, and will be deemed to have assigned to Landlord any claim for the value of the Lease.

25. No Waiver of Lease Term: The failure of Landlord on one or more occasions to take any action against Tenant for violation of or to insist upon the strict performance of any of, the terms of the Lease will not prevent the Landlord from considering a subsequent act of Tenant of a similar nature from being a violation of the Lease.

The receipt by Landlord of rent with knowledge that the Tenant is not living up to one or

more provisions of the Lease will not be a waiver of any such violation or violations. No agreement of the Lease can be waived by Landlord unless such waiver is in writing signed by the Landlord.

No payment by Tenant of a lesser amount than the monthly rent will be considered to be other than in payment of the earliest portion of the unpaid rent.

No act and agreement to accept surrender of the Demised Premises from Tenant shall be legal and enforceable unless in writing signed by Landlord.

26. Notice: Except as otherwise agreed in the Lease, any bill, notice or communication from Landlord to Tenant, shall be considered proper if given by Landlord, Landlord's agent or attorney, in writing, delivered to Tenant personally or sent by registered or certified mail addressed to Tenant at the Demised Premises, or at the last known residence address or business address of Tenant. Any notice by Tenant to Landlord must be personally given to Landlord by Tenant or sent by registered or certified mail addressed to Landlord at the address set forth in this Lease or at such other address of which Landlord has informed Tenant in writing.

27. Indemnity:

(a) Tenant agrees to indemnify and save Landlord harmless from and against any and all claims, demands, costs, expenses and liabilities (except such as result from the intentional or negligent act of Landlord or Landlord's agents, servants or employees or the failure of Landlord to perform any act or do anything required of Landlord under this Lease) for or in connection with any accident, injury or damage whatsoever caused to any person or property arising or occurring in the Demised Premises or any part thereof arising directly or indirectly out of the business conducted in the Demised Premises or from any act or omission of Tenant or any concessionaire or subtenant of Tenant or their respective agents, servants and employees or in

any other respect associated with, occurring in or relating to the Demised Premises.

(b) Landlord agrees to indemnify and save Tenant harmless from and against any and all claims, demands, costs, expenses and liabilities (except such as result from the intentional or negligent act of Tenant or Tenant's agents, servants or employees or the failure of Tenant to perform any act or do anything required of Tenant under this Lease) for or in connection with any accident, injury or damage whatsoever caused to any person or property arising or occurring in the Demised Premises or any part thereof arising directly or indirectly from any act or omission of Landlord or of Landlord's respective agents, servants and employees and not reimbursed by insurance.

28. Security: Landlord shall have no obligation of any kind to keep the Demised Premises secure, all obligation for such security to be solely upon Tenant.

29. No Representations by Landlord: Tenant acknowledges that Landlord has made no representations or promises concerning the physical condition of the Demised Premises, or any other matter or thing concerning the Demised Premises, except as mentioned in the agreement.

30. No Oral Agreements: All understandings and agreements between Landlord and Tenant made before the Lease was signed are written and included in the Lease, which fully and completely states the agreement between Landlord and Tenant. Any agreement made after the Lease is signed by Landlord and tenant cannot alter in any way or end the Lease unless the agreement is in writing and signed by both Landlord and Tenant.

31. Invalidity: In the event a paragraph, provision or term of this lease is found to be unenforceable, the remainder of the lease shall be deemed valid and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have respectively signed the Lease as of the day and year first written above.

Dated: 1/28/11

ASHEFORD-CLINTON CORP.
BY [Signature]
its President

Dated: 3/3/11

NEW HARTFORD CENTRAL SCHOOL DISTRICT
BY [Signature]
its Sup of Schools