

# LEASE AGREEMENT

THIS AGREEMENT (AGREEMENT), entered into as of this 1<sup>ST</sup> day of July, 2020, by and between the AVERILL PARK CENTRAL SCHOOL DISTRICT, with its central administrative offices at 8439 Miller Hill Road, Station 1, Averill Park, New York 12018 ("Landlord") and the BOARD OF COOPERATIVE EDUCATIONAL SERVICES, RENSSELAER, COLUMBIA and GREENE COUNTIES, a body corporate, duly created pursuant to the Education Law of the State of New York, d/b/a "QUESTAR III", with an office at 10 Empire State Blvd., Castleton, New York 12033 ("Tenant"). Landlord and Tenant may be hereinafter referred to as the Parties.

WHEREAS, the Parties have reached an agreement for the lease by Landlord to Tenant of certain premises described in Section 1.1 of this AGREEMENT.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

## **ARTICLE I -- LEASE**

1.1 Leased Premises. Subject to the terms and conditions herein set forth, Tenant hereby rents from Landlord and Landlord hereby leases and grants to Tenant classroom(s) and offices as the same are more specifically described on Schedule 1.1 attached hereto and made a part hereof, in a building and grounds commonly known as George Washington Elementary, 344 Menemsha Lane, Troy, New York, together with the right to use its support facilities including, but not limited to: parking spaces, toilets, gymnasiums, libraries, hallways, recreation areas, cafeterias, and other areas of a like or similar nature.

Landlord may not re-designate, alter, discontinue or reduce all or part of the Leased Premises without Tenant's prior written consent.

1.2 Rentals to include. Rentals will include an adequate supply of appropriate classroom furnishings. Student desks and chairs, teacher desk and file cabinet, work table, shelving for books and supplies, clock, chairs, chalk board, bulletin board and / or student locker or cloak room facilities, routine administrative attention and direction in the conduct of fire and shelter drills, actual emergency, disruptive student behavior, or other crisis situations, student and staff access to other special purpose rooms or activities normally accessible to others in the building.

1.3 Landlord shall have full access to the facility after the Tenant's regular business hours and on weekends. Landlord shall have access to the playgrounds, fields, etc. at all times for District use.

## **ARTICLE II -- SERVICES TO BE PROVIDED BY LANDLORD**

2.1 Subject to Article V and 6.2 hereof, and not by way of limitation, Landlord at its sole cost and expense shall provide the following to the Leased Premises: structural maintenance of the Leased Premises; heat; air conditioning, if any; plumbing; water; maintenance of the Leased Premises; cleaning services each school day, five days per week (Monday through Friday unless otherwise agreed in writing by the Parties) and any other custodial services normally performed for Landlord's common areas.

## **ARTICLE III -- LEASE TERM; PAYMENTS; RENEWAL**

3.1 Lease Term. The term of this Lease shall commence on July 1, 2020 and shall terminate at 11:59 p.m. on June 30, 2030 (the "Lease Term"). If Landlord is unable to give possession of the Leased Premises to Tenant on the date of the commencement of the Lease Term, rent shall abate for the period that possession by Tenant is delayed, but the Lease Term shall not extend beyond June 30, 2030. If such delay shall continue for more than thirty (30) days, then Tenant may, at any time within ten (10) days after the expiration of such thirty (30) day period, give Landlord a notice of election to terminate this Lease. This Lease shall terminate on the date provided in such notice and thereafter Tenant shall not be further obligated to Landlord under this Lease. This Lease may be terminated by the Landlord or Tenant upon twelve (12) month written notice to the Tenant.

3.2 Rental Payments. In consideration of the covenants and obligations herein undertaken by Landlord, Tenant shall pay to Landlord an annual rental of One hundred eight six thousand seven hundred fifty dollars (\$186,750.00) (the "Annual Rent"). The Annual Rent shall be paid as follows: \$18,675.00 per month for ten months, commencing on September 1, 2020. Additionally, Tenant agrees to pay Landlord the sum of one hundred twenty thousand and fifty dollars (\$120,050.00) per year payable in ten monthly installments for ancillary services provided in connection with Tenant's occupancy of the Leased Premises, for each year of this Agreement. Thus, the total annual payment due is \$306,800 during the term of the lease.

3.3 The above payments shall increase automatically should the Questar superintendents, at any time during the term of this Agreement, approve an increase for rental payments to be made by Questar.

3.4 Renewal. Landlord and Tenant may renew this Lease upon mutual written agreement.

## **ARTICLE IV -- USE OF LEASED PREMISES**

4.1 Tenant shall use and occupy the Leased Premises during the Lease Term and any Renewal Term for general and special educational purposes, which may include, without limitation, use as office space or storage space. Landlord represents that the Leased Premises lawfully may be used for such purposes.

## ARTICLE V -- RESPONSIBILITIES OF LANDLORD

5.1 Snow Removal. Landlord shall provide and pay for all snow and ice removal from the parking lots, driveways, sidewalks and doorways serving the Leased Premises.

5.2 Maintenance by Landlord. Landlord shall, at Landlord's sole cost and expense, maintain the structural integrity of the Leased Premises, including without limitation, the roof, foundation, exterior walls, windows, window glass, plate glass and all doors, and shall maintain, repair and replace as necessary, at its sole cost and expense, all water, sewer or utility pipes, and water or utility meters serving the Leased Premises. Landlord shall maintain, repair, and replace as necessary all major systems serving the Leased Premises, including without limitation, air conditioning systems, if any, electrical systems, heating systems and plumbing systems, during the entire Lease Term in good working order and condition at Landlord's sole expense. Tenant shall give immediate notice to Landlord or Landlord's agent of the need for repairs or maintenance of which Tenant has actual knowledge, and Landlord shall proceed promptly to make such repairs or replacements, or perform such maintenance required of Landlord hereunder. All repairs, replacements and maintenance shall comply with the regulations of the Commissioner of Education of the State of New York, Compilation of Codes Rules and Regulations ("NYCRR") Title 8 Part 155 and the Americans with Disabilities Act. The foregoing notwithstanding, any such repairs or replacements made necessary solely by Tenant's negligence shall be the responsibility of Tenant.

5.3 Grounds keeping. Landlord shall maintain the parking lots, driveways, sidewalks, common areas, and all exterior landscaping serving the Leased Premises at Landlord's sole cost and expense, as needed to maintain the standards of maintenance and appearance for similar buildings in similar localities. Landlord shall be responsible for trash removal.

5.4 Preparation for Occupancy and Possession. As a condition precedent to Tenant's obligations hereunder, prior to the commencement of the Lease Term, Landlord shall complete all construction work required to obtain a certificate of occupancy for the Leased Premises as required by law, if any, and shall provide Tenant with the original certificate, or a copy of such certificate certified as true and complete by the appropriate governmental authority. All work shall comply with all applicable laws, rules, regulations, ordinances and orders, including, without limitation, NYCRR Title 8, Section 155.2, and be completed to the reasonable satisfaction of Tenant. The Leased Premises shall comply with all applicable regulations of the Commissioner of Education of the State of New York applicable to such facilities. At least 72 hours prior to the commencement of the Lease Term, Landlord shall afford Tenant and its employees, agents and contractors, if any, access to the Leased Premises to inspect and verify the performance of all such work and compliance with the terms of this Lease. Landlord shall be notified of any deficiencies found by either Tenant or the New York State Education Department ("SED"). Landlord may either correct any such condition or choose to terminate the Lease agreement at that time but not later than August 1, 2020.

5.5 Insurance. Landlord shall add Tenant as an additional insured on its liability insurance policies and shall maintain all such policies in force during the Term. The premiums for such insurance shall be paid by Landlord, as required, and Tenant shall be furnished with proof of insurance at least annually. Tenant shall be responsible for insuring any of Tenant's personal property located in the Leased Premises.

## **ARTICLE VI -- UTILITY CHARGES**

6.1 Utilities. Landlord shall pay all charges for water, sewer, heat and electricity used, rendered, or supplied upon or in connection with the Leased Premises, during the Lease Term or any Renewal Term, subject to the provisions of paragraph 7.2 of this AGREEMENT providing for payment by the Tenant of the costs associated with Tenant's use of electricity at the Leased Premises.

## **ARTICLE VII -- TENANT'S OBLIGATIONS**

7.1 Maintenance and Repairs. Tenant shall take good care of the Leased Premises. At the end or other expiration of the Lease Term or any Renewal Term, Tenant shall deliver up the Leased Premises in good order and condition, damages by the elements and reasonable wear and tear excepted. Tenant shall make no alteration or changes in the Leased Premises unless it has first received written consent from Landlord. Such consent shall not be unreasonably withheld. Any leasehold improvements shall become part of the realty and shall remain after termination of the lease. Notwithstanding anything contained herein, the parties agree that Tenant shall be under no obligation to make structural repairs to the Leased Premises or the Building or correct structural defects, and that all such repairs or corrections shall be performed by Landlord.

7.2 Electrical Utility Costs. Landlord is responsible for furnishing all utilities associated with the Tenant's use of the Leased Premises except telephone cable.

7.3 Compliance With Laws. Tenant shall promptly execute and comply with all statutes, ordinances, rules, orders, regulations and requirements of the Federal, State and local governments and of any and all their departments and bureaus applicable to the Leased Premises, for the correction, prevention, and abatement of nuisances or other grievances, in, upon, or connected with the Leased Premises during the Lease Term and any Renewal Term; and shall also promptly comply with and execute all applicable rules, orders and regulations of the New York Board of Fire Underwriters, or any other similar body.

7.4 Assignment/Subletting. Tenant, its successors, representatives, heirs, executors or administrators shall not assign this AGREEMENT, or underlet or underlease the Leased Premises, or any part thereof, or make any alterations on the Leased Premises, without Landlord's prior written consent; or occupy, or permit or suffer the same to be occupied for any business or purpose deemed disreputable or extra-hazardous on account of fire, under the penalty of damages and forfeiture, and in the event of a breach thereof, the Lease Term shall immediately cease and terminate at the option of Landlord as if it were the expiration of the original Lease Term.

7.5 Tenant's Default. If the Leased Premises, or any part thereof shall be abandoned during the Lease Term or any Renewal Term, or if any default be made in the payment of the Annual Rent or any Rental Payment or any part thereof, or if any default be made in the performance of any of Tenant's covenants herein contained, Landlord or Landlord's representatives may re-enter the Leased Premises by summary proceedings and remove all persons therefrom, without being liable to prosecution therefor. Landlord may rent the Leased Premises on behalf of Tenant, reserving the right to rent the Leased Premises for a longer period of time than fixed in the original lease without releasing Tenant from any liability, applying any moneys collected to the payment of the Annual Rent and all other charges due and to grow due to Landlord, any surplus to be paid to Tenant.

7.6 Signs. Tenant shall neither place, or cause or allow to be placed, any sign or signs of any kind whatsoever at, in or about the entrance to the Leased Premises or any other part of same, except in or at such place or places as may be indicated by Landlord and consented to by Landlord in writing. Such consent shall not be unreasonably withheld. If Landlord or Landlord's representatives shall deem it necessary to remove any such sign or signs to paint the Leased Premises or the Building or make any other repairs, alterations or improvements in or upon the Leased Premises, Landlord shall have the right to do so, providing the same be removed and replaced at Landlord's expense, whenever such repairs, alterations or improvements shall be completed.

7.7 Insurance to be Maintained by Tenant. Tenant shall purchase, at its own expense, and keep in force at all times during this Lease the policies of insurance set forth below in Sections 7.7.1 and 7.7.2 (collectively, "Tenant's Policies"). All Tenant's Policies shall (a) be issued by an insurance company with a Best rating of A-X or better and otherwise reasonably acceptable to Landlord and shall be licensed to do business in the state in which the Premises is located; (b) provide that said insurance shall not be canceled unless thirty (30) days prior written notice shall have been given to Landlord. Certificates of Insurance, in a form reasonably acceptable to Landlord, evidencing said Tenant's Policies, shall be delivered to Landlord by Tenant upon commencement of the Lease and renewals thereof shall be delivered at least thirty (30) days prior to the expiration of each Tenant's Policy. Tenant shall give prompt notice to Landlord of any insurance claim arising from bodily injury, death personal injury or property damage occurring in and about the Premises.

7.7.1 General Liability and Auto Insurance. Tenant shall purchase and maintain, throughout the Term, a Tenant's Policy(ies) of commercial general or excess liability insurance, including personal injury and property damage, in the amount of not less than \$5,000,000.00 per occurrence, and \$5,000,000.00 annual general aggregate, per location. The Tenant's Policies required by this Section 7.7.1 shall (a) name Landlord; (b) provide coverage on an occurrence basis; (c) provide coverage for the indemnity obligations of Tenant under this Lease; (d) be primary, not contributing with, and not in excess of, coverage that Landlord may carry; and (e) provide coverage with no exclusion for a pollution incident arising from a hostile fire.

7.7.2 Workers' Compensation Insurance. Tenant and Landlord shall each purchase and maintain, throughout the Term, workers' compensation insurance per the applicable state statutes covering their own employees.

7.7.3 Waiver of Subrogation. To the extent permitted by law and if authorized by their

respective insurance companies, and without affecting the coverage provided by insurance required to be maintained hereunder, Landlord and Tenant each waive any right to recover against the other for (a) damages to property, (b) damages to all or any portion of the Premises, (c) claims arising by reason of the foregoing, to the extent such damages and claims are insured against, or required to be insured against, by Landlord and/or Tenant under this Lease, or (d) claims paid by Landlord's and/or Tenant's workers' compensation carrier. This provision is intended to waive, fully and for the benefit of each party, any rights and/or claims which might give rise to a right of subrogation by any insurance carrier. The coverage obtained by each party pursuant to this Lease shall include, without limitation, a waiver of subrogation by the carrier which conforms to the provisions of this Section if permitted by law and the carrier authorizes such waiver.

7.8 Tenant indemnification. Tenant hereby indemnifies, defends and holds Landlord, Landlord's officers and employees {collectively, "Landlord Indemnified Parties") harmless from and against any and all Losses (defined below) actually suffered or incurred by Landlord resulting from any or all of the following which occur during the Lease Term (a) the conduct or management by Tenant of any business on the Premises, or any work or Alterations done, or any condition created by any or all of Tenant in or about the Premises during the Term or during the period of time, if any, prior to the Commencement Date that Tenant is given access to the Premises; (b) any act, omission or negligence of any or all of Tenant; (c) any accident, injury or damage whatsoever (unless caused by Landlord's negligence or willful misconduct) occurring in, at or upon the Premises during Lease Term and caused by Tenant; (d) any breach by Tenant of any of its warranties and representations under this Lease; (e) any actions necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding or other proceeding under the Bankruptcy Code; (f) any violation by Tenant of any Law including, without limitation, any Environmental Law; (g) claims for work or labor performed or materials or supplies furnished to or at the request of Tenant; (h) any Hazardous Materials used, exposed, emitted, released, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled in, at, near or under all or any portion of the Premises as a result of the acts or omissions of Tenant; and (i) the violation of any Environmental Law or any permit, application or consent required in connection with any Environmental Law by Tenant with respect to the Premises during the Lease Term (collectively, 'Tenant's Indemnified Matters"). In case any action or proceeding is brought against any or all of Landlord and the Landlord Indemnified Parties by reason of any Tenant's Indemnified Matters, Tenant, upon Notice from Landlord, shall resist and defend such action or proceeding by counsel reasonably satisfactory to Landlord. The term "Losses" shall mean all claims, demands, expenses, actions, judgments, damages, penalties, fines, liabilities, losses of every kind and nature (including, without limitation, property damage, actual diminution in value of Landlord's interest in the Premises, damages for the loss or restriction on use of any space or amenity within the Premises, sums paid in settlement of claims with the reasonable consent of the indemnifying party and any costs and expenses resulting from injury, illness or death to or of any person, suits, administrative proceedings, costs and fees, including, without limitation, attorneys' and consultants' reasonable fees and expenses, and the costs of cleanup, remediation, removal and restoration, that are in any way related to any matter covered by the applicable indemnity. The provisions of this Section 7.8 shall survive the expiration or termination of this Lease.

7.9 Landlord Indemnification. Landlord hereby indemnifies, defends and holds Tenant, Landlord's officers and employees (collectively "Tenant Indemnified Parties") harmless from and against any and all Losses actually suffered or incurred by Tenant as the result of any or all of the following: (a) the negligent, willful or intentional acts or omissions of any or all of Landlord and any parties within the direct control of Landlord, which parties shall include, for example, any contractors retained, hired, employed, or otherwise acting on behalf of or for Landlord, (b) any breach by either or both Landlord of any warranties or representations under this Lease; and (c) any breach or default on the part of Landlord in the performance of any covenant contained in this Lease. In the event that any action or proceeding is brought against any or all of Tenant and Tenant Indemnified Parties, and the foregoing indemnity is applicable to such action or proceeding, then Landlord, upon notice from Tenant, shall resist and defend such action or proceeding by counsel reasonably satisfactory to Tenant. The provisions of this Section 7.9 shall survive the expiration or termination of this Lease.

## ***ARTICLE VIII - REPRESENTATIONS AND WARRANTIES OF LANDLORD***

8.1 Title. Landlord alone holds title to the Building and the Leased Premises in fee simple and has all necessary right, title and authority to enter into this Lease and perform Landlord's obligations hereunder.

8.2 Legal Actions. There are no legal actions pending or threatened by any party, which, if adversely determined, would adversely affect Landlord's ability to lease the Leased Premises to Tenant as contemplated herein. There are no actions, legal proceedings or any governmental proceedings or investigations pending or threatened that otherwise affect the Leased Premises or the Building or that could adversely affect the ability of Landlord to carry out Landlord's obligations hereunder.

8.3 Compliance with Laws. The Building, the real property upon which the Leased Premises are located, the Leased Premises and Tenant's proposed use of the Leased Premises as provided in this Lease, presently comply and will comply during the Lease Term and any Renewal Term, in all material respects, with all applicable restrictive covenants, agreements, zoning and subdivision ordinances, and all applicable building codes, laws and regulations, including, without limitation, those governing asbestos and NYCRR Title 8, Section 155.4.

8.4 Eminent Domain. Landlord has received no notice of any condemnation or eminent domain proceedings or negotiations for the purchase of all or any portion of the Building in lieu of condemnation and, to the best of Landlord's knowledge, after due inquiry, no condemnation or eminent domain proceedings or negotiations have been commenced or threatened in connection with the Building or any portion of it.

8.5 Condition of Building. The Landlord represents that a valid certificate of occupancy will and shall exist for the Building and the Leased Premises, during the entire Lease Term and any Renewal Term.

8.6 Environmental Condition. The real property upon which the Leased Premises are located and the Leased Premises are free from any known under or above ground contamination or pollutants. Landlord has no knowledge that such real property or the

Leased Premises or any portion thereof have ever been used as a waste site, dump, junkyard, landfill, waste collection site, industrial facility, or similar purpose. The water system in the Leased Premises is free from contamination and the water supplying the Leased Premises is potable.

8.7 Authorization. The execution, delivery and performance by Landlord of this Lease is not threatened with invalidity or unenforceability by any action, proceeding or investigation pending or threatened by or against Landlord, jointly or severally, or the Leased Premises or any part thereof, and does not and will not: (1) require any consent or approval of any third party, except as provided in Section 11.2 hereof; (2) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, award or other restriction presently in effect having applicability to Landlord; or (3) result in a breach of, or constitute a default under, any indenture, lease or any other agreement or instrument to which Landlord is party or by which Landlord or its properties may be bound or affected, create or cause to be created any mortgage, lien, encumbrance or charge on the Leased Premises other than those permitted by this Lease, if any. Landlord is not in violation in any material respect of any such law, rule, regulation, judicial order, other restriction or any such indenture, agreement, lease or instrument.

8.8 Binding Obligations. This AGREEMENT constitutes a legal, valid and binding obligation of Landlord and its successors and assigns, enforceable against the Landlord and its successors and assigns, in accordance with its terms except as such enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the rights of creditors generally and subject as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or equity).

8.9 Right of Entry. Tenant agrees that Landlord and Landlord's agents and other representatives shall have the right to enter into and upon the Leased Premises, or any part thereof, at all reasonable hours for the purpose of examining the same, or making such repairs or alterations therein as may be necessary for the safety and preservation thereof. Such right of entry shall be upon reasonable notice to Tenant. This is in addition to the rights of the Landlord set forth in 1.3 above.

#### ***ARTICLE IX -- FIRE AND CASUALTY DAMAGE***

9.1 Repair by Landlord. If the Leased Premises are damaged by fire or other casualty, and unless this Lease is terminated pursuant to Section 227 of the New York Real Property Law, Landlord promptly shall use all available means to repair the Leased Premises and any leasehold improvements installed by Landlord and/or Tenant, and Tenant shall reconvene its activities on the Premises within thirty (30) days after written notice from Landlord that Landlord has completed Landlord's reconstruction obligations with respect to the Leased Premises. Landlord's obligation to repair shall not be subject to delays that may arise by reason of adjustment of loss under insurance policies; provided, however, that such obligation to repair shall be subject to other delays beyond Landlord's reasonable control.



## **ARTICLE X -- MISCELLANEOUS**

10.1 Modification, Separability, Waiver. This AGREEMENT shall not be modified, amended, altered or changed except by a writing duly executed by Landlord and Tenant, or their successors or assigns. Any provisions of this AGREEMENT found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this AGREEMENT. The waiver by either party of any breach by the other of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

10.2 Approval of Lease. This AGREEMENT is subject to approval by SED and compliance with the New York Education Law and all applicable regulations promulgated thereunder. If SED does not grant such approval, both parties will cooperate to modify this Lease to the extent necessary to obtain such approval. If Landlord and Tenant cannot agree on the terms and conditions of any such modification, this Lease shall be deemed to be terminated and neither Landlord nor Tenant shall have any further liability to the other hereunder.

10.3 Approval of Funding. All provisions of this Lease may be subject to the approval of Tenant's funding by one or more government bodies, agencies or instrumentalities thereof. If adequate funding to enable Tenant to meet the terms of this Lease is not provided or shall at any time be reduced, terminated or withdrawn so as to frustrate the purpose for which Tenant entered into this Lease or otherwise make it impossible or impracticable for Tenant to perform any of its obligations under this Lease, Tenant, in its sole discretion, may terminate this Lease upon sixty (60) days written notice to Landlord. If Tenant so terminates this Lease, then all provisions of this Lease shall become null and void and Tenant shall have no further obligation to Landlord under this Lease.

10.4 Quiet Enjoyment. Landlord covenants that Tenant, on paying the Rental Payments as required hereby and performing the covenants set forth herein, shall and may peacefully and quietly have, hold and enjoy the Leased Premises for the Lease Term.

10.5 Counterparts. This Lease may be executed in one or more counterparts each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Any counterpart signed by both parties may be introduced into evidence in any action or proceeding without having to produce or account for the others.

10.6 Notices. All payments, notices, consents, requests, instructions, approvals and other communications given in connection with this Lease shall be in writing and shall be deemed to have been validly made or given when delivered personally, or when received if properly deposited with the United States Postal Service by postage prepaid certified or registered mail, return receipt requested or with a nationally recognized overnight courier service to the address set forth below; provided, however, that notice shall be deemed sufficiently given upon such mailing or deposit with such courier service if delivery is refused by the intended recipient or cannot be completed because the intended recipient has not notified the sender of a changed address in accordance with this provision:

(a) If to Landlord:

Superintendent of Schools  
Averill Park School District  
8439 Miller Hill Road  
Averill Park, New York 12018

(b) If to Tenant:

Questar III  
10 Empire State Blvd.  
Castleton, New York 12033  
Attn.: District Superintendent

with a copy to:

Questar III  
10 Empire State Blvd.  
Castleton, New York 12033  
Attn.: School Attorney

or to such other name or address as any party shall have specified by notice in writing to the other party.

10.7 Brokers. Landlord and Tenant each warrant to the other that no real estate broker has been involved in this transaction and that no broker's or agent's commission or finder's fee is owed to any person or entity in connection with this transaction. Landlord shall indemnify and hold Tenant harmless against any claims for broker's or agent's commissions or finder's fees made by any broker, agent or other person or entity in connection with this Lease.

10.8 Binding Effect. All the terms, conditions and covenants of this Lease shall be binding upon Landlord and Tenant and their respective heirs, executors, successors, and assigns.

10.9 Captions; Language. The captions or headings of paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

10.10 Governing Law. This Lease shall be governed by, construed, and enforced in accordance with, the laws of the State of New York without reference to the principles of conflict of laws thereof, if any, that would operate to defeat the application of New York law.

10.11 Fully Negotiated Agreement. This Lease has been fully negotiated in an arm length's transaction and neither Landlord nor Tenant has been coerced in any manner to execute this Lease. Each party has had the opportunity to employ legal counsel and seek

advice from such counsel with respect to this Lease, its obligations, terms, and implications, and has sought and received such counsel and advice. Neither this Lease, nor any term or provision of this Lease shall be construed against either Landlord or Tenant as a result of the drafting of this Lease or any term or provision thereof by Landlord or Tenant, or their respective counsel.

*<Signature Page Follows>*

IN WITNESS WHEREOF, Landlord and Tenant have caused this AGREEMENT to be executed as of the day and year first above written.

LANDLORD:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

QUESTAR III:

By: John C. Hill

Name: John Hill

Title: Board President

**SCHEDULE 1.1**

*DESCRIPTION OF LEASED PREMISES*

The building and grounds known as the George Washington Elementary School which approximates 20,542 square feet, the equivalent of 26-27 classrooms.