

LEASE AGREEMENT

KNOW ALL PERSONS BY THESE PRESENTS that it, the **TOWN OF MORGAN**, a Vermont municipality having its situs in the County of Orleans and State of Vermont, hereinafter referred to as **LESSOR**; and it, **NFI VERMONT INC.**, a Vermont Corporation having its principal place of business at the City of South Burlington in the County of Chittenden and State of Vermont, hereinafter referred to as **LESSEE** (collectively the "Parties"),

W I T N E S S E T H:

That for and in consideration of the mutual undertakings and agreements of the Parties hereto as hereinafter set forth and contained, **LESSOR** and **LESSEE** do hereby stipulate and agree as follows:

1. **LESSOR** hereby agrees to lease unto **LESSEE** and **LESSEE** hereby agrees to hire and take from **LESSOR** certain premises (the "Leased Premises") located in the Town of Morgan, County of Orleans and State of Vermont, described as follows:

a building (the "Building") and approximately eleven (11) acres of land being all and the whole of the same land and premises conveyed by Bargain and Sale Deed dated August 27, 2014 and recorded in Book ____, Pages ____ - ____ of the Town of Morgan Land Records from the Morgan Town School District to the Town of Morgan, said premises being known as the E. Taylor Hatton School.

2. The initial term of this lease shall commence on October 20, 2015 (the "Commencement Date"). The term shall be for a period of five (5) years and 12 days and shall expire on November 30, 2020. **LESSEE** shall have the right to renew this lease for an additional term of five (5) years under the same

terms and conditions hereof, except that the rental amount shall be adjusted as set forth in Paragraph 3 hereof.

3. **LESSEE** shall pay unto **LESSOR** a monthly rental in the amount of Four Thousand Dollars (\$4,000.00) for each month during the term of this lease, which said rental payments shall be paid on or before October 20, 2015, and on or before the first day of each and every succeeding month thereafter during the term of this lease. The first 12 days (October 20, 2015 through October 31, 2015) rental amount shall be prorated based on the agreed monthly rate. In the event this lease shall be renewed for an additional term of five (5) years, the monthly rental payment during the term of said renewal shall be that sum of money which shall equal the monthly rental amount during the initial term of this lease plus that sum of money which shall represent the increase in the Consumer Price Index for All Urban Consumers (CPI-U) in the Northeast Region during the preceding five-year period of time.

4. **LESSEE** shall pay unto **LESSOR**, on or before October 20, 2015, the sum of Four Thousand Dollars (\$4,000.00) as a security deposit, which said sum shall be repaid by **LESSOR** unto **LESSEE** upon the termination of this lease, after deducting therefrom any sums due hereunder from **LESSEE** to **LESSOR**.

5. The Leased Premises shall be utilized by **LESSEE** for the sole purpose of operating the Turning Points School, a regional, independent school providing alternative education and support services to local students with emotional and behavioral challenges. **LESSEE** shall use, hold, occupy, and enjoy the Leased Premises only in conformity and compliance with all applicable laws and regulations. **LESSOR** warrants to **LESSEE** that the use herein authorized is a lawful use under all applicable ordinances of the Town of Morgan.

6. **LESSOR** shall be responsible for all maintenance of and repairs to the Building, its exterior, including all windows, and all mechanical and structural elements including, but not limited to, the roof, walls, and foundation, that serve the Building and all operational systems including, but not limited to, the heating and cooling, electrical, plumbing, and sewer/septic systems and all other improvements on the Leased Premises. **LESSOR** is not responsible for those repairs caused by the negligent or intentional acts of **LESSEE**, its employees, agents, or invitees. **LESSEE** shall inform **LESSOR** in writing of any damage to the Leased Premises and the Building that requires repair within a reasonable time of discovering such damage. **LESSOR** shall not be obligated to perform any maintenance to the Leased Premises and the Building until **LESSEE** shall have given written notice to **LESSOR** of the specific items requiring maintenance or repairs.

7. **LESSEE** shall, throughout the initial term and any renewal thereof, at its own cost and expense, put, keep, and maintain the non-structural interior portion of the Building in good, clean, efficient condition and order, as well as such other fixtures used in connection with the operation of said school including any and all replacements made by **LESSEE**. **LESSEE** agrees to be responsible for cleaning the Building periodically at **LESSEE's** own cost. **LESSEE** shall be responsible for repairs to the Building caused by its own negligence and the negligence of its employees, agents, or invitees and repairs to all fixtures and equipment installed by **LESSEE**.

8. **LESSEE** is responsible for all charges for electricity, water, sewer, heat, power, and/or other services used or charges

imposed in or about or supplied to the Building for normal office and school use during normal business hours.

9. **LESSOR** shall be responsible for providing water, septic, and sewage disposal services to the Leased Premises, including the Building, including, without limitation, keeping all necessary pipes, holding tanks, and disposal areas in good and serviceable condition.

10. During the term of this Lease, **LESSEE**, at its sole cost and expense shall at all times carry and maintain the following insurance in the amounts specified:

A. A policy of general liability insurance, insuring **LESSEE** against liability for injury to persons or property occurring in or about the Leased Premises or arising out of the use or occupancy thereof. The limit of liability under such insurance shall not be less than one million dollars (\$1,000,000) for injury or death to any one person and not less than two million dollars (\$2,000,000) for any one accident, and not less than one hundred thousand dollars (\$100,000) for personal property damages per accident. The **LESSOR** shall be named as an additional insured on such policy.

B. A policy of casualty insurance, insuring the **LESSOR** and the **LESSEE**, on a replacement costs basis, as their interests may appear, against loss, cost, or expense arising from fire or other casualty to the Building and/or other improvements on the Leased Premises.

11. **LESSOR** hereby covenants and agrees that upon the execution of this Agreement, it shall undertake, be responsible for, and pay the cost of, the upgrading of the HVAC system within the Building located upon the Leased Premises, and such other repairs and/or improvements as may be determined by the Vermont State Fire Marshall to be necessary prior to occupancy. **LESSOR** shall complete all such improvements to the satisfaction of **LESSEE** prior to the Commencement Date of this lease and the occupancy of the Leased Premises by **LESSEE**.

12. The Parties have agreed that **LESSEE**, at its sole cost and expense, may undertake and complete the fit-up of the Building shown on the drawings attached hereto to as Exhibit A (the "Initial Fit-Up"). **LESSEE** shall make no structural, cosmetic, or other alterations to the Leased Premises other than the Initial Fit-Up without the express prior written consent of **LESSOR**, which consent shall not be unreasonably withheld.

13. **LESSOR** reserves the right to enter upon the Leased Premises at all reasonable times during the term hereof for any reasonable purpose, including the purpose of inspecting said Leased Premises, so long as such entry and presence does not disrupt typical educational activities and is preceded by contact with the Program Director, or such other employee of **LESSEE** as may be designated in the event of the absence of the Program Director.

14. The Parties have identified a portion of the Building which consists of the gymnasium, kitchen, and one adjacent bathroom and which is shown on the diagram attached hereto to as Exhibit B (collectively the "Community Access Area"). During the term of this lease, **LESSEE** shall have sole and exclusive use of

the Community Access Area except as expressly provided for below. The **Lessor** reserves the right to enter upon the Leased Premises and to use the Community Access Area for the following purposes: (1) for the annual and any special town meeting of the Town of Morgan; and (2) for use by those community organizations selected and approved by **LESSOR**. **LESSEE** will provide information about the availability for use of the Community Access Area to local community organizations, provide a short, basic application form, collect completed applications, and submit all applications to **LESSOR**. **LESSOR** will confer with **LESSEE** as to the proposed uses of the Community Access Area by local community organizations and any issues related to the periods of use. **Lessor** shall make the final decision of approval or non-approval of community organizations' applications and promptly so notify **LESSEE**. Such notification shall include the name of the community organization, the appropriate contact person, the dates and times of use, the nature of the use, and related information. In no instance shall **Lessor** allow use of the Community Access Area for the purposes identified above without fifteen (15) days' prior written notice to **LESSEE**. **LESSEE** will ensure that a key permitting access to the Community Access Area is made available to approved community organizations.

LESSOR shall not approve the use of the Community Access Area by local community organizations during ordinary school hours within the academic calendar, any extended school sessions during the summer months, and those dates, times, and events identified on the calendar attached hereto as Exhibit C.

LESSEE has no obligation to supervise or oversee the activities and use of the Community Access Area by local

community organizations, to ensure the safety or maintenance of the Community Access Area, or to protect any third parties from harm as the result of such use. To this end, the **LESSOR** shall hold harmless, defend, and indemnify the **LESSEE** from any and all claims, actions, lawsuits, liabilities, or costs and expenses, including reasonable attorneys' fees, arising from or related in any way to the use of the Community Access Area by the **LESSOR**, its agents, employees, and invitees and by any local community organizations and their agents and invitees.

15. Upon the termination of this lease, **LESSEE** shall surrender said Leased Premises unto **LESSOR** in as good condition as they now are, reasonable wear and tear excepted. In addition, **LESSEE** shall at all times during the term of this lease, as well as at the time of the termination hereof, maintain any personal property hereby leased and demised in as good condition as now found, and shall promptly repair or replace any damaged or lost items.

16. The Parties hereto hereby agree that in the event any rental payment called for hereunder shall be in arrears and unpaid for a period of ten (10) days after the same shall have become due and payable, or in case any other obligation of the **LESSEE** hereunder shall be and remain unmet for a period of thirty (30) days after notice thereof is given by the **LESSOR** to the **LESSEE**, then it shall be lawful for **LESSOR**, at **LESSOR'S** option, to terminate this Lease by written notice given by **LESSOR** to **LESSEE** effective not sooner than the 15th day after the date of delivery of such notice (the "Cure Period"). If **LESSEE** makes such payment or performs such other obligation within the Cure Period, such notice of termination shall be deemed without force or effect. **LESSEE** further agrees that in the event said Leased

Premises shall be abandoned, this Lease at the option of **LESSOR** may be terminated by **LESSOR** or, if **LESSOR** so elects, **LESSOR** shall have the right peaceably to enter upon the Leased Premises as the agent of **LESSEE**, and re-let the Leased Premises as the agent of **LESSEE**, to receive the rent therefor and apply the same to the payment of the rental due by **LESSEE**, holding **LESSEE** liable for any deficiency and reimbursing **LESSOR** out of the payment so received for any expenses to which **LESSOR** may be occasioned.

17. **LESSOR** and **LESSEE**, at their respective sole expense, shall comply with all laws, orders, and regulations of federal, State, and municipal authorities, and with any direction of any public officer, pursuant to law, which shall impose any duty upon **LESSOR**, for those matters for which **LESSOR** is responsible to maintain or perform under this Lease, or **LESSEE**, for those matters which **LESSEE** is responsible to maintain, with respect to the use of Leased Premises by **LESSEE**. Such responsibilities include, but are not limited to, compliance with the Americans with Disabilities Act and Vermont's Public Accommodations Act.

18. The Leased Premises shall not be subleased, in whole or in part, by **LESSEE** without the express written consent of **LESSOR**.

19. If the Leased Premises, including the Building, any portion thereof, or any other improvement, shall be damaged by fire or other casualty rendering the Leased Premises unusable for the purposes set forth in Section 5, above, and if **LESSOR** can repair and rebuild the Leased Premises within one hundred eighty (180) days of the casualty occurrence and restore **LESSEE'S** use of the Leased Premises, as reasonably determined by **LESSOR**, there shall be an abatement of rent corresponding with the time during

which, and the extent to which, the Leased Premises are untenable. If the damage to the Leased Premises is of a nature that it cannot be repaired within one hundred eighty (180) days of the event causing the damage using the insurance proceeds available to **LESSOR**, unless **LESSOR** and **LESSEE** shall agree otherwise, this Lease Agreement shall end, and the rent shall be prorated up to the time of the damage. If the Building or any other improvement on the Leased Premises is to be rebuilt, **LESSOR** shall rebuild them using the proceeds of insurance maintained on the Building or any other such improvement. If the Building or any other such improvement is not to be rebuilt, insurance proceeds shall be allocated and distributed to the **LESSOR** and **LESSEE** equitably as their interests require.

20. **LESSEE** shall not place or allow to be placed any sign or signs of any kind whatsoever on or about the Leased Premises, including the Building's windows and entrances, without the express written approval of **LESSOR** which consent shall not be unreasonably withheld and only after **LESSEE** obtains, at **LESSEE'S** sole expense, the necessary permits and approvals to install such signs. Notwithstanding the above provision, all signs shall be consistent with the character of the Building and comply with local and State requirements.

21. **LESSOR** covenants and agrees with **LESSEE** that upon **LESSEE** paying said rent and performing all the covenants and conditions aforesaid on **LESSEE'S** part to be observed and performed, **LESSEE** shall peaceably and quietly have, hold, and enjoy the Leased Premises for the term aforesaid. At the expiration of the term of the Lease, **LESSEE** shall surrender the

Leased Premises in as good condition as it was in at the beginning of the term, reasonable use and wear and damages by the elements excepted, and excepting any unrepaired damages that are the responsibility of the **LESSOR** to repair.

22. Any notices required hereby to be given by **LESSOR** to **LESSEE**, or to be given to **LESSEE** by **LESSOR**, shall be deemed delivered upon deposit of the same in the United States mail, with proper postage affixed thereto, for delivery to the following address, unless notice of a change of address shall have been provided:

LESSEE: Chuck Myers, Ph.D.
Executive Director
NFI Vermont, Inc.
30 Airport Road
South Burlington, Vermont 05403

LESSOR: Select Board, Town of Morgan
P.O. Box 45
Morgan, Vermont 05853

23. This agreement shall be binding upon the heirs, administrators, successors and assigns of the Parties hereto. This agreement may only be amended by writing executed and signed by the Parties hereto.

In Witness Whereof, **LESSOR** has hereunto set its hand and seal at the Town of Morgan, Vermont on this ____ day of October, 2015.

TOWN OF MORGAN

LARRY LABOR L.S.

ROBERT GUYER L.S.

TOM BONNEVILLE L.S.

BY its Select Board, duly
authorized

STATE OF VERMONT }
ORLEANS COUNTY, SS }

At the Town of Morgan in said County and State this ____ day of
October, 2015, LARRY LABOR, ROBERT GUYER, and TOM BONNEVILLE
personally appeared, and they acknowledged this instrument by
them sealed and subscribed to be their free act and deed of the
TOWN OF MORGAN.

Before me: _____
Notary Public

In Witness Whereof, LESSEE has hereunto set its hand and
seal at the City of South Burlington, Vermont on this ____ day of
October, 2015.

NFI VERMONT, INC.

BY Chuck Myers, Ph.D., its agent L.S.
duly
authorized

STATE OF VERMONT }

CHITTENDEN COUNTY, SS }

At the City of South Burlington in said County and State this ____ day of October, 2015, personally appeared CHUCK MEYERS, duly authorized agent for **NFI VERMONT, INC.**, and he acknowledged this instrument by him sealed and subscribed to be his free act and deed and the free act and deed of **NFI VERMONT, INC.**

Before me: _____
Notary Public