

MALHOTRA REAL ESTATE, INC.
COMMERCIAL LEASE
CITY OF MASON

Parties:

This Lease Agreement is made and entered into by and between **MALHOTRA REAL ESTATE, INC.**, of 118 East Main Street, Suite 101, Mason, OHIO 45040, hereinafter referred to as "Lessor" and **THE CITY OF MASON, OHIO**, hereinafter referred to as "Lessee."

In consideration of the mutual promises hereinafter contained and subject to the provisions and conditions hereinafter provided, Lessor and Lessee do hereby agree, each with the other, as follows:

1. Demised Premises

Lessor hereby Leases to Lessee, and Lessee hereby Leases from Lessor, the premises including all improvements thereon, commonly known as: **214 West Main Street, Mason, Ohio 45040**, more particularly described on Exhibit 1 attached hereto and incorporated herein.

2. Lease Term:

This Lease shall be for a term of **three (3) years** beginning on **September 1, 2000**, and terminating on **August 31, 2003**.

This Lease Term will be as follows; Beginning on September 1, 2000 thru April 30, 2002 will be deemed as a Twenty (20) month Lease. Beginning on May 1, 2002 thru August 31, 2003 will be deemed as a month-to-month Agreement. The month-to-month Lease Agreement will require a thirty (30) day written notice to terminate this agreement by either party.

All other terms and conditions will stay the same.

2A. In the event that said Lessee shall vacate said premises prior to the expiration of the full term of this lease, then said Lessee shall continue to be required to pay full stipulated monthly rent promptly until either:

- a. the Lessor has re-let said premises or;
- b. the expiration of this lease at full term whichever comes first.

Herein named Lessee shall pay as damages all actual costs of re-renting including newspaper ads and labor charges for the time spent by the Lessor showing the premises to prospective renters. If another suitable renter has not been found in two months, said Lessor may rent said premises at a reduced relet rate of not less than 66% of the monthly installments as set forth in Paragraph 3 of this lease. For the remainder of the full term

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said original Lessee shall pay to the said Lessor, the balance of such rent each month until the expiration of the full term lease or said premises have been re-rented, and all rents and damages due Lessor have been paid. Re-rental shall not exempt said original Lessee from any obligations under the terms of this lease.

3. Rental:

Lessee shall pay to Lessor during the term of the Lease the following monthly payments. Each subsequent installment of rent shall be paid by Lessee on the first (1st) day of each month and every month hereafter.

- 1). **\$27,486.31 (3%)** for the **first (1st) year** of the term payable in twelve (12) equal consecutive monthly installments of **\$2,290.52 per month** each in advance on the first day of each month, commencing on the **first (1st) day of September 1, 2000.**
- 2). **\$28,310.89 (3%)** for the **second (2nd) year** of the term payable in twelve (12) equal consecutive monthly installments of **\$2,359.24 per month** each in advance on the first day of each month, commencing on the **first (1st) day of September 1, 2001.**
- 3). **\$29,160.21 (3%)** for the **third (3rd) year** of the term payable in consecutive monthly installments of **\$2,430.01 per month** each in advance on the first day of each month, commencing on the **first (1st) day of September 1, 2002.**

Lessee agrees to pay the rental in the form of a check, a cashier's check, or a money order made out to Malhotra Real Estate, Inc. Tenant further agrees to pay rent by mailing payment to the following address: Malhotra Real Estate, Inc., 118 East Main Street, Suite 101, Mason, OH 45040.

Any and all correspondence will be mailed to Lessee at the address stated on page one under Demised Premises. Any correspondence from Lessee shall be mailed to Lessor at the address of business for lessor.

4. Late Penalty:

In the event Lessee fails to pay rent in advance as set forth herein, and should said delinquency continue for a period of ten (10) days, then beginning on the eleventh day, Lessor will assess a **\$30.00** flat fee "Late Payment Charge" to Lessee. In the event Lessee

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pays rent with a check on which payment has been stopped or a check which fails to clear for any reason, Lessor will assess an additional \$25.00 "returned check charge" to Lessee. Election by Lessor to assess a late payment charge and/or returned check charge shall not constitute a waiver of any term, covenant, or condition contained herein or of any subsequent breach thereof.

5. Security Deposit:

Upon execution of this Agreement, Lessee shall **not be required** to make a deposit with Lessor, to be held as security against damages beyond ordinary wear to the premises, and against lessee vacating the premises on or before the stated termination date of this Lease failing to perform any and all of the covenants contained herein.

6. Use:

Lessee agrees that the demised premises shall be occupied and exclusively used for the purpose of **official city business** and for no other purpose. Lessee agrees to occupy and use the premises in a careful, safe, and lawful manner and to comply with all laws, ordinances, rules, regulations, and requirements of governmental authorities. Any change of use shall require prior written consent of Lessor, said consent not to be unreasonably withheld.

Lessee further agrees to protect, indemnify, and save harmless Lessor against any claim, loss, cost, expense, liability, or cause of action arising out of Lessee's use of the premises and not resulting from Lessor's breach of any covenant contained herein.

7. Utilities and Taxes:

Lessee shall be solely responsible for and to promptly pay for all public utility and private services furnished to the premises during the term hereof including, but not limited to, heat, water, sewer, gas, electricity, sanitary charges or fees, telephone service, fire protection service, together with all taxes, levies, or other charges based on the use of utilities, with the exception of the following which Landlord agrees to pay: **property taxes only.**

Lessor shall be under no responsibility to Lessee due to any discontinuance of the aforementioned services, or for the discontinuance of any other service caused by accidents, breakage, strikes, war orders, or war conditions, acts of God, or any other acts beyond Lessor's control.

Lessor shall pay all taxes assessed and levied against the property by any state, city, and county or other municipal taxing authorities. If Lessee is required to pay any portion of the taxes on the property when due, the amount paid by Lessee on behalf of the Lessor

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shall be deducted from the monthly rental installment which is due to Lessor. Lessee shall transmit to Lessor all receipts signed by authorized officials showing the amount actually paid by Lessee for axes and assessments when deducting any amount from the monthly installment.

8. Insurance and Liability:

Lessor shall not be liable or responsible for loss of or damage to Lessee's personal property or the personal property of any other person. Lessee shall be responsible for obtaining adequate property damage insurance for Lessee's personal property.

Lessee shall be responsible for obtaining Liability insurance in the amount of **\$500,000** per person and **\$1,000,000** per occurrence, and Lessee agrees to provide Lessor evidence of such insurance coverage within one month following the date of this Agreement.

It is mutually understood that Lessor shall not be liable for any damage or injury, either to the person or property of the Lessor, its guests, licensees, or invitees, due to the use of the premises or any part thereof by the Lessee. Lessee will protect, indemnify, and save harmless Lessor from all losses, costs, or damages sustained by reason of any act or other occurrence causing injury to any person and/or property whoever and wheresoever, due to the use of the premises or any part thereof by the Lessee.

Lessee shall not perform or permit to be performed on the subject premises any activity that would cause an increase, suspension, or cancellation of any fire and extended coverage insurance policy.

Lessor shall keep the property insured against loss or damage by fire or other hazard to the extent of the full insurable value thereof, including all improvements, alterations, additional and changes made by either party to this Lease.

It is mutually understood that Lessee shall not be liable for any damage or injury, either to the person or property of the Lessor, its guests, licensees, or invitees, due to the actions of the Lessor. Lessor will protect indemnify and save harmless Lessee from all losses, costs, or damages sustained by reason of any act or other occurrence causing injury to any person and/or property whatsoever and whosoever, due to the actions of the Lessors, it's officers or any of its agents.

9. Alterations:

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Lessee shall make no alterations, structural or non structural, without Lessor's written consent being first obtained. Lessee shall be solely and fully responsible for the cost of said alterations and Lessor shall have the right to monitor any construction and inspect and approve the completed alterations. All alterations, additions, or improvements shall become the property of Lessor, or at the option of the Lessor at the end of the term of the within Lease Lessee shall restore said demised premises to the same condition which existed at the beginning of the Lease. Any structural changes involving substantial demolition and noise or access to other occupied or common areas shall be scheduled at the convenience of all affected parties.

10. Signage:

Lessee may erect exterior commercial signage on the premises subject to Lessor's written consent. Said signage shall comply with all applicable laws, ordinances, and regulations, with such compliance being the sole responsibility of Lessee. Upon vacating the premises, Lessee shall remove all signage and repair any damages resulting therefrom.

11. Locks:

Lessee agrees not to change the locks on any door or mailbox without first having obtained Lessor's written permission. Having obtained such permission, Lessee agrees to pay for changing said locks and to provide to Lessor one duplicate key for each lock changed to Lessor.

12. Repair and Maintenance:

Lessee shall allow Lessor and its agents to have access to the demised premises at reasonable times and upon request of the Lessor for the purpose of inspection or in the event of fire or other property damage, or for the purpose of making any repairs Lessor considers necessary or desirable.

Lessee shall be solely responsible for the maintenance of the interior of the premises, during the term of this Lease. In addition, Lessee agrees to comply with the following:

- a. All garbage shall be picked up at all times.
- b. No debris or other items shall be allowed to be stored outside of the premises.

Lessee shall keep said premises in good order and condition and surrender same at the expiration of the term herein in the same order in which they were received, ordinary wear and tear excepted. Lessee shall give to Lessor prompt written notice of any defects or breakage in the structure, equipment, or fixtures of said premises.

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Lessor shall, at its own expense, maintain the exterior of the property including repairs to the heating, air conditioning and ventilating equipment in the property.

13. Fire and Casualty Damage:

In the event the demised premises are damaged or destroyed by fire or other unavoidable casualty such as tornado or flood, not caused by the negligent or intentional conduct of Lessee, Lessee's servants, agents, or guests, Lessee shall give immediate written notice thereof to the Lessor.

If the premises are so damaged but rebuilding or repair can in Lessor's sole estimation be reasonably undertaken, Lessor shall rebuild or repair said premises at its expense to the extent the damages are covered by insurance to substantially the same condition as existed prior to the damage. During any period of time when the subject premises or any portion thereof are unusable pending repair and in accordance with this paragraph, Lessee shall be relieved of its duty to pay rent or any other charges on the unusable portion until it is restored to usable condition. Said rent shall be prorated based on the square footage of unusable space compared to the square footage of usable space.

If the premises are so damaged that rebuilding or repair cannot in Lessor's sole estimation be reasonably undertaken, at Lessor's option, this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease from the date of said written notice.

14. Bankruptcy:

In the event Lessee shall be adjudicated bankrupt, or a voluntary petition in bankruptcy is filed, or an assignment for the benefit of creditors is made, or if Lessee's interest in the demised premises is subjected to levy by execution or other legal process, then Lessor shall have the option, without notice, to terminate this Lease.

15. Condemnation:

If during the term of this Lease or any extension or renewal thereof all or a substantial part of the demised premises is taken for any public or quasi-public use under any governmental law, ordinance, or regulation or by right of eminent domain or sold to the condemning authority under threat of condemnation, this Lease shall terminate and the rent shall be abated during the unexpired portion of this Lease from the date of the taking of said premises by the condemning authority. If less than a substantial part of the demised premises is taken for any public or quasi-public use under any governmental law, ordinance, or regulation or by right of eminent domain or sold to the condemning authority under threat of condemnation, at Lessor's sole option, this Lease shall not terminate, and

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Lessor shall restore and reconstruct the demised premises, provided such restoration and reconstruction shall make the premises reasonably tenantable and suitable for the uses for which they are Leased.

16. Default Remedies:

In the event Lessee should violate any covenant in this Lease Agreement, including, but without limitation, the covenant to pay rent, Lessor shall be entitled to the benefit of all provisions of the law respecting the speedy recovery of lands and tenements held over by Lessee, including proceedings in forcible entry and detainer.

In the event Lessor should materially fail to fulfill any of its duties or obligations to Lessee under the terms of this Lease Agreement, Lessee shall give written notice to Lessor of such defaults, and Lessor shall have thirty (30) days to remedy such failure. If Lessor does not remedy said failure within thirty (30) days following receipt of Lessee's notice, then Lessee shall have the right to terminate the lease.

In the event Lessee terminates this Lease Agreement under the terms of this provision, Lessee shall be deemed to have fulfilled all obligations to Lessor and shall have no further responsibility to Lessor for rent or any other obligation set forth in this Lease Agreement. Upon termination under this provision, Lessor shall promptly return to Lessee all rent paid in advance and unearned by Lessor.

17. Non-Waiver:

No mention in this Lease Agreement of any specific right or remedy shall preclude Lessor from exercising any other right or from having any other remedy or from maintaining any action to which it may be otherwise entitled, either at law or in equity, and the failure of Lessor to insist in any one or more instances upon a strict compliance with and performance of any covenant of this Lease Agreement shall not be construed as a waiver or relinquishment in the future of such covenants or any other covenants. Neither Lessor nor Lessee shall have waived any right to enforce any covenant unless both agree to such waiver in writing.

18. Assignment:

This Lease and the covenants contained herein shall be binding upon Lessor and Lessee, their respective heirs, executors, administrators, successors, and assigns. Lessee shall not assign this Lease or sublet the whole or any part of the demised premises without the written consent of the Lessor first obtained. This Lease shall inure to the benefit of the Lessor, its successors, and assigns, to Lessee, its heirs, executors, administrators, and such of its successors and assigns as shall be consented to by Lessor.

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19. Sale: Lessor shall have the right to offer the subject premises for sale during the term of the Lease. Lessor and its authorized agent(s) may upon reasonable notice to Lessee, enter said premises for the purpose of showing said premises to prospective purchasers. In the event of a bona fide sale of the premises by Lessor, Lessor may at its sole option terminate this Agreement by providing notice to Lessee one hundred eighty (180) days prior to the date of said termination, whereupon Lessee shall vacate the premises before said date.
20. Mortgage: Lessee agrees that this Lease shall be subject to and subordinate to any renewal of any mortgage or mortgages now on subject premises or any new mortgage or mortgages which any owner of said premises may hereafter at any time elect to place on said premises; and Lessee shall, upon request, hereafter execute any paper or papers which Lessor may deem necessary to accomplish that end, and in default of the Lessee so doing, that said Lessor be and is hereby empowered to execute such paper or papers in the name of Lessee, and as the act and deed of said Lessee, and this authority, is hereby declared to be coupled with an interest and not revocable.
21. Zoning and Compliance: Lessee, at its sole expense and for consideration herein given by Lessor, shall comply with local zoning regulations and occupancy requirements.
22. Holding Over: If, with the consent of the Lessor and without having executed another Lease Agreement, Lessee remains in possession of the demised premises after the date of the expiration of the Lease Term set forth in Paragraph 3, Page 1, Lessee shall then be considered a periodic tenant from month to month at monthly rentals equal to the amount of the monthly installments as set forth in paragraph 3 plus 6% and otherwise subject to all of the terms and conditions of this Lease Agreement. Said holdover tenancy may be terminated by either party upon thirty (30) days written notice.
23. Captions and Pronouns: Any captions and paragraph headings are used for convenience only and shall not be relied upon in construing the specific provision of this Lease. The pronoun "it" is used in reference to Lessee for convenience only and shall be read as referring to Individual persons as appropriate as well as businesses and other entities.
24. Notice:

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All notices and demands herein required shall be in writing and shall not be deemed sufficient unless issued by certified United States Mail, return receipt requested, and addressed to one of the following designees of the respective parties.

Lessor: **Malhotra Real Estate, Inc.**
118 East Main Street
Mason, OH 45040

Lessee: **City of Mason, Mason, Ohio**
214 West Main Street
Mason, OH 45040

25. Quiet Enjoyment:
Should Lessee perform all of the covenants by it to be performed under this Agreement, Lessee shall have during the term of this Agreement, the quiet and peaceful possession of the premises.
26. Entire Agreement:
This instrument contains the entire agreement of the parties and supersedes any prior understandings and written or oral agreements between the parties concerning the subject matter. This Agreement can be amended only by a writing signed by the parties hereto.
27. Acknowledgment:
Tenant hereby acknowledges that it has read this Agreement, understands it, and agrees to it.

IN WITNESS WHEREOF, the undersigned Lessor and Lessee hereby execute this Lease Agreement this _____ day of _____, 2000.

Signed in our presence:

Malhotra Real Estate, Inc.
Lessor

Print Name:

By: Donna Tudor
Property Manager

Signed in our presence:

City of Mason
Lessee

Print Name:

By: Scot Lahmer
City Manager

STATE OF OHIO)
) ss:
COUNTY OF WARREN)

On the _____ day of _____, 2000 personally appeared before me a Notary Public in and for said County and State the said Donna Tudor, Property Manager, duly authorized representative of Malhotra Real Estate, Inc., Lessor, who did acknowledge and sign the above Lease Agreement as its free and voluntary act and deed.

IN WITNESS WHEREOF, I have subscribed my name and affixed my notary seal on the above date.

Notary Public - State of Ohio

STATE OF OHIO)
)
COUNTY OF WARREN)

On the _____ day of _____, 2000 personally appeared before me a Notary Public in and for said County and State the said Scot Lahrmer, City Manager, duly authorized representative of City of Mason, Lessee, who did acknowledge and sign the above Lease Agreement as its free and voluntary act and deed.

IN WITNESS WHEREOF, I have subscribed my name and affixed my notary seal on the above date.

Notary Public - State of Ohio

General Warranty Deed*

RAMESH MALHOTRA and CHRISTINE A. MALHOTRA, husband and wife,
of Butler County, Ohio
, whose tax-mailing address is
for valuable consideration paid, grant(s) with general warranty covenants, to
MALHOTRA FAMILY LIMITED PARTNERSHIP
117 West Main Street, Mason, Ohio 45040
the following REAL PROPERTY: Situated in the County of Warren
of Ohio and in the Township of Deerfield in the State

SEE EXHIBIT "A" ON REVERSE SIDE

Prior Instrument Reference: Volume 794 Page 883 of the Deed Records of Warren
County, Ohio.

Grantor(s) and Witness
of February, 19 97
Signed and acknowledged in presence of:
OUR hand(s) this 19th day

Thomas D. Shackelford
Thomas D. Shackelford
Susan James
Susan James
Ramesh Malhotra
Ramesh Malhotra
Christine A. Malhotra
Christine A. Malhotra

State of Ohio ss.
BE IT REMEMBERED, That on this 19th day of February, 19 97, before me,
the subscriber, a Notary Public in and for said state, personally came,
RAMESH MALHOTRA and CHRISTINE A. MALHOTRA the Grantor(s) in the
foregoing deed, and acknowledged the signing thereof to be their voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal
on the day and year last aforesaid.

Thomas D. Shackelford
THOMAS D. SHACKELFORD, Notary at Law
NOTARY PUBLIC - STATE OF OHIO
My Commission has no expiration
Ohio Section 247.06 C.A.R.C.

This instrument was prepared by Thomas D. Shackelford, Attorney at Law
224 Reading Road, Mason, Ohio 45040

- (1) Name of Grantor(s) and marital status.
- (2) Description of land or interest therein, and encumbrances, reservations, and exceptions, taxes and assessments, if any.
- (3) Date which never does not apply.
- (4) Execution in accordant with Chapter 5301 Ohio Revised Code.

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EXHIBIT A

Tract No. 1 - Situated in Warren County, Ohio, in the Village of Mason, and being part of Lots Nos. 29 and 27 as per the Revised Plat of Mason, adopted in December, 1890, and bounded and described as follows:

Beginning at a point in the north line of Main Street 170 feet east of the intersection of the east line of West Street with the north line of Main Street, running thence with the north line of Main Street easterly 31.7 feet to a point in the center of an alleyway, which point is 5 feet east of the east face of the brick building now called "The Bus Station Building"; thence northerly in said alleyway and parallel with the east line of said brick building and 5 feet easterly therefrom and with said line projected northerly, a distance of 104 feet to an iron rod; thence westerly at right angles 5 feet to an iron rod; thence northerly at right angles 17 feet to an iron rod; thence westerly at right angles 2.9 feet to an iron rod in the original line between said parties herein; thence southerly with the original line between said parties, 36 feet to the north line of the aforesaid bus station lot; thence westerly with said lot, 24.5 feet to a point at the northwest corner of said lot; thence southerly with the west line of the bus station lot, which line is also the west line of Lot #29, a distance of 85 feet to the north line of Main Street and place of beginning, together with any and all rights under a certain easement recorded in Vol. 208, page 7, Warren County Deed Records.

Tract No. 2 - Situated in Warren County, Ohio, and in the Village of Mason, Ohio, being a part of Lots Nos. 30 and 43 as known and designated on the revised plat of Mason, as adopted in December, 1890, and bounded and described as follows: Beginning at an iron rod in the east line of Lot No. 43, and 12 feet north of the original southeast corner of said Lot No. 43; running thence westerly 24.5 feet to an iron rod; thence southerly 92 feet, crossing the original line between Lots Nos. 43 and 30 at 12 feet, to the north line of Lot No. 29; thence easterly with the north line of said Lot No. 29, 24.5 feet to a point; thence northerly 92 feet with the east line of Lots Nos. 30 and 43, passing an iron rod in the original line between said lots at 80 feet, to the place of beginning.

RECEIVED & RECORDED
 BE TH DECKARD
 WARREN CO RECORDER
 97 FEB 21 330 PM 3:55
 D.R. VOL. 208
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30247

General Warranty Deed

FROM
 RAMESH MALHOTRA
 and
 CHRISTINE A. MALHOTRA

MALHOTRA FAMILY LIMITED PARTNERSHIP
 TRANSFERRED

SEC. 319202 COMPLETED WITH
 NICK NELSON, Auditor
 WARREN COUNTY, OHIO

FEB 21 1897