

**Exhibit E**

**SUBLEASE**

THIS SUBLEASE (this "Sublease"), is made and entered into effective the 1st day of June, 2002 by and between the MASON CITY SCHOOL DISTRICT ("Sublessor") and THE CITY OF MASON ("Sublessee").

**RECITALS:**

WHEREAS, the residents of Sublessor have passed a tax levy for, among other things, the construction, furnishing and equipping of a new high school and a community recreation center; and

WHEREAS, Sublessee owns the real estate on which said high school and community recreation center has been constructed; and

WHEREAS, pursuant to an Agreement to Proceed with a Community Center, dated December 15, 1999, the Parties have entered into the Joint Use and Operation Agreement, of even date herewith (the "Joint Use Agreement"), which sets forth Sublessor's and Sublessee's joint rights and obligations with respect to the operation and maintenance of said community recreation center and certain portions of said real estate on which the community recreation center have been constructed pursuant to applicable provisions of the Ohio Revised Code, including O.R.C. § 755.16; and

WHEREAS, pursuant to the Joint Use Agreement, the Parties have entered into a Ground Lease, of even date herewith (the "Ground Lease"), wherein Sublessee leased to Sublessor and Sublessor leased from Sublessee the real estate on which said high school and community recreation center have been constructed and will be operated and maintained; and

WHEREAS, pursuant to the Joint Use Agreement, Sublessor has agreed to sublease to Sublessee and Sublessee has agreed to sublease from Sublessor a portion of the community recreation center.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained and for other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties covenant and agree as follows:

**ARTICLE 1. DEFINITIONS**

"COMMUNITY CENTER" means that portion of the Community Facility which Sublessor is subleasing to Sublessee and Sublessee is subleasing from Sublessor under this Sublease and which is designated as the "Community Center" on the Floor Plan.

"COMMUNITY FACILITY" means that portion of the Premises in which the Community Center is located and which is more particularly described and defined by the Ground Lease.

"CONTRACT YEAR" means the fiscal year of Sublessee, which runs from January 1 to December 31 of each calendar year.

"EASEMENT AGREEMENT" means the Restrictions and Easement Agreement, of even date herewith, which has been executed by Sublessor and Sublessee pursuant to the Joint Use Agreement, wherein Sublessor and Sublessee impose certain restrictions on the use of the Land and certain contiguous property and grant to each other certain reciprocal easements with respect to the Project Improvements.

"EQUIPMENT" means the fitness and weight equipment, furniture, technology equipment, aquatic equipment (exclusive of any aquatic mechanical, filtration and circulation systems which are hereby deemed to be fixtures and part of the structure of the Community Facilities [as defined by the Joint Use Agreement] and exclusive of any heating, ventilation or air conditioning systems, plumbing, electrical and other utility systems, all of which are hereby deemed to be fixtures and part of the structure of the Community Facilities), as more particularly described in the Joint Use Agreement, as well as the "New Equipment", as that term is defined by the Joint Use Agreement.

"FLOOR PLAN" means the drawing of all designated areas of the Community Facility (except the Outdoor Recreation/Athletic Facilities, as such term is defined by the Joint Use Agreement), including the Community Center. A true and accurate copy of the Floor Plan is attached hereto as Exhibit "A", which is attached hereto and incorporated herein by reference.

"GROUND LEASE" means the Ground Lease, of even date herewith, by and between Sublessor and Sublessee, wherein Sublessee leases to Sublessor and Sublessor leases from Sublessee the Premises.

"JOINT USE AGREEMENT" means the Joint Use and Operation Agreement, of even date herewith, by and between Landlord and Tenant with respect their joint rights and obligations regarding the use, operation and maintenance of the Community Facilities and other related improvements, as more particularly described and defined by the Joint Use Agreement.

"LAND" means that certain parcel of real estate which is owned by Sublessee and which is more particularly described in the Ground Lease.

"PARTY" means Sublessor or Sublessee and their respective successors and assigns (subject to Section 8.1 hereof).

"PERSONALTY" means all furniture, fixtures, trade fixtures, equipment, materials, supplies, inventory, books, records or other personalty, and/or the proceeds of any thereof, any time or from time to time located, erected or installed on or in the Community Center by Sublessee during the Term (as defined by Section 2.2 hereof) (excluding the Equipment but including, without limitation, the Unapproved Equipment purchased by Sublessee pursuant to the Joint Use Agreement).

"PREMISES" means the Land and Project Improvements and all related improvements and rights, as more particularly described and defined by the Ground Lease.

"PROJECT IMPROVEMENTS" means the Community Facility and other improvements, as more particularly described and defined by the Ground Lease.

"SITE PLAN" means the drawing of the Premises. A true and accurate copy of the Site Plan is attached hereto as Exhibit "B", which is attached hereto and incorporated herein by reference.

"SUBLEASE" means this Sublease.

"SUBLESSEE" means the City of Mason.

"SUBLESSOR" means the Mason City School District.

"UNAPPROVED EQUIPMENT" means fitness or weight equipment, furniture, technology equipment or recreation equipment purchased by a Party pursuant to and as more particularly defined by the Joint Use Agreement.

**ARTICLE 2. SUBLEASE OF COMMUNITY CENTER**

**2.1 DEMISE AND TERM.**

(a) Demise. In consideration of and subject to the Rent (as defined by Section 3.2 hereof) herein reserved and the covenants and conditions herein contained on the part of Sublessee to be paid, performed, observed and complied with, Sublessor hereby sublets and subleases unto Sublessee, and Sublessee hereby sublets and subleases from Sublessor, the Community Center, to have and to hold the Community Center during the Term, unless and until sooner terminated as expressly provided herein, subject to the Joint Use Agreement.

(b) Mutual Performance. Sublessor and Sublessee each hereby covenant and agree to perform, fulfill and observe their respective covenants, obligations and conditions herein contained.

(c) Ownership of Community Center. The Project Improvements, including, without limitation, the Community Center, shall be owned by Sublessor in fee, pursuant and subject to the terms and conditions of the Ground Lease, Joint Use Agreement and Easement Agreement.

(d) No Merger. The ownership of the all of the Land by Sublessee and the sublease of the Community Center to Sublessee and any rights granted to Sublessee under Section 2.6 hereof shall not effectuate a merger and termination of this Sublease.

2.2 TERM. The initial term of this Sublease shall commence on March 1, 2003 (the "Commencement Date") and shall terminate twenty (20) Contract Years thereafter; provided that if the Commencement Date is other than January 1st of a Contract Year, such initial term of twenty (20) Contract Years shall be extended by a period of time equal to the balance of such partial Contract Year (the "Initial Term"). This Sublease shall automatically be renewed for

three (3) additional consecutive terms of twenty (20) Contract Years and one (1) additional consecutive term of nineteen (19) Contract Years (collectively, the "Renewal Terms" or, individually, "Renewal Term") (collectively, the Initial Term and all Renewal Terms, if applicable, shall be referred to herein as the "Term"), unless one hundred eighty (180) days prior to the end of the Initial Term or the then current Renewal Term, as the case may be, Sublessee provides written notice to Sublessor of Sublessee's intent to terminate this Sublease, in which event this Sublease shall terminate at the expiration of the last Contract Year of the Initial Term or the then current Renewal Term, as the case may be. All the terms, covenants and conditions of this Sublease shall continue in full force and effect during each of the Renewal Terms, subject to Section 2.5 hereof. Notwithstanding the foregoing, in the event that the Ground Lease is terminated pursuant to the terms thereof or in the event that Sublessee's right to sublease the Community Center is terminated pursuant to the terms of the Joint Use Agreement, the Term shall also terminate on the date on which the Ground Lease terminates or, as the case may be, on the date on which the Joint Use Agreement dictates that this Sublease shall terminate, neither Party having any further rights or obligations hereunder except to the extent that this Sublease specifically provides that such rights or obligations shall survive the expiration of the Term or earlier termination of this Sublease.

### 2.3 SURRENDER.

(a) Surrender of Community Center. Subject to the Ground Lease and the Joint Use Agreement, at the expiration of the Term or earlier termination of this Sublease, Sublessee agrees to peaceably surrender and deliver to Sublessor the Community Center in the state of repair required of Sublessee pursuant to this Sublease, except for loss or damage caused by a Casualty (as defined by Section 9.1 hereof) or by Condemnation (as defined in Section 9.2 hereof) (which Sublessee is not required to restore or repair pursuant to this Sublease or the Joint Use Agreement) and ordinary wear and tear, depreciation and obsolescence, and the acts or omissions of Sublessor, its agents, employees and/or contractors all excepted. Sublessee shall not have the right to remove any improvements from the Community Center at anytime during the Term or upon the expiration of the Term or earlier termination of this Sublease.

(b) Removal of Personalty. Notwithstanding the foregoing, Sublessee shall have the right at any time, during the Term and from time to time until thirty (30) days after the expiration of the Term or earlier termination of this Sublease, to remove all or any Personalty from the Community Center so long as any physical damage to the Community Center occasioned by such removal is repaired by Sublessee.

(c) Survival. This Section 2.3 shall survive the expiration of the Term or earlier termination of this Sublease.

### 2.4 COVENANTS OF TITLE AND QUIET ENJOYMENT.

(a) Covenant of Title. Sublessor warrants that it has leasehold title to the Community Center, and subleasehold title to the Community Center shall be delivered to Sublessee free and clear of all claims, obligations, mortgages, assessments, liens and

encumbrances, subject to the Permitted Exceptions (as hereinafter defined). For purposes of this Sublease, the following shall be deemed "Permitted Exceptions": (i) liens, encumbrances, easements, restrictions and other conditions affecting title to the Community Center which were not or are not caused or created by or through Sublessor; (ii) all Leasehold Mortgages (as defined by the Ground Lease); (iii) the Easement Agreement; (iv) the Joint Use Agreement; (v) the Ground Lease; and (vi) any other encumbrances which Sublessor is expressly permitted to create with respect to the Premises under the terms of the Ground Lease.

(b) Quiet Enjoyment. Sublessor covenants and agrees that Sublessee, upon paying the Rent hereby reserved, and performing and observing the covenants hereof to be kept and performed by Sublessee, shall peaceably hold and enjoy the Community Center with exclusive control and possession of the Community Center for the Term, except as may be otherwise expressly stated herein and subject to the Joint Use Agreement and Easement Agreement.

(c) Access to Community Center. In addition to the rights granted to Sublessor under the Joint Use Agreement and the access to the Community Center required in connection with performing Sublessor's obligations under the Joint Use Agreement, Sublessor, and any agents, employees, officers and independent contractors of Sublessor, will have access to the Community Center for the purpose of examining and inspecting same at all reasonable times and upon not less than five (5) days prior written notice to Sublessee (except in cases of emergency, in which case such access may be at any time without notice), and with Sublessee having the right to have an agent at all times present during such entry.

2.5 HOLDING OVER. If, while the Ground Lease is in effect, Sublessee remains in possession of the Community Center after the expiration of the Term or earlier termination of this Sublease and without an agreement concerning such holding over and Sublessor accepts Rent in respect thereof, a subtenancy from month to month shall be deemed to have been created. Such subtenancy may be terminated at any time by either Sublessor or Sublessee by notice to the other with the termination date to be set out in the notice and to be at least sixty (60) days after delivery of the notice. Such subtenancy, in the absence of written agreement to the contrary, shall be subject to all the terms of this Sublease, except as to the Term and except that the Base Rent payable during such tenancy shall be increased by an amount equal to ten percent (10%) of the Base Rent payable during the preceding Contract Year; provided that to the extent that the duration of such month to month subtenancy is only for a partial Contract Year, the foregoing increased Base Rent shall be prorated on a per diem basis for such partial Contract Year.

2.6 EASEMENTS. Subject to the Easement Agreement, Sublessor hereby grants to Sublessee, appurtenant to the subleasehold estate demised hereby in the Community Center, the non-exclusive right to use the easements which have been granted to Sublessor under the Ground Lease, to the extent those easements are reasonably necessary for pedestrian access to and from the Community Center.

### ARTICLE 3. RENT

3.1 COVENANT TO PAY. Sublessee covenants and agrees to pay the Rent as herein provided.

3.2 BASE RENT. No Base Rent shall be payable by Sublessee to Sublessor prior to the Commencement Date. Beginning on the Commencement Date and continuing thereafter for each Contract Year during the Term, Sublessee shall pay to Sublessor Base Rent of One and 00/100 Dollar (\$1.00) per Contract Year which shall be payable, in advance, on the first day of each Contract Year during the Term, with the first such payment of Base Rent being due on the Commencement Date. For purposes of this Sublease all Base Rent and all other charges, fees and other payments due from Sublessee to Sublessor hereunder shall be referred to herein as "Rent".

#### 3.3 TAXES, UTILITIES AND OTHER CHARGES.

(a) Real Property Taxes and Utilities. All real property taxes assessments, if any, and all charges and rates for utilities (including, without limitation, sewer, refuse removal, gas, water, heat, electricity, and telephone services) and all taxes and assessments, including payments in lieu thereof, which are applicable to the Community Center shall be paid pursuant to the Joint Use Agreement or, as applicable, the Ground Lease.

(b) Other Taxes. Subject to the Joint Use Agreement, from and after the Commencement Date and thereafter during the Term, any business taxes or license fees and similar taxes which may be charged, levied or assessed in connection with the Community Center or Sublessee's subleasehold interest therein, which taxes or fees are properly levied or assessed against Sublessee shall be paid by Sublessee before delinquency.

3.4 PAYMENTS OF RENT. All Rent shall be paid at the office of Sublessor designated in Section 11.2 hereof, or at such other place in the United States of America designated by at least ten (10) business days' prior written notice from Sublessor, in lawful money of the United States of America, without any prior demand therefore. Sublessee covenants and agrees that the Rent to be paid hereunder shall be paid without abatement, off-set of deduction, except as otherwise expressly provided herein or permitted by law.

### ARTICLE 4. USE OF COMMUNITY CENTER

4.1 USE OF COMMUNITY CENTER. Subject to the Joint Use Agreement, Sublessee may use the Community Center for athletic, community recreational and fitness purposes only. The athletic, community recreational and fitness purposes shall be collectively be referred to herein as the "Community Uses."

4.2 PROHIBITED ACTIVITIES AND OBSERVANCE OF LAW. Sublessee covenants and agrees that Sublessee (a) will not use or permit, or suffer the use of the Community Center, or any part thereof, for any act or omission which constitutes waste upon or

damage to the Community Center and (b) shall, at its sole cost and expense, promptly observe and comply with all provisions of law and all requirements of all governmental authorities, including federal, state and municipal authorities, now or hereafter in force which pertain to or affect Sublessee's use of the Community Center or the conduct of the Community Uses or other activities in the Community Center, or the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Community Center (collectively, "Compliance"). Notwithstanding the foregoing, Compliance, as it relates to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements to the Community Center, shall be governed by and subject to the terms of the Joint Use Agreement and Easement Agreement, as applicable, and Sublessee shall have no greater obligation with respect to such Compliance under this Sublease than that which is expressly imposed upon Sublessee under the terms of the Joint Use Agreement or the Easement Agreement, as the case may be. This Section shall survive the expiration of the Term or earlier termination of this Sublease.

## ARTICLE 5. ALTERATIONS AND MAINTENANCE

5.1 ADDITIONS, ALTERATIONS OR REMODELING. Sublessee shall not, without the prior written consent of Sublessor in each instance, have the right to remodel or make any additions, alterations or extensions to the Community Center, subject to the terms and conditions of the Joint Use Agreement. Subject to the Joint Use Agreement, Sublessee shall have the right to erect, install, maintain and operate in the Community Center such Personalty as Sublessee may deem advisable. Sublessee will comply with all applicable laws with respect thereto. In the event that Sublessee does any remodeling of the Community Center or makes any alterations to or extensions of the Community Center, notwithstanding whether or not Sublessee obtained Sublessor's prior written consent to same, Sublessee will indemnify and save and hold Sublessor harmless from any and all mechanics' liens or claims that may be filed against the Community Center or the Premises by reason of any such remodeling, additions, alterations or extensions made by or on behalf of Sublessee. Sublessee shall have the right to contest the validity of any such lien or claim filed or asserted against the Community Center. Sublessee is hereby expressly given the right, exercisable at any time and from time to time during the Term, and for a period of up to thirty (30) days after the expiration of the Term or earlier termination of this Sublease, to remove any Personalty, but shall not be obliged to do so. Sublessee shall make reasonable repairs to the Community Center or the Premises, if applicable, for any physical injury caused by such removal, but without any liability for diminution in value of the Community Center caused by the absence of the Personalty so removed and without any necessity for replacing same. In the event Sublessee shall fail to remove all such Personalty, then Sublessee shall be deemed to waive all rights to any such Personalty not so removed. This Section 5.1 shall survive the expiration of the Term or earlier termination of this Sublease.

5.2 REPAIR. The maintenance, and all costs related thereto, of the Community Center shall be performed and paid pursuant to the rights and obligations set forth in the Joint Use Agreement.

## ARTICLE 6. ENCUMBRANCES

6.1 ENCUMBRANCES PROHIBITED. Subject to Sublessee's right to encumber the Land pursuant to the terms and conditions of the Ground Lease, Sublessee shall not do any act which shall in any way subject Sublessor's interest or estate in the Premises or the Project Improvements under the Ground Lease or Sublessor's interest or estate under the Easement Agreement to any claim by way of lien or encumbrance, whether by operation of law, by virtue of any express or implied contract by Sublessee, or by reason of any other act or omission of Sublessee. Any claim to, or lien prohibited under the preceding sentence which arises from any act or omission of Sublessee shall accrue only against the subleasehold estate of Sublessee in the Community Center and shall be subject and subordinate to the paramount leasehold title and rights of Sublessor in and to the Land, the fee simple estate and rights of Sublessor in and to the Project Improvements and that portion of the Perimeter Road that is part of the Premises, as provided under the Ground Lease, and the easement estate and rights of Sublessor under the Easement Agreement. Without limiting the generality of the foregoing, Sublessee shall not permit the Community Center or Premises, or any portion of either of them, to become subject to any mechanics', laborers' or materialmen's lien on account of labor or material furnished to Sublessee or claimed to have been furnished to Sublessee in connection with work of any character performed or claimed to have been performed on the Community Center by, or at the direction or sufferance of, Sublessee.

6.2 SUBORDINATION AND ATTORNMENT. Sublessee, upon request of Sublessor, will subordinate this Sublease to any Leasehold Mortgage which shall hereafter affect the Premises, or any portion thereof, and to any renewal, modification or extension thereof or any other Leasehold Mortgage granted by Sublessor under the terms of the Ground Lease; subject, however, to the following conditions and only if such conditions have been met. Sublessee, upon request but at Sublessor's sole expense, will execute and deliver such instruments as are reasonably required to subordinate this Sublease to such Leasehold Mortgage; provided, however, as a condition precedent thereto, Sublessor shall simultaneously deliver or cause to be delivered to Sublessee an agreement in writing executed by the applicable Leasehold Mortgagee (as defined by the Ground Lease) and by Sublessor which shall provide, among other terms reasonably required by Sublessee, that: (a) so long as Sublessee shall faithfully discharge its obligations under this Sublease, its subtenancy shall not be disturbed nor shall this Sublease be affected by any default of Sublessor under such Leasehold Mortgage; (b) so long as Sublessee shall faithfully discharge its obligations under the Joint Use Agreement, its rights thereunder shall not be disturbed nor shall the Joint Use Agreement be affected by any default of Sublessor under such Leasehold Mortgage; (c) so long as Sublessee shall faithfully discharge its obligations under the Easement Agreement, its rights under the Easement Agreement shall not be disturbed nor shall the Easement Agreement be affected by any default of Sublessor under such Leasehold Mortgage; and (d) in the event of a foreclosure sale pursuant to such Leasehold Mortgage, or any other sale, transfer, conveyance or other proceeding in lieu thereof, the leasehold estate and rights of Sublessor in the Land and the fee simple estate and rights of Sublessor in the Project Improvements and that portion of the Perimeter Road that is part of the Premises will be sold, transferred or conveyed subject to this Sublease, the terms of which, specifically, shall be binding upon the Leasehold Mortgagee or other purchaser at foreclosure or other procedure or sale in lieu thereof, and upon their heirs, successors and assigns (collectively,



"SNDA"). Sublessee's obligation to subordinate this Sublease is expressly conditioned upon receipt of an SNDA as described above, in a form reasonably acceptable to Sublessee from the holder of any mortgage, deed to secure debt or deed of trust now or hereafter encumbering the Premises or any part thereof.

### 6.3 RIGHT TO ENCUMBER.

(a) Right to Encumber Personalty. Sublessee shall have the right, without Sublessor's consent or approval being necessary or required, to place liens upon or give security interests in any or all of the Personalty. Sublessee shall also have the right to place liens upon or give a security interest in any Equipment (excluding any Equipment or Unapproved Equipment purchased by Sublessor pursuant to the Joint Use Agreement) located, erected or installed in the Community Center by Sublessee during the Term, subject to the terms and conditions of the Joint Use Agreement. Any such lien or security interest shall vest in the lien holder or secured party a prior lien on or security in such Personalty or such Equipment, as the case may be. Sublessor shall execute any instruments that the lien holders or secured parties may reasonably request or require from Sublessor, with respect to acknowledging: (a) the right of Sublessee to erect or install such Personalty or such Equipment, as the case may be, and that same shall not be deemed to be nor become part of the Community Center; (b) the right of the lien holder or secured party to maintain a lien thereon or security interest therein superior to any claim and interest of Sublessor; (c) the right of the lien holder to remove any and all such Personalty or such Equipment, as the case may be, in the event of default in the instrument creating the lien or security interest, subject to making reasonable repairs to the Community Center for any physical injury caused thereto by such removal, but without any liability for diminution in value of the Community Center caused by the absence of the Personalty or Equipment, as the case may be, so removed and without any necessity for replacing same; and (d) the right of Sublessee to grant to such lien holder a collateral assignment of its interest in this Sublease as further security to such lien holder, subject to Section 6.3(b) hereof. Sublessor shall, within ten (10) business days after submission of such instruments, execute and deliver same to Sublessee.

(b) Subleasehold Mortgage. Notwithstanding anything herein to the contrary, Sublessee shall have the right, without Sublessor's consent or approval being necessary or required, to grant a mortgage on its subleasehold interest in the Community Center, or any portion thereof, to secure any financing or replacement financing reasonably necessary to perform Sublessee's obligations in connection with providing the Community Center Services (as defined by the Joint Use Agreement) pursuant to the Joint Use Agreement, provided that any such subleasehold mortgage shall at all times be subordinate this Sublease to any Leasehold Mortgage which shall hereafter affect the Community Center or the Premises, or any portion of either of them, and to any renewal, modification or extension thereof or any other Leasehold Mortgage granted by Sublessor under the terms of the Ground Lease.

## ARTICLE 7. INSURANCE

7.1 INSURANCE UNDER JOINT USE AGREEMENT. All property and liability insurance with respect to the Community Center shall be procured, maintained and paid for pursuant to the terms and conditions of the Joint Use Agreement.

7.2 PERSONALTY. Sublessee, at all times during the Term from and after the Commencement Date and, at its expense, will procure, maintain and keep in force fire, extended coverage, vandalism and malicious mischief insurance on the Personalty for the insurable value thereof (as reasonably determined by Sublessee) (collectively, the "Personalty Insurance"). In the event of any loss covered by the Personalty Insurance, the proceeds therefrom shall be payable to Sublessee or any party designated by Sublessee. Sublessee shall furnish to Sublessor a certificate(s) of coverage evidencing the Personalty Insurance as required under this Section 7.2 (including, without limitation, the endorsement required under Section 7.4 hereof) (a) prior to the Commencement Date and annually on each anniversary of the Commencement Date and (b) as may be reasonably requested from time to time by Sublessor. The Personalty Insurance shall be issued by an insurance company with a Best Rating of "A" or above or by a self insurance program operated and maintained in accordance with ORC § 2744.08 and shall require that Sublessor shall be given a minimum of thirty (30) days written notice by the insurance carrier prior to cancellation, modification or non-renewal of such coverage.

7.3 BLANKET INSURANCE COVERAGE. Sublessee may, at its option, provide the Personalty Insurance in a blanket policy or policies of insurance and may, at its option, effect the Personalty Insurance under a policy or policies in the amounts required, less a reasonable deductible amount, the loss with respect to which would be required to be borne by Sublessee, subject to any liability imposed upon Sublessor with respect to such loss under this Sublease or applicable law.

7.4 WAIVER OF SUBROGATION. To the extent permitted by law, each Party ("Waiving Party") hereby releases, on behalf of such Waiving Party and its agents, employees, licensees and invitees (collectively, "Waiving Parties"), and, to the extent it is legally possible for it to do so, on behalf of all insurers providing such Waiving Parties with insurance coverage, the other Party and its agents, employees, licensees and invitees (collectively, "Released Parties") from any and all liability or responsibility under or in connection with any and all claims for recovery from the Released Parties (or any of them) for (a) any loss or damage to any of the Waiving Parties' property caused by any Casualty insured against or required to be insured against hereunder, even if such Casualty shall have been caused by the fault or negligence of the Released Parties (or any of them or of anyone for whom any of the Released Parties may be legally responsible), (b) any loss or damage to buildings or other improvements or the contents thereof, (c) any loss or damage as a result of interruption of any of the Waiving Parties' businesses (or any of them), (d) any loss or damage caused by the negligence or misconduct of the Released Parties (or any of them or of anyone for whom any of the Released Parties may be legally responsible) and/or (e) any other direct or indirect loss or damage caused by fire or other risks or by any other cause or origin, to the extent (and only to the extent) the loss or damage under subparagraphs (a), (b), (c), (d) and/or (e) of this Section 7.4 is covered or required under this Sublease to be covered (whether or not such required insurance is in effect) by standard fire

and extended coverage insurance, all risk insurance, or commercial general liability insurance. Sublessee, with respect to the Personalty Insurance, and each Party with respect to any other insurance maintained by such Party in connection with this Sublease, shall provide each of its insurers with written notice of the mutual release contained in this Section 7.4 and to have such policies endorsed, if necessary, to prevent the invalidation of insurance coverage by reason of such mutual release.

## **ARTICLE 8. ASSIGNMENT AND SUBLETTING**

8.1 ASSIGNMENT AND SUBLETTING. Subject to the Joint Use Agreement and Section 6.3 hereof, Sublessee shall not assign this Sublease or sublet the Community Center, or any portion thereof, or otherwise license or grant third party's rights of use with respect to the Community Center without the prior written consent of Sublessor in each instance, which consent may be withheld in the sole and absolute discretion of Sublessor. Sublessor shall have the right to assign this Sublease in connection with an assignment of the Ground Lease pursuant to the terms and conditions of the Ground Lease.

## **ARTICLE 9. CASUALTY, CONDEMNATION AND ACCESS LIMITATION**

9.1 FIRE AND CASUALTY. In the event of damage or destruction to all or a portion of the Community Center (as to any such event, "Casualty"), the repair, restoration and/or replacement of same shall be performed pursuant and subject to the terms and conditions of the Joint Use Agreement.

9.2 CONDEMNATION. In the event that all or a portion the Community Center shall be taken, condemned or appropriated under power of eminent domain or by any competent authority for any public or quasi-public use or purpose, whether such taking, condemnation or appropriation be by agreement (i.e. negotiated settlement) or by suit (as to any one of them, "Condemnation"), then this Sublease shall be terminated as to that part of the Community Center subject to such Condemnation on the date that Sublessor and Sublessee are required to yield possession thereof, and all of Sublessor's and Sublessee's other respective rights and obligations with respect to such Condemnation shall be subject to the terms and conditions of the Joint Use Agreement.

## **ARTICLE 10. DEFAULT AND REMEDIES**

### **10.1 EVENTS OF DEFAULT.**

(a) Event of Default by Sublessee. If Sublessee fails to pay when due any Rent due hereunder which failure continues for a period of thirty (30) days after receipt of written notice of such failure from Sublessor to Sublessee, or if Sublessee fails to keep, perform or observe any of the other covenants to be kept, observed or performed by Sublessee hereunder, which failure continues for a period of ninety (90) days after written notice of such failure from Sublessor to Sublessee (or such shorter period of time as is reasonably necessary under the circumstances in order to eliminate an unreasonable risk of material harm to persons or property or to stop already occurring material harm to persons or property or such longer period of time as is reasonably necessary to diligently

pursue and complete said cure provided that Sublessee commences such cure within said ninety (90) day period and thereafter diligently proceeds to completion of same and while doing so shall continue to perform all of its monetary obligations hereunder), then, in either of such events, an "Event of Default" by Sublessee shall exist hereunder.

(b) Event of Default by Sublessor. If Sublessor fails to pay when due any sum due Sublessee hereunder, which failure continues for a period of thirty (30) days after receipt of written notice of such failure from Sublessee to Sublessor, or if Sublessor fails to keep, perform or observe any of the other covenants to be kept, observed or performed by Sublessor hereunder, which failure continues for a period of ninety (90) days after written notice of such failure from Sublessee to Sublessor (or such shorter period of time as is reasonably necessary under the circumstances in order to eliminate an unreasonable risk of material harm to persons or property or to stop already occurring material harm to persons or property or such longer period of time as is reasonably necessary to diligently pursue and complete said cure provided that Sublessor commences such cure within said ninety (90) day period and thereafter diligently proceeds to completion of same and while doing so shall continue to perform all of its monetary obligations hereunder), then, in either of such events, an "Event of Default" by Sublessor shall exist hereunder.

## 10.2 REMEDIES.

(a) Sublessor's Remedies. If an Event of Default by Sublessee exists, then Sublessor may exercise the following remedies while such Event of Default is continuing or remains uncured.

(i) to commence an action for specific performance or, if applicable, for injunctive or other equitable relief against Sublessee and to recover in such proceeding any and all reasonable attorney fees and/or court costs incurred by Sublessor in connection with enforcing the Sublessor's remedies under this Section 10.2(a)(i) against Sublessee; and/or

(ii) to recover damages (including, without limitation, any costs and expenses which may have been incurred by and unreimbursed to Sublessor under Section 10.2(a)(iii) hereof) suffered or incurred by Sublessor as a result of such Event of Default by Sublessee and any and all reasonable attorney fees and/or court costs and/or Binding Arbitration (as defined in Section 10.3(b)(i) hereof) costs incurred by Sublessor in connection with enforcing Sublessor's remedies under this Section 10.2(a)(ii) in accordance with Section 10.3 hereof; and/or

(iii) to itself perform, or cause to be performed, the covenant, performance or condition required to be kept, observed or performed by Sublessee and which is the subject of the Event of Default by Sublessee; in which event Sublessee shall reimburse Sublessor, within thirty (30) days after a written notice requesting same, for Sublessor's reasonable costs and expenses actually incurred in doing so; and/or

(iv) to terminate this Sublease by written notice thereof to Sublessee.

Notwithstanding any provisions of this Sublease or of applicable law or equity to the contrary, the foregoing remedies shall be the sole remedies available to Sublessor in connection with an Event of Default by Sublessee. Further, any damages and/or costs and expenses (including, without limitation, the reasonable attorney's fees and court and Binding Arbitration costs referenced in subparts (i) and (ii) above) which Sublessor is entitled to recover from Sublessee under this Section 10.2(a) shall accrue interest at the rate of twelve (12%) percent per annum until the date such damages and/or costs and expenses, as the case may be, are paid to Sublessor by Sublessee.

(b) Sublessee's Remedies. If an Event of Default by Sublessor exists, then Sublessee may exercise the following remedies while such Event of Default is continuing or remains uncured.

(i) to commence an action for specific performance or, if applicable, for injunctive or other equitable relief against Sublessor and to recover in such proceeding any and all reasonable attorney fees and/or court costs incurred by Sublessee in connection with enforcing Sublessee's remedies under this Section 10.2(b)(i) against Sublessor; and/or

(ii) to recover damages (including, without limitation, any costs and expenses which may have been incurred by and unreimbursed to Sublessee under Section 10.2(b)(iii) hereof) suffered or incurred by Sublessee as a result of such Event of Default by Sublessor and any and all reasonable attorney fees and/or court costs and/or Binding Arbitration costs incurred by Sublessee in connection with enforcing Sublessee's remedies under this Section 10.2(b)(ii) in accordance with Section 10.3 hereof; and/or

(iii) to itself perform, or cause to be performed, the covenant, performance or condition required to be kept, observed or performed by Sublessor and which is the subject of the Event of Default by Sublessor; in which event Sublessor shall reimburse Sublessee, within thirty (30) days after a written notice requesting same, for Sublessee's reasonable costs and expenses actually incurred in doing so.

Notwithstanding any provisions of this Sublease or of applicable law or equity to the contrary, the foregoing remedies shall be the sole remedies available to Sublessee in connection with an Event of Default by Sublessor, Sublessee having no right to terminate this Sublease in connection with any such Event of Default. Further, any damages and/or costs and expenses (including, without limitation, the reasonable attorney's fees and court and Binding Arbitration costs referenced in subparts (i) and (ii) above) which Sublessee is entitled to recover from Sublessor under this Section 10.2(b) shall accrue interest at the rate of twelve (12%) percent per annum until the date such damages and/or costs and expenses, as the case may be, are paid to Sublessee by Sublessor.

### 10.3 DISPUTE RESOLUTION.

(a) Initial Dispute Resolution. Notwithstanding anything herein to the contrary, so long as the Joint Use Agreement remains in effect, before pursuing Binding Arbitration as provided in Section 10.3(b) hereof, a Party shall first seek relief regarding an Event of Default or any Disputes (as defined in Section 10.3(b)(i) hereof) in accordance with Section 7.5(a) and (b) of the Joint Use Agreement, the terms and conditions of which are incorporated herein by express reference.

(b) Binding Arbitration.

(i) Arbitration Required. The Parties mutually agree that, subject to Section 10.3(a) hereof, any disputes (which shall include, without limitation, all claims and controversies between the Parties, whether individual, joint, or class in nature, arising from this Sublease, the Joint Use Agreement, Ground Lease or Easement or otherwise related to this Sublease, including without limitation claimed Events of Default, contract disputes and tort claims) (collectively or as to any of them, "Disputes") between the Parties shall be resolved by binding arbitration pursuant to the Commercial Rules of the American Arbitration Association (collectively, "Binding Arbitration"), provided that the Parties shall not be required to select arbitrators through the American Arbitration Association or pay the filing fees required by the American Arbitration Association. Notwithstanding anything herein to the contrary, this Section shall not limit or otherwise prohibit either Party from the right to pursue the other remedies specifically described under Section 10.2(a)(i), (iii) and/or (iv) or Section 10.2(b)(i) and/or (iii), as the case may be, and the exercise of any such remedies shall not be deemed an election of remedies. Further, any Disputes concerning the lawfulness or reasonableness of any act, or exercise of any right or remedy under this Sublease, including any claim to rescind, reform, or otherwise modify any portion of this Sublease, shall also be resolved pursuant to Binding Arbitration; provided, however that no arbitrator shall have the right or the power to enjoin or restrain any act of either Party or otherwise award either Party any equitable relief. Judgment upon any award rendered in accordance with this Section 10.3(b) hereof may be entered in any court having jurisdiction. The statute of limitations, estoppel, waiver, laches and similar doctrines which would otherwise be applicable in an action brought by a Party shall be applicable in any Binding Arbitration proceeding, and the commencement of a Binding Arbitration proceeding in accordance with Section 10.3(b)(ii) hereof shall be deemed the commencement of any action for these purposes. The Federal Arbitration Act (Title 9 of the United States Code) shall apply to the construction, interpretation, and enforcement of this Section 10.3(b).

(ii) Selection of Arbitrators. Provided that the terms and conditions of Section 10.3(a) hereof have been satisfied, within thirty (30) days (the "Selection Period") after a Party ("Arbitration Requester") provides the other Party ("Opposing Party") with written notice that the Arbitration Requester desires to

submit a Dispute to Binding Arbitration, the Arbitration Requester and Opposing Party shall attempt to agree upon an arbitrator to whom to submit the applicable Dispute for Binding Arbitration. If the Parties are unable to agree upon an arbitrator within the Selection Period, then, at the end of the Selection Period, each Party shall select an arbitrator from the seven (7) county Greater Cincinnati Area (Warren County, Butler County, Hamilton County and Clermont County, Ohio and Campbell County, Kenton County and Boone County, Kentucky) ("Greater Cincinnati Area"), and within fifteen (15) days after the end of the Selection Period ("Second Selection Period"), the arbitrators shall agree upon an arbitrator from the Greater Cincinnati Area. If such arbitrators are unable to agree upon an arbitrator within ten (10) days after the end of the Second Selection Period, an arbitrator shall be selected by the American Arbitration Association. Upon selection of the third arbitrator, the Dispute shall be submitted for resolution to all three (3) arbitrators; and based upon pre-arbitration hearing position statements filed by the Parties with such arbitrators, the arbitrators shall determine, within sixty (60) days of selection of the last arbitrator, in writing which Party has lost the arbitration. The losing Party shall pay all fees and expenses of the arbitrators.

## ARTICLE 11. ADDITIONAL PROVISIONS

### 11.1 INDEMNITY.

(a) General Indemnity. Subject to Section 7.4 hereof, Sublessee will indemnify and save Sublessor harmless from any liability on account of any damage to person or property arising out of any uncured Event of Default by Sublessee under this Sublease or arising out of any acts or omissions of Sublessee, its agents, servants, employees, invitees and/or contractors on, affecting or with respect to the Community Center. Subject to Section 7.4, Sublessor will indemnify and save Sublessee harmless from any liability on account of any damage to person or property arising out of any uncured Event of Default by Sublessor under this Sublease and/or arising out of any acts or omissions of Sublessor, its agents, servants, employees, invitees and/or contractors on, affecting or with respect to the Community Center. This Section 11.1(a) shall survive the expiration of the Term or earlier termination of this Sublease.

(b) Environmental Indemnity.

(i) Definition of Hazardous Substance. For the purposes of this Sublease, the term " Hazardous Substance" means any substance or waste that poses or causes, or is alleged to pose or cause, any damage to property or any personal injury, including death, or threat to human health or the environmental, including without limitation those substances defined, listed, designated or classified as hazardous, toxic, radioactive, or dangerous under any existing applicable local, regional, state, U.S. and foreign laws, or court ruling, regulations, ordinances, codes, and other requirements and directives, concerning environmental, health and safety matters, including but not limited to applicable

regulations, ordinances, permits, standards and agreements regarding discharges, emissions, handling, storing, treating and disposal of hazardous and solid wastes, clean-up, and right-to-know requirements, including but not limited to (1) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. ("CERCLA"), (2) the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. ("RCRA"), (3) the federal water Pollution Control Act, 33 U.S.C. Section 1251, et seq., (4) the Clean Air Act, 42 U.S.C. Section 7401, et seq., (5) the Safe Drinking Water Act, 42 U.S.C. Section 300F, et seq., (6) the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., (7) the Rivers and Harbors Act of 1899, 33 U.S.C. Section 401, et seq., (8) the Endangered Species Act of 1973, 16 U.S.C. Section 1531, et seq., (9) the Occupational Safety and Health Act of 1979, 29 U.S.C. Section 651, et seq., and (10) the Community Right to Know Act, 42 U.S.C. Section 11001, et seq., all as amended (collectively, the "Environmental Laws") as well as any petroleum product or by-product, crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable as fuel, or polychlorinated biphenyls. The term Hazardous Substances shall not include and this Sublease shall not be construed to prohibit the use, storage or sale of incidental quantities of supplies or products which are commonly used in conjunction with any existing use of the Community Center or the Premises, so long as these items are used, kept and stored in compliance with all Environmental Laws.

(ii) Definition of Environmental Matters. For the purposes of this Sublease, the term "Environmental Matters" means any and all claims, costs, fines, damages, expenses or liabilities (including attorneys' and consultants' fees and expenses) arising under any Environmental Laws, whether brought by government authorities or private parties, which claims, costs, fines, damages, expenses or liabilities relate to or arise out of: (1) the handling, use, storage, disposal, treatment or release (as defined in the CERCLA or any state equivalent) of any Hazardous Substance; (2) the direct or indirect disposal or release of any solid, liquid or gaseous material or any Hazardous Substance; (3) discharges to industrial, storm or sanitary sewers; (4) the placement of structures or materials into any waters, waterways or wetlands; or (5) the presence of any Hazardous Substance in or on any land, water, wetlands, building, structure, equipment or workplace; all of the above, including without limitation, any claims involving the investigation monitoring or cleanup of all or any properties, sites, waters, wetlands (whether waste disposal sites, former plant sites or other sites), buildings, structures, equipment, or workplace upon which any Hazardous Substance may be or may have been bound.

(iii) Covenant Regarding Environmental Conditions. Sublessor covenants and agrees that from and after the Commencement Date, it will comply with all Environmental Laws relating to Environmental Matters on the Premises and that Sublessor will not introduce or permit the introduction of Hazardous Substances on the Premises or the Community Center, without complying with all applicable Environmental Laws. Sublessee covenants and agrees that as of the



Commencement Date, it will comply with all Environmental Laws relating to Environmental Matters on the Premises or Community Center and that it will not introduce or permit the introduction of Hazardous Substances on the Premises or Community Center without complying with all applicable Environmental Laws, including, but not limited to, the obligation to obtain the proper permits. Each party shall immediately notify the other of any inquiry, test, investigation, or enforcement proceeding concerning the presence of a Hazardous Substance on or affecting any portion of the Premises or Community Center. Sublessee hereby acknowledges that Sublessor shall have no liability for any environmental Matters arising prior to the Commencement Date.

(iv) Sublessee's Indemnity. Subject to Section 7.4 hereof, Sublessee shall defend, indemnify and hold Sublessor, Sublessor's officers, directors, representatives, and agents harmless from and against any and all damages, claims, judgments, fines, penalties, costs, liabilities (including, sums paid in settlement of claims) or loss, including reasonable fees of attorneys, technical consultants and other experts, incurred by any of them to the extent such amount results from the violation of Sublessee's covenant in Section 11.1(b)(iii) above from the Commencement Date hereof and any clean up work, inquiry, or enforcement proceeding in connection therewith.

(v) Sublessor's Indemnity. Subject to Section 7.4 hereof, Sublessor indemnifies and holds Sublessee, its members, officers and representatives and agents harmless from and against any and all damages, claims, judgments, fines, penalties, costs, liabilities (including, sums paid in settlement of claims) or loss, including reasonable fees of attorneys, technical consultants and other experts, incurred by any of them to the extent such amount results from the violation of any of Sublessor's covenants in Section 11.1(b)(iii) above and any clean up work, inquiry, or enforcement proceeding in connection therewith.

(vi) Term of Indemnities. This Section 11.1(b) shall survive the expiration of the Term or earlier termination of this Sublease.

11.2 ADDRESSES-NOTICES. Except for legal process which may also be served as by law provided (other than by tacking), all notices required or desired to be given with respect to this Sublease shall be in writing and shall be deemed to have been given when hand delivered and/or, if sent by certified mail return receipt requested or by same day or overnight receipted courier service, when actually received or refused, and shall be addressed as follows:

(a) To Sublessor:

Mason City School District  
Kevin L. Bright, Superintendent  
211 East North Street  
Mason, Ohio 45040

With a copy to:

Richard L. Gardner, Treasurer  
211 East North Street  
Mason, Ohio 45040

(b) To Sublessee:

The City of Mason  
c/o Community Center Manager  
6000 Mason Montgomery Road  
Mason, Ohio 45040

With a copy to:

The City of Mason  
c/o City Manager  
6000 Mason Montgomery Road  
Mason, Ohio 45040

The period in which a response to any such notice must be given or taken shall run from the date of personal delivery or the date of actual receipt as evidenced on the return receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt.

All payments of Rent and all other sums payable to Sublessor hereunder shall be paid to Sublessor at the following address:

Mason City School District  
c/o Treasurer  
211 East North Street  
Mason, Ohio 45040

A party's address for notice and/or payment may be changed from time to time by such Party by not less than fifteen (15) days' prior written notice to the other Party.

11.3 WAIVER OF RIGHTS; ENTIRE AGREEMENT. No failure or delay by either Party to exercise any right or power given it or to insist upon strict compliance by the other Party with any obligation imposed on it, and no custom or practice of either Party at variance with any term hereof shall constitute a waiver or a modification of the terms hereof by such Party or any right either Party has herein to demand strict compliance with the terms hereof by the other Party. Except with respect to the Joint Use Agreement, Ground Lease and Easement Agreement, this Sublease (including all exhibits and addenda attached hereto) contains the sole and entire agreement of Sublessor and Sublessee, and no prior or contemporaneous oral or written representation or agreement between the Parties and affecting the Community Center shall have legal effect so as to modify or amend or change the conditions hereof.

11.4 INCONSISTENCIES. Notwithstanding anything herein to the contrary, to the extent that the terms and conditions of this Sublease and the Joint Use Agreement are inconsistent, if the Joint Use Agreement has not otherwise been terminated, the terms and conditions of the Joint Use Agreement shall prevail unless such inconsistency is required to conform this Sublease with the requirements of applicable law, in which event the provisions of this Sublease and such applicable law shall prevail. If the Joint Use Agreement has been terminated, the terms and conditions of the Ground Lease shall control in the event of inconsistency in this Sublease or of this Sublease and the Ground Lease, subject to the requirements of applicable law as provided in the preceding sentence.

11.5 RECORDING. This Sublease shall not be recorded, provided that Sublessor and Sublessee shall execute and record a memorandum or short form of this Sublease legally sufficient to put third party's on notice of this Sublease in accordance with the Joint Use Agreement.

11.6 SEVERABILITY. If any clause or provision of this Sublease or the application thereof to any person, entity or circumstance is or becomes illegal, invalid or unenforceable because of present or future laws or any rule or regulation of any governmental body or entity now or hereafter effective during the Term, the intention of the Parties is that the remaining parts of this Sublease and the application of such clause or provision to persons, entities or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each such clause or provision shall be valid and enforceable to the fullest extent permitted by law.

11.7 CAPTIONS. The captions used in this Sublease are for convenience only and do not in any way limit or amplify the terms and provisions hereof. The use of the terms "hereof," "hereunder" and "herein" shall refer to the Ground Lease as a whole except where noted otherwise. The necessary grammatical changes required to express singular, plural, male, female or neuter, as applicable, shall be assumed in each case to be fully expressed.

11.8 SUCCESSORS AND ASSIGNS. Subject to Section 8.1 of this Sublease, the provisions of this Sublease shall inure to the benefit of and be binding upon Sublessor and Sublessee and their respective successors, heirs, legal representatives and assigns.

11.9 GOVERNING LAW. The laws of the state in which the Community Center is located shall govern the interpretation, validity, performance and enforcement of this Sublease.

11.10 ESTOPPEL CERTIFICATE. At any time and from time to time, either Party, on or before the date specified in a request therefore made by the other Party which date shall not be earlier than ten (10) business days from the making of such request, shall execute, acknowledge and deliver to the requesting Party a certificate evidencing: (a) whether or not this Sublease is in full force and effect; (b) whether or not this Sublease has been amended in any way; (c) whether or not there are any existing Event of Defaults on the part of the Party requesting the certificate hereunder to the knowledge of the certifying Party and specifying the nature of such Event of Defaults, if any; and (d) the date to which Rent, and other amounts due hereunder, if any, have been paid. Each certificate delivered pursuant to this Section may be relied on by any

prospective purchaser or transferee of Sublessor's or Sublessee's interest hereunder or of any part of Sublessor's or Sublessee's property or by any holder or prospective holder of a first mortgage of Sublessor. The requesting Party shall pay all expenses connected with such certificate reasonably incurred by the party giving such certificate.

11.11 TIME IS OF THE ESSENCE. Except as otherwise specifically provided herein, TIME IS OF THE ESSENCE OF THIS SUBLEASE.

11.12 BROKERAGE COMMISSIONS. Each Party hereby represents and warrants to the other Party that no broker, agent, commission salesman or other person has represented the warranting Party in the negotiations for and procurement of this Sublease and of the Community Center, and that no commissions, fees or compensation of any kind are due and payable in connection herewith to any such person or entity. Each Party further warrants that any compensation arrangement with the Party or Parties excepted from the foregoing warranty has been reduced to writing in its entirety in a separate agreement signed simultaneously with or before this Sublease by the Party who owes or should pay the commission or compensation. Further, each Party agrees to indemnify the other Party and hold such Party harmless from any and all costs, expenses or liability for commissions or other compensation claimed by any broker or agent with which such indemnifying Party has dealt. This Section 11.12 shall survive expiration of the Term or earlier termination of this Sublease.

11.13 APPROVALS. When any approval, consent or agreement of a Party is required under this Sublease, the Parties agree the following shall apply in the absence of a specific provision expressly provided for in this Sublease.

(a) The Party whose approval, consent or agreement is required will (unless otherwise specifically provided for in this Sublease with respect to such approval, consent or agreement) within ten (10) days after receipt of a request for same, accompanied in all cases by reasonable detail if the circumstances require, give written notice to the requesting Party either that it gives its approval, consent or agreement or that it withholds same, and, if the latter, such notice shall set forth in reasonable detail its reasons for such withholding; and

(b) If the notification referred to Section 11.13(a) above is not given within the applicable period of time specified in Section 11.13(a) above or as elsewhere provided in this Sublease, the Party whose approval, consent or agreement is requested will be deemed conclusively to have given its approval, consent or agreement in writing; and

(c) Except as expressly provided otherwise in this Sublease, any Party acting hereunder with respect to giving or withholding an approval, consent or agreement, unless otherwise specified in this Sublease, shall at all times act reasonably and in good faith in doing so.

11.14 FORCE MAJEURE. Each Party shall be excused from the performance of any of its non-monetary obligations for the period of any delay resulting from any cause beyond its reasonable control, including, without limitation, all labor disputes, governmental regulations or controls, fires or other casualties, inability to obtain any material or services or acts of God; subject to any express provision in this Sublease stating that force majeure shall not excuse a delay.

11.15 RELATIONSHIP OF SUBLESSOR AND SUBLESSEE. This Sublease shall be treated in all respects as an estate for years and not a usufruct. Express provision in this Sublease for any rights or duties which are imposed by law or statute with respect to estates for years shall in no way be deemed or construed as an indication or implication that any relationship other than lessor and lessee has been created or Sublessee has anything less than an estate for years by virtue of this Sublease.

11.16 EXECUTION. This Sublease may be executed in any number of counterparts, each of which shall be deemed an original, and any of which shall be deemed to be complete in itself and be admissible into evidence or used for any purpose without the production of the other counterparts. The persons executing this Sublease on behalf of or as a Party hereby covenant, warrant and represent that: (a) such Party is a duly organized and qualified to do business in the state in which the Community Center is located; (b) execution of this Sublease has been duly authorized by such Party; and (c) execution of this Sublease and performance by such Party, of its obligations hereunder do not violate any provision of the corporate charter or by-laws, partnership agreement, or other governance agreement of such Party, as applicable, or any outstanding agreement of such Party with any other person or entity.

11.17 FISCAL CERTIFICATION BY SUBLESSEE. As evidenced by her signature on this Sublease, Jennifer Heft, the Finance Director of the City of Mason, hereby certifies, in accordance with O.R.C. § 5705.41 and the Charter of the City of Mason, that the amount of money necessary to meet the obligations of Sublessee under this Sublease has been lawfully appropriated for that purpose and is in the treasury of the City of Mason or is in the process of collection to an appropriate fund.

11.18 FISCAL CERTIFICATION OF SUBLESSOR. In accordance with O.R.C. § 5705.412, Sublessor hereby certifies that the Mason City School District has in effect the authorization to levy taxes including the renewal or replacement of existing levies which, when combined with the estimated revenue from all other sources available to the Mason City School District on the date on which Sublessor has executed this Sublease, are sufficient to provide the operating revenues necessary to enable the Mason City School District to maintain all personnel and programs for all of the days set forth in its adopted school calendars for the current school fiscal year and for a number of days in succeeding school fiscal years equal to the number of days instruction was held or is scheduled for the current school fiscal year.

IN WITNESS WHEREOF, the Parties have caused this Sublease to be executed under seal as of the day, month and year first above written.

SUBLESSEE:

CITY OF MASON

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

Name: Scot F. Lahrmer

Its: City Manager

and

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

Name: Jennifer Heft

Its: Finance Director

SUBLESSOR:

MASON CITY SCHOOL DISTRICT

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

Name: Kevin L. Bright

Its: Superintendent

and

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

Name: Richard L. Gardner

Its: Chief Financial Officer / Treasurer of  
the School District

As to Section 11.18 only:

\_\_\_\_\_  
Eric B. Kantor, as President of the  
Mason City School Board

STATE OF OHIO            )  
                                  )    SS:  
COUNTY OF WARREN    )

This instrument was acknowledged before me this \_\_ day of \_\_\_\_\_, \_\_\_\_\_ by Scot F. Lahrmer, as the City Manager of the City of Mason, an Ohio municipal corporation, behalf of the municipal corporation.

\_\_\_\_\_  
Notary Public

STATE OF OHIO            )  
                                  )    SS:  
COUNTY OF WARREN    )

This instrument was acknowledged before me this \_\_ day of \_\_\_\_\_, \_\_\_\_\_ by Jennifer Heft, the Finance Director of the City of Mason, an Ohio municipal corporation, on behalf of the municipal corporation.

\_\_\_\_\_  
Notary Public

(Acknowledgments Continued On Next Page)

STATE OF OHIO            )  
                                  )    ss:  
COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by Kevin L. Bright, the Superintendent of Mason City School District, on behalf of Mason City School District.

\_\_\_\_\_  
Notary Public

STATE OF OHIO            )  
                                  )    ss:  
COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by Richard L. Gardner, its Chief/Financial Treasurer of Mason City School District, on behalf of Mason City School District.

\_\_\_\_\_  
Notary Public

STATE OF OHIO )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
by Eric B. Kantor, the President of the Mason City School Board, on behalf of Mason City  
School Board.

\_\_\_\_\_  
Notary Public



## **SUBLEASE**

THIS SUBLEASE (this "Sublease"), is made and entered into effective the 1st day of June, 2002 by and between the MASON CITY SCHOOL DISTRICT ("Sublessor") and THE CITY OF MASON ("Sublessee").

### **RECITALS:**

WHEREAS, the residents of Sublessor have passed a tax levy for, among other things, the construction, furnishing and equipping of a new high school and a community recreation center; and

WHEREAS, Sublessee owns the real estate on which said high school and community recreation center has been constructed; and

WHEREAS, pursuant to an Agreement to Proceed with a Community Center, dated December 15, 1999, the Parties have entered into the Joint Use and Operation Agreement, of even date herewith (the "Joint Use Agreement"), which sets forth Sublessor's and Sublessee's joint rights and obligations with respect to the operation and maintenance of said community recreation center and certain portions of said real estate on which the community recreation center have been constructed pursuant to applicable provisions of the Ohio Revised Code, including O.R.C. § 755.16; and

WHEREAS, pursuant to the Joint Use Agreement, the Parties have entered into a Ground Lease, of even date herewith (the "Ground Lease"), wherein Sublessee leased to Sublessor and Sublessor leased from Sublessee the real estate on which said high school and community recreation center have been constructed and will be operated and maintained; and

WHEREAS, pursuant to the Joint Use Agreement, Sublessor has agreed to sublease to Sublessee and Sublessee has agreed to sublease from Sublessor a portion of the community recreation center.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained and for other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties covenant and agree as follows:

### **ARTICLE 1. DEFINITIONS**

"COMMUNITY CENTER" means that portion of the Community Facility which Sublessor is subleasing to Sublessee and Sublessee is subleasing from Sublessor under this Sublease and which is designated as the "Community Center" on the Floor Plan.

"COMMUNITY FACILITY" means that portion of the Premises in which the Community Center is located and which is more particularly described and defined by the Ground Lease.

"CONTRACT YEAR" means the fiscal year of Sublessee, which runs from January 1 to December 31 of each calendar year.

"EASEMENT AGREEMENT" means the Restrictions and Easement Agreement, of even date herewith, which has been executed by Sublessor and Sublessee pursuant to the Joint Use Agreement, wherein Sublessor and Sublessee impose certain restrictions on the use of the Land and certain contiguous property and grant to each other certain reciprocal easements with respect to the Project Improvements.

"EQUIPMENT" means the fitness and weight equipment, furniture, technology equipment, aquatic equipment (exclusive of any aquatic mechanical, filtration and circulation systems which are hereby deemed to be fixtures and part of the structure of the Community Facilities [as defined by the Joint Use Agreement] and exclusive of any heating, ventilation or air conditioning systems, plumbing, electrical and other utility systems, all of which are hereby deemed to be fixtures and part of the structure of the Community Facilities), as more particularly described in the Joint Use Agreement, as well as the "New Equipment", as that term is defined by the Joint Use Agreement.

"FLOOR PLAN" means the drawing of all designated areas of the Community Facility (except the Outdoor Recreation/Athletic Facilities, as such term is defined by the Joint Use Agreement), including the Community Center. A true and accurate copy of the Floor Plan is attached hereto as Exhibit "A", which is attached hereto and incorporated herein by reference.

"GROUND LEASE" means the Ground Lease, of even date herewith, by and between Sublessor and Sublessee, wherein Sublessee leases to Sublessor and Sublessor leases from Sublessee the Premises.

"JOINT USE AGREEMENT" means the Joint Use and Operation Agreement, of even date herewith, by and between Landlord and Tenant with respect their joint rights and obligations regarding the use, operation and maintenance of the Community Facilities and other related improvements, as more particularly described and defined by the Joint Use Agreement.

"LAND" means that certain parcel of real estate which is owned by Sublessee and which is more particularly described in the Ground Lease.

"PARTY" means Sublessor or Sublessee and their respective successors and assigns (subject to Section 8.1 hereof).

"PERSONALTY" means all furniture, fixtures, trade fixtures, equipment, materials, supplies, inventory, books, records or other personalty, and/or the proceeds of any thereof, any time or from time to time located, erected or installed on or in the Community Center by Sublessee during the Term (as defined by Section 2.2 hereof) (excluding the Equipment but including, without limitation, the Unapproved Equipment purchased by Sublessee pursuant to the Joint Use Agreement).

"PREMISES" means the Land and Project Improvements and all related improvements and rights, as more particularly described and defined by the Ground Lease.

"PROJECT IMPROVEMENTS" means the Community Facility and other improvements, as more particularly described and defined by the Ground Lease.

"SITE PLAN" means the drawing of the Premises. A true and accurate copy of the Site Plan is attached hereto as Exhibit "B", which is attached hereto and incorporated herein by reference.

"SUBLEASE" means this Sublease.

"SUBLESSEE" means the City of Mason.

"SUBLESSOR" means the Mason City School District.

"UNAPPROVED EQUIPMENT" means fitness or weight equipment, furniture, technology equipment or recreation equipment purchased by a Party pursuant to and as more particularly defined by the Joint Use Agreement.

## ARTICLE 2. SUBLEASE OF COMMUNITY CENTER

### 2.1 DEMISE AND TERM.

(a) Demise. In consideration of and subject to the Rent (as defined by Section 3.2 hereof) herein reserved and the covenants and conditions herein contained on the part of Sublessee to be paid, performed, observed and complied with, Sublessor hereby sublets and subleases unto Sublessee, and Sublessee hereby sublets and subleases from Sublessor, the Community Center, to have and to hold the Community Center during the Term, unless and until sooner terminated as expressly provided herein, subject to the Joint Use Agreement.

(b) Mutual Performance. Sublessor and Sublessee each hereby covenant and agree to perform, fulfill and observe their respective covenants, obligations and conditions herein contained.

(c) Ownership of Community Center. The Project Improvements, including, without limitation, the Community Center, shall be owned by Sublessor in fee, pursuant and subject to the terms and conditions of the Ground Lease, Joint Use Agreement and Easement Agreement.

(d) No Merger. The ownership of the all of the Land by Sublessee and the sublease of the Community Center to Sublessee and any rights granted to Sublessee under Section 2.6 hereof shall not effectuate a merger and termination of this Sublease.

2.2 TERM. The initial term of this Sublease shall commence on March 1, 2003 (the "Commencement Date") and shall terminate twenty (20) Contract Years thereafter; provided that if the Commencement Date is other than January 1st of a Contract Year, such initial term of twenty (20) Contract Years shall be extended by a period of time equal to the balance of such partial Contract Year (the "Initial Term"). This Sublease shall automatically be renewed for

three (3) additional consecutive terms of twenty (20) Contract Years and one (1) additional consecutive term of nineteen (19) Contract Years (collectively, the "Renewal Terms" or, individually, "Renewal Term") (collectively, the Initial Term and all Renewal Terms, if applicable, shall be referred to herein as the "Term"), unless one hundred eighty (180) days prior to the end of the Initial Term or the then current Renewal Term, as the case may be, Sublessee provides written notice to Sublessor of Sublessee's intent to terminate this Sublease, in which event this Sublease shall terminate at the expiration of the last Contract Year of the Initial Term or the then current Renewal Term, as the case may be. All the terms, covenants and conditions of this Sublease shall continue in full force and effect during each of the Renewal Terms, subject to Section 2.5 hereof. Notwithstanding the foregoing, in the event that the Ground Lease is terminated pursuant to the terms thereof or in the event that Sublessee's right to sublease the Community Center is terminated pursuant to the terms of the Joint Use Agreement, the Term shall also terminate on the date on which the Ground Lease terminates or, as the case may be, on the date on which the Joint Use Agreement dictates that this Sublease shall terminate, neither Party having any further rights or obligations hereunder except to the extent that this Sublease specifically provides that such rights or obligations shall survive the expiration of the Term or earlier termination of this Sublease.

### 2.3 SURRENDER.

(a) Surrender of Community Center. Subject to the Ground Lease and the Joint Use Agreement, at the expiration of the Term or earlier termination of this Sublease, Sublessee agrees to peaceably surrender and deliver to Sublessor the Community Center in the state of repair required of Sublessee pursuant to this Sublease, except for loss or damage caused by a Casualty (as defined by Section 9.1 hereof) or by Condemnation (as defined in Section 9.2 hereof) (which Sublessee is not required to restore or repair pursuant to this Sublease or the Joint Use Agreement) and ordinary wear and tear, depreciation and obsolescence, and the acts or omissions of Sublessor, its agents, employees and/or contractors all excepted. Sublessee shall not have the right to remove any improvements from the Community Center at anytime during the Term or upon the expiration of the Term or earlier termination of this Sublease.

(b) Removal of Personalty. Notwithstanding the foregoing, Sublessee shall have the right at any time, during the Term and from time to time until thirty (30) days after the expiration of the Term or earlier termination of this Sublease, to remove all or any Personalty from the Community Center so long as any physical damage to the Community Center occasioned by such removal is repaired by Sublessee.

(c) Survival. This Section 2.3 shall survive the expiration of the Term or earlier termination of this Sublease.

### 2.4 COVENANTS OF TITLE AND QUIET ENJOYMENT.

(a) Covenant of Title. Sublessor warrants that it has leasehold title to the Community Center, and subleasehold title to the Community Center shall be delivered to Sublessee free and clear of all claims, obligations, mortgages, assessments, liens and

encumbrances, subject to the Permitted Exceptions (as hereinafter defined). For purposes of this Sublease, the following shall be deemed "Permitted Exceptions": (i) liens, encumbrances, easements, restrictions and other conditions affecting title to the Community Center which were not or are not caused or created by or through Sublessor; (ii) all Leasehold Mortgages (as defined by the Ground Lease); (iii) the Easement Agreement; (iv) the Joint Use Agreement; (v) the Ground Lease; and (vi) any other encumbrances which Sublessor is expressly permitted to create with respect to the Premises under the terms of the Ground Lease.

(b) Quiet Enjoyment. Sublessor covenants and agrees that Sublessee, upon paying the Rent hereby reserved, and performing and observing the covenants hereof to be kept and performed by Sublessee, shall peaceably hold and enjoy the Community Center with exclusive control and possession of the Community Center for the Term, except as may be otherwise expressly stated herein and subject to the Joint Use Agreement and Easement Agreement.

(c) Access to Community Center. In addition to the rights granted to Sublessor under the Joint Use Agreement and the access to the Community Center required in connection with performing Sublessor's obligations under the Joint Use Agreement, Sublessor, and any agents, employees, officers and independent contractors of Sublessor, will have access to the Community Center for the purpose of examining and inspecting same at all reasonable times and upon not less than five (5) days prior written notice to Sublessee (except in cases of emergency, in which case such access may be at any time without notice), and with Sublessee having the right to have an agent at all times present during such entry.

2.5 HOLDING OVER. If, while the Ground Lease is in effect, Sublessee remains in possession of the Community Center after the expiration of the Term or earlier termination of this Sublease and without an agreement concerning such holding over and Sublessor accepts Rent in respect thereof, a subtenancy from month to month shall be deemed to have been created. Such subtenancy may be terminated at any time by either Sublessor or Sublessee by notice to the other with the termination date to be set out in the notice and to be at least sixty (60) days after delivery of the notice. Such subtenancy, in the absence of written agreement to the contrary, shall be subject to all the terms of this Sublease, except as to the Term and except that the Base Rent payable during such tenancy shall be increased by an amount equal to ten percent (10%) of the Base Rent payable during the preceding Contract Year; provided that to the extent that the duration of such month to month subtenancy is only for a partial Contract Year, the foregoing increased Base Rent shall be prorated on a per diem basis for such partial Contract Year.

2.6 EASEMENTS. Subject to the Easement Agreement, Sublessor hereby grants to Sublessee, appurtenant to the subleasehold estate demised hereby in the Community Center, the non-exclusive right to use the easements which have been granted to Sublessor under the Ground Lease, to the extent those easements are reasonably necessary for pedestrian access to and from the Community Center.

### ARTICLE 3. RENT

3.1 COVENANT TO PAY. Sublessee covenants and agrees to pay the Rent as herein provided.

3.2 BASE RENT. No Base Rent shall be payable by Sublessee to Sublessor prior to the Commencement Date. Beginning on the Commencement Date and continuing thereafter for each Contract Year during the Term, Sublessee shall pay to Sublessor Base Rent of One and 00/100 Dollar (\$1.00) per Contract Year which shall be payable, in advance, on the first day of each Contract Year during the Term, with the first such payment of Base Rent being due on the Commencement Date. For purposes of this Sublease all Base Rent and all other charges, fees and other payments due from Sublessee to Sublessor hereunder shall be referred to herein as "Rent".

#### 3.3 TAXES, UTILITIES AND OTHER CHARGES.

(a) Real Property Taxes and Utilities. All real property taxes assessments, if any, and all charges and rates for utilities (including, without limitation, sewer, refuse removal, gas, water, heat, electricity, and telephone services) and all taxes and assessments, including payments in lieu thereof, which are applicable to the Community Center shall be paid pursuant to the Joint Use Agreement or, as applicable, the Ground Lease.

(b) Other Taxes. Subject to the Joint Use Agreement, from and after the Commencement Date and thereafter during the Term, any business taxes or license fees and similar taxes which may be charged, levied or assessed in connection with the Community Center or Sublessee's subleasehold interest therein, which taxes or fees are properly levied or assessed against Sublessee shall be paid by Sublessee before delinquency.

3.4 PAYMENTS OF RENT. All Rent shall be paid at the office of Sublessor designated in Section 11.2 hereof, or at such other place in the United States of America designated by at least ten (10) business days' prior written notice from Sublessor, in lawful money of the United States of America, without any prior demand therefore. Sublessee covenants and agrees that the Rent to be paid hereunder shall be paid without abatement, off-set or deduction, except as otherwise expressly provided herein or permitted by law.

### ARTICLE 4. USE OF COMMUNITY CENTER

4.1 USE OF COMMUNITY CENTER. Subject to the Joint Use Agreement, Sublessee may use the Community Center for athletic, community recreational and fitness purposes only. The athletic, community recreational and fitness purposes shall be collectively be referred to herein as the "Community Uses."

4.2 PROHIBITED ACTIVITIES AND OBSERVANCE OF LAW. Sublessee covenants and agrees that Sublessee (a) will not use or permit, or suffer the use of the Community Center, or any part thereof, for any act or omission which constitutes waste upon or

damage to the Community Center and (b) shall, at its sole cost and expense, promptly observe and comply with all provisions of law and all requirements of all governmental authorities, including federal, state and municipal authorities, now or hereafter in force which pertain to or affect Sublessee's use of the Community Center or the conduct of the Community Uses or other activities in the Community Center, or the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Community Center (collectively, "Compliance"). Notwithstanding the foregoing, Compliance, as it relates to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements to the Community Center, shall be governed by and subject to the terms of the Joint Use Agreement and Easement Agreement, as applicable, and Sublessee shall have no greater obligation with respect to such Compliance under this Sublease than that which is expressly imposed upon Sublessee under the terms of the Joint Use Agreement or the Easement Agreement, as the case may be. This Section shall survive the expiration of the Term or earlier termination of this Sublease.

## **ARTICLE 5. ALTERATIONS AND MAINTENANCE**

5.1 ADDITIONS, ALTERATIONS OR REMODELING. Sublessee shall not, without the prior written consent of Sublessor in each instance, have the right to remodel or make any additions, alterations or extensions to the Community Center, subject to the terms and conditions of the Joint Use Agreement. Subject to the Joint Use Agreement, Sublessee shall have the right to erect, install, maintain and operate in the Community Center such Personalty as Sublessee may deem advisable. Sublessee will comply with all applicable laws with respect thereto. In the event that Sublessee does any remodeling of the Community Center or makes any alterations to or extensions of the Community Center, notwithstanding whether or not Sublessee obtained Sublessor's prior written consent to same, Sublessee will indemnify and save and hold Sublessor harmless from any and all mechanics' liens or claims that may be filed against the Community Center or the Premises by reason of any such remodeling, additions, alterations or extensions made by or on behalf of Sublessee. Sublessee shall have the right to contest the validity of any such lien or claim filed or asserted against the Community Center. Sublessee is hereby expressly given the right, exercisable at any time and from time to time during the Term, and for a period of up to thirty (30) days after the expiration of the Term or earlier termination of this Sublease, to remove any Personalty, but shall not be obliged to do so. Sublessee shall make reasonable repairs to the Community Center or the Premises, if applicable, for any physical injury caused by such removal, but without any liability for diminution in value of the Community Center caused by the absence of the Personalty so removed and without any necessity for replacing same. In the event Sublessee shall fail to remove all such Personalty, then Sublessee shall be deemed to waive all rights to any such Personalty not so removed. This Section 5.1 shall survive the expiration of the Term or earlier termination of this Sublease.

5.2 REPAIR. The maintenance, and all costs related thereto, of the Community Center shall be performed and paid pursuant to the rights and obligations set forth in the Joint Use Agreement.

## ARTICLE 6. ENCUMBRANCES

6.1 ENCUMBRANCES PROHIBITED. Subject to Sublessee's right to encumber the Land pursuant to the terms and conditions of the Ground Lease, Sublessee shall not do any act which shall in any way subject Sublessor's interest or estate in the Premises or the Project Improvements under the Ground Lease or Sublessor's interest or estate under the Easement Agreement to any claim by way of lien or encumbrance, whether by operation of law, by virtue of any express or implied contract by Sublessee, or by reason of any other act or omission of Sublessee. Any claim to, or lien prohibited under the preceding sentence which arises from any act or omission of Sublessee shall accrue only against the subleasehold estate of Sublessee in the Community Center and shall be subject and subordinate to the paramount leasehold title and rights of Sublessor in and to the Land, the fee simple estate and rights of Sublessor in and to the Project Improvements and that portion of the Perimeter Road that is part of the Premises, as provided under the Ground Lease, and the easement estate and rights of Sublessor under the Easement Agreement. Without limiting the generality of the foregoing, Sublessee shall not permit the Community Center or Premises, or any portion of either of them, to become subject to any mechanics', laborers' or materialmen's lien on account of labor or material furnished to Sublessee or claimed to have been furnished to Sublessee in connection with work of any character performed or claimed to have been performed on the Community Center by, or at the direction or sufferance of, Sublessee.

6.2 SUBORDINATION AND ATTORNMENT. Sublessee, upon request of Sublessor, will subordinate this Sublease to any Leasehold Mortgage which shall hereafter affect the Premises, or any portion thereof, and to any renewal, modification or extension thereof or any other Leasehold Mortgage granted by Sublessor under the terms of the Ground Lease; subject, however, to the following conditions and only if such conditions have been met. Sublessee, upon request but at Sublessor's sole expense, will execute and deliver such instruments as are reasonably required to subordinate this Sublease to such Leasehold Mortgage; provided, however, as a condition precedent thereto, Sublessor shall simultaneously deliver or cause to be delivered to Sublessee an agreement in writing executed by the applicable Leasehold Mortgagee (as defined by the Ground Lease) and by Sublessor which shall provide, among other terms reasonably required by Sublessee, that: (a) so long as Sublessee shall faithfully discharge its obligations under this Sublease, its subtenancy shall not be disturbed nor shall this Sublease be affected by any default of Sublessor under such Leasehold Mortgage; (b) so long as Sublessee shall faithfully discharge its obligations under the Joint Use Agreement, its rights thereunder shall not be disturbed nor shall the Joint Use Agreement be affected by any default of Sublessor under such Leasehold Mortgage; (c) so long as Sublessee shall faithfully discharge its obligations under the Easement Agreement, its rights under the Easement Agreement shall not be disturbed nor shall the Easement Agreement be affected by any default of Sublessor under such Leasehold Mortgage; and (d) in the event of a foreclosure sale pursuant to such Leasehold Mortgage, or any other sale, transfer, conveyance or other proceeding in lieu thereof, the leasehold estate and rights of Sublessor in the Land and the fee simple estate and rights of Sublessor in the Project Improvements and that portion of the Perimeter Road that is part of the Premises will be sold, transferred or conveyed subject to this Sublease, the terms of which, specifically, shall be binding upon the Leasehold Mortgagee or other purchaser at foreclosure or other procedure or sale in lieu thereof, and upon their heirs, successors and assigns (collectively,



"SNDA"). Sublessee's obligation to subordinate this Sublease is expressly conditioned upon receipt of an SNDA as described above, in a form reasonably acceptable to Sublessee from the holder of any mortgage, deed to secure debt or deed of trust now or hereafter encumbering the Premises or any part thereof.

### 6.3 RIGHT TO ENCUMBER.

(a) Right to Encumber Personalty. Sublessee shall have the right, without Sublessor's consent or approval being necessary or required, to place liens upon or give security interests in any or all of the Personalty. Sublessee shall also have the right to place liens upon or give a security interest in any Equipment (excluding any Equipment or Unapproved Equipment purchased by Sublessor pursuant to the Joint Use Agreement) located, erected or installed in the Community Center by Sublessee during the Term, subject to the terms and conditions of the Joint Use Agreement. Any such lien or security interest shall vest in the lien holder or secured party a prior lien on or security in such Personalty or such Equipment, as the case may be. Sublessor shall execute any instruments that the lien holders or secured parties may reasonably request or require from Sublessor, with respect to acknowledging: (a) the right of Sublessee to erect or install such Personalty or such Equipment, as the case may be, and that same shall not be deemed to be nor become part of the Community Center; (b) the right of the lien holder or secured party to maintain a lien thereon or security interest therein superior to any claim and interest of Sublessor; (c) the right of the lien holder to remove any and all such Personalty or such Equipment, as the case may be, in the event of default in the instrument creating the lien or security interest, subject to making reasonable repairs to the Community Center for any physical injury caused thereto by such removal, but without any liability for diminution in value of the Community Center caused by the absence of the Personalty or Equipment, as the case may be, so removed and without any necessity for replacing same; and (d) the right of Sublessee to grant to such lien holder a collateral assignment of its interest in this Sublease as further security to such lien holder, subject to Section 6.3(b) hereof. Sublessor shall, within ten (10) business days after submission of such instruments, execute and deliver same to Sublessee.

(b) Subleasehold Mortgage. Notwithstanding anything herein to the contrary, Sublessee shall have the right, without Sublessor's consent or approval being necessary or required, to grant a mortgage on its subleasehold interest in the Community Center, or any portion thereof, to secure any financing or replacement financing reasonably necessary to perform Sublessee's obligations in connection with providing the Community Center Services (as defined by the Joint Use Agreement) pursuant to the Joint Use Agreement, provided that any such subleasehold mortgage shall at all times be subordinate this Sublease to any Leasehold Mortgage which shall hereafter affect the Community Center or the Premises, or any portion of either of them, and to any renewal, modification or extension thereof or any other Leasehold Mortgage granted by Sublessor under the terms of the Ground Lease.

## ARTICLE 7. INSURANCE

7.1 INSURANCE UNDER JOINT USE AGREEMENT. All property and liability insurance with respect to the Community Center shall be procured, maintained and paid for pursuant to the terms and conditions of the Joint Use Agreement.

7.2 PERSONALTY. Sublessee, at all times during the Term from and after the Commencement Date and, at its expense, will procure, maintain and keep in force fire, extended coverage, vandalism and malicious mischief insurance on the Personalty for the insurable value thereof (as reasonably determined by Sublessee) (collectively, the "Personalty Insurance"). In the event of any loss covered by the Personalty Insurance, the proceeds therefrom shall be payable to Sublessee or any party designated by Sublessee. Sublessee shall furnish to Sublessor a certificate(s) of coverage evidencing the Personalty Insurance as required under this Section 7.2 (including, without limitation, the endorsement required under Section 7.4 hereof) (a) prior to the Commencement Date and annually on each anniversary of the Commencement Date and (b) as may be reasonably requested from time to time by Sublessor. The Personalty Insurance shall be issued by an insurance company with a Best Rating of "A" or above or by a self insurance program operated and maintained in accordance with ORC § 2744.08 and shall require that Sublessor shall be given a minimum of thirty (30) days written notice by the insurance carrier prior to cancellation, modification or non-renewal of such coverage.

7.3 BLANKET INSURANCE COVERAGE. Sublessee may, at its option, provide the Personalty Insurance in a blanket policy or policies of insurance and may, at its option, effect the Personalty Insurance under a policy or policies in the amounts required, less a reasonable deductible amount, the loss with respect to which would be required to be borne by Sublessee, subject to any liability imposed upon Sublessor with respect to such loss under this Sublease or applicable law.

7.4 WAIVER OF SUBROGATION. To the extent permitted by law, each Party ("Waiving Party") hereby releases, on behalf of such Waiving Party and its agents, employees, licensees and invitees (collectively, "Waiving Parties"), and, to the extent it is legally possible for it to do so, on behalf of all insurers providing such Waiving Parties with insurance coverage, the other Party and its agents, employees, licensees and invitees (collectively, "Released Parties") from any and all liability or responsibility under or in connection with any and all claims for recovery from the Released Parties (or any of them) for (a) any loss or damage to any of the Waiving Parties' property caused by any Casualty insured against or required to be insured against hereunder, even if such Casualty shall have been caused by the fault or negligence of the Released Parties (or any of them or of anyone for whom any of the Released Parties may be legally responsible), (b) any loss or damage to buildings or other improvements or the contents thereof, (c) any loss or damage as a result of interruption of any of the Waiving Parties' businesses (or any of them), (d) any loss or damage caused by the negligence or misconduct of the Released Parties (or any of them or of anyone for whom any of the Released Parties may be legally responsible) and/or (e) any other direct or indirect loss or damage caused by fire or other risks or by any other cause or origin, to the extent (and only to the extent) the loss or damage under subparagraphs (a), (b), (c), (d) and/or (e) of this Section 7.4 is covered or required under this Sublease to be covered (whether or not such required insurance is in effect) by standard fire

and extended coverage insurance, all risk insurance, or commercial general liability insurance. Sublessee, with respect to the Personalty Insurance, and each Party with respect to any other insurance maintained by such Party in connection with this Sublease, shall provide each of its insurers with written notice of the mutual release contained in this Section 7.4 and to have such policies endorsed, if necessary, to prevent the invalidation of insurance coverage by reason of such mutual release.

## **ARTICLE 8. ASSIGNMENT AND SUBLETTING**

8.1 ASSIGNMENT AND SUBLETTING. Subject to the Joint Use Agreement and Section 6.3 hereof, Sublessee shall not assign this Sublease or sublet the Community Center, or any portion thereof, or otherwise license or grant third party's rights of use with respect to the Community Center without the prior written consent of Sublessor in each instance, which consent may be withheld in the sole and absolute discretion of Sublessor. Sublessor shall have the right to assign this Sublease in connection with an assignment of the Ground Lease pursuant to the terms and conditions of the Ground Lease.

## **ARTICLE 9. CASUALTY, CONDEMNATION AND ACCESS LIMITATION**

9.1 FIRE AND CASUALTY. In the event of damage or destruction to all or a portion of the Community Center (as to any such event, "Casualty"), the repair, restoration and/or replacement of same shall be performed pursuant and subject to the terms and conditions of the Joint Use Agreement.

9.2 CONDEMNATION. In the event that all or a portion the Community Center shall be taken, condemned or appropriated under power of eminent domain or by any competent authority for any public or quasi-public use or purpose, whether such taking, condemnation or appropriation be by agreement (i.e. negotiated settlement) or by suit (as to any one of them, "Condemnation"), then this Sublease shall be terminated as to that part of the Community Center subject to such Condemnation on the date that Sublessor and Sublessee are required to yield possession thereof, and all of Sublessor's and Sublessee's other respective rights and obligations with respect to such Condemnation shall be subject to the terms and conditions of the Joint Use Agreement.

## **ARTICLE 10. DEFAULT AND REMEDIES**

### 10.1 EVENTS OF DEFAULT.

(a) Event of Default by Sublessee. If Sublessee fails to pay when due any Rent due hereunder which failure continues for a period of thirty (30) days after receipt of written notice of such failure from Sublessor to Sublessee, or if Sublessee fails to keep, perform or observe any of the other covenants to be kept, observed or performed by Sublessee hereunder, which failure continues for a period of ninety (90) days after written notice of such failure from Sublessor to Sublessee (or such shorter period of time as is reasonably necessary under the circumstances in order to eliminate an unreasonable risk of material harm to persons or property or to stop already occurring material harm to persons or property or such longer period of time as is reasonably necessary to diligently

pursue and complete said cure provided that Sublessee commences such cure within said ninety (90) day period and thereafter diligently proceeds to completion of same and while doing so shall continue to perform all of its monetary obligations hereunder), then, in either of such events, an "Event of Default" by Sublessee shall exist hereunder.

(b) Event of Default by Sublessor. If Sublessor fails to pay when due any sum due Sublessee hereunder, which failure continues for a period of thirty (30) days after receipt of written notice of such failure from Sublessee to Sublessor, or if Sublessor fails to keep, perform or observe any of the other covenants to be kept, observed or performed by Sublessor hereunder, which failure continues for a period of ninety (90) days after written notice of such failure from Sublessee to Sublessor (or such shorter period of time as is reasonably necessary under the circumstances in order to eliminate an unreasonable risk of material harm to persons or property or to stop already occurring material harm to persons or property or such longer period of time as is reasonably necessary to diligently pursue and complete said cure provided that Sublessor commences such cure within said ninety (90) day period and thereafter diligently proceeds to completion of same and while doing so shall continue to perform all of its monetary obligations hereunder), then, in either of such events, an "Event of Default" by Sublessor shall exist hereunder.

## 10.2 REMEDIES.

(a) Sublessor's Remedies. If an Event of Default by Sublessee exists, then Sublessor may exercise the following remedies while such Event of Default is continuing or remains uncured.

(i) to commence an action for specific performance or, if applicable, for injunctive or other equitable relief against Sublessee and to recover in such proceeding any and all reasonable attorney fees and/or court costs incurred by Sublessor in connection with enforcing the Sublessor's remedies under this Section 10.2(a)(i) against Sublessee; and/or

(ii) to recover damages (including, without limitation, any costs and expenses which may have been incurred by and unreimbursed to Sublessor under Section 10.2(a)(iii) hereof) suffered or incurred by Sublessor as a result of such Event of Default by Sublessee and any and all reasonable attorney fees and/or court costs and/or Binding Arbitration (as defined in Section 10.3(b)(i) hereof) costs incurred by Sublessor in connection with enforcing Sublessor's remedies under this Section 10.2(a)(ii) in accordance with Section 10.3 hereof; and/or

(iii) to itself perform, or cause to be performed, the covenant, performance or condition required to be kept, observed or performed by Sublessee and which is the subject of the Event of Default by Sublessee; in which event Sublessee shall reimburse Sublessor, within thirty (30) days after a written notice requesting same, for Sublessor's reasonable costs and expenses actually incurred in doing so; and/or

- (iv) to terminate this Sublease by written notice thereof to Sublessee.

Notwithstanding any provisions of this Sublease or of applicable law or equity to the contrary, the foregoing remedies shall be the sole remedies available to Sublessor in connection with an Event of Default by Sublessee. Further, any damages and/or costs and expenses (including, without limitation, the reasonable attorney's fees and court and Binding Arbitration costs referenced in subparts (i) and (ii) above) which Sublessor is entitled to recover from Sublessee under this Section 10.2(a) shall accrue interest at the rate of twelve (12%) percent per annum until the date such damages and/or costs and expenses, as the case may be, are paid to Sublessor by Sublessee.

(b) Sublessee's Remedies. If an Event of Default by Sublessor exists, then Sublessee may exercise the following remedies while such Event of Default is continuing or remains uncured.

(i) to commence an action for specific performance or, if applicable, for injunctive or other equitable relief against Sublessor and to recover in such proceeding any and all reasonable attorney fees and/or court costs incurred by Sublessee in connection with enforcing Sublessee's remedies under this Section 10.2(b)(i) against Sublessor; and/or

(ii) to recover damages (including, without limitation, any costs and expenses which may have been incurred by and unreimbursed to Sublessee under Section 10.2(b)(iii) hereof) suffered or incurred by Sublessee as a result of such Event of Default by Sublessor and any and all reasonable attorney fees and/or court costs and/or Binding Arbitration costs incurred by Sublessee in connection with enforcing Sublessee's remedies under this Section 10.2(b)(ii) in accordance with Section 10.3 hereof; and/or

(iii) to itself perform, or cause to be performed, the covenant, performance or condition required to be kept, observed or performed by Sublessor and which is the subject of the Event of Default by Sublessor; in which event Sublessor shall reimburse Sublessee, within thirty (30) days after a written notice requesting same, for Sublessee's reasonable costs and expenses actually incurred in doing so.

Notwithstanding any provisions of this Sublease or of applicable law or equity to the contrary, the foregoing remedies shall be the sole remedies available to Sublessee in connection with an Event of Default by Sublessor, Sublessee having no right to terminate this Sublease in connection with any such Event of Default. Further, any damages and/or costs and expenses (including, without limitation, the reasonable attorney's fees and court and Binding Arbitration costs referenced in subparts (i) and (ii) above) which Sublessee is entitled to recover from Sublessor under this Section 10.2(b) shall accrue interest at the rate of twelve (12%) percent per annum until the date such damages and/or costs and expenses, as the case may be, are paid to Sublessee by Sublessor.

### 10.3 DISPUTE RESOLUTION.

(a) Initial Dispute Resolution. Notwithstanding anything herein to the contrary, so long as the Joint Use Agreement remains in effect, before pursuing Binding Arbitration as provided in Section 10.3(b) hereof, a Party shall first seek relief regarding an Event of Default or any Disputes (as defined in Section 10.3(b)(i) hereof) in accordance with Section 7.5(a) and (b) of the Joint Use Agreement, the terms and conditions of which are incorporated herein by express reference.

(b) Binding Arbitration.

(i) Arbitration Required. The Parties mutually agree that, subject to Section 10.3(a) hereof, any disputes (which shall include, without limitation, all claims and controversies between the Parties, whether individual, joint, or class in nature, arising from this Sublease, the Joint Use Agreement, Ground Lease or Easement or otherwise related to this Sublease, including without limitation claimed Events of Default, contract disputes and tort claims) (collectively or as to any of them, "Disputes") between the Parties shall be resolved by binding arbitration pursuant to the Commercial Rules of the American Arbitration Association (collectively, "Binding Arbitration"), provided that the Parties shall not be required to select arbitrators through the American Arbitration Association or pay the filing fees required by the American Arbitration Association. Notwithstanding anything herein to the contrary, this Section shall not limit or otherwise prohibit either Party from the right to pursue the other remedies specifically described under Section 10.2(a)(i), (iii) and/or (iv) or Section 10.2(b)(i) and/or (iii), as the case may be, and the exercise of any such remedies shall not be deemed an election of remedies. Further, any Disputes concerning the lawfulness or reasonableness of any act, or exercise of any right or remedy under this Sublease, including any claim to rescind, reform, or otherwise modify any portion of this Sublease, shall also be resolved pursuant to Binding Arbitration; provided, however that no arbitrator shall have the right or the power to enjoin or restrain any act of either Party or otherwise award either Party any equitable relief. Judgment upon any award rendered in accordance with this Section 10.3(b) hereof may be entered in any court having jurisdiction. The statute of limitations, estoppel, waiver, laches and similar doctrines which would otherwise be applicable in an action brought by a Party shall be applicable in any Binding Arbitration proceeding, and the commencement of a Binding Arbitration proceeding in accordance with Section 10.3(b)(ii) hereof shall be deemed the commencement of any action for these purposes. The Federal Arbitration Act (Title 9 of the United States Code) shall apply to the construction, interpretation, and enforcement of this Section 10.3(b).

(ii) Selection of Arbitrators. Provided that the terms and conditions of Section 10.3(a) hereof have been satisfied, within thirty (30) days (the "Selection Period") after a Party ("Arbitration Requester") provides the other Party ("Opposing Party") with written notice that the Arbitration Requester desires to

submit a Dispute to Binding Arbitration, the Arbitration Requester and Opposing Party shall attempt to agree upon an arbitrator to whom to submit the applicable Dispute for Binding Arbitration. If the Parties are unable to agree upon an arbitrator within the Selection Period, then, at the end of the Selection Period, each Party shall select an arbitrator from the seven (7) county Greater Cincinnati Area (Warren County, Butler County, Hamilton County and Clermont County, Ohio and Campbell County, Kenton County and Boone County, Kentucky) ("Greater Cincinnati Area"), and within fifteen (15) days after the end of the Selection Period ("Second Selection Period"), the arbitrators shall agree upon an arbitrator from the Greater Cincinnati Area. If such arbitrators are unable to agree upon an arbitrator within ten (10) days after the end of the Second Selection Period, an arbitrator shall be selected by the American Arbitration Association. Upon selection of the third arbitrator, the Dispute shall be submitted for resolution to all three (3) arbitrators; and based upon pre-arbitration hearing position statements filed by the Parties with such arbitrators, the arbitrators shall determine, within sixty (60) days of selection of the last arbitrator, in writing which Party has lost the arbitration. The losing Party shall pay all fees and expenses of the arbitrators.

## ARTICLE 11. ADDITIONAL PROVISIONS

### 11.1 INDEMNITY.

(a) General Indemnity. Subject to Section 7.4 hereof, Sublessee will indemnify and save Sublessor harmless from any liability on account of any damage to person or property arising out of any uncured Event of Default by Sublessee under this Sublease or arising out of any acts or omissions of Sublessee, its agents, servants, employees, invitees and/or contractors on, affecting or with respect to the Community Center. Subject to Section 7.4, Sublessor will indemnify and save Sublessee harmless from any liability on account of any damage to person or property arising out of any uncured Event of Default by Sublessor under this Sublease and/or arising out of any acts or omissions of Sublessor, its agents, servants, employees, invitees and/or contractors on, affecting or with respect to the Community Center. This Section 11.1(a) shall survive the expiration of the Term or earlier termination of this Sublease.

(b) Environmental Indemnity.

(i) Definition of Hazardous Substance. For the purposes of this Sublease, the term " Hazardous Substance" means any substance or waste that poses or causes, or is alleged to pose or cause, any damage to property or any personal injury, including death, or threat to human health or the environmental, including without limitation those substances defined, listed, designated or classified as hazardous, toxic, radioactive, or dangerous under any existing applicable local, regional, state, U.S. and foreign laws, or court ruling, regulations, ordinances, codes, and other requirements and directives, concerning environmental, health and safety matters, including but not limited to applicable

regulations, ordinances, permits, standards and agreements regarding discharges, emissions, handling, storing, treating and disposal of hazardous and solid wastes, clean-up, and right-to-know requirements, including but not limited to (1) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. ("CERCLA"), (2) the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. ("RCRA"), (3) the federal water Pollution Control Act, 33 U.S.C. Section 1251, et seq., (4) the Clean Air Act, 42 U.S.C. Section 7401, et seq., (5) the Safe Drinking Water Act, 42 U.S.C. Section 300F, et seq., (6) the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., (7) the Rivers and Harbors Act of 1899, 33 U.S.C. Section 401, et seq., (8) the Endangered Species Act of 1973, 16 U.S.C. Section 1531, et seq., (9) the Occupational Safety and Health Act of 1979, 29 U.S.C. Section 651, et seq., and (10) the Community Right to Know Act, 42 U.S.C. Section 11001, et seq., all as amended (collectively, the "Environmental Laws") as well as any petroleum product or by-product, crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable as fuel, or polychlorinated biphenyls. The term Hazardous Substances shall not include and this Sublease shall not be construed to prohibit the use, storage or sale of incidental quantities of supplies or products which are commonly used in conjunction with any existing use of the Community Center or the Premises, so long as these items are used, kept and stored in compliance with all Environmental Laws.

(ii) Definition of Environmental Matters. For the purposes of this Sublease, the term "Environmental Matters" means any and all claims, costs, fines, damages, expenses or liabilities (including attorneys' and consultants' fees and expenses) arising under any Environmental Laws, whether brought by government authorities or private parties, which claims, costs, fines, damages, expenses or liabilities relate to or arise out of: (1) the handling, use, storage, disposal, treatment or release (as defined in the CERCLA or any state equivalent) of any Hazardous Substance; (2) the direct or indirect disposal or release of any solid, liquid or gaseous material or any Hazardous Substance; (3) discharges to industrial, storm or sanitary sewers; (4) the placement of structures or materials into any waters, waterways or wetlands; or (5) the presence of any Hazardous Substance in or on any land, water, wetlands, building, structure, equipment or workplace; all of the above, including without limitation, any claims involving the investigation monitoring or cleanup of all or any properties, sites, waters, wetlands (whether waste disposal sites, former plant sites or other sites), buildings, structures, equipment, or workplace upon which any Hazardous Substance may be or may have been bound.

(iii) Covenant Regarding Environmental Conditions. Sublessor covenants and agrees that from and after the Commencement Date, it will comply with all Environmental Laws relating to Environmental Matters on the Premises and that Sublessor will not introduce or permit the introduction of Hazardous Substances on the Premises or the Community Center, without complying with all applicable Environmental Laws. Sublessee covenants and agrees that as of the



Commencement Date, it will comply with all Environmental Laws relating to Environmental Matters on the Premises or Community Center and that it will not introduce or permit the introduction of Hazardous Substances on the Premises or Community Center without complying with all applicable Environmental Laws, including, but not limited to, the obligation to obtain the proper permits. Each party shall immediately notify the other of any inquiry, test, investigation, or enforcement proceeding concerning the presence of a Hazardous Substance on or affecting any portion of the Premises or Community Center. Sublessee hereby acknowledges that Sublessor shall have no liability for any environmental Matters arising prior to the Commencement Date.

(iv) Sublessee's Indemnity. Subject to Section 7.4 hereof, Sublessee shall defend, indemnify and hold Sublessor, Sublessor's officers, directors, representatives, and agents harmless from and against any and all damages, claims, judgments, fines, penalties, costs, liabilities (including, sums paid in settlement of claims) or loss, including reasonable fees of attorneys, technical consultants and other experts, incurred by any of them to the extent such amount results from the violation of Sublessee's covenant in Section 11.1(b)(iii) above from the Commencement Date hereof and any clean up work, inquiry, or enforcement proceeding in connection therewith.

(v) Sublessor's Indemnity. Subject to Section 7.4 hereof, Sublessor indemnifies and holds Sublessee, its members, officers and representatives and agents harmless from and against any and all damages, claims, judgments, fines, penalties, costs, liabilities (including, sums paid in settlement of claims) or loss, including reasonable fees of attorneys, technical consultants and other experts, incurred by any of them to the extent such amount results from the violation of any of Sublessor's covenants in Section 11.1(b)(iii) above and any clean up work, inquiry, or enforcement proceeding in connection therewith.

(vi) Term of Indemnities. This Section 11.1(b) shall survive the expiration of the Term or earlier termination of this Sublease.

11.2 ADDRESSES-NOTICES. Except for legal process which may also be served as by law provided (other than by tacking), all notices required or desired to be given with respect to this Sublease shall be in writing and shall be deemed to have been given when hand delivered and/or, if sent by certified mail return receipt requested or by same day or overnight receipted courier service, when actually received or refused, and shall be addressed as follows:

(a) To Sublessor:

Mason City School District  
Kevin L. Bright, Superintendent  
211 East North Street  
Mason, Ohio 45040

With a copy to:

Richard L. Gardner, Treasurer  
211 East North Street  
Mason, Ohio 45040

(b) To Sublessee:

The City of Mason  
c/o Community Center Manager  
6000 Mason Montgomery Road  
Mason, Ohio 45040

With a copy to:

The City of Mason  
c/o City Manager  
6000 Mason Montgomery Road  
Mason, Ohio 45040

The period in which a response to any such notice must be given or taken shall run from the date of personal delivery or the date of actual receipt as evidenced on the return receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt.

All payments of Rent and all other sums payable to Sublessor hereunder shall be paid to Sublessor at the following address:

Mason City School District  
c/o Treasurer  
211 East North Street  
Mason, Ohio 45040

A party's address for notice and/or payment may be changed from time to time by such Party by not less than fifteen (15) days' prior written notice to the other Party.

11.3 WAIVER OF RIGHTS; ENTIRE AGREEMENT. No failure or delay by either Party to exercise any right or power given it or to insist upon strict compliance by the other Party with any obligation imposed on it, and no custom or practice of either Party at variance with any term hereof shall constitute a waiver or a modification of the terms hereof by such Party or any right either Party has herein to demand strict compliance with the terms hereof by the other Party. Except with respect to the Joint Use Agreement, Ground Lease and Easement Agreement, this Sublease (including all exhibits and addenda attached hereto) contains the sole and entire agreement of Sublessor and Sublessee, and no prior or contemporaneous oral or written representation or agreement between the Parties and affecting the Community Center shall have legal effect so as to modify or amend or change the conditions hereof.

11.4 INCONSISTENCIES. Notwithstanding anything herein to the contrary, to the extent that the terms and conditions of this Sublease and the Joint Use Agreement are inconsistent, if the Joint Use Agreement has not otherwise been terminated, the terms and conditions of the Joint Use Agreement shall prevail unless such inconsistency is required to conform this Sublease with the requirements of applicable law, in which event the provisions of this Sublease and such applicable law shall prevail. If the Joint Use Agreement has been terminated, the terms and conditions of the Ground Lease shall control in the event of inconsistency in this Sublease or of this Sublease and the Ground Lease, subject to the requirements of applicable law as provided in the preceding sentence.

11.5 RECORDING. This Sublease shall not be recorded, provided that Sublessor and Sublessee shall execute and record a memorandum or short form of this Sublease legally sufficient to put third party's on notice of this Sublease in accordance with the Joint Use Agreement.

11.6 SEVERABILITY. If any clause or provision of this Sublease or the application thereof to any person, entity or circumstance is or becomes illegal, invalid or unenforceable because of present or future laws or any rule or regulation of any governmental body or entity now or hereafter effective during the Term, the intention of the Parties is that the remaining parts of this Sublease and the application of such clause or provision to persons, entities or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each such clause or provision shall be valid and enforceable to the fullest extent permitted by law.

11.7 CAPTIONS. The captions used in this Sublease are for convenience only and do not in any way limit or amplify the terms and provisions hereof. The use of the terms "hereof," "hereunder" and "herein" shall refer to the Ground Lease as a whole except where noted otherwise. The necessary grammatical changes required to express singular, plural, male, female or neuter, as applicable, shall be assumed in each case to be fully expressed.

11.8 SUCCESSORS AND ASSIGNS. Subject to Section 8.1 of this Sublease, the provisions of this Sublease shall inure to the benefit of and be binding upon Sublessor and Sublessee and their respective successors, heirs, legal representatives and assigns.

11.9 GOVERNING LAW. The laws of the state in which the Community Center is located shall govern the interpretation, validity, performance and enforcement of this Sublease.

11.10 ESTOPPEL CERTIFICATE. At any time and from time to time, either Party, on or before the date specified in a request therefore made by the other Party which date shall not be earlier than ten (10) business days from the making of such request, shall execute, acknowledge and deliver to the requesting Party a certificate evidencing: (a) whether or not this Sublease is in full force and effect; (b) whether or not this Sublease has been amended in any way; (c) whether or not there are any existing Event of Defaults on the part of the Party requesting the certificate hereunder to the knowledge of the certifying Party and specifying the nature of such Event of Defaults, if any; and (d) the date to which Rent, and other amounts due hereunder, if any, have been paid. Each certificate delivered pursuant to this Section may be relied on by any

prospective purchaser or transferee of Sublessor's or Sublessee's interest hereunder or of any part of Sublessor's or Sublessee's property or by any holder or prospective holder of a first mortgage of Sublessor. The requesting Party shall pay all expenses connected with such certificate reasonably incurred by the party giving such certificate.

11.11 TIME IS OF THE ESSENCE. Except as otherwise specifically provided herein, TIME IS OF THE ESSENCE OF THIS SUBLEASE.

11.12 BROKERAGE COMMISSIONS. Each Party hereby represents and warrants to the other Party that no broker, agent, commission salesman or other person has represented the warranting Party in the negotiations for and procurement of this Sublease and of the Community Center, and that no commissions, fees or compensation of any kind are due and payable in connection herewith to any such person or entity. Each Party further warrants that any compensation arrangement with the Party or Parties excepted from the foregoing warranty has been reduced to writing in its entirety in a separate agreement signed simultaneously with or before this Sublease by the Party who owes or should pay the commission or compensation. Further, each Party agrees to indemnify the other Party and hold such Party harmless from any and all costs, expenses or liability for commissions or other compensation claimed by any broker or agent with which such indemnifying Party has dealt. This Section 11.12 shall survive expiration of the Term or earlier termination of this Sublease.

11.13 APPROVALS. When any approval, consent or agreement of a Party is required under this Sublease, the Parties agree the following shall apply in the absence of a specific provision expressly provided for in this Sublease.

(a) The Party whose approval, consent or agreement is required will (unless otherwise specifically provided for in this Sublease with respect to such approval, consent or agreement) within ten (10) days after receipt of a request for same, accompanied in all cases by reasonable detail if the circumstances require, give written notice to the requesting Party either that it gives its approval, consent or agreement or that it withholds same, and, if the latter, such notice shall set forth in reasonable detail its reasons for such withholding; and

(b) If the notification referred to Section 11.13(a) above is not given within the applicable period of time specified in Section 11.13(a) above or as elsewhere provided in this Sublease, the Party whose approval, consent or agreement is requested will be deemed conclusively to have given its approval, consent or agreement in writing; and

(c) Except as expressly provided otherwise in this Sublease, any Party acting hereunder with respect to giving or withholding an approval, consent or agreement, unless otherwise specified in this Sublease, shall at all times act reasonably and in good faith in doing so.

11.14 FORCE MAJEURE. Each Party shall be excused from the performance of any of its non-monetary obligations for the period of any delay resulting from any cause beyond its reasonable control, including, without limitation, all labor disputes, governmental regulations or controls, fires or other casualties, inability to obtain any material or services or acts of God; subject to any express provision in this Sublease stating that force majeure shall not excuse a delay.

11.15 RELATIONSHIP OF SUBLESSOR AND SUBLESSEE. This Sublease shall be treated in all respects as an estate for years and not a usufruct. Express provision in this Sublease for any rights or duties which are imposed by law or statute with respect to estates for years shall in no way be deemed or construed as an indication or implication that any relationship other than lessor and lessee has been created or Sublessee has anything less than an estate for years by virtue of this Sublease.

11.16 EXECUTION. This Sublease may be executed in any number of counterparts, each of which shall be deemed an original, and any of which shall be deemed to be complete in itself and be admissible into evidence or used for any purpose without the production of the other counterparts. The persons executing this Sublease on behalf of or as a Party hereby covenant, warrant and represent that: (a) such Party is a duly organized and qualified to do business in the state in which the Community Center is located; (b) execution of this Sublease has been duly authorized by such Party; and (c) execution of this Sublease and performance by such Party, of its obligations hereunder do not violate any provision of the corporate charter or by-laws, partnership agreement, or other governance agreement of such Party, as applicable, or any outstanding agreement of such Party with any other person or entity.

11.17 FISCAL CERTIFICATION BY SUBLESSEE. As evidenced by her signature on this Sublease, Jennifer Heft, the Finance Director of the City of Mason, hereby certifies, in accordance with O.R.C. § 5705.41 and the Charter of the City of Mason, that the amount of money necessary to meet the obligations of Sublessee under this Sublease has been lawfully appropriated for that purpose and is in the treasury of the City of Mason or is in the process of collection to an appropriate fund.

11.18 FISCAL CERTIFICATION OF SUBLESSOR. In accordance with O.R.C. § 5705.412, Sublessor hereby certifies that the Mason City School District has in effect the authorization to levy taxes including the renewal or replacement of existing levies which, when combined with the estimated revenue from all other sources available to the Mason City School District on the date on which Sublessor has executed this Sublease, are sufficient to provide the operating revenues necessary to enable the Mason City School District to maintain all personnel and programs for all of the days set forth in its adopted school calendars for the current school fiscal year and for a number of days in succeeding school fiscal years equal to the number of days instruction was held or is scheduled for the current school fiscal year.

IN WITNESS WHEREOF, the Parties have caused this Sublease to be executed under seal as of the day, month and year first above written.

SUBLESSEE:

CITY OF MASON

By: Scot F. Lahrmer

Name: Scot F. Lahrmer

Its: City Manager

and

By: Jennifer Heft

Name: Jennifer Heft

Its: Finance Director

SUBLESSOR:

MASON CITY SCHOOL DISTRICT

By: Kevin L. Bright

Name: Kevin L. Bright

Its: Superintendent

and

By: Richard L. Gardner

Name: Richard L. Gardner

Its: Chief Financial Officer / Treasurer of  
the School District

As to Section 11.18 only:



Eric B. Kantor

Eric B. Kantor, as President of the  
Mason City School Board

STATE OF OHIO )  
 )  
COUNTY OF WARREN )

SS:

This instrument was acknowledged before me this 28<sup>th</sup> day of February, 2003 by Scot F. Lahrmer, as the City Manager of the City of Mason, an Ohio municipal corporation, behalf of the municipal corporation.

  
Notary Public  
  
STERLING WIGGS COLVIN  
Attorney at Law  
Notary Public, State of Ohio  
My Commission Has No Expiration  
Section 147.03 R.C.

STATE OF OHIO )  
 )  
COUNTY OF WARREN )

SS:

This instrument was acknowledged before me this 28<sup>th</sup> day of February, 2003, by Jennifer Heft, the Finance Director of the City of Mason, an Ohio municipal corporation, on behalf of the municipal corporation.


  
Notary Public

~~(Acknowledgments Continued On Next Page)~~

STATE OF OHIO )  
 )  
COUNTY OF WARREN )

SS:

This instrument was acknowledged before me this 28<sup>th</sup> day of February, 2003 by Kevin L. Bright, the Superintendent of Mason City School District, on behalf of Mason City School District.

  
Notary Public

STATE OF OHIO )  
 )  
COUNTY OF WARREN )

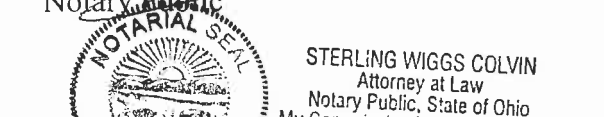

SS:

This instrument was acknowledged before me this 28<sup>th</sup> day of February, 2003 by Richard L. Gardner, its Chief/Financial Treasurer of Mason City School District, on behalf of Mason City School District.

  
Notary Public

STATE OF OHIO )  
 )  
COUNTY OF WARREN )

SS:

  
Notary Public  
  
STERLING WIGGS COLVIN  
Attorney at Law  
Notary Public, State of Ohio  
My Commission Has No Expiration  
Section 147.03 R.C.

STATE OF OHIO )  
 )  
COUNTY OF WARREN ) ss:

This instrument was acknowledged before me this 28<sup>th</sup> day of February, 2008  
by Eric B. Kantor, the President of the Mason City School Board, on behalf of Mason City  
School Board.

  
\_\_\_\_\_  
Notary Public



STERLING WIGGS COLVIN  
Attorney at Law  
Notary Public, State of Ohio  
My Commission Has No Expiration  
Section 147.03 R.C.