

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "Lease") was made this 1 day of July, 2024 by and between the Teton School District #401 (hereinafter referred to as "Landlord") and the Teton Valley Collaborative for Early Learning (hereinafter referred to as "TVCEL"), TVCEL and Landlord collectively the "Parties."

WITNESSETH

WHEREAS, the Landlord is the owner of the property known as the Gambal House, 461 North Main St. Driggs, ID 83422; and

WHEREAS, the Teton School District #401 Board of Directors has authorized use of the Gambal House for a child care program; and

WHEREAS, Landlord approves the subleasing of a portion of the Gambal House to a child care provider(s) to be selected by TVCEL for the sole purpose of operating an early care and learning program; and

WHEREAS, it is the desire and intent of both Parties hereto that such a facility be maintained and operated in accordance with and subject to the terms and conditions as hereinafter set forth.

NOW THEREFORE, in consideration of the covenants hereinafter contained and for other good and valuable consideration as hereinafter provided, and the respective premises and mutual promises herein contained, the Parties hereto mutually agree as follows:

1. **PREMISES:** Landlord hereby demises and leases unto TVCEL and TVCEL hereby rents from Landlord for and upon the provisions, the Gambal House (hereinafter referred to as "the Leased Premises"), 461 North Main St. Driggs, ID 83422. The Leased Premises include classrooms, bathrooms, and common areas as outlined in Exhibit A attached hereto and made a part hereof.
2. **TERM: Original Term** - The term hereby created shall be five (5) years commencing on July 1, 2024 and expiring June 30, 2029 unless terminated for cause as herein provided before the expiration of such term.
3. **RENEWAL OPTION:** Subject to the limitation contained herein, TVCEL shall have the option to extend the term of this Lease for two additional five (5) year periods. Notice as to each extension of the original lease shall be provided by TVCEL to the Landlord, in writing, not less than six (6) months before the end of the previous term. All of the terms, conditions, and covenants in this Lease shall apply during the aforementioned extended term.
4. **RENT:** TVCEL shall pay to the Landlord for the first year of the Lease term as reimbursement of operating costs of \$4.00 per square foot times a rentable square footage of 3548.25, for an annual cost of Fourteen Thousand, One Hundred Ninety-Three (\$14,193.00) Dollars payable in equal monthly installments of One Thousand, One Hundred Eighty-Three (\$1,183.00) Dollars. All payments are to be made in advance on the first day of each month during each Lease Year and shall be payable to the Teton School District #401, 461 North Main St. Driggs, ID 83422. Beginning with July 1, 2024, and the first of July thereafter during the Lease term, and any renewal period, the Landlord will establish the square foot rate to be paid by TVCEL for the next Lease year, based on adjusted operating costs. The Tenant's adjusted operating costs shall not exceed the actual increase in operating costs that Landlord actually pays or reasonably anticipates actually paying in the upcoming year.

5. USE OF THE PREMISES: The Leased Premises shall be used for a child care program.
6. USE OF OUTDOOR PLAYGROUND AREAS: TVCEL and Subtenant shall have access to the outdoor playground areas adjacent to the premises when used by TVCEL or Subtenant in connection with its child care program and during its normal hours of operations. Access times may need to be coordinated with other classrooms.
7. SERVICES:
 - (A) Landlord shall provide the following services to the Leased Premises except on days when the TSD #401 District Office is closed.
 - (a) Facility Maintenance Services:
 - (i) Routine Inspections: Regular assessments of the facility to ensure all areas and systems are functioning properly.
 - (ii) Preventive Maintenance: Scheduled maintenance activities designed to prevent unexpected equipment failures and ensure the longevity of the facility's infrastructure.
 - (iii) Repairs and Replacements: Addressing the repair or replacement needs of electrical, mechanical, plumbing, and structural systems integral to the original construction of the child care facility. This encompasses electronic systems (such as fire alarms, security alarms, and audio systems), lighting fixtures, roofing, doors, windows, and other structural elements.
 - (iv) Exterior Grounds Maintenance: Lawn maintenance and snow plowing. Upkeep of the exterior spaces, including landscaping and playground maintenance, to ensure a safe and welcoming outdoor area.
 - (B) The child care business shall be responsible for utilities. Electric, water/sewer, and WIFI services will be billed directly to the child care facility by the respective vendors, ensuring that services are tailored to the specific needs and consumption patterns of the facility.
8. REIMBURSEMENT FOR COST OF SERVICES: The Landlord's rental costs are based on the rates charged to the Landlord by service providers and the anticipated cost to repair and maintain the property. These costs will be evaluated and established annually.
9. TVCEL'S IMPROVEMENTS: TVCEL shall be permitted to perform minor remodeling and improvements to the Leased Premises in order to meet Idaho Child Care Licensing standards. Before performing any minor remodeling and improvements, TVCEL will obtain written approval from the superintendent and perform such work in a manner that will not cause any disturbance to the business operations at the District office. TVCEL is responsible for Taxes assessed, if any, as a result of the conduct of its business on the premises.
10. INDEMNIFICATION:
 - (A) During the term of this Lease or any extension thereof, TVCEL shall at all times defend, indemnify and hold the Landlord harmless against all actions, claims, demands, costs, damages, penalties, or expenses that result from the negligence or fault of TVCEL, or its Subtenant. TVCEL shall not, however, be liable for damage or injury occasioned by the acts or omissions of Landlord or its agents, or Landlord's negligent failure to comply with its obligations hereunder.
 - (B) Landlord agrees to indemnify TVCEL for injuries or damages only for Landlord's pro rata share of the total damages awarded in favor of TVCEL which is attributable to the negligent or otherwise wrongful acts or omissions of Landlord or its employees.
11. BUSINESS LIABILITY INSURANCE:
 - (A) TVCEL will ensure that the selected child care provider secures and perpetually maintains comprehensive public liability insurance coverage throughout the entire duration of the agreement, including any extensions thereof. As advised by Landlord's

insurance agent, the requisite policy must encompass a minimum general liability coverage of ONE MILLION DOLLARS (\$1,000,000) per incident for bodily injury, death, and property damage, consolidating these coverages into a single limit policy.

(B) This insurance prerequisite aims to safeguard the interests of all parties involved, including the child care provider, TVCEL, and Landlord, against the financial implications of claims related to injuries or damages occurring within the premises. The selected provider must furnish proof of insurance upon signing the lease agreement and ensure continuous compliance with these insurance mandates throughout the term of their occupancy.

(C) TVCEL agrees that it will not keep in or upon the Leased Premises any article, which may be prohibited by the standard form of fire or hazard insurance policy. The Leased Premises is insured under the Landlord's policy and the initial increase in premium has been included in the rent. TVCEL has the right to review the Landlord's policy(ies) premium and rates.

(D) All the fixtures and equipment belong to the Landlord.

(E) TVCEL shall deliver to the Landlord a certificate of insurance evidencing the coverage hereinabove described within (30 days) from execution of any and all sublease Agreements and naming Landlord as an additional insured under the Policy.

12. **DESTRUCTION OF PREMISES:** In the event of damage or destruction of the Leased Premises by fire or any other casualty, this Lease shall not be terminated, but the Leased Premises shall be promptly and fully repaired and restored by the Landlord to the extent of the Landlord's insurance proceeds provided such repair and/or restoration returns the Leased Premises to substantially the condition prior to such damage or destruction. Due allowance, however, shall be given for the reasonable time required for adjustment and settlement of insurance claims, and for such other delays as may result from government restrictions, and controls on construction, if any, and for strikes, national emergencies, and other conditions beyond the control of the Landlord. It is agreed that in the event of damage or destruction, this Lease shall continue in full force and effect, except for abatement of rent as provided herein. If the condition is such as to make the entire Leased Premises "Untenantable," the rent which TVCEL is obligated to pay hereunder shall abate as of the date of the occurrence until the Leased Premises have been fully restored by Landlord. Any unpaid rent for the month in which said condition occurs shall be prorated and credited or paid to the appropriate party. If the Leased Premises are partially damaged or destroyed, then during the period that TVCEL is deprived of the use of the damaged portion of said Leased Premises, TVCEL shall be required to pay rental prorated to reflect that portion of the Leased Premises which continues to be "Tenantable" and appropriate for TVCEL or Subtenant's use. Landlord will proceed at its expense and as expeditiously as may be practicable to repair the damage. Notwithstanding any of the foregoing in the event of substantial damage or destruction, should Landlord decide not to repair or restore the Leased Premises or the building, at Landlord's sole option, Landlord may terminate this Lease forthwith by giving TVCEL written notice of its intention to terminate within sixty (60) days after the date of the casualty. No compensation, claim, or diminution of rent other than as described above will be allowed or paid by the Landlord by reason of inconvenience, annoyance, or unjust to business arising from the necessity of repairing the Leased Premises.

13. **CONDUCT AND SAFETY OF FACILITY:** TVCEL and its Subtenant shall conduct all of its operations hereunder in a workmanlike, efficient, safe and careful manner; shall observe such safety precautions and rules in its operations as the Landlord from time to time may reasonably require; shall maintain an adequate number of employees to supervise and regulate the use of the facility and shall maintain the facility at all times in safe and good operating condition and repair.

14. **LANDLORD'S RIGHT OF INSPECTION:** The landlord shall be entitled to visit and inspect the Leased Premises during reasonable hours and after reasonable notice but shall be under no obligation to make any visits or inspections.
15. **CONDITION OF PREMISES:** TVCEL agrees to maintain the Leased Premises, including all improvements therein, in good condition and state of repair throughout the term of this Lease and any extension thereof.
16. **SIGNS:** TVCEL or its Subtenant shall not place upon or remove from the Leased Premises any placard, sign, lettering or awning except such, and in such place and manner as shall have been first approved in writing by Landlord. The landlord's approval shall not be unreasonably withheld, conditioned, or denied.
17. **QUIET POSSESSION:** Landlord covenants and warrants that it will deliver to TVCEL exclusive possession of the Leased Premises with appurtenances in conformity with the law, upon execution and delivery of this Lease for the purposes herein set forth.
18. **EMINENT DOMAIN:** Should the Leased Premises be taken by a public or quasi-public authority under any power of eminent domain or condemnation, this lease shall terminate and the Landlord and TVCEL shall be entitled to such award by the condemning authority as shall be proportionate to their interest in the premises.
19. **DEFAULT:** The Landlord or TVCEL shall be deemed to be in default of this Lease when such party shall wrongfully fail to perform any of the provisions, covenants, conditions, or agreements of this Lease which are to be performed by such a party and such default has not been cured within (60) days following written notice stating in detail wherein either party has failed to perform so. The defaulting party shall be liable for any and all loss or damage resulting to the other party from any such default.
20. **WAIVER:** No waiver by the Landlord or TVCEL of any breach of any covenant, condition, or agreement herein contained shall operate as a waiver of the covenant, condition, or agreement itself or of any subsequent breach thereof.
21. **RIGHTS OF LANDLORD:** In the event the Landlord or TVCEL shall default under any one or more of the events of default as described in Paragraph 19 hereof, Landlord and TVCEL may, upon giving not less than thirty (30) days written notice one to the other, after the respective period for compliance as previously described had expired, terminate this Lease and thereupon, or at any time thereafter, Landlord may re-enter the Leased Premises and have the possession of the same.
22. **SUB-LEASING:** Landlord hereby approves the subleasing of the Leased Premises to a child care provider to be selected by TVCEL for the sole purpose of operating an early learning and care program.
23. **SURRENDER OF POSSESSION:** TVCEL covenants, at the expiration or other termination of this Lease, to remove all goods and effects from the premises not the property of the Landlord, and to yield up to the Landlord the premises in good repair, order, and condition excluding reasonable wear and tear..
24. **HOLDOVER:** In the event that TVCEL shall continue to occupy said Leased Premises or any part thereof after the conclusion of the term of this Lease, or any extension thereof, the tenancy thus created shall be deemed to be on a month-to-month basis and may be terminated by either party giving the other not less than thirty (30) days' written notice, to expire on the day of the month from which the tenancy commenced. During any month-to-month tenancy, both Parties shall continue to observe all agreements and covenants contained in this Lease.
25. **INTEGRATED AGREEMENT:** This Lease contains all of the agreements and conditions made between the Parties and may not be modified orally or in any other manner other than by an agreement in writing signed by all the Parties or their respective success in interest.

26. **BENEFIT AND BURDEN:** All of the covenants, provisions, terms, agreements, and conditions of this Lease shall inure to the benefit of and be binding upon the Landlord or its successors or assigns and upon TVCEL, its successors or assigns.
27. **PRIORITY AGREEMENT FOR TSD #401 EMPLOYEES:** The parties acknowledge that Landlord is a Priority Business Member of TVCEL. Each of TVCEL's Priority Business Members, including Landlord, is entitled to priority enrollment access for its employees, giving those families priority over non-member families in the enrollment process. There is no cap on the number of employees of Landlord who may apply for childcare or be placed on the priority waitlist. No family, regardless of priority access, is guaranteed a spot. Landlord and other Priority Business Members will be informed of initial availability before the general public.
28. **MAILING NOTICES:** All notices required or desired to be given hereunder either party shall be given in writing and shall be addressed as follows:

TENANT:

Teton Valley Collaborative for Early Learning
PO Box 803
Driggs, ID 83422

LANDLORD:

Teton School District #401
461 North Main St.
Driggs, ID 83422

With copy that does not constitute a notice:

Brett Walther
Anderson Julian & Hull LLP
250 S 5th St, Ste 700
Boise, Idaho 83702

29. **STATUTORY PROVISIONS:** It is understood, agreed, and consented by and between the Parties that the Landlord and TVCEL, as their interest may appear at their respective expense, will promptly comply with, observe, and perform all the requirements of all applicable Federal, State, County and Local statutes, ordinances, rules, orders, and regulations in effect during the Lease Term.
30. **GENERAL PROVISIONS:**
- (A) **Entire Agreement:** It is further understood and agreed that this instrument contains the entire agreement between the Parties hereto and shall not be modified in any manner except by an instrument in writing executed by the parties hereto.
 - (B) **Rights and Remedies:** In addition to any and all rights and remedies specially mentioned in this Lease, Landlord and TVCEL shall have all rights and remedies granted by law or in equity. Resort to one remedy shall not be construed as a waiver of any other remedy. Failure by Landlord or TVCEL to resort to any or all of their respective rights or remedies shall not be considered to be a waiver of such rights or remedies, nor to be acquiescence of any part in any action or default.
 - (C) **Governing Law:** The provision of this Lease shall be governed by the laws of the State of Idaho. If any term of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term shall not be affected thereby.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be properly executed.

WITNESS:

By: *Dina Temple*
BD Pres. Manager

LANDLORD:
TETON SCHOOL DISTRICT #401
BOARD OF TRUSTEES

By: *Martin Balben*
Name: *Martin Balben*
Title: *Teton District 401 Board Chair*
Date: *6.27.2024*

WITNESS:

By: *Dina Temple*
BD Business Manager

TENANT:
TETON VALLEY COLLABORATIVE FOR
EARLY LEARNING

By: *Kristi Meston*
Name: Kristi Meston
Title: Executive Director
Date: *7/1/24*