

**REAL PROPERTY LEASE**

THIS REAL PROPERTY LEASE (the "Lease"), entered into on this 27<sup>th</sup> day of April 2022, by and between **BBPH Properties, LLC**, a Kentucky Limited Liability Corporation, whose address is 280 Pasadena Dr., Lexington, KY 40503 (the "Landlord") and **Ian Eldon Ashley Carr**, an (individual), whose address is 125 Burt Rd, Lexington, KY 40503 (the "Tenant").

**WITNESSETH:**

WHEREAS, Landlord is the owner of certain real property located in Lexington, Fayette County, Kentucky, which real property Landlord desires to lease to Tenant and Tenant desires to lease from Landlord, pursuant to the terms and conditions set forth in this Lease.

NOW, THEREFORE, for and in consideration of the terms of this Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby agree as follows:

**SECTION 1**      **DEMISE AND PREMISES**

Landlord hereby leases and lets to Tenant and Tenant hereby leases from Landlord those certain premises, consisting of approximately 2100 square feet of space, in Lexington, Fayette County, Kentucky, and the improvements and fixtures thereon, in a building commonly known and designated as 125 Burt Rd., Lexington, Fayette County, Kentucky 40503 (the leased space is hereby known as the "Premises." Because the Premises are a portion of a larger building owned by Landlord the entire structure is hereafter referred to as the "Building.") In addition to the Premises, Tenant shall have exclusive use of the parking area in front of the Building. Tenant has inspected the Premises and determined that the Premises are suitable for a dance studio. A diagram of the Premises is attached hereto as Exhibit A, and incorporated herein by reference.

**SECTION 2**      **TERM**

The term of this Lease shall be **one (1) year** commencing on the **1st day of May, 2022** (the "Commencement Date") and terminating the **30th day of April, 2023** (the "Expiration Date"), and shall **automatically renew** each year for another one (1) year term, unless either party gives sixty (60) days prior written notice to the other party that this Lease shall expire. Tenant shall surrender the Premises to Landlord immediately upon expiration of this lease and shall be liable for any period of holdover thereafter as set forth in Section 20.

**SECTION 3**      **RENT**

Tenant agrees to pay to Landlord a monthly rental of **Nine Hundred Dollars (\$900.00)**, payable on the first day of each calendar month. All rents shall be payable at the Landlord's bookkeeper's address as follows:

BBPH Properties, LLC  
2201 Regency Rd, Bldg 100  
Lexington, KY 40503  
Attn: Ms. Deanna Croucher.

If Tenant fails to pay the rent by the 10<sup>th</sup> day of the month, then Tenant shall owe Landlord a late fee of \$25.00 in addition to that month's current rental payment.

**SECTION 4**            **USE OF PREMISES**

A. Tenant. Tenant agrees that the Premises shall be used and occupied only for the purposes of a dance studio. If Tenant desires to use the Premises for a purpose other than a dance studio, Tenant shall request a modification of the Lease in writing. Tenant shall at all times use and occupy the Premises in a careful, safe and proper manner, will not commit or suffer any waste thereon and will not permit any unlawful or immoral activities to take place on the Premises.

B. Landlord. Landlord agrees that the remainder of the Building shall be used and occupied in accordance with all laws and regulations, and that no activity will be conducted at the Building that would interfere with Tenant's possession of the Premises or its operation of business at the Premises.

**SECTION 5**            **ASSIGNMENT AND SUBLETTING**

Tenant shall not assign this Lease or any interest therein nor let or sublet the Premises or any part thereof or any right or privilege appurtenant thereto or permit the occupancy or use of any part thereof by any other person without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Upon any such consent being obtained, Tenant shall nonetheless remain liable for all obligations of Tenant hereunder. Notwithstanding the above, Tenant may rent the Premises to third parties in connection with his operation of a dance studio. For example, Tenant may rent the Premises to another dance professional to provide dance instruction to that dance professional's students, either by the hour or by the day (commonly referred to as "floor time.")

**SECTION 6**            **ADDITIONAL IMPROVEMENTS, SIGNS AND OBLIGATION FOR MAINTENANCE AND REPAIRS**

A. Tenant. Tenant shall, during the term of this Lease or any extensions or renewals hereof, at its sole cost and expense, keep said Premises clean, and in good condition. Tenant shall be responsible for changing light bulbs, keeping the Premises free from trash, unstopping toilets, and other such upkeep. Tenant may install fixtures necessary for the operation of a dance studio, for example, installation of a floating floor, or wall mirrors. Tenant shall not make any

structural changes or improvements in or about the Premises without first obtaining the prior written consent of Landlord.

If, because of any act or omission of Tenant or any person claiming by, through, or under Tenant, any mechanic's or materialman's lien or other lien shall be filed against the Premises (whether or not such lien is valid or enforceable as such), Tenant shall, at its own expense, cause the same to be discharged of record within ten (10) calendar days after the date of filing thereof. Landlord may, but shall not be obligated to, pay the claim upon which such lien is based so as to have such lien released of record; and, if Landlord does so, then Tenant shall pay to Landlord as additional rent, upon demand, the amount of such claim, plus all other costs and expenses incurred in connection therewith, plus interest thereon at the rate of eighteen (18%) percent, or the maximum legal rate, whichever is less, per year until paid.

B. Landlord. Landlord shall, during the term of this Lease or any extensions or renewals hereof, at its sole cost and expense, keep the Premises and the Building in which the Premises are located in good structural and functional repair. Landlord shall be responsible for all major repairs to the Premises and the Building, including but not limited to the roof, the foundation, the heating and air conditioning system, the electrical, the plumbing, the exterior of the Building, the parking lot, and any other area associated with the Building, its structure and the land upon which it sits.

## **SECTION 7**            **DEFAULT/MITIGATION**

A. Default by Tenant. Should Tenant (i) fail to pay the rent or any other sum payable by Tenant as herein provided, or any part thereof, as and when the same shall be due and payable or within ten (10) days after written notice from Landlord, provided however, Landlord shall not be required to provide such written notice more than twice in any calendar year; or (ii) fail to keep and perform any of the other non-monetary covenants, agreements or conditions on its part to be kept and performed hereunder within twenty (20) days of written notice thereof; or (iii) suffer any execution, attachment or other order of any court to be issued upon or against the interest of Tenant in this Lease and such shall continue for a period of thirty (30) days after Tenant receives written notice thereof; or (iv) make an assignment for the benefit of creditors or suffer or permit a petition in bankruptcy to be filed by or against it; or (v) fail to perform any other of its obligations under this Lease; then Tenant shall be considered to be in default of this Lease ("Tenant's Default").

Upon the occurrence of Tenant's Default, then and in such event, in addition to any and all rights and remedies allowed by law and equity, Landlord may, at its option, without further notice to Tenant (i) declare this Lease terminated, reenter and take possession of the Premises as provided in Section 8 below; or (ii) declare Tenant's right to possession of the Premises terminated without the termination of this Lease, reenter and take possession of the Premises as provided in Section 8 below. If Landlord shall so elect to terminate Tenant's

right to possession under this Lease, Landlord may, in addition to any and all rights and remedies allowed by law or equity, further elect to (i) relet the Premises or any part thereof on such terms, conditions and rental as Landlord may deem proper and apply the proceeds of such reletting, after the deduction of Landlord's reasonable costs and expenses to the rent owed by Tenant under this Lease, and hold Tenant liable for any balance of rent which remains unpaid; or (ii) recover from Tenant damages in an amount equal to the remaining value of the rent and other charges owed by Tenant pursuant to this Lease.

B. Default by Landlord. Should Landlord (i) fail to perform or observe any condition or obligation of this Lease required to be performed by Landlord ("Landlord Default") with thirty (30) days following written notice to Landlord of such failure, Tenant shall have all remedies available to it under statutory or common law. If the nature of such default reasonably requires more than thirty (30) days and the business of Tenant is not interfered with or interrupted by such failure of Landlord to perform, Landlord shall not be in default hereunder if Landlord has promptly commenced such cure and is diligently pursuing the same.

C. Mitigation. Both parties agree to mitigate their damages upon default.

## **SECTION 8**      **SURRENDER OF PREMISES**

A. Surrender Upon Tenant Default. If Tenant is in Default under this Lease and Landlord has declared this Lease terminated, Tenant shall immediately surrender and deliver possession of the Premises to Landlord in the condition required to be maintained by Tenant pursuant to Section 6 herein. Should Tenant not immediately surrender the Premises, Landlord may, by summary process or as otherwise permitted by law, reenter into and repossess the Premises and remove all persons and property therefrom in the same manner and with the same right as if this Lease had not been made.

Any and all property which may be removed from the Premises by Landlord pursuant to the preceding paragraph may be handled, removed, stored or otherwise disposed of by Landlord at the sole risk, cost and expense of Tenant and Landlord shall in no event be responsible or liable for the preservation or the safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred by Landlord in removing and storing such property.

B. Surrender Upon Expiration of Lease or Landlord Default. If this Lease has naturally expired pursuant to Section 2 herein, Tenant shall remove all fixtures and personal property of Tenant and leave the Premises in essentially the same condition as on the Commencement Date, normal wear and tear excluded, with the exception of any improvements made to the Premises by Landlord, or by Tenant with the permission of Landlord. Any improvements made to the Premises by Tenant shall become the property of the Landlord. If Tenant is surrendering the Premises due to Landlord default, Tenant shall be allowed to remove all fixtures and personal property as set forth above, and Landlord shall reimburse Tenant for any and all damage to Tenant's property resulting from Landlord's Default that is not covered by Tenant's insurance.

**SECTION 9**            **NON-WAIVER OF DEFAULT**

The subsequent acceptance of rent hereunder by Landlord shall not be deemed a waiver of any preceding breach of any obligation hereunder by Tenant other than the failure to pay the rent accepted and the waiver of any breach of any covenant or condition by Landlord shall not constitute a waiver of any other breach regardless of knowledge thereof.

**SECTION 10**        **INSURANCE**

A. Tenant. Throughout the term of this Lease, Tenant agrees to take out and maintain, at Tenant's sole cost and expense, a policy or policies of comprehensive, general liability insurance, insuring Tenant against property damage for Tenant's personal property and fixtures at the Premises and for personal injury that occurs in connection with or results from Tenant's business activities on the Premises. Upon commencement of the Lease and prior to the expiration of each such policy, Tenant shall furnish Landlord with evidence satisfactory to Landlord of the existence of such insurance in effect as required by this Lease. If Tenant fails to provide, maintain, keep in force or deliver and furnish to Landlord evidence of the policies of insurance required by this Section, Tenant shall be considered in default.

B. Landlord. Throughout the term of this Lease, Landlord shall maintain, at Landlord's sole cost and expense, a policy or policies of comprehensive, general liability insurance insuring Landlord against property damage to the Building and the Premises, property damage to Landlord's personal property, improvements, and fixtures located within the Building, and for personal injury that occurs in connection with or results from Landlord's ownership of the Building, Premises, and surrounding area, or from Landlord's use of the Building. If Landlord fails to provide, maintain, keep in force or deliver and furnish to Tenant evidence of the policies of insurance required by this Section, Landlord shall be considered to be in default.

**SECTION 11**        **TAXES**

Landlord shall be responsible for payment of all ad valorem taxes and other real estate taxes and assessments of every nature levied upon and against the Premises and the Building for the real property and for any items located on or stored in the Building by Landlord.

**SECTION 12**        **INDEMNIFICATION AND FORCE MAJEURE**

A. Indemnification. Each party shall indemnify, defend, and hold the other party harmless from and against all liabilities, costs, and expenses (including without limitation attorney's fees) that such party may suffer, sustain or become subject to as a result of any misrepresentation or breach of warranty, covenant, or agreement of the indemnifying party contained herein or the indemnifying party's

gross negligence or willful misconduct in performance of its obligations under this Lease.

B. Force Majeure. In the event that either party is unable to perform its obligations under the terms of this Lease because of acts of God, strikes, equipment or transmission failure, or damage reasonably beyond its control, or other causes reasonably beyond its control, such party shall not be considered to be in default or considered liable for damages to the other resulting from such failure to perform.

### **SECTION 13**      **UTILITIES AND SERVICES**

Tenant agrees to be responsible for the pro rata charges for utilities supplied to the Premises, including gas, water, electricity, telephone, and garbage services ("Utilities"), which are furnished to Tenant at the Premises. Landlord will pay the remaining pro rata portion of the Utilities each month for the Building and the property the Building sits on exclusive of the Premises. The pro rata amount will be based on square footage (Premises square footage is 2100 ft sq). Landlord will provide Tenant with copies of each bill paid and Tenant shall reimburse such expenses on the first of the month following the month that the expenses were paid. Tenant shall incur a \$25.00 late fee if not paid by the tenth day of the month due.

### **SECTION 14**      **ENTRY AND INSPECTION**

Upon twenty-four (24) hours notice (except in case of an emergency when notice shall not be required), Tenant shall permit Landlord and its agents to enter the Premises at all reasonable times for any lawful purpose related to Landlord's interest in the Premises or for the purpose of inspections, showing to prospective purchasers, mortgagees or tenants and making such repairs, alterations or improvements to the Premises as Landlord may deem necessary or desirable.

### **SECTION 15**      **DESTRUCTION OF PREMISES**

In the event of a partial destruction of the Premises through no fault or neglect of Tenant or its agents, Landlord shall forthwith repair the same to the extent of available insurance proceeds, provided such repairs can be made within sixty (60) days under the laws and regulations of federal, state, county or municipal authorities. Such partial destruction shall in no manner annul or void this Lease; provided, however, all rent or other charges to be paid by Tenant hereunder shall be equitably abated or reduced in proportion to the unusable portion of the Premises during the period of repair. If such repairs cannot be made within sixty (60) days, or in the event of total destruction of the Premises (meaning Tenant is prevented from conducting its business operations on the Premises), this Lease may be terminated immediately at the option of either party. In either such event, Landlord shall be entitled to retain all proceeds of any casualty insurance as a result of such destruction.

**SECTION 16**      **CONDEMNATION**

In the event the whole or any substantial portion (which prevents Tenant from conducting its business operations on the Premises) of the Premises shall be taken or condemned by any competent authority for any public use or purpose or if a conveyance be made by Landlord in lieu of such taking, then this Lease shall terminate on the day prior to the taking of possession by such authority or on the day prior to the vesting of title in such authority, whichever first occurs, and rent hereunder shall be paid to and adjusted as of that day. Neither party shall have any claim against the other for the unexpired term of this Lease. In the event of a partial taking of the Premises (as a result of which Tenant is not prevented from conducting its business on the Premises), then this Lease shall continue in full force and effect as to the remaining portion of the Premises and an adjustment of the rent payable by Tenant for the remaining portion of the Premises shall be made based upon the ratio of the square footage of the remaining area of the Premises to the original square footage of the Premises (2100 sq ft). Tenant shall have no claim against Landlord for the unexpired term of this Lease. All proceeds of such condemnation representing the value of the Premises, including the unexpired term of this Lease, shall be the sole property of Landlord, any rights in which Tenant hereby assigns to Landlord. Provided, nothing herein shall be deemed to prevent Tenant from recovering from the condemning authority compensation for the taking of personal property, machinery, equipment and trade fixtures belonging to Tenant, or for moving or other expenses to the extent any of the same are compensable by law.

**SECTION 17**      **ABANDONMENT**

Tenant agrees not to vacate or abandon the Premises at any time during the term of this Lease. Should Tenant vacate or abandon said Premises or be dispossessed by the process of law or otherwise, such abandonment, vacation or dispossession shall be a Tenant Default.

**SECTION 18**      **LAWS AND REGULATIONS**

Each party, at its respective sole cost and expense, shall comply promptly with all laws, rules and orders of all federal, state, urban county and/or municipal governments or departments which may be applicable to the Premises.

**SECTION 19**      **NOTICES**

All notices to be given hereunder shall be given in writing and either hand delivered or deposited in the United States mail, certified or registered, with postage prepaid and addressed to the party to whom notice is to be given at the address set forth above or transmitted by electronic mail transmission (including PDF) to the regularly monitored electronic mail address of such party. Notices shall be deemed delivered when hand delivered or when deposited in the United States mail as above provided. Change of address, including electronic mail address, by either party must be given by notice to the other party in the same manner as above specified.

**SECTION 20**      **HOLDING OVER**

Any holding over after the expiration of the term of this Lease and without the written consent of Landlord shall be construed to be a tenancy from month to month and shall be on the terms and conditions herein specified so far as applicable.

**SECTION 21**      **SUBORDINATION**

Landlord shall have the right at any time, and from time to time, to place upon the Premises any mortgage or mortgages which shall be wholly prior to the rights of Tenant under this Lease and Tenant will, within ten (10) days after written request from Landlord, execute, acknowledge and deliver to Landlord any and all instruments deemed by Landlord necessary or advisable to subject and subordinate this Lease, and all right given Tenant by this Lease, to such mortgage or mortgages.

**SECTION 22**      **ESTOPPEL**

Tenant will, from time to time, within ten (10) days after written request from Landlord, execute, acknowledge and deliver to Landlord a statement in writing which attests as follows: (i) that this Lease is unmodified and is in full force and effect or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect (or if this Lease is claimed not to be in force and effect, specifying the ground therefor) and any dates to which the rent has been paid in advance; (ii) that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed; and (iii) such other matters as Landlord may reasonably request, or as may be reasonably requested by Landlord's current or prospective mortgagees and prospective purchasers and lessees. Any such statement may be relied upon by any such parties.

**SECTION 23**      **SALE OF PREMISES AND ATTORNMENT**

Landlord shall have the right to sell and convey the Premises at any time during the term of this Lease, and such sale or conveyance shall operate to release Landlord from liability hereunder after the date of such sale or conveyance. Landlord shall provide Tenant with sixty days (60) prior written notice of such sale, or immediate notice if such sale is consummated in less than 60 days. Landlord shall require as a condition of the sale for the purchase to assume the obligations of this Lease as the new landlord. Upon sale or conveyance by Landlord, Tenant agrees, upon written request of Landlord or any purchaser, to attorn and pay rent to such purchaser and to execute and deliver any instruments necessary or appropriate to evidence or effectuate such attornment.



**SECTION 24      INVALIDITY OF PROVISIONS**

If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

**SECTION 25      SECTION HEADINGS**

The section headings contained herein are for convenience only and do not define, limit or construe the contents of such sections.

**SECTION 26      ENTIRE AGREEMENT**

This Lease constitutes the entire agreement between Tenant and Landlord, all prior negotiations, agreements or understandings being specifically merged herein. There shall further be no subsequent modification of this Lease except by a writing fully executed by the parties hereto.

**SECTION 27      GOVERNING LAW**

This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

**SECTION 28      REMEDIES**

The specified remedies to which either party are entitled to under this Lease are cumulative and are not intended to be exclusive of any other remedy or means of redress to which such party may be lawfully entitled in case of any breach by the other of any provisions of this Lease.

**SECTION 29      ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS**

Either party represents and warrants to and covenants with the other party that (i) such party has the full right, power, and authority to execute this Lease and to lease the Premises as provided and to carry out all of its obligations hereunder; and (ii) such party is financially capable of performing and satisfying, or has obtained sufficient financial assurance to satisfy, in full its obligations pursuant to this Lease.

**SECTION 30      BINDING EFFECT**

All of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns; provided, that nothing in this Section shall be deemed to permit any assignment, subletting, occupancy or use contrary to the provisions of Section 5 hereof.125

**SECTION 31      MEDIATION/ARBITRATION**

In the event of any dispute between the parties hereto relating to this Lease, the parties agree to first try to resolve the dispute with the help of a mutually agreed-upon mediator in Lexington, Kentucky. Any costs and fees other than attorney fees associated with the mediation shall be shared equally by the parties.

If the dispute is not resolved through mediation, the parties agree to submit the dispute to binding arbitration in Lexington, Kentucky under the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any Fayette County, Kentucky court.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on this the 27<sup>th</sup> day of April, 2022.

**LANDLORD:**

BBPH Properties, LLC  
a Kentucky corporation

BY: [Signature]  
Heather C. Wright

ITS: Member  
Member

**TENANT:**

Individual

BY: [Signature]  
Ian Eldon Ashley Carr

STATE OF KENTUCKY  
COUNTY OF FAYETTE

Subscribed, acknowledged and sworn to before me on this the 27 day of April, 2022 by Heather C. Wright, Member of BBPH Properties, LLC, a Kentucky corporation, for and on behalf of the corporation.

My commission expires: 3/25/2025

[Signature]  
NOTARY PUBLIC, STATE AT LARGE

STATE OF KENTUCKY  
COUNTY OF FAYETTE

Subscribed, acknowledged and sworn to before me on this the 27 day of April, 2022, by Ian Eldon Ashley Carr, (Individual).

My commission expires: 3/25/2025

Connie J. Jones - KWA 24420  
NOTARY PUBLIC, STATE AT LARGE