

COMMERCIAL LEASE AGREEMENT

This agreement made and entered into this 8th day of July 2019, to be effective on the 1st day of October, 2019 by and between Home Team Properties, LLC, hereinafter referred to as Lessor, of the First Part, and TFI Family Services Inc., hereinafter referred to as Lessee, of the Second part,

WITNESSETH:

In consideration of the mutual agreements and covenants hereinafter as set forth, the parties hereto agree as follows:

1) Lessor, for and in consideration of the covenants and agreements contained herein, hereby leases to Lessee and Lessee hereby leases from Lessor all of the following described properties for commercial purposes, to wit:

3802 S. SANTA FE AVENUE, CHANUTE, KANSAS 66720

together with all of the improvements thereon and appurtenances thereto belonging; however evidenced.

2) The term of this lease shall be for a period of FORTY-FIVE months beginning October 1, 2019, and terminating June 30, 2023.

3) As rental for the above described premises and the improvements thereon, for the first five years the Lessee agrees to pay Lessor by whatever method that may be designated by the Lessor a minimum sum of \$32,400.00 annually, payable \$2,700.00 monthly on or before the 1st day of each month in advance, commencing October 1, 2019. Lessor shall not be obligated to demand payment of rent or any other payment required to be made under the terms and conditions of this lease agreement. Lessee shall pay each installment of rent and all other payments due hereunder as the same shall become due and payable without any deduction, abatement, counterclaim or right of set-off against Lessor.

At the end of the forty-five month initial lease term the Lessee shall have the option to lease the building for up to two additional two-year terms with a 3% increase in rent at each renewal. Tenant shall give 90 days' notice, prior to the expiration of each lease term as to whether they shall exercise these lease options.

4) In consideration of said demise the Lessee covenants and agrees with the Lessor as follows:

- A) To pay said rent at the time and places in the manner aforesaid.
- B) To pay, in addition to the rentals above specified, the water, garbage, gas, and electric service or any other utility charge, charged on the above described premises during the terms of said lease.
- C) That Lessee, by taking possession and payment of the first monthly rental as hereinabove provided, accepts the space as is.

- D) That Lessee is to keep the premises in a good state of repair, although the maintenance is not limited to the following particulars, but goes to the maintenance of the entire property, but the following is set out particularly:
- 1) The replacement of all burned out light bulbs and ballasts inside and outside their portion of the building.
 - 2) The painting or refinishing of all interior wood, sheetrock and masonry surfaces.
 - 3) The repair and maintenance of all signs on the premises.
 - 4) The repair and maintenance of minor plumbing issues such as drain clogs and leaks.
 - 5) The replacement of the HVAC filters as needed on a regular basis and HVAC repairs of less than \$500.
 - 6) Lessee is to keep the premises in a clean and healthful condition by keeping the same free of all broken glass, bottles, cans, paper containers, paper and other refuse and to help keep the premises free of ice and snow at its own expense and comply with the ordinances of the City and the laws of the State and Federal government.
- E) Lessee shall maintain the lawn and remove the snow from the parking lot as needed at the Lessor's expense.
- F) Lessee is not to put upon or permit or allow to be put upon any part of the premises hereby let, any sign, billboard or advertisement whatsoever, without the written consent of Lessor, except signs, billboards or advertisement of Lessee advertising their own business. The Lessee shall also have the exclusive right to the use of the existing pylon sign. The Lessor shall not put any signs of any kind on the property during the period of the lease.
- G) Lessee shall not allow the premises to be used for any purpose other than a Foster Care and Adoption Support Office and shall not add any structure of any kind on said premises, other than the ones that are on the same at the beginning of this lease nor permit any alterations of the same, without the written consent of Lessor.
- H) Lessee is not to assign this lease or let or underlet the premises or any part thereof, or to permit the same, in whole or in part, to be occupied by any other person or persons without, in each case, the written consent of the Lessor.
- I) In case the premises hereby leased shall be wholly destroyed or be partially damaged by fire or any cause, at any time during said term, the Lessor at their option shall with reasonable dispatch repair or rebuild any structure so damaged or destroyed and a proportionate reduction of rent shall be allowed the Lessee for the time occupied in such repairs, except that if the Lessee can use the premises without substantial inconvenience, there shall be no reduction of rent. In the event of damage or destruction to said improvements and Lessor elects not to rebuild or repair, such election shall be within ninety (90) days after the date of such fire or destruction and notice thereof given to Lessee during said 90-day period, and in that event, this lease agreement is cancelled and

terminated and all liability of either party against the other shall cease as of that date and the proceeds of any insurance covering said premises shall belong to and become the property of the Lessor. Lessee has no claim to any proceeds from an insurance policy Lessor has on the building and/or its contents.

J) Lessee agrees that at all times during the term of this lease, at its own expense, as part of the rent, to carry public liability and property damage insurance coverage in an amount of not less than \$500,000.00 for the injury and/or death of one person and \$1,000,000.00 for two or more persons and \$250,000.00 property damage, in a responsible insurance company or companies satisfactory to Lessor and to have said coverage extend to and protect Lessor. In this connection, the Lessee shall furnish Lessor a certificate of said coverages showing premium paid in advance for each year of said lease.

K) In the event of the assignment to creditors by the Lessee or the institution of voluntary or involuntary bankruptcy proceedings by or against the Lessee, such action, at the Lessor's option shall cancel this lease and all rights thereunder and the possession of said premises shall immediately pass to the Lessor.

5) The Lessee shall pay a security deposit of \$2,000 which shall be due at the signing of this lease along with payment of the first month's rent in the amount of \$2,700.

6) The Lessee shall be able to take possession of the building on September 1, 2019 for the purpose of moving in and arranging equipment and personal property necessary for the operation of the office beginning October 1st.

7) The parties hereto contemplate that this lease should not and shall not be filed of record, but in lieu thereof, at the request of either party, Lessor and Lessee shall execute a Memorandum of Lease to be recorded for the purposes of giving record notice of this lease.

8) The covenants and agreements of this lease shall extend to and be binding upon the heirs, executors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed on the dates indicated below.

LESSOR:

HOME TEAM PROPERTIES, LLC
c/o Travis West
7550 200th Rd
(620)431-xxxx
traviswestpac@gmail.com

By: Travis West, Managing Member

LESSEE:

TFI FAMILY SERVICES INC.
c/o Eric Huggard
mailing address here
(620) 304-7902
ehuggard@tifamily.org

By: Richard Wright, CFO