

SCHOOL FACILITY LEASE AGREEMENT

WHEREAS, the Village of Kachemak Selo (hereinafter "Village") has property and facilities located on that property which it wishes to lease as a school site; and

WHEREAS, The Kenai Peninsula Borough School District (hereinafter "KPBSD") plans to continue providing a school in the Village and wishes to lease property from the Village for that purpose; and

WHEREAS, the property appears appropriate to meet the needs of KPBSD for a school;

The Village and KPBSD agree to enter into and execute this Lease Agreement on the following terms and conditions:

1. The Village agrees to lease property described as:

Plat UFS 2756, Section 30 and 31, Township 4S,
Range 10W, Homer Recording District, Third
Judicial District, State of Alaska

together with all improvements and lot located thereon at a rate of eighty-two (82) cents per square foot per month which includes two (2) buildings that consist of 3402 total square feet.

2. The lease agreement shall take effect on the 1st of July, 2011, and shall continue from year to year. The district may terminate this agreement at any earlier time if either the student population falls below 30 students or the Board of Education determines there are not sufficient funds available to continue operations of a school in the Village. The Village may terminate this agreement by thirty (30) day written notice.

3. KPBSD agrees to pay and Village agrees to accept a total monthly rent of \$ 2790.00 during the term of this lease or any monthly extension of it.

4. KPBSD agrees to equip the school facility with classroom equipment, supplies and teaching staff, and to operate a public education program within the school facility.

5. KPBSD agrees to pay all electric utility expenses arising from the facility on a monthly basis.

6. KPBSD shall not be required to carry fire, casualty, or property insurance on the facility and has no obligation or liability to indemnify the Village for any loss, damage, or casualty to the facility. The Village may provide such insurance as it deems appropriate to protect its interests in the building and property. KPBSD shall provide general liability insurance for injury or damage arising from its operation of a school on the property. KPBSD's insurance will in no way insure the Village against loss or liability of any type.

7. The Village agrees that the facilities meet all required building and other codes for use as a school and that the leased property is suitable for use as a school in the Village. The Village further agrees that it will undertake any repairs necessary to keep or restore the buildings to compliance with codes in the event the property is damaged or otherwise ceases to comply with all codes. Except as provided in this agreement the Village is responsible for all maintenance of the property.

8. All of the property shall be kept in a clean, safe condition by KPBSD. The KPBSD will not repair or be responsible for any damage other than that caused by the negligent or intentional acts of KPBSD.

9. The Village agrees that it will undertake all action necessary to meet code requirements to allow use of the property as a school. If the Village fails to take such action the KPBSD may either terminate the agreement immediately or may choose to undertake the corrective action itself and withhold such amounts of the rent as are necessary to undertake the repairs or corrective actions.

10. If for any reason the facility is damaged so that it cannot be used and occupied as a school, the district may choose to terminate this agreement.

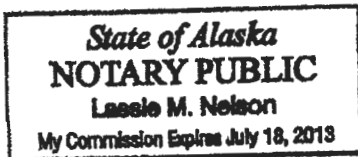
11. This is the entire agreement between the Village and KPBSD and there are no terms or conditions other than those contained in this agreement.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement by and through their duly authorized officers.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

By: [Signature]
Its: Asst. Superintendent

The foregoing instrument was acknowledged before me this 21 day of April, ²⁰¹¹~~1997~~ by Dave Jones as Asst. Supt. of the Kenai Peninsula Borough School District, Soldotna Alaska.



[Signature]
Notary Public for State of Alaska
My commission expires: 7/18/13 (Date)

VILLAGE OF KACHEMAK SELO

By: [Signature]
Its: Sergei Reutov

The foregoing instrument was acknowledged before me this 13 day of April, ²⁰¹¹~~1997~~, by Andy Rothenberger of the Village of Kachemak Selo Inc.

Notary Public for State of Alaska
My commission expires: With Office

Andrew Rothenberger, Notary Public
My Commission Expires With Office

[Signature]

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Planning & Operations

Dave Spence, Director

139 E. Park Avenue Soldotna, Alaska 99669

Phone (907) 714-8875 Fax (907) 262-7165

SCHOOL FACILITY LEASE AGREEMENT

WHEREAS, Mr. Nikita Kuzmin of Kachemak Selo, (hereinafter referred to as the "Landlord") has property and facilities located on that property which he wishes to lease as a school site; and

WHEREAS, The Kenai Peninsula Borough School District (hereinafter referred to as "KPBSD") plans to continue providing a school in the Village of Kachemak Selo and wishes to lease the property from the Landlord for that purpose; and

WHEREAS, the property appears appropriate to meet the need of KPBSD for a school;

The Landlord and KPBSD agree to enter into and execute this Lease Agreement on the following terms and conditions:

Mr. Nikita Kuzmin agrees to lease property described as:

44130 Kuzmin Avenue
TOSR10W-S31HM2002043
Kachemak Selo Lot 36

Together with all improvements located thereon.

1. The lease agreement shall take effect on the 19th of August, 2005, and shall continue from year to year beginning on the 1st of July. The KPBSD may terminate this agreement at any earlier time if the district or the Board of Education determines there are not sufficient funds or exigencies require school closure in the Village. The Landlord may terminate this agreement by thirty (30) day written notice.
2. KPBSD agrees to pay and the Landlord agrees to accept a total monthly rent of \$1,350 during the term of this lease or any monthly extension of it. *\$1350 per month*
3. KPBSD agrees to equip the school facility with classroom equipment, supplies and teaching staff and to operate a public education program within the school facility.
4. KPBSD agrees to pay all utility expenses arising from the facility on a monthly basis.
5. KPBSD shall not be required to carry fire, casualty, or property insurance on the facility and has no obligation or liability to indemnify the Landlord for any loss, damage, or casualty to the facility. The Landlord may provide such insurance as he deems appropriate to protect his interests in the building and property. KPBSD shall provide general liability insurance for injury or damage arising from its operation of a school on the property. KPBSD's insurance will in no way insure the Landlord against loss or liability of any type.

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7 The Landlord agrees that the facilities meet all required building and other codes for use as a school and that the leased property is suitable for use as a school in the Village. The Landlord further agrees that it will undertake any repairs necessary to keep or restore the buildings to compliance with codes in the event the property is damaged or otherwise ceases to comply with all codes. Except as provided in this agreement the Landlord is responsible for all maintenance of the property.

8 All of the property shall be kept in a clean, safe condition by KPBSD. The KPBSD will not repair or be responsible for any damage other than that caused by the negligent or intentional acts of KPBSD.

9. The Landlord agrees that it will undertake all action necessary to meet code requirements to allow use of the property as a school. If the Landlord fails to take such action the KPBSD may either terminate the agreement immediately or may choose to undertake the corrective action itself and withhold such amounts of the rent as are necessary to undertake the repairs or corrective actions.

10. If for any reason the facility is damaged so that it cannot be used and occupied as a school, the district may choose to terminate this agreement.

11 This is the entire agreement between the Landlord and KPBSD and there are no terms or conditions other than those contained in this agreement.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement by and through their duly authorized officers.

TENANT:
KENAI PENINSULA BOROUGH SCHOOL DISTRICT

By: [Signature]
Its: Director, Planning & Operations

The foregoing instrument was acknowledged before me this 19 day of August 2005 by Dave Spencer, Director, of the Kenai Peninsula Borough School District, Soldotna Alaska.
Planning & Operations



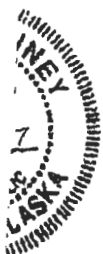
Sally E. Tachick
Notary Public for State of Alaska
My commission expires: 7/25/09 (Date)

LANDLORD:
MR. NIKITA KUZMIN

By: [Signature]
Its: Owner

The foregoing instrument was acknowledged before me this 24th day of Aug. 2005.

Nikita Kuzmin
17 Box 1542
Soldotna, AK



Marshall Kuzmin
Notary Public for State of Alaska
My commission expires: 4.30.07

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