

## LEASE AGREEMENT

This Lease Agreement made and entered into on this 1<sup>st</sup> day of July, 2018 by and between Brent Sadler, D/B/A/ Tri-State Building, Inc., of [address] 1657 Glens Dr., PO Box 875 Florence, KY 41022-0875, hereinafter referred to as "Lessor", and Boone County Board of Education, of 8330 U.S. Highway 42, Florence, Kentucky 41042, hereinafter referred to as "Lessee".

WHEREAS, Lessor is in the business of leasing modular classroom units hereinafter referred to as "Equipment";

WHEREAS, Lessee desires to lease the Equipment based upon the following terms and conditions:

### WITNESSETH:

1. For and in consideration of the rent set out herein and the conditions and covenants of the parties contained in this Lease, Lessor does hereby lease until Lessee and Lessee does hereby lease from Lessor that certain Equipment, a description of which is attached hereto as Exhibit "A" and incorporated herein by reference and made a part hereof the same as if fully set out herein.

2. During the initial period of the Lease, the Lessee shall pay to the Lessor for rent of the Leased Equipment, the sum of \$9,000 (without restrooms)/\$13,800 (with restrooms) (\$9,000/13,800) per year, per building, payable at a rate of \$ <sup>750 (without restrooms)/</sup>1,150.00 (with restroom) per month per building, beginning on July 1, 2018 and continuing on the first of each month thereafter for the entire initial term of the Lease. The term of this Lease shall be from July 1, 2018 through June 30, 2019, hereinafter referred to as the "initial Lease Term".

Lessee is granted the first right of refusal to re-lease the Equipment by renewing this Lease. The renewal rate/amount will be \$ 750/1,150 per month beginning July 1, 2019. This amount does not include any related set-up costs (if relocated).

The Lessee shall be responsible for the following additional charges:

- a. \$ 3,800 Delivery fee
- b. \$ 18,100 Set-up fee (per building)
- c. \$ 2,800 Dismantling fee (per building)
- d. \$ 2,200 Return Freight
- e. \$ 750/1,150 First Monthly Rental (per building – 1 total)

3. These additional charges will become due at the time the first rental installment is due. Said additional charges will be paid in advance along with the first month's rent (with exception of dismantling fee).

4. Lessee agrees, at Lessee's sole cost and expense, to keep the Equipment all time during the terms of this Lease in good repair and operating condition and free of any and all liens and encumbrances. Lessee shall not, without Lessor's prior written consent, make any changes, alterations, or improvements in or to the Equipment or remove any parts, accessories, or attachments from it. Upon expiration of this Lease, Lessee shall return the Equipment in the same condition and state of repair as delivered to Lessee hereunder, ordinary wear and tear excepted.

5. If the Equipment is lost, stolen, destroyed, or damaged beyond repair, the insurance proceeds for said loss shall be Lessor's, with no further obligation of Lessee.

6. Lessee has inspected the Equipment and determined that it is acceptable to Lessee.

7. Lessee shall provide free and clear access for delivery and return of the Equipment by standard mobile transport vehicles. Lessee shall provide firm and level ground on no more than a six-inch slope from one end to the other for safe and unobstructed installation for the Equipment. Site selection is the sole responsibility of Lessee, and Lessor shall have no responsibility or liability for any inadequacy of any site selected.

a. If Lessee, without any further written agreement, shall continue to possess or occupy the Equipment after the expiration of the initial Lease term or any renewal term therefor, with or without the consent of Lessor, Lessee shall then be deemed to have renewed this Lease on a month-to-month basis. Until a written extension has been executed by Lessor and Lessee, the Lease will be subject to all terms and conditions of this Lease.

b. All or any part of the Equipment leased to Lessee may not have been manufactured by Lessor. As to any Equipment manufactured by Lessor, Lessor warrants that it is and shall remain free from defects in materials and workmanship for the term of this Lease. As to any and all Equipment not manufactured by Lessor, Lessor shall grant Lessee, to the extent that it may do so, the benefit of any warranty given by the manufacturer of the Equipment. In any event the liability of Lessor shall be limited solely to the cost of repairing defects in Equipment. Lessor shall have no liability for the repair of any defect or condition resulting from misuse of the Equipment or from excessive wear and tear.

c. EXCEPT AS PROVIDED ABOVE, LESSEE AGREES THAT THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, AND ALL WARRANTIES OF ANY KIND, INCLUDING SPECIFICALLY ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, SUITABILITY, OR FITNESS FOR ANY PURPOSE, ARE HEREBY DISCLAIMED AND EXCLUDED AS TO THE EQUIPMENT.

8. a. Lessee further agrees, at Lessee's sole cost and expense, to procure and keep in full force and effect the term of this Lease, a policy of insurance protecting Lessor against all loss and damages it may sustain or suffer due to (1) the loss of or damage to the Equipment because of collision, fire, theft, lightening, flood, windstorm, explosion, or any other casualty, for the full replacement value of the Equipment, and (2) the death of, injury to, or damage to the property of, any other person as a result, in whole or in part, of the use or condition of the Equipment while in the custody, possession, or control of Lessee with limits of Five Hundred Thousand Dollars (\$500,000.00) per occurrence as to bodily injury liability and Five Hundred Thousand Dollars (\$500,000.00) per occurrence as to property damage liability or a combined single limit of One Million Dollars (\$1,000,000.00) per occurrence. A certificate of such insurance, naming Lessor as Additional Insured and Loss Payee, shall be delivered to Lessor prior to delivery to Lessee of the Equipment. It is agreed and understood that procurement of insurance by Lessee as herein provided shall not affect Lessee's covenants and obligations under this Lease, and the loss, damage to, or destruction of any of the Equipment shall not terminate this Lease, except to the extent that Lessor is actually compensated by insurance paid for by Lessee, nor relieve Lessee of any of Lessee's liability hereunder.

b. It is further understood and agreed that, in addition to comprehensive bodily injury and property damage specified in Section 8(a), Lessee agrees to provide comprehensive general liability insurance including coverage for Lessee's obligations contained herein.

9. Lessee shall not remove the Equipment from the location specified by Lessee without prior written approval from the Lessor and shall notify Lessor immediately of any emergency or exigent circumstances regarding immediate relocation of the Equipment. Lessor

shall have the right to inspect the Equipment from time to time during the term of this Lease and if Lessor reasonably believes the same to be overloaded beyond the normal capacity or misused, abused, or neglected, Lessor may terminate this Lease and Lessee shall be liable for damages for such overload, misuse, abuse, or neglect.

10. The tear down and removal of the Equipment includes the building itself with all pertinent equipment (i.e., axles, tires, and hitches). It also includes removing above ground setting material (i.e., block and wedges) and debris under the building. The tear down and removal does not include removal of decks, underpinning, and concrete, and does not include re-dressing the area with new soil, seed, and straw.

11. At the sole option of Lessor, any of the following events or conditions shall constitute a default:

- a. Lessee's failure to pay when due any rent or other amount due under this Lease within twenty (20) days of the due date;
- b. Lessee's default in performing any term, covenant, or condition of this Agreement;
- c. Lessee's abandonment of the Equipment.

12. Upon Lessee's default, Lessor shall have the right to exercise any one or more of the following remedies:

- a. Declare that the rent due for the remaining term of the Lease is immediately due and bring suit for the total amount of unpaid rent for the entire balance of the Lease Term, without affecting Lessor's rights to title and possession of the Equipment;
- b. Sell or re-lease the Equipment upon commercially reasonable terms, with application of the proceeds to Lessee's obligations under this Lease, deducting from such

proceeds all costs and expenses of repossession, transportation, storage, repair, and disposition as well as reasonable attorney's fees and expenses. Lessee shall promptly pay any resulting deficiency, together with interest at the legal rate and Lessor's reasonable attorney's fees expended to collect such deficiency whether or not a legal action is commenced. If Lessor elects to sell the Equipment, it may be sold at public or private sale, and with or without having the Equipment at the sale.

c. All such remedies are cumulative and may be enforced separately or concurrently from time to time and are in addition to any other rights or remedies available to Lessor Law or in equity.

d. Lessor's right of any one default shall not constitute a waiver of any subsequent default by Lessee or a waiver of any other term of this Lease. Upon Lessee's default no delay or omission of the Lessor in exercising any rights, powers, or remedies accruing to Lessor under this Lease shall impair any of Lessor's rights, powers, or remedies, nor shall it be construed as a waiver of Lessee's default, or an acquiescence thereof, or an acquiescence of any similar default occurring thereafter. Any waiver, consent, or approval of any kind or character by Lessor with respect to Lessor's default or otherwise must be in writing.

e. Lessee shall not make or permit any unlawful use or handling of the Equipment and shall not, without Lessor's prior written consent, make or permit any changes, alterations, or improvements in or to Equipment or remove therefrom any parts, accessories, or attachments.

f. The storage or transportation of any hazardous substances in the Equipment is not permitted and the effects of such substances on the Equipment shall not be

considered ordinary wear and tear. If the Equipment is determined to have been used to store any such substances, the Lessee will be required to purchase the Equipment at its current value.

13. Lessee shall not have the right to assign the Lease or to sublet, rent, or otherwise hire out or transfer possession of, any of the Equipment to any person, firm, partnership, association, or corporation without the prior written consent of Lessor.

14. Lessor shall have the right to assign this Lease. In the event of an assignment of this Lease by Lessor, the assignee shall acquire all rights and remedies possessed by or available to Lessor under this Lease.

15. Lessor shall have the right to inspect the Equipment at any reasonable time.

16. This instrument contains the entire agreement between the parties. No agreements, representations, or understandings not specifically contained herein shall be binding upon any of the parties hereto unless reduced to writing and signed by the parties to be bound thereby. The terms, covenants, and conditions and other provisions of this Lease may hereafter be changed, amended, or modified only by an instrument in writing specifically purporting to do so and signed by the parties to be bound thereby.

17. This Lease shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

18. This Lease shall be enforced and interpreted under the laws of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease to be  
executed in duplicate on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

WITNESSES:

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LESSOR:

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WITNESSES:

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LESSEE:

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