



FLOYD COUNTY BOARD OF EDUCATION
Anna Whitaker Shepherd, Superintendent
442 KY RT 550
Eastern, KY 41622
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Linda C. Gearheart, Board Chair - District 1
William Newsome, Jr., Vice-Chair - District 3
Dr. Chandra Varia, Member - District 2
Keith Smallwood, Member - District 4
Steve Stone, Member - District 5

Consent Agenda Item (Action Item): Applicable State or Regulations: Consider/Approve lease agreement with Warco Land Improvement Company for temporary bus garage

Fiscal/Budgetary Impact: Cost to lease temporary bus garage will be part of insurance claim.

History/Background: A fire destroyed the school bus garage on April 30, 2022. A Temporary garage will be required to conduct required monthly bus inspections.

Monthly Rent \$6500.00

Average Electric, Water and diesel fuel for garage heater for the last 10 months \$3057.32

Rent minus average utility bills \$3442.68

Recommended Action: Lease Bus Garage at 302 Thornsberry Drive, Langley KY on 6-month lease and month-to-month basis after the six months has expired.

Contact Person(s): Joe Marson

n/a
Principal

Joe Marson
Director

Anna Whitaker Shepherd
Superintendent

June 10, 2022

LEASE

This Lease made and entered into this ___ day of _____, 2022, by and between WARCO LAND IMPROVEMENT COMPANY, INC., P.O. Box 1590, Martin, KY 41649, hereinafter referred to as "Lessor" and THE BOARD OF EDUCATION OF FLOYD COUNTY, KENTUCKY, 442 Kentucky Route 550, Eastern, KY 41622, hereinafter referred to as "Lessee".

WITNESSETH:

That Lessor, for and in consideration of the rents and covenants hereinafter set out does hereby demise, lease and let unto Lessee the following described premises, to-wit:

Real property located at 302 Thornsberry Drive, Langley, KY 41645.

Approximately 7,500 square feet for use as a bus garage.

I. TERM

The term of this lease shall be for six months (6) months commencing on the 1st day of
June, 2022.

II. RENTAL

Lessee does hereby agree to pay the sum of SIX THOUSAND FIVE HUNDRED DOLLARS (\$6,500.00) per month, during the term of this Lease and any extension or renewal thereof, payable on the first day of each and every month, beginning on the 1st day of June 2022. The monthly lease payment is reduced from the original amount of \$1,200 per month to offset repairs to the property to be made by the Lessee to meet their needs.

III. UTILITIES, MAINTENANCE, REPAIR AND UPKEEP

Lease price includes electricity, natural gas, water, taxes and building upkeep with the exception of light bulbs for interior lights. Tenant is to furnish its garbage disposal. Tenant will be responsible for building contents insurance.

Warco Land Improvement Company, Inc. has guards on property between 10:00 p.m. and 6:00 a.m. seven days per week.

Lessor is responsible for all maintenance, upkeep, and repairs. Notwithstanding the foregoing, Lessee shall be liable for the entire cost of all repairs directly or indirectly caused or necessitated by the negligence of intentional acts of Lessee, vendors, licensees, invitees, guests, employees or agents. The Lessee is not liable for any environmental contamination costs and liabilities of said property. At the termination of this Lease, Tenant shall surrender the Premises to Lessor in at least the same order and state of cleanliness they were in when Lessee first occupied the Premises. Throughout the term of this Lease, Lessee shall (a) keep the Premises in a safe and sanitary condition; (b) dispose of all rubbish, garbage and other waste in a clean, safe and sanitary manner; (c) keep all plumbing fixtures in the Premises or used by Lessee as clean as their condition permits; (d) use and operate all electrical and plumbing fixtures properly; and (e) shall not consent for anyone on the premises to conduct themselves, in connection with the Premises, so as not to violate any federal, state, or local law.

Tenant at its discretion may ask Warco Land Improvement Company to install a drive through door in addition to present entrances. If tenant decides an additional door is needed, Warco will have such a door installed and tenant will pay for door at time of installation or increase the lease payments to cover such an expense to Warco with six equal payments added to monthly lease payment. Cost of such a door would be \$9,328.42

(See attached quote).

IV. OPTION TO RENEW

Lessee shall have the right and option to extend or renew this Lease for an additional six (6) month term commencing on the expiration of the term of this Lease, subject to all of the terms, covenants, and provisions hereof. This Lease option shall be exercised by Lessor by giving written notice of Lessee's intention to exercise the option not less than thirty (30) days prior to expiration of the term hereof.

V. RIGHT TO CANCEL LEASE

Either party hereto shall have the right, upon sixty (60) days written notice to the other party to cancel and terminate this Lease. In the event of termination all of the rights, liabilities and obligations of both parties hereto shall cease upon the expiration of the said sixty (60) day notice period.

VI. INSURANCE

The Lessee shall at all times during the term of this Lease or any renewal or extension thereof maintain general liability insurance upon the property described herein and shall have Lessor added to its liability insurance policy as co-insureds. Such insurance shall provide coverage for injuries to persons and/or property by reason of any claimed negligence with respect to the ownership, operation or use of the premises herein described.

VII. QUIET ENJOYMENT AND POSSESSION

The Lessor will, and the heirs, executors, administrators, and assigns of Lessor shall warrant and defend said Lessee in the enjoyment and peaceable possession of the above-demised premises, during the term hereof, if the said Lessee shall perform all and singular covenants herein agreed to be performed on the part of Lessee.

VIII. PARTIES BOUND

The terms, conditions and provisions of this Lease shall inure to and be binding upon

Lessor and Lessee and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the Lessor and the Lessee have set their hands the day and year first above written.

WARCO LAND IMPROVEMENT COMPANY, INC.

BOARD OF EDUCATION OF
FLOYD COUNTY,
KENTUCKY

BY: _____
LINDA GEARHEART, CHAIRPERSON
"LESSEE"

ATTEST:

SECRETARY

COMMONWEALTH OF KENTUCKY

COUNTY OF _____

I, the undersigned Notary Public within and for the Commonwealth of Kentucky and County aforesaid, do hereby certify that on the _____ day of _____, 2022, the foregoing Lease was produced to me in said County and acknowledged before me by _____, WARCO LAND IMPROVEMENT COMPANY, INC. parties thereto, to be their free act and deed for the purposed therein stated on this _____ day of _____, 2022.

My Commission Expires: _____

NOTARY

PUBLIC COMMONWEALTH OF KENTUCKY

COUNTY OF _____

I, the undersigned Notary Public within the Commonwealth of Kentucky and County aforesaid, do hereby certify that on this _____ day of _____, 2022, the foregoing Lease was produced to me in said County by LINDA GEARHEART, personally known to me to be the Chairman of The Board of Education of the FLOYD COUNTY, Kentucky, School District, and was acknowledged by them before me to be their free act and deed as Chairman of said Board as authorized by resolution of said Board passed on ____ day of _____, 2022 for the uses and purposes set out in said Lease.

Witness my hand this _____ day of _____,
2022. My Commission Expires: _____

NOTARY
PUBLIC

I certify to preparation of the foregoing instrument:

JONATHAN C. SHAW
ATTORNEY AT LAW
327 Main Street, P.O. Drawer 1767
Paintsville, Kentucky 41240