

DATE:
04/18/2023

AGENDA ITEM (ACTION ITEM):

Consider/Approve entering into a Flex Lease with Trafera Financial Services for 5275 HP G9 EE Chromebooks pending KCSD Legal Counsel Approval and KDE Lease Approval following the KCSD Technology 1:1 Plan previously approved in February 2022.

APPLICABLE BOARD POLICY:

01.11 General Powers and Duties of the Board

HISTORY/BACKGROUND:

KCSD has an established Technology 1:1 Plan previously approved in February 2022. The plan for the 2023/2024 school year includes a 4 year lease of student devices to support Grades 1-5. KCSD has received multiple quotes and recommends entering into a Flex Lease with Trafera Financial Services for 5272 Chromebooks with Trafera 4 Year Platinum Warranty, Google Management Licenses and Trafera White Glove Services. A flex lease aligns with the Technology 1:1 plan and saves district funding and logistics at the conclusion of the lease. The additional benefits of this lease allow KCSD to align with the vision of the KCTWI (Kenton County Technology Workforce Initiative) allowing students to support the KCSD Technology.

FISCAL/BUDGETARY IMPACT:

Trafera Lease Proposal (attached) lists equipment costs at \$1,751,300 and 4 Annual Flex Lease Payments of \$435,577. Lease Payments 1 & 2 are funded using ESSR III and Lease Payments 3 & 4 are funded using School and Board contributions following the Technology 1:1 plan approved in February 2022.

RECOMMENDATION:


Approval to entering into a Flex Lease with Trafera Financial Services for 5275 HP G9 EE Chromebooks pending KCSD Legal Counsel Approval and KDE Lease Approval following the KCSD Technology 1:1 Plan previously approved in January, 2022.

CONTACT PERSON:

Matthew Winkler, Director of Technology


Principal/Administrator


District Administrator


Superintendent

*Use this form to submit your request to the Superintendent for items to be added to the Board Meeting Agenda.
Principal –complete, print, sign and send to your Director. Director –if approved, sign and put in the Superintendent's mailbox.*



@ Trafera.com

2550 University Ave W #315-S
St Paul, MN 55114

(651) 888-7922

Lease Proposal

April 18, 2023

Lessee

Kenton County School District
1055 Eaton Drive
Fort Wright KY 41017

Lessor

Trafera Financial Services
2550 University Avenue W, Suite 315-S
St. Paul, MN 55114

Options	Equipment Cost	Term	Annual Flex Lease Payment	Annual \$1 Buyout Lease Payment
(5275) HP Chromebook 11 G9 EE, Trafera CBN Warranty - Plat - 4 Yr, Google Chrome Management Perpetual EDU License, and Additional Services per Trafera Estimate No. E000089286	\$1,751,300	4 Years	\$435,577	\$469,997

Fees

Lessor will not charge any documentation, administrative or legal fees.

Flex Lease:

Lessee may add, substitute, or delete equipment at any time during the lease term.

Anticipated Delivery

During the installation period, rent will be charged only on the Equipment accepted by Lessee. Once all the Equipment is installed and accepted, the lease will commence at the beginning of the next month.

End of Lease Options

At the end of the flex lease term, Lessee may at its option extend the lease, purchase the equipment, or return the equipment based on Lessee's needs at that time. At the end of the \$1 Buyout lease term, Lessee will own the equipment for \$1.

Contingencies

This proposal and the Lease Agreement are subject to final credit and pricing approval by Lessor. Lessee shall pay the equivalent of one month's lease charge as a refundable security deposit.

Proposal Expiration:

May 15, 2023

We appreciate your consideration of Trafera Financial Services and look forward to partnering with you on this project. Please do not hesitate to call me should you have any questions regarding this proposal.

Sincerely,
Brian Bagley
M: 612-718-6136



Bill to
Kenton County School
District
Customer No: 91351
1055 Eaton Drive
Fort Wright KY 41017
USA

Ship to
Kenton County School
District
1055 Eaton Drive
Fort Wright KY 41017
USA
859.344.8888

Quote Details
Created: March 23, 2023
Expiration: May 15, 2023
Created by: Erica Ewanika
erica.ewanika@trafera.com

Estimate No: E000089286

Contract
KY- KPC Catalog
Approved KPC Contract# CLS 2017.095

Products & Services

Items and Descriptions	Overview	Notes	Qty	Unit Price	Totals
HP 11 G9 EE CAM N4500 4G 32G 11"	HP Chromebook 11 G9 EE - 11.6" HD Anti-glare Display (1366 x 768) - Intel Celeron N4500 Dual-core (2 Core) 1.10GHz - 4GB LPDDR4x-4266 RAM - 32GB eMMC SSD - Chrome OS - WiFi + BT		5275	\$299.51	\$1,579,915.25
Trafera CBN Warranty - Plat - 4 Yr - A	Trafera CBN Warranty - Plat - 4 Yr - Includes Accidental Damage Protection (Per device limit of ADP: Unlimited) - \$0.00 Deductible - Hardware Fail Covered - Spare Parts On-site (restrictions apply) - We Pay to Ship Both Ways - Theft / Loss (up to 2%; please see warranty statement for details) - 3-Year Battery warranty on New Chrome devices (Limit 1 replacement) - Stylus/EMR Pen/Apple Pencil coverage (restrictions apply) - Power Adapter 1 ADP Incident (restrictions apply)		5275	\$0.00	\$0.00
Google Chrome Management Perpetual EDU	Google Chrome Management Perpetual EDU License		5275	\$32.49	\$171,384.75
Trafera White Glove 300 Units and Above	*Trafera White Glove 300 Units and Above - Pre-enroll Chrome device in Google Apps® domain - Apply custom themes and settings - Complete hardware functionality check - Google Console OU management*		5275	\$0.00	\$0.00

Update Chrome OS	"Update Chrome OS - Check for and download Chrome OS updates prior to order shipment"	5275	\$0.00	\$0.00
Trafera Asset Tags with White Glove	Trafera Asset Tags with White Glove - Apply asset tag to Chrome device - Asset tag provided by Customer or printed by Trafera. - Trafera printed asset tags: customizable, black and white, with or without barcode.	5275	\$0.00	\$0.00
MAC Addresses with White Glove	"MAC Addresses with White Glove - Capture MAC address of Chrome device - Spreadsheet of MAC address(es) provided at time of order shipment"	5275	\$0.00	\$0.00
Trafera Green Packing	"Trafera Green Packing - Go green and reduce the amount of cardboard to recycle - Up to 144 devices bulk-packed in slotted Gaylord-style box - Slotted foam or cardboard dividers - Delivered on pallet"	5275	\$0.00	\$0.00
TRAILS Digital Lesson Library	700+ powerful online resources for educators. TRAILS includes three resources: TRAIL Guides - Thematic units aligned to NGSS Standards TRAIL Mix - Stand alone lessons perfectly suited for face-to-face or virtual instruction Children's Literature - Featuring "Tom the Traferatops", a fun and shy dinosaur who loves to learn with technology TRAILS is FREE to Trafera customers.	1	\$0.00	\$0.00
HP 11 G9 EE CAM N4500 4G 32G 11"	HP Chromebook 11 G9 EE - 11.6" HD Anti-glare Display (1366 x 768) - Intel Celeron N4500 Dual-core (2 Core) 1.10GHz - 4GB LPDDR4x-4266 RAM - 32GB eMMC SSD - Chrome OS - WiFi + BT	2% Spare Devices	106	\$0.00 \$0.00
Subtotal				\$1,751,300.00
Tax				\$0.00
Total				\$1,751,300.00
Net Terms				PPD

Comments

Platinum Warranty highlights:

- *No deductible
- *Hardware fail
- *Send parts for repair - if desired
- *Accidental Damage Protection (ADP)
- *Spare parts on site - if desired
- *Theft/Loss
- *No Limit on ADP claims
- *Free shipping both ways when there is an incident

- *zero cost of ownership
- *3-Year battery warranty (1 replacement)
- *Custom online portal created for Kenton County School District for warranty claim submissions

Includes Google Management and white glove service:

- *All systems arrive ready to go
- *Device Enrollment onto district domain
- *Power on and test devices and adapters prior to shipping
- *"Green" packaging shipping

Delivery Included

Terms and Conditions

This quote is confidential and is to be viewed solely by individuals within the organization to whom it is addressed. Unauthorized distribution or disclosure of the contents of this quote is prohibited. If you are not from the organization addressed, please notify us immediately so we can prepare a quote specific to you. Prices and availability may change without notice prior to the quote expiration date.

Questions? Contact me

Jake Meyers

jake.meyers@trafera.com



Trafera

2550 University Ave W, Suite 315 - S
St. Paul MN 55114
United States



TRAFERA

Warranties

Trafera Limited Warranties

Including Accidental Damage Protection

Streamline your warranty process with a Trafera Warranty. We proudly offer our Silver, Gold, and Platinum Warranties directly to our customers, giving you **a single point of contact for any and all repairs**. All logistics and logistic costs—from shipping/receiving to the actual repairs—are handled by Trafera's in-house staff at our Minnesota technical facilities. Maintaining your devices truly couldn't be simpler.



Trafera Silver Warranty

1-4 Year Warranty

- \$0.00 Deductible
- Hardware Fail Covered
- We Pay Return Shipping



Trafera Gold Warranty

1-4 Year Warranty

- **Includes Accidental Damage Protection (ADP)**
- Available on Select Chromebooks & Laptops
- \$0.00 Deductible
- Hardware Fail Covered
- We Pay to Ship Both Ways
- Stylus/EMR Pen/Apple Pencil*



Trafera Platinum Warranty

1-4 Year Warranty

- **Includes Accidental Damage Protection (ADP)**
- Available on Select Chromebooks & Laptops
- \$0.00 Deductible
- Hardware Fail Covered
- Theft / Loss***
- Spare Parts On-site
- We Pay to Ship Both Ways
- Extended Battery Coverage
- Stylus/EMR Pen/Apple Pencil*



Trafera Warranty Summary

Compare Warranties



TRAFERA SILVER
(Similar to OEM warranty)



TRAFERA GOLD
(Trafera default warranty)



TRAFERA PLATINUM
(Premium coverage)

DEDUCTIBLE	\$0	\$0	\$0
HARDWARE FAIL	✓	✓	✓
ACCIDENTAL DAMAGE PROTECTION		✓	✓
PER DEVICE LIMIT OF ADP		1	Unlimited
SPARE PARTS ON-SITE			✓
THEFT/LOSS***			✓
SHIPPING	We pay return shipping	We pay shipping both ways	We pay shipping both ways
BATTERY	1 Year OEM	1 Year OEM	1 Year Laptop/3 Year New Chromebook (1 Replacement each)
AC ADAPTER	N/A	Mfg defect + 1 ADP incident**	Mfg defect + 1 ADP Incident**
STYLUS/EMR PEN/APPLE PENCIL	Mfg defect	Mfg defect + 1 ADP incident*	Mfg defect + 1 ADP Incident*

* Trafera warranties exclude replacement of lost or stolen stylus/EMR pen/Apple pencil. Trafera will replace a manufacturer's defective unit or damage event for the lifetime of the warranty period with the pre-exchange of the damaged unit (damage incident clause applies to Gold and/or Platinum warranty only)

** Trafera warranties exclude replacement of lost or stolen AC Adapters. Trafera will replace a manufacturer's defective unit or damage event for the lifetime of the warranty period with the pre-exchange of the damaged unit (damage incident clause applies to Gold and/or Platinum warranty only).

*** Coverage for theft/loss is limited to up to two percent (2%) of the total units purchased at one time or under warranty agreement (theft/loss clause applies to Platinum warranty only). Trafera excludes replacement of lost or stolen stylus/EMR pen/Apple pencil or AC Adapters. For units reported due to theft, a copy of a police report is required and must be submitted to Trafera with the claim. Further, in instances of theft/loss, the end customer is required to set the device to "disable" (lock the device) in the Google Admin Console.

This document is subject to the Trafera Limited Warranty Statement located at trafera.com/warranty-terms/.

[VIEW FULL WARRANTY STATEMENT >>>](#)



trafera.com
sales@trafera.com
 (651) 888-7922

Contact Trafera
for more information



April 7, 2023

Thank you for your business! I have attached the documents or other items required to process your transaction with us.

- ☐ **Lease Agreement** – sign last page (please include Federal Tax ID Number or provide W-9)
- ☐ **Certificate of Incumbency**
 - * Any document signer(s) for the lease documentation should add his/her name, title and signature to the document directly under the first paragraph.
 - * The witness to the Incumbency should write his/her name and title in the top paragraph where indicated. Additionally, the witness will need to date and sign at the bottom of the document.
- ☐ **Tax Exemption:**
 - ☐ Is your company considered tax exempt per the IRS? If so, please provide a copy of the tax exemption certificate.
 - ☐ Does your company have any special tax exemption certificates at a state or local level (i.e. manufacturer's tax, sales or property)? If so, please provide a copy of the certificate or other information required. Please specify if it is for sales tax, property tax or both.
- ☐ **Opinion of Counsel** – forward to your legal counsel to copy/paste onto their letterhead – send completed document to us
- ☐ **Lease Schedule** – sign page
- ☐ **Email address for invoices:** _____

Return all items using the FedEx slip provided

IF YOU WOULD LIKE AUTOMATED CLEARING HOUSE (ACH) FOR ALL FUTURE AMOUNTS DUE, PLEASE FILL OUT THE FOLLOWING:

I acknowledge that I am an authorized signer of the bank checking account below and authorize Trafera, LLC dba Trafera Financial Services, or its assignee, to take all amounts, including applicable tax, currently due under Agreement No. KEN040723 with us via ACH.

Company: _____

Routing #: _____

Account #: _____

Bank Name: _____

Bank City/State: _____

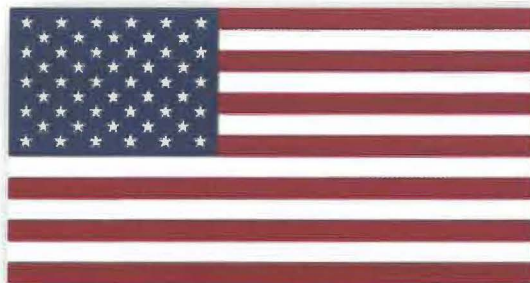
Signature: _____

Date: _____

This document will be executed by electronic or original signature and such a copy shall be treated as an original for all purposes.

Should any of the information on the enclosed documents be incorrect, please notify your Sales Executive or Lease Administrator immediately to make the appropriate corrections. Thank you!

Sales Executive | Brian Bagley | 612-718-6136 | brian.bagley@trafera.com
Lease Administrator | Tracy Fuchs | 952-698-2217 | tracy.fuchs@trafera.com



IMPORTANT INFORMATION ABOUT OPENING AN ACCOUNT

*On September 11, 2001, our lives changed forever. In an effort to protect you and our country, the **USA PATRIOT ACT** was signed into law. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.*

When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may ask to see your driver's license or other identifying documents.

We proudly support all efforts to protect and maintain the security of our customers and our country.





Lease Agreement Number KEN040723 Lease Agreement

This Lease Agreement dated April 7, 2023, by and between TRAFERA, LLC dba TRAFERA FINANCIAL SERVICES (the "Lessor") with an office located at 2550 University Avenue W. Suite 315-S, St. Paul, Minnesota 55114 and KENTON COUNTY SCHOOL DISTRICT (the "Lessee") with an office located at 1055 Eaton Drive, Fort Wright, Kentucky 41017-9655.

Lessor hereby leases or grants to the Lessee the right to use, and Lessee hereby rents and accepts the right to use, the tangible property and the equipment whether or not listed by serial number, and software and related services, on the Lease Schedule(s) attached hereto or incorporated herein by reference from time to time (collectively, the equipment, software and all related services are the "Equipment"), subject to the terms and conditions hereof, as supplemented with respect to each item of Equipment by the terms and conditions set forth in the appropriate Lease Schedule. The term "Lease Agreement" shall include this Lease Agreement and the various Lease Schedule(s) identifying each item of Equipment or the appropriate Lease Schedule(s) identifying one or more particular items of Equipment.

1. Term

This Lease Agreement is effective from the date it is executed by both parties. The term of this Lease Agreement, as to all Equipment designated on any particular Lease Schedule, shall commence on the Installation Date for all Equipment on such Lease Schedule and shall continue for an initial period ending that number of months from the Commencement Date as set forth in such Lease Schedule (the "Initial Term") and shall continue from year to year thereafter at the Monthly Charges last in effect, until terminated. Either party may cancel the agreement at any time for cause or may cancel without cause on 30 day's written notice. Lessee shall have the option to: (i) purchase the Equipment in its physical possession and on each applicable Lease Schedule, in whole and not in part, on an as-is, where-is basis, for the then determined mutually-agreed price; or (2) prepay their remaining obligation in the event of a return prior to the end of the Initial Term provided that (i) an Event of Default has not occurred, (ii) Lessor has received all of the Lease Charges prior to Lessee exercising this option, and (iii) Lessor has received written notice of Lessee's election to exercise said option not less than thirty (30) days prior to the end of the Initial Term of each Lease Schedule.

In the event of an Equipment purchase, Lessee shall both (i) accept in writing Lessor's proposal within thirty days of Lessor's proposal, and (ii) sign and deliver all documents necessary for the sale of the Equipment no later than the last day of the Initial Term or this option shall become void. Lessee will receive title to the Equipment free and clear of all known liens only after Lessee has performed all of its obligations associated with the Lease Agreement and Lessor has been paid all sums due or becoming due under both this purchase option and the Lease Agreement, including all lease charges and taxes.

The term of this Lease Agreement as to all Equipment designated on any particular Lease Schedule may be terminated without cause at the end of the Initial Term or the end of any year thereafter by either party mailing written notice of its termination to the other party not less than one-hundred twenty (120) days prior to such termination date. All such terminations are effective only with respect to not less than all Equipment under the applicable Lease Schedule. Notice of termination by Lessee may not be revoked without Lessor's written consent.

2. Credit Review

For each Lease Schedule, Lessee agrees that Lessor may conduct a credit investigation and review. In such event, Lessee shall provide, in a timely manner, such financial information as Lessor may request. Lessee represents and warrants that all such financial information accurately and completely presents Lessee's financial condition as of the date of execution of each Lease Schedule. Lessee shall upon request provide to Lessor a complete set of Lessee's financial statements, including a statement of cash flows, balance sheet and income statement, and any other financial information the Lessor may request. If during the Installation Period the Lessee's financial condition changes in any material respect (as determined by the Lessor in its sole

discretion), then Lessor shall be entitled to stop purchasing equipment to be leased to Lessee and commence the applicable lease schedule(s).

3. Licensed Software

Any software listed in a Lease Schedule will be subject to Lessee's separate software license agreement with the owner or distributor ("Licensor") except as such agreement may conflict with the terms and conditions of the Lease Schedule. Lessee shall comply with all non-conflicting terms and look solely to the Licensor for satisfaction of all claims and warranties relating to the software. Lessee's obligations under a Lease Schedule will not be affected by any termination of a software license agreement or any defect in or loss of the software. Lessee is responsible for arranging delivery and installation of the software.

4. Commencement Date

The Installation Date for each item of Equipment shall be the day said item of Equipment is installed at the Location of Installation, ready for use, and accepted in writing by the Lessee. The Commencement Date for any Lease Schedule is the first day of the month following installation of all the Equipment of the Lease Schedule, unless the latest Installation Date for any Equipment on the Lease Schedule falls on the first day of the month, in which case that is the Commencement Date. The Lessee shall complete, execute and deliver to Lessor a Certificate of Acceptance listing the specific items of Equipment to be leased upon installation of the Equipment.

5. Lease Charge

The lease charges for the Equipment leased pursuant to this Lease Agreement shall be the aggregate "Monthly Lease Charge(s)" as set forth on each and every Lease Schedule executed pursuant hereto (the aggregate "Monthly Lease Charge(s)" are the "Lease Charges"). Lessee agrees to pay to Lessor the Lease Charges in accordance with the Lease Schedule(s), and the payments shall be made at Lessor's address indicated thereon. The Lease Charges shall be paid by Lessee monthly in advance with the first full month's payment due on the Commencement Date. The Lease Charge for the period from the Installation Date to the Commencement Date (the "Installation Period") shall be an amount equal to the "Monthly Lease Charge" divided by thirty (30) and multiplied by the number of days from and including the Installation Date to the Commencement Date, and such amount shall be due and payable upon receipt of an invoice from Lessor. Charges for taxes made in accordance with Section 6 below, and all other charges made under any other provision of this Lease Agreement and payable by Lessee, shall be paid to Lessor at Lessor's address specified on the Lease Schedule(s) on the date specified in invoices delivered to Lessee. If payment as specified above is not received by Lessor on the due date, Lessee agrees to and shall, to the fullest extent permitted by law, pay on demand, as a late charge, an amount equal to five percent (5%), or the maximum percentage allowed by law if less, of the amount past due ("Late Charges"). The parties agree that Late Charges will accrue until billed by Lessor. Late Charges shall be charged and added to any past due amount(s) on the

date such payment is due and every thirty (30) days thereafter until all past due amounts are paid in full to Lessor.

6. Taxes

In addition to the Lease Charges and Late Charges (if any) set forth in Section 5 above, Lessee shall reimburse Lessor for all license or registration fees, assessments, charges, sales and use taxes, rental taxes, recycling, administrative or environmental fees, gross receipts taxes, personal property taxes and other taxes or fees now or hereafter imposed by any government, agency, province or otherwise upon the Equipment, the Lease Charges or upon the ownership, leasing, renting, purchase, possession, use, recycling or disposal of the Equipment, whether the same be assessed to Lessor or Lessee (the "Taxes"). Lessee's obligation to remit taxes shall be due and payable upon invoice from Lessor in accordance with the terms of such invoice. Lessor shall file all property tax returns and pay all Taxes when due. Lessee, upon written notice to Lessor, may, in Lessee's own name, contest or protest any Taxes, and Lessor shall honor any such notice except when in Lessor's sole opinion such contest is futile or will cause a levy or lien to arise on the Equipment or cloud Lessor's title thereto. In addition, Lessee shall be responsible to Lessor for the payment and discharge of any penalties or interest as a result of Lessee's actions or inactions. Nothing herein shall be construed to require Lessee to be responsible for any federal or state taxes or payments in lieu thereof, imposed upon or measured by the net income of Lessor, or state franchise taxes of Lessor, or except as provided hereinabove, any penalties or interest resulting from Lessor's failure to timely remit such tax payments.

7. Delivery and Freight Costs

All transportation charges upon the Equipment for delivery to Lessee's designated Location of Installation shall be paid by Lessee. All rigging, drayage charges, structural alterations, rental of heavy equipment and/or other expense necessary to place the Equipment at the Location of Installation are to be promptly paid by Lessee. Lessee shall accept delivery of the Equipment and allow the Equipment to be installed within five (5) days after delivery.

8. Installation

Lessee agrees to pay for the actual installation of the Equipment at the Location of Installation or any other location authorized under this Agreement. Lessee shall make available and agrees to pay for all costs associated with providing a suitable place of installation and necessary electrical power, outlets and air conditioning required for operating the Equipment as defined in the Equipment manufacturer's installation manual or instructions, or as otherwise required by the Equipment manufacturer. All supplies consumed or required by the Equipment shall be furnished and paid for by Lessee.

9. Return to Lessor

On the day following the last day of the lease term associated with a Lease Schedule (the "Return Date"), Lessee shall cause and pay for the Equipment listed on that Lease Schedule to be deinstalled, packed using the manufacturer's standard packing materials, to be provided by Lessor to Lessee at Lessee's expense, and shipped to a location designated in writing by Lessor (the "Return Location"). If the Equipment listed on the applicable Lease Schedule is not at the Return Location within fifteen (15) business days of the Return Date, or Lessee fails to ship the Equipment on the Return Date, then any written notice of termination delivered by Lessee shall become void, and the Lease Schedule shall continue in accordance with this Lease Agreement. In no event may Lessee avoid the effect of the preceding sentence by returning less than all of the Equipment listed on the applicable Lease Schedule or by returning substituted Equipment unless Lessor, in its sole discretion, shall expressly agree in writing. Irrespective of any other provision hereof, Lessee will bear the risk of damage from fire, the elements or otherwise until delivery of the Equipment to the Return Location. At such time as the Equipment is delivered to the Lessor at the Return Location, the Equipment will be at the risk of the Lessor.

10. Maintenance

Lessee, at its sole expense, shall maintain the Equipment in good repair, working order and condition. Lessee shall enter into, pay for and maintain in force during the entire term of any Lease Schedule, a maintenance agreement with the manufacturer of the Equipment providing for continuous uninterrupted maintenance of the Equipment (the "Maintenance Agreement"). Upon Lessor's request, Lessee shall provide

a copy of each such Maintenance Agreement to Lessor. Lessee will cause the manufacturer to keep the Equipment in good working order in accordance with the provisions of the Maintenance Agreement and make all necessary adjustments and repairs to the Equipment. The manufacturer is hereby authorized to accept the directions of Lessee with respect thereto. Lessee agrees to allow the manufacturer full and free access to the Equipment. All maintenance and service charges, whether under the Maintenance Agreement or otherwise, and all expenses, if any, of the manufacturer's customer engineers incurred in connection with maintenance and repair services, shall be promptly paid by Lessee. Lessee warrants that all of the Equipment shall be in good working order operating according to manufacturer's specification and eligible for the manufacturer's standard maintenance agreement upon delivery to and inspection and testing by the Lessor. If the Equipment is not free of physical defect or damage beyond ordinary wear and tear, operating according to manufacturer's specification, in good working order and/or eligible for the manufacturer's standard maintenance agreement, then Lessee agrees to reimburse Lessor for all costs, losses, expenses and fees associated with such equipment and the repair or replacement thereof. Upon the termination of any Lease Schedule or this Lease Agreement, Lessee warrants that the Equipment shall be eligible for the manufacturer's standard maintenance agreement. Lessee agrees to reimburse Lessor for any costs it incurs in making the Equipment eligible for such standard maintenance.

11. Location, Ownership and Use

The Equipment shall, at all times, be the sole and exclusive property of Lessor. Lessee shall have no right or property interest therein, except for the right to use the Equipment in the normal operation of its business at the Location of Installation or as otherwise provided herein. The Equipment is and shall remain personal property of the Lessor even if installed in or attached to real property. Lessor shall be permitted to display notice of its ownership on the Equipment by means of a suitable stencil, label or plaque affixed thereto.

Lessee shall keep the Equipment at all times free and clear from all liens, claims, levies, encumbrances, security interests and processes, of any nature whatsoever. Lessee shall give Lessor immediate notice of any such attachment or other judicial process affecting any of the Equipment. Without Lessor's written permission, Lessee shall not attempt to or actually: (i) pledge, lend, create a security interest in, sublet, exchange, trade, assign, swap, use for an allowance or credit or otherwise; (ii) allow another to use (i.e. another school district); (iii) part with possession; (iv) dispose of; or (v) remove from the Location of Installation, any item of Equipment. If any item of Equipment is exchanged, assigned, traded, swapped, used for an allowance or credit or otherwise to acquire new or different equipment (the "New Equipment") without Lessor's prior written consent, then all of the New Equipment shall become Equipment owned by Lessor subject to this Lease Agreement and the applicable Lease Schedule.

Any feature(s) installed on the Equipment at the time of delivery which are not specified on the Lease Schedule(s) are and shall remain the sole property of the Lessor. Lessee shall cause the Equipment to be operated in accordance with the applicable vendor's or manufacturer's manual of instructions by competent and qualified personnel.

12. Financing Statement

Lessor is hereby authorized by Lessee to cause this Lease Agreement or other instruments, including Uniform Commercial Code Financing Statements, to be filed or recorded for the purposes of showing Lessor's interest in the Equipment. Lessee agrees to execute any such instruments as Lessor may request from time to time.

13. Alterations and Attachments

Upon prior written notice to Lessor, Lessee may, at its own expense, make minor alterations in or add attachments to the Equipment, provided such alterations and attachments shall not interfere with the normal operation of the Equipment and do not otherwise involve the pledge, assignment, exchange, trade or substitution of the Equipment or any component or part thereof. All such alterations and attachments to the Equipment shall become part of the Equipment leased to Lessee and owned by Lessor. If, in Lessor's sole determination, the alteration or attachment reduces the value of the Equipment or interferes with the normal and satisfactory operation or maintenance of any of the Equipment, or creates a safety hazard, Lessee shall, upon notice from Lessor to that effect, promptly remove the alteration or attachment at Lessee's expense

and restore the Equipment to the condition the Equipment was in just prior to the alteration or attachment.

14. Loss and Damage

Lessee shall assume and bear the risk of loss, theft and damage (including any government requisition, condemnation or confiscation) to the Equipment and all component parts hereof from any and every cause whatsoever, whether or not covered by insurance. No loss or damage to the Equipment or any component part thereof shall impair any obligation of Lessee under this Lease Agreement, which shall continue in full force and effect except as hereinafter expressly provided. Lessee shall repair or cause to be repaired all damage to the Equipment except for ordinary wear and tear. In the event that all or part of the Equipment shall, as a result of any cause whatsoever of which Lessee reasonably becomes aware, become lost, stolen, destroyed or otherwise rendered irreparably unusable or damaged (collectively, the "Loss") then Lessee shall, within ten (10) days after the Loss, fully inform Lessor in writing of such a Loss and shall pay to Lessor the following amounts: (i) the Monthly Lease Charges (and other amounts) due and owing under this Lease Agreement at the time of the Loss (or Event of Default, as defined hereinafter), plus (ii) the original cost of the Equipment subject to the Loss (or Event of Default, as defined hereinafter) multiplied by the "Percent of Original Cost." The Original Cost of a particular item of Equipment shall be Lessee's original purchase price of such item at the time of its purchase or payment to the applicable vendor by Lessor, plus additional or related charges such as taxes, delivery and freight, installation, maintenance, etc. The Percent of Original Cost shall be the Per Payment Factor multiplied by the number of lease payments Lessor has received from Lessee during the Initial Term subtracted from 112 and then divided by 100. The Per Payment Factor is the sum of 112 multiplied by 0.7 divided by the number of Monthly Lease Charges that are due during the Initial Term (collectively, the sum of (i) plus (ii) shall be the "Casualty Loss Value"). Upon receipt by Lessor of the Casualty Loss Value: (i) the applicable Equipment shall be removed from the Lease Schedule; and (ii) Lessee's obligation to pay Lease Charges associated with the applicable Equipment shall cease. Lessor may request, and Lessee shall complete, an affidavit(s), which swears out the facts supporting the Loss of any item of Equipment.

15. Insurance

Until the Equipment is returned to Lessor or as otherwise herein provided, whether or not this Lease Agreement has terminated as to the Equipment, Lessee at its expense, shall maintain: (i) property and casualty insurance insuring the Equipment for its Casualty Loss Value naming Lessor and/or its assigns as sole loss payee; and (ii) comprehensive public liability and third-party property insurance naming Lessor and/or its assigns as additional insureds. The insurance shall cover the interest of both the Lessor and Lessee in the Equipment, or as the case may be, shall protect both the Lessor and Lessee in respect to all risks arising out of the condition, delivery, installation, maintenance, use or operation of the Equipment.

All such insurance shall provide for thirty (30) days prior written notice to Lessor of cancellation, restriction, or reduction of coverage and shall have a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirements hereof. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of and execute and endorse all documents, checks or drafts for loss or damage or return premium under any insurance policy issued on the Equipment. Prior to installation of the Equipment, all policies or certificates of insurance shall be delivered to Lessor by Lessee. Lessee agrees to keep the Equipment insured with an insurance company which is at least "A" rated by A.M. Best and in such form, including a maximum deductible, as may be satisfactory to Lessor. The proceeds of any loss or damage insurance shall be payable to Lessor, but Lessor shall remit all such insurance proceeds to Lessee at such time as Lessee either (i) provides Lessor satisfactory proof that the damage has been repaired and the Equipment has been restored to good working order and condition or (ii) pays to Lessor the Casualty Loss Value. It is understood and agreed that any payments made by Lessee or its insurance carrier for loss or damage of any kind whatsoever to the Equipment are not made as accelerated rental payments or adjustments of rental but are made solely as indemnity to Lessor for loss or damage of its Equipment.

16. Enforcement of Warranties

Lessee, in its own name, shall, so long as this Lease Agreement is in force, enforce any manufacturer's Equipment warranty.

17. Warranties, Disclaimers and Indemnity

Lessor warrants that at the time the Equipment is delivered to Lessee, Lessor will have full right, power and authority to lease the Equipment to Lessee. EXCEPT FOR THE WARRANTY IN THE SENTENCE DIRECTLY PRECEDING THIS ONE, LESSOR DOES NOT MAKE ANY WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. LESSEE ACKNOWLEDGES THAT IT IS NOT RELYING ON LESSOR'S SKILL OR JUDGMENT TO SELECT OR FURNISH GOODS SUITABLE FOR ANY PARTICULAR PURPOSE; THAT LESSOR HAS NOT SELECTED, MANUFACTURED, SOLD OR SUPPLIED ANY OF THE EQUIPMENT; THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES CONTAINED IN THIS LEASE AGREEMENT; AND THAT NEITHER LESSOR NOR SUPPLIER IS AN AGENT FOR THE OTHER AND LESSOR WILL NOT BE BOUND BY OR LIABLE FOR ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY THE SUPPLIER. NO DEFECT, UNMERCHANTABILITY OR UNFITNESS OF THE EQUIPMENT SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR PERFORM OTHER OBLIGATIONS UNDER THIS LEASE. LESSEE REPRESENTS AND WARRANTS THAT IT IS NOT A FOREIGN "FINANCIAL INSTITUTION" OR ACTING ON BEHALF OF A FOREIGN "FINANCIAL INSTITUTION" AS THAT TERM IS DEFINED IN THE BANK SECRECY ACT, 31 U.S.C. 5318, AS AMENDED. LESSEE ACKNOWLEDGES THAT LESSOR, IN COMPLIANCE WITH SECTION 326 OF THE USA PATRIOT ACT, WILL BE VERIFYING CERTAIN INFORMATION ABOUT LESSEE. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT LESSOR AND ITS REPRESENTATIVES AND EMPLOYEES HAVE NOT MADE ANY STATEMENT, REPRESENTATION OR WARRANTY RELATIVE TO THE ACCOUNTING OR TAX ENTRIES, TREATMENT, BENEFIT, USE OR CLASSIFICATION OF THE LEASE AGREEMENT, OR ASSOCIATED LEASE SCHEDULES. LESSEE ACKNOWLEDGES THAT IT AND/OR ITS INDEPENDENT ACCOUNTANTS ARE SOLELY RESPONSIBLE FOR (i) ANY AND ALL OF LESSEE'S ACCOUNTING AND TAX ENTRIES ASSOCIATED WITH THE LEASE AGREEMENT AND/OR THE LEASE SCHEDULES AND (ii) THE ACCOUNTING AND TAX TREATMENT, BENEFITS, USES AND CLASSIFICATION OF THE LEASE AGREEMENT OR ANY LEASE SCHEDULE. LESSOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER FOR ANY INFORMATION, INCLUDING BUT NOT LIMITED TO CONSUMER OR PATIENT INFORMATION, THAT IS AT ANY TIME ENTERED, STORED, TRANSFERRED TO, CONTAINED OR RETAINED ON ANY EQUIPMENT, WHETHER OR NOT SUCH INFORMATION IS SUBJECT TO FEDERAL, STATE OR OTHER LAW, INCLUDING BY WAY OF EXAMPLE ONLY AND NOT OF LIMITATION, THE HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT OF 1996 (HIPAA), FINANCIAL MODERNIZATION ACT (GRAMM-LEACH-BLILEY ACT), ETC. LESSOR SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE RELATIONSHIP BETWEEN THE LESSOR AND LESSEE, THIS LEASE AGREEMENT OR THE PERFORMANCE, POSSESSION, LEASE OR USE OF THE EQUIPMENT. THIS LEASE AGREEMENT IS A "FINANCE LEASE" AS THAT TERM IS DEFINED AND USED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. NO RIGHTS OR REMEDIES REFERRED TO IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE WILL BE CONFERRED ON LESSEE.

18. Event of Default

The occurrence of any of the following events shall constitute an Event of Default under this Lease Agreement and/or any Lease Schedule:

(1) the nonpayment by Lessee of any Lease Charges when due, or the nonpayment by Lessee of any other sum required hereunder to be paid by Lessee which non-payment continues for a period of ten (10) days from the date when due;

(2) the failure of Lessee to perform any other term, covenant or condition of this Lease Agreement, any Lease Schedule or any other document, agreement or instrument executed pursuant hereto or in connection herewith which is not cured within ten (10) days after written notice thereof from Lessor;

(3) Lessee attempts to or does remove, transfer, sell, swap, assign, sublease, trade, exchange, encumber, receive an allowance or credit for, or part with possession of, any item of Equipment;

(4) Lessee ceases doing business as a going concern, is insolvent, makes an assignment for the benefit of creditors, fails to pay its debts as they become due, offers a settlement to creditors or calls a meeting of creditors for any such purposes, files a voluntary petition in bankruptcy, is subject to an involuntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or has filed against it a petition seeking any reorganization, arrangement or composition, under any present or future statute, law or regulation;

(5) any of Lessee's representations or warranties made herein or in any oral or written statement or certificate at any time given in writing pursuant hereto or in connection herewith shall be false or misleading in any material respect;

(6) Lessee defaults under or otherwise has accelerated any material obligation, credit agreement, loan agreement, conditional sales contract, lease, indenture or debentures; or Lessee defaults under any other agreement now existing or hereafter made with Lessor;

(7) the breach or repudiation by any party thereto of any guaranty, subordination agreement or other agreement running in favor of Lessor obtained in connection with this Lease Agreement; or

(8) Lessee (i) enters into any merger or consolidation with, or sells or transfers all or any substantial portion of its assets to, or enters into any partnership or joint venture other than in the ordinary course of business with, any entity, (ii) dissolves, liquidates or ceases or suspends the conduct of business, or ceases to maintain its existence, (iii) if Lessee is a privately held entity, enters into or suffers any transaction or series of transactions as a result of which Lessee is directly or indirectly controlled by persons or entities not directly or indirectly controlling Lessee as of the date hereof, or (iv) if Lessee is a publicly held entity, there shall be a change in the ownership of Lessee's stock or other equivalent ownership interest such that Lessee is no longer subject to the reporting requirements of, or no longer has a class of equity securities registered under, the Securities Act of 1933 or the Securities Exchange Act of 1934.

19. Remedies

Should any Event of Default occur, Lessor may, in order to protect its interests and reasonably expected profits, with or without notice or demand upon Lessee, retain any and all security deposits and pursue and enforce, alternatively, successively and/or concurrently, any one or more of the following remedies:

(1) recover from Lessee all accrued and unpaid Lease Charges and other amounts due and owing on the date of the default;

(2) recover from Lessee from time to time all Lease Charges and other amounts as and when becoming due hereunder;

(3) accelerate, cause to become immediately due and recover the present value of all Lease Charges and other amounts due and/or likely to become due hereunder from the date of the default to the end of the lease term using a discount rate of two percent (2%);

(4) cause to become immediately due and payable and recover from Lessee the Casualty Loss Value of the Equipment, which Lessee agrees is not a penalty but rather the fair measure of Lessor's loss in or damage to Lessor's interests in the Equipment and Lease caused by Lessee's default hereunder;

(5) terminate any or all of the Lessee's rights, but not its obligations, associated with the lease of the Equipment under this Lease Agreement;

(6) retake (by Lessor, independent contractor, or by requiring Lessee to assemble and surrender the Equipment in accordance with the provisions of Section 9 hereinabove) possession of the Equipment without terminating the Lease Schedule or the Lease Agreement free from claims by Lessee which claims are hereby expressly waived by Lessee;

(7) require Lessee to deliver the Equipment to a location designated by Lessor;

(8) proceed by court action to enforce performance by Lessee of its obligations associated with any Lease Schedule and/or this Lease Agreement; and/or

(9) pursue any other remedy Lessor may otherwise have, at law, equity or under any statute and recover damages and expenses (including attorneys' fees) incurred by Lessor by reason of the Event of Default.

Upon repossession of the Equipment, Lessor shall have the right to lease, sell or otherwise dispose of such Equipment in a commercially reasonable manner, with or without notice, at a public or private sale. Lessor's pursuit and enforcement of any one or more

remedies shall not be deemed an election or waiver by Lessor of any other remedy. Lessor shall not be obligated to sell or re-lease the Equipment. Any sale or re-lease, may be held at such place or places as are selected by Lessor, with or without having the Equipment present. Any such sale or re-lease may be at wholesale or retail, in bulk or in parcels. Time and exactitude of each of the terms and conditions of this Lease Agreement are hereby declared to be of the essence. Lessor may accept past due payments in any amount without modifying the terms of this Lease Agreement and without waiving any rights of Lessor hereunder.

20. Costs and Attorneys' Fees

In the event of any default, claim, proceeding, including a bankruptcy proceeding, arbitration, mediation, counter-claim, action (whether legal or equitable), appeal or otherwise, whether initiated by Lessor or Lessee (or a debtor-in-possession or bankruptcy trustee), which arises out of, under, or is related in any way to this Lease Agreement, the Lease Schedule, or any other document, agreement or instrument executed pursuant thereto or in connection therewith, or any governmental examination or investigation of Lessee, which requires Lessor's participation (individually and collectively, the "Claim"), each party shall pay their own fees and costs.

21. Lessor's Performance Option

Should Lessee fail to make any payment or to do any act as provided by this Lease Agreement, then Lessor shall have the right (but not the obligation), without notice to Lessee of its intention to do so and without releasing Lessee from any obligation hereunder to make or to do the same, to make advances to preserve the Equipment or Lessor's title thereto, and to pay, purchase, contest or compromise any insurance premium, encumbrance, charge, tax, lien or other sum which in the judgment of Lessor appears to affect the Equipment, and in exercising any such rights, Lessor may incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor. All sums so incurred or expended by Lessor shall be due and payable by Lessee within ten (10) days of notice thereof.

22. Quiet Possession and Inspection

Lessor hereby covenants with Lessee that Lessee shall quietly possess the Equipment subject to and in accordance with the provisions hereof so long as Lessee is not in default hereunder; provided, however, that Lessor or its designated agent may, at any and all reasonable times during business hours, enter Lessee's premises for the purposes of inspecting the Equipment and the manner in which it is being used.

23. Assignments

This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Lessee, however, shall not assign, transfer, pledge, mortgage, hypothecate or otherwise dispose of this Lease Agreement, the Lease Schedule(s), the Equipment, or any interest therein or sublet any of the Equipment without first obtaining the prior written consent of Lessor and its assigns, if any. Lessee acknowledges that the terms and conditions of this Lease Agreement have been fixed in anticipation of the possible assignment of Lessor's rights under this Lease Agreement and in and to the Equipment as collateral security to a third party ("Assignee") which will rely upon and be entitled to the benefit of the provisions of this Lease Agreement. Lessee agrees to provide Lessor or its assigns with Lessee's most recent audited and its most current financial statements. Lessee agrees with Lessor and such Assignee to recognize in writing any such assignment within fifteen (15) days after receipt of written notice thereof and to pay thereafter all sums due to Lessor hereunder directly to such Assignee if directed by Lessor, notwithstanding any defense, set-off or counterclaim whatsoever (whether arising from a breach of this Lease Agreement or not) that Lessee may from time to time have against Lessor. Upon such assignment, the Lessor shall remain obligated to perform any obligations it may have under this Lease Agreement and the Assignee shall (unless otherwise expressly agreed to in writing by the Assignee) have no obligation to perform such obligations. Any such assignment shall be subject to Lessee's rights to use and possess the Equipment so long as Lessee is not in default hereunder.

24. Survival of Obligations

All covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, shall be for the benefit of Lessor and Lessee and their respective successors, any assignee or secured party. Further,

all covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, shall survive the execution and delivery of this Lease Agreement and the expiration or other termination of this Lease Agreement.

25. Corporate Authority

The parties hereto covenant and warrant that the persons executing this Lease Agreement and each Lease Schedule on their behalf have been duly authorized to do so, and this Lease Agreement and any Lease Schedule constitute a valid and binding obligation of the parties hereto. The Lessee will, if requested by Lessor, provide to Lessor, Certificates of Authority naming the officers of the Lessee who have the authority to execute this Lease Agreement and any Lease Schedules attached thereto.

26. Landlords' and Mortgagees' Waiver

If requested, Lessee shall furnish waivers, in form and substance satisfactory to Lessor, from all landlords and mortgagees of any premises upon which any Equipment is located.

27. Miscellaneous

This Lease Agreement, the Lease Schedule(s), attached riders and any documents or instruments issued or executed pursuant hereto will have been made, executed and delivered in and shall be governed by the internal laws (as opposed to conflicts of law provisions) and decisions of the Commonwealth of Kentucky. Lessee and Lessor consent to the jurisdiction of any state or federal court located in Kenton County, Kentucky. Venue shall be in Kenton County, Kentucky and Lessor hereby any objection relating to Kenton County, Kentucky being an improper venue to conduct any proceeding relating to this Lease Agreement.

This Lease Agreement was jointly drafted by the parties, and the parties hereby agree that neither should be favored in the construction, interpretation or application of any provision or any ambiguity. There are no unwritten or oral agreements between the parties. This Lease Agreement and associated Lease Schedule(s) constitute the entire understanding and agreement between Lessor and Lessee with respect to the lease of the Equipment, superseding all prior understandings, agreements, negotiations, discussions, proposals, representations, promises, commitments and offers between the parties, whether oral or written. This Lease Agreement and associated Lease Schedule(s) constitute a single unitary agreement. No provision of this Lease Agreement or any Lease Schedule shall be deemed waived, amended, discharged or modified orally or by custom, usage or course of conduct unless such waiver, amendment or modification is in writing and signed by an officer of each of the parties hereto. If any one or more of the provisions of this Lease Agreement or any Lease Schedule is for any reason held invalid, illegal or unenforceable, the remaining provisions of this Lease Agreement and any such Lease Schedule will be unimpaired, and the invalid, illegal or unenforceable provisions shall be replaced by a mutually acceptable valid, legal and enforceable provision that is closest to the original intention of the parties. Lessee agrees that neither the manufacturer, nor the supplier, nor any of their salespersons, employees or agents are agents of Lessor.

Any notice provided for herein shall be in writing and sent by certified or registered mail to the parties at the addresses stated on page 1 of this Lease Agreement.

The Monthly Lease Charge is intended to be fixed from the Commencement Date to the end of the term. The three-year treasury rate is an integral part of the lease rate. Lessee and Lessor agree that the lease rate shall also be fixed during the Installation Period but should the three-year treasury rate change during such Installation Period, the lease rate may be adjusted by the Lessor on or prior to the Commencement Date.

In the event sufficient funds are not appropriated and budgeted by Lessee's governing body or are not otherwise available in any fiscal period for Lease Payments (or any amount due hereunder) under a Schedule, and provided that Lessee has exhausted all funds legally available for payment of the Lease Payments, then Lessee shall immediately notify Lessor of such occurrence and provide Lessor with evidence of such non-appropriation acceptable to Lessor (e.g. written certification by Lessee's legal counsel) and the Schedule shall terminate on the last day of the fiscal period for which funds for Lease Payments are available without penalty or expense to Lessee of any kind.

This Lease Agreement shall not become effective until delivered to Lessor at its offices at St. Paul, Minnesota and executed by Lessor. If this Lease Agreement shall be executed by Lessor prior to being executed by Lessee, it shall become void at Lessor's option five (5) days after the

date of Lessor's execution hereof, unless Lessor shall have received by such date a copy hereof executed by a duly authorized representative of Lessee.

This Lease Agreement is made subject to the terms and conditions included herein and Lessee's acceptance is effective only to the extent that such terms and conditions are consistent with the terms and conditions herein. Any acceptance that contains terms and conditions that are in addition to or inconsistent with the terms and conditions herein will be a counter-offer and will not be binding unless agreed to in writing by Lessor.

If contrary to the parties' intentions a court of competent jurisdiction determines that this Lease is not a true "lease" under the UCC or other applicable law but rather another form of indebtedness secured by the Equipment, then Lessee shall be deemed to have granted and hereby grants to Lessor, a first priority security interest in: (1) the Equipment and all additions, attachments, accessories and accessions thereto; (2) all subleases, chattel paper, accounts, security deposits, and general intangibles relating thereto, and any and all substitutions, replacements or exchanges for any such item of Equipment, in each such case in which Lessee shall from time to time acquire an interest; and (3) any and all insurance and/or other proceeds of the property and other collateral in and against which a security interest is granted hereunder. Lessee hereby authorizes Lessor to file financing statements and/or any other appropriate document of public record in the applicable jurisdictions in order to perfect the security interest granted hereunder (for precautionary purposes only). Upon a default by Lessee under this Lease, in addition to all other remedies set forth herein, Lessor shall be entitled to exercise all other rights and remedies available to a secured party.

The terms used in this Lease Agreement, unless otherwise defined, shall have the meanings ascribed to them in the Lease Schedule(s).

28. REPOSSESSION

LESSEE ACKNOWLEDGES THAT, PURSUANT TO SECTION 19 HEREOF, LESSOR HAS BEEN GIVEN THE RIGHT TO REPOSSESS THE EQUIPMENT SHOULD LESSEE BECOME IN DEFAULT OF ITS OBLIGATIONS HEREUNDER

29. Net Lease

This Lease Agreement is a net lease and Lessee's obligations to pay all Lease Charges and other amounts payable hereunder shall be absolute and unconditional and, except as expressly provided herein, shall not be subject to any: (i) delay, abatement, reduction, defense, counterclaim, set-off or recoupment; (ii) discontinuance or termination of any license; (iii) Equipment failure, defect or deficiency; (iv) damage to or destruction of the Equipment; or (v) dissatisfaction with the Equipment or otherwise, including any present or future claim against Lessor or the manufacturer, supplier, reseller or vendor of the Equipment. To the extent that the Equipment includes intangible (or intellectual) property, Lessee understands and agrees that: (i) Lessor is not a party to and does not have any responsibility under any software license and/or other agreement with respect to any software; and (ii) Lessee will be responsible to pay all of the Lease Charges and perform all its other obligations under this Lease Agreement despite any defect, deficiency, failure, termination, dissatisfaction, damage or destruction of any software or software license. Further, Lessee agrees that it has an unconditional, irrevocable and absolute obligation to pay all Lease Charges and other amounts payable hereunder to the Lessor although (i) the Lessor does not hold title to any Software (or intellectual or intangible property), (ii) Lessor is not a party to any Software license (or intellectual or intangible property license) that is listed among the Equipment on any Lease Schedule and (iii) any license to Software is exclusively between the licensor of the Software ("Licensor") and the Lessee. Except as expressly provided herein, this Lease Agreement shall not terminate for any reason, including any defect in the Equipment or Lessor's title thereto or any destruction or loss of use of any item of Equipment.

30. Headings

Section headings herein are used for convenience only and shall not otherwise affect the provisions of this Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed by their respective duly authorized representative.

Every Term is Agreed to and Accepted:

TRAFERA, LLC dba TRAFERA FINANCIAL SERVICES
"LESSOR"

By: _____

Print Name: _____

Title: _____

Date: _____

Every Term is Agreed to and Accepted:

KENTON COUNTY SCHOOL DISTRICT
"LESSEE"

By: _____

Print Name: _____

Title: _____

Date: _____

Certificate of Incumbency

I, _____ hereby certify to Trafera, LLC dba Trafera Financial Services ("Trafera") that I am
(insert name of secretary/officer, NOT signer of docs)

the _____ of Kenton County School District,
(insert title of secretary/officer, NOT signer of docs)

a Kentucky Municipal Entity (whether designated a corporation, limited liability company, limited liability partnership, limited partnership, partnership, municipal entity, government entity or otherwise, the "Lessee"), and that, in such capacity, I am authorized to execute this Certificate of Incumbency ("Certificate") on behalf of the Lessee. I further certify that any one of the following representative(s) of the Lessee:

Name (insert name of signer of lease docs)	Title (insert title of signer of lease docs)	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

(each an "Authorized Person") is/are authorized by the Lessee to transact any business with Trafera as such Authorized Person(s) believe(s) to be advisable, including without limitation:

- (a) To lease, rent, or purchase Equipment, to borrow money from Trafera from time to time on terms, with or without security, as such Authorized Person believes to be proper;
- (b) To sign and deliver to Trafera from time to time leases, rental agreements, Lease Agreements, including all Lease Schedules to such agreements, notes or loan agreements and amendments to such documents, and any and all other transaction documents necessary and incidental thereto, on the terms as such Authorized person believes to be proper;
- (c) To pledge or create any lien or security interest upon or with respect to any real or personal property assets, to sign and deliver to Trafera, as security for any lease or credit and for all present or future obligations to Trafera, all documents the Authorized Person believes proper, and to perform such acts required to create and perfect such security interests; and
- (d) To execute and deliver guaranties to Trafera.

Trafera or any lessor, seller or lender to whom this Certificate is delivered may rely on this Certificate until Trafera receives written notice that any such person listed above is no longer an Authorized Person. The authority hereby granted applies to successors of the positions set forth above. The execution of any of the above described documents by any one of the Authorized Persons may be relied upon as conclusive evidence of approval by the Lessee.

Lessee agrees that Trafera may accept an electronic transmission of this Certificate as an original, and that electronically transmitted copies of any and all signatures herein will be treated as an original for all purposes.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this _____ day of _____, 20____.

Signature:

(insert signature, name and title of secretary/officer, NOT signer of docs)

Printed Name:

Title:



LEASE SCHEDULE 001

This Lease Schedule is issued pursuant to the Lease Agreement No. KEN040723 dated April 7, 2023. The terms and conditions of the Lease Agreement and the terms and conditions of Certificates of Acceptance executed pursuant to Lease Schedule 001, including Installation Dates and descriptions and serial numbers of Equipment contained therein, are a part hereof and incorporated by reference herein.

LESSOR:

Trafera, LLC dba Trafera Financial Services
2550 University Avenue W
Suite 315-S
St. Paul, MN 55114

LESSEE:

Kenton County School District
1055 Eaton Drive
Fort Wright, KY 41017-9655

SUPPLIER OF EQUIPMENT:

Trafera

LOCATION OF INSTALLATION:

Same as Above

Term of Lease from Commencement Date: 48 months

Monthly Lease Charge: \$36,298.08, due annually in the amount of \$435,577.00

Security Deposit: Lessee shall deliver a security deposit in the amount of \$36,298.00. If no Event of Default has occurred, this security deposit may be applied toward the total amounts due pursuant to the applicable Lease Schedule.

EQUIPMENT:

HP Chromebooks w/ License & Services to be fully described at a later date.

Lessee understands that Lessor's commitment to lease Equipment under this Lease Schedule 001 is contingent upon continuing credit approval by Lessor's credit committee and such credit approval shall be at Lessor's sole discretion.

The Monthly Lease Charge will be prorated and charged as interim rent between the date an item of Equipment is accepted and the Commencement Date. Lessee confirms that the Equipment listed on this Lease Schedule is business essential as part of the operation of Lessee.

Every Term is Agreed to and Accepted:

**TRAFERA, LLC dba TRAFAIRA FINANCIAL
SERVICES
"LESSOR"**

By: _____

Print Name: _____

Title: _____

Date: _____

Every Term is Agreed to and Accepted:

**KENTON COUNTY SCHOOL DISTRICT
"LESSEE"**

By: _____

Print Name: _____

Title: _____

Date: _____

ORIGIN ID:FFTA (952) 698-2217

SHIP DATE: 07APR23

KENTON COUNTY SCHOOL DISTRICT
1055 EATON DRIVE

ACTWGT: 1.00 LB
CAD: 103378/50/NET4580

FORT WRIGHT, KY 41017
UNITED STATES US

BILL SENDER

TO TRACY FUCHS

TRAFERA LLC

444 SECOND STREET

EXCELSIOR MN 55331

(952) 698-2217

REF: KEYSTONE TECHNOLOGY

PO:

DEPT:

581J378CFE2D

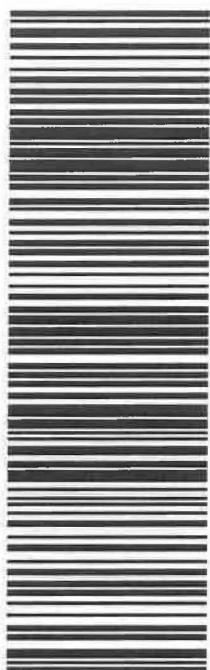


TRK# 7717 8803 0701
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MON - 10 APR 10:30A
PRIORITY OVERNIGHT

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MN-US MSP



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FORM OF OPINION OF COUNSEL

[To Be Provided on Lessee's Attorney's Letterhead Stationery]

[Date]

Trafera, LLC dba Trafera Financial Services
2550 University Avenue W
Suite 315-S
St. Paul, MN 55114

Re: Lessee: Kenton County School District
Lessor: Trafera, LLC dba Trafera Financial Services

Sir/Madam:

We have acted as counsel to Lessee with respect to Lease Agreement No. KEN040923 (the "Equipment Lease"), and all other agreements described above or related thereto, including but not limited to schedules and/or addenda attached to or incorporated into the Equipment Lease (collectively, the "Agreements") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Agreements, the certified proceedings of the Lessee with respect to the matter and such other documents as we have deemed necessary for the purposes of this opinion.

Based upon the examination of such documents, it is our opinion that:

1. Lessee is a political subdivision of the State of Kentucky (the "State") duly organized, existing and operating under the Constitution and laws of the State.
2. Lessee is authorized and has power under State law to enter into all of the Agreements, and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Agreements have been duly authorized, approved, executed and delivered by and on behalf of Lessee, and each of the Agreements is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting creditor's remedies generally and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.
4. The authorization, approval and execution of the Agreements and all other proceedings of Lessee and its governing body relating to the transactions contemplated thereby (including the acquisition of the equipment subject to the Agreements) have been performed in accordance with all applicable local, state and federal laws (including open meeting laws and public bidding and property acquisition laws).
5. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Lessee of the Agreements.
6. Lessee is authorized to approve, execute and deliver any such subsequent schedules and/or addenda as required by the Equipment Lease (collectively, the "Lease Schedules").

7. Upon Lessee's execution of any Lease Schedules, such Lease Schedules will be a valid and binding obligation of Lessee enforceable in accordance with its terms.

8. To the best of our knowledge, based on such inquiry and investigation as we have deemed sufficient, there is no litigation or proceeding pending before any court, administrative agency or governmental body, that challenges: the organization or existence of Lessee; the authority of its officers; the proper authorization, approval and execution of any of the Agreements or any documents relating thereto; the appropriation of monies to make payments under the Agreements for the current fiscal year; the ability of Lessee otherwise to perform its obligations under the Agreements and the transactions contemplated thereby; or the provisions in the Agreements made for the payment of or security for the Agreements.

9. Lessee is a political subdivision of the State as referred to in Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and ruling thereunder

10. The Equipment Lease complies with Section _____ of the _____ General Municipal Law and other applicable State laws.

Lessor, its Assignee as set forth in the Agreements and any of their respective successors and assigns may rely upon this opinion.

Very truly yours,

[Attorney]