

Kenton County School District | *It's about ALL kids.*

Issue Paper

DATE:

05/18/2026

AGENDA ITEM (ACTION ITEM):

Consider/Approve entering into a Flex Lease with Trafera Financial Services for 3800 HP Fortis G10 N100 Chromebooks pending KCS D Legal Counsel Approval and KDE Lease Approval following the KCS D Technology 1:1 Plan previously approved in February, 2022.

APPLICABLE BOARD POLICY:

01.11 General Powers and Duties of the Board

HISTORY/BACKGROUND:

KCS D has an established Technology 1:1 Plan previously approved in February, 2022. The plan for the 2026/2027 school year includes a 4 year lease of student devices to support Grades 9-12. KCS D has received multiple quotes and recommends entering into a Flex Lease with Trafera Financial Services for 3800 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 KCS D to align with the vision of the KCTWI (Kenton County Technology Workforce Initiative) allowing students to support the KCS D Technology.

FISCAL/BUDGETARY IMPACT:

Trafera Lease Proposal (attached) lists equipment costs at \$1,782,200 and 4 Annual Flex Lease Payments of \$481,169. Lease Payments 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 3800 HP Fortis G10 N100 Chromebooks pending KCS D Legal Counsel Approval and KDE Lease Approval following the KCS D 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.



Kenton County School District – HP Fortis G10 N100 8G 64G – Qty 3800

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

Ship to
Support Operations Center
11800 TAYLOR MILL RD
INDEPENDENCE KY 41051-9717
USA
8593226142

Quote Details
Created: April 24, 2026
Expiration: May 1, 2026
Created by: Erica Ewanika
erica.ewanika@trafera.com

Estimate No: E000170110

Contract
KPC #CLS 2022.001

Products & Services

Items and Descriptions	Overview	Notes	Qty	Unit Price	Totals
FORTIS G10 N100 8G 64G SSD 11"	<ul style="list-style-type: none"> HP Fortis G10 Chromebook - 11.6" WXGA (1366 x 768) Non-touch Display - Intel N100 Quad Core 0.80GHz Processor - 8GB LPDDR5X-7500MHz Memory (Onboard) - 64GB eMMC Flash Storage - Intel UHD Graphics - Wi-Fi 6E 802.11ax + Bluetooth 5.3 - 720p Front Camera/Webcam + Microphone - ChromeOS - Manufacturer Warranty: 1 Year 		3800	\$436.51	\$1,658,738.00
Trafera CBN Warranty - Plat - 4+ Yr - C	<ul style="list-style-type: none"> Trafera CBN Warranty - Plat - 4 Yr SYT 6/30/2030 - 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) 		3800	\$0.00	\$0.00
Google Chrome Management Perpetual EDU	Google Chrome Management Perpetual EDU License		3800	\$32.49	\$123,462.00

Trafera Chrome White Glove	Trafera White Glove - Pre-enroll Chrome device in Google Apps® domain - Apply custom themes and settings - Complete hardware functionality check - Google Console OU management"		3800	\$0.00	\$0.00
Update Chrome OS	"Update Chrome OS - Check for and download Chrome OS updates prior to order shipment"		3800	\$0.00	\$0.00
Trafera MAC Addresses	MAC Addresses - Capture MAC address of device - Spreadsheet of MAC address(es) provided at time of order shipment		3800	\$0.00	\$0.00
Asset Tagging	Asset Tagging - 1 asset tag applied per product - Asset tag provided by Customer or printed by Trafera - Trafera printed asset tag: customizable, black and white, with or without barcode		3800	\$0.00	\$0.00
FORTIS G10 N100 8G 64G SSD 11"	HP Fortis G10 Chromebook - 11.6" WXGA (1366 x 768) Non-touch Display - Intel N100 Quad Core 0.80GHz Processor - 8GB LPDDR5X-7500MHz Memory (Onboard) - 64GB eMMC Flash Storage - Intel UHD Graphics - Wi-Fi 6E 802.11ax + Bluetooth 5.3 - 720p Front Camera/Webcam + Microphone - ChromeOS - Manufacturer Warranty: 1 Year	2% Spare Devices	76	\$0.00	\$0.00
Google Chrome Management Perpetual EDU	Google Chrome Management Perpetual EDU License	GM for 2% Spares	76	\$0.00	\$0.00
TRAILS AI Lesson Studio - 1 Yr Sub	TRAILS is an elite lesson plan generator that builds sophisticated, tech-infused lesson plans in seconds. Leveraging Google Gemini and incorporating the SAMR model to ensure high-impact learning, TRAILS lessons maximize the technology and tools teachers already have in their classrooms.		1	\$0.00	\$0.00
				Subtotal	\$1,782,200.00
				Tax	\$0.00
				Total	\$1,782,200.00
				Net Terms	N30

Comments
Delivery Included

**Limited stock available. Price good as long as internal stock is available

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 due to market conditions, including potential tariff adjustments and available inventory.

Please Remit Checks to:

Trafera LLC
PO Box 208960
Dallas, TX 75320-8960

Questions? Contact me

Jake Meyers

jake.meyers@trafera.com



Trafera

1271 Red Fox Rd.
Arden Hills MN 55112
United States

For quick details on returns, learn more here → <https://www.trafera.com/return-policy>



Lessee	Lessor	Lease Proposal
Kenton County School District 2044 Tuscanview Drive Covington, KY 41017	Trafera Financial Services 2550 University Ave. W Suite 416-S St. Paul, MN 55114 USA	Created: May 19, 2026 Expiration: June 15, 2026 Created by: Brian Bagley brian.bagley@trafera.com

Description	Equipment Cost	Lease Term	Annual Payment
Kenton County School District - HP Fortis G10 N100 8G 64G - Qty 3800 per Trafera Estimate No: E000170110	\$1,782,200	4 Years	\$481,169

Upon execution of the lease schedule, the equipment order may be placed immediately, with the first annual lease payment deferred until July 2026.

Fees

No legal, administrative, or documentation fees will be assessed by Lessor in connection with this lease.

Flex Lease

At any point during the lease term, Lessee may remove equipment, exchange items, or include additional equipment as needed.

Anticipated Delivery

Rent will apply only to Equipment that has been accepted by Lessee during the installation phase. The lease will officially begin on the first day of the month following completion and acceptance of all Equipment.

End of Lease Options

At the end of the 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.

Contingencies

Final approval of both credit and pricing by Lessor is required before this proposal and Lease Agreement become binding. Lessee will also provide a refundable security deposit equal to one monthly lease payment.

Thank you for considering Trafera Financial Services. Should you have any questions or require clarification on any aspect of this proposal, please do not hesitate to contact me directly. We look forward to the opportunity to support the success of your project.

Questions? Contact me

Brian Bagley

brian.bagley@trafera.com

612-718-6136



LEASE SCHEDULE 004

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 004, 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
1271 Red Fox Road
Arden Hills, MN 55112

LESSEE:
Kenton County School District
2044 Tuscanview Drive
Covington, KY 41017-8182

SUPPLIER OF EQUIPMENT:
Trafera

LOCATION OF INSTALLATION:
11800 Taylor Mill Rd
Independence, KY 41051

Term of Lease from Commencement Date: 48 months
Monthly Lease Charge: \$40,097.42, due annually in the amount of \$481,169.00
Security Deposit: Upon Lessee's execution of this Lease Schedule, Lessee shall deliver a security deposit in the amount of \$40,097.00. 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:
3800 HP Fortis G10 Chromebook w/ License & Services to be fully described at a later date.

Lessee understands that Lessor's commitment to lease Equipment under this Lease Schedule 004 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/installation rent between the date an item of Equipment is installed as set forth on a Certificate of Acceptance and the Commencement Date, which shall be July 1, 2026. 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:

Every Term is Agreed to and Accepted:

TRAFERA, LLC DBA TRAFERA FINANCIAL SERVICES
"LESSOR"

KENTON COUNTY SCHOOL DISTRICT
"LESSEE"

By: _____

By: _____

Print Name: _____

Print Name: _____

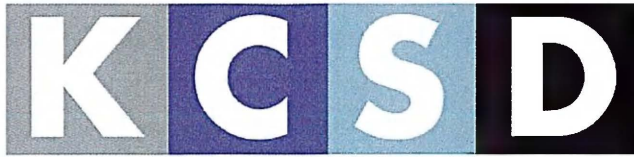
Title: _____

Title: _____

Date: _____

Date: _____

The parties agree that this Lease Schedule, along with any riders and any documents or instruments issued or executed pursuant hereto, may be executed and delivered by electronic signatures and that the signatures appearing on such documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.



Kenton County School District | *It's about ALL kids.*

**THE KENTON COUNTY
BOARD OF EDUCATION**

1055 Eaton Drive, Fort Wright, KY 41017
859.344.8888 – Fax 859.344.1531
www.kenton.kyschools.us
Dr. Henry Webb, Superintendent

June 02, 2026

Kentucky Department of Education
Office of Education Technology
300 Sower Boulevard - 5th Floor
Frankfort, Kentucky 40601

RE: Kenton County School District Lease for KDE Review and Approval

Pursuant to KRS 65.944(1)(b), Kenton County School District is requesting Kentucky Department of Education (KDE) approval of the accompanying lease with Trafera Financial Services for 3800 HP Fortis G10 N100 Chromebooks. Please find the completed lease checklist along with the requested documentation for review and approval.

The Kenton County School District Board of Education approved entering into the lease at the June 1, 2026 meeting pending final KDE approval.

The lease has been reviewed by the District Financial Officer. The funding source will be General Fund which has sufficient funding budgeted to pay the lease payments outlined in the accompanying lease.

The lease has been reviewed by the District Technology Coordinator. The leased products/services are included as part of the District Technology Plan submitted to KDE on April 15, 2026 and the District Technology 1:1 Implementation Plan approved by Kenton County School District Board of Education in February, 2022.

Warranty, Maintenance, and Accidental Coverage are included for the duration of the lease.

Sincerely,

Dr. Henry Webb
Superintendent


Ms. Susan Bentle
Executive Director of Finance


Mr. Matthew Winkler
Director of Technology

Kenton County Board of Education

"The Kenton County Board of Education provides *Equal Education & Employment Opportunities.*"

Local Board Attorney Certification

I, _____, an attorney licensed to practice law in the Commonwealth of Kentucky, do hereby certify the following:

- I represent the _____ Board of Education (“Board of Education”) and as part of my legal representation have reviewed the attached contractual agreement (“Agreement”) between Board of Education and _____ “Vendor” for the lease of personal or real property with a total lease price in excess of one hundred thousand dollars (\$100,000).
- The Agreement provides that the law of the Commonwealth of Kentucky shall govern the Agreement and the rights and obligations of the parties thereto.
- The Agreement provides that any legal dispute arising out of the Agreement will be brought in the courts of the Commonwealth of Kentucky.
- The Agreement either: (1) does not contain any provision whereby Board of Education agrees to indemnify Vendor or hold Vendor harmless; or (2) specifically conditions any agreement by Board of Education to indemnify Vendor or hold Vendor harmless as only to the extent permitted by Kentucky law, including but not limited to Section 177 of the Kentucky Constitution.
- The Agreement, if the term is for more than one year, contains either: (1) an annual cancellation clause; or (2) provides that the Board of Education may cancel the Agreement if funds are not appropriated or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination.
- The Agreement complies with KRS 160.160(4), if it is for real property.
- If the lease is for real property, the Agreement term, including renewals, does not exceed forty (40) years.
- The Agreement provides for an initial term of no greater than seven years if it is for education technology. In the event the Agreement contains options for Board of Education to renew the Agreement, no term of renewal is greater than seven years.
- If the lease is for personal property, other than education technology, the Agreement term, including renewals, does not exceed the useful life of the personal property financed, determined in accordance with generally accepted accounting principles.
- The Agreement either: (1) complies with KRS Chapter 45A, the Kentucky Model Procurement Code, provisions applicable to the Board of Education; or (2) complies with KRS 424.260 and 702 KAR 3:135.
- The undersigned attorney is: (1) currently covered by a policy of professional liability insurance with minimum limits of at least \$100,000.00 per claim and \$300,000.00 aggregate for all claims during the policy term; or (2) employed by the Board of Education as in-house counsel and not otherwise engaged in the private practice of law.

Signature of Attorney: _____

Print Name: _____

Firm Name: _____

Telephone Number: _____

Email address: _____

Kentucky Bar Association Number: _____ Date: _____

DISTRICT LEASE CHECKLIST

KRS 65.944(1)(b) and 702 KAR 3:300 establish the requirement and procedures for school district leases in excess of \$100,000 to be approved by the Commissioner of Education.

Completed checklists with the lease documents should be submitted via e-mail to the district's KETS Field Staff representative. Incomplete checklists or missing information/documents will result in the lease being returned to the district point of contact for correction. Guidance may be found at: <https://education.ky.gov/districts/tech/kpur/Pages/Leases.aspx>

SECTION A: DISTRICT CONTACT AND LEASE INFORMATION

District Name:	Kenton County School District
District Point of Contact for Lease Questions:	Matthew Winkler
District Contact Phone Number:	859.975.2612
District Contact Email:	matthew.winkler@kenton.kyschools.us
Lease Commodity (what is being leased):	Student Chromebooks
Units being leased (total number of units):	3800
Leasing vendor Name:	Trafera Financial Services
Lease Effective Date:	July 1, 2026
Type of Lease:	Flex Lease
Number of optional renewal periods:	0
Total cost of full-term lease:	\$1,782,200
Total cost per unit (cost per item):	\$469
Annual lease cost:	\$481,169
Annual per unit cost:	\$126.62
Monthly lease cost:	\$40,097.42
Monthly per unit cost:	\$10.55
Interest Rate:	

SECTION C: ITEMS TO BE INCLUDED IN THE LEASE PACKAGE SUBMITTED TO KDE

See the District Lease Checklist Guidance document for additional information and guidance on required information. It is important to note that missing or incomplete information/documents will result in a halt of the lease review until the district can submit the missing/incomplete information.

1. Completed Lease Checklist (check yes, if it is completed)

2. District Cover Letter (See sample District Cover Letter & include information from)
 - a. District Superintendent request for KDE lease approval
 - b. District Board of Education approval pending KDE approval (include a copy of the board minutes showing approval)
 - c. District Finance Officer confirmation of district initial and ongoing funding sources and available funds
 - d. District CIO/DTC confirmation of warranty coverage/ongoing support plan (check yes/no below)
 - Does the lease include warranty (break/fix)? Yes No
Note any lease that does not include warranty coverage for leased hardware for any portion of the lease term must include an explanation of how the district will address break/fix, including funding for that work.*
 - Does the lease include management/support? Yes No
 - Does the lease include training/professional development? Yes No

3. District Board Attorney approval letter included

Please take note that typically the KDE Legal review of the terms and conditions is the portion of the total lease review process that takes the most time. There specific areas that most often cause the review to slow down (either because it is not addressed or addressed by the vendor in a way that is not agreeable to KDE/district). The following provisions should be consistently represented as follows throughout the lease agreement terms and conditions:

Check yes for each of the following to confirm the lease has been reviewed and the correct language is included as reflected in the lease being submitted to KDE for review:

- a. Governing Law/Dispute Resolution/Jurisdiction – *(recommended)* Laws of KY govern the lease and any lawsuits arising out of the lease are filed in KY. Sample language to this effect: "The laws of the Commonwealth of Kentucky shall govern all questions as to the execution, validity, interpretation, construction and performance of this agreement or any of its terms. Any suit, action or other proceeding regarding the execution, validity, interpretation,

construction or performance of this agreement shall be filed in the Franklin Circuit Court of the Commonwealth of Kentucky."

- b. Indemnity and/or hold harmless clauses - the Kentucky Constitution prohibits districts from agreeing to indemnity and hold harmless clauses therefore either no indemnity clause, or an indemnity clause stating the contract will be enforced "as allowed by Kentucky law" is acceptable.
- c. A Lease Agreement must have either a "Cancellation Clause" or "Non-Appropriation Clause":
 - i. Cancellation: An acceptable provision would state: "Either party may cancel the agreement at any time for cause or may cancel without cause on 30 days written notice."
 - ii. Non-appropriation: An acceptable provision would state: "In the event sufficient funds are not appropriated and budgeted by your 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 you have exhausted all funds legally available for payment of the Lease Payments, then you shall immediately notify us of such occurrence and provide us with evidence of such non-appropriation acceptable to us (e.g. written certification by your 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 you of any kind."

4. Lease Agreement (Check one)

- New Lease Agreement (Include lease agreement)
- Schedule/Addendum to previously approved lease agreement (include the original signed/approved lease agreement and any schedule/addendum)

5. Initial and ongoing Funding Source (select all that apply)

- General Funds
- Local Funds
- E-Rate Funds
- Other

6. Procurement Source (choose appropriate procurement source and provide additional information as requested)

KETS Contract # _____

Kentucky State Master Agreement # MA-758-2100000418

Other Existing Contract:

Contract Number and Contract Source: KPC Contract # CLS 2022.001

included a copy of the contract in the lease packet

District Bid {Include a copy of the bid, overview score sheet & awarded contract

Total number of vendor responses: _____

Was low bidder selected? Yes No

If not, please provide the selection Justification:

 included a copy of the bid in the lease packet

included a copy of the overview score sheet in the lease packet

included a copy of the awarded contract in the lease packet

7. Vendor Quote (check one)

Yes, vendor quote is included in lease package

No, vendor quote is not included in lease package

Quote was provided in the form of a district bid response

Other (please explain): _____

AGREEMENT BETWEEN
PURCHASEPROS
AND
TRAFERA, LLC

This agreement is by and between Kentucky Educational Development Corporation (KEDC), dba PurchasePros, 904 Rose Road, Ashland, KY 41102-7104 and Trafera, LLC, 1271 Red Fox Rd., Arden Hills, MN 55112. KEDC is an educational cooperative organized under the Kentucky Interlocal Cooperation Act and is considered a local public agency under the Kentucky Model Procurement Code (KRS 45A.345(11)).

The current agreement is set to expire on December 31, 2025, with KEDC reserving the right for one-year extensions as permitted by Kentucky Model Procurement Code, KRS Chapter 45A. This agreement represents an extension for an additional year from January 01, 2026, and will expire on December 31, 2026.

This agreement incorporates the CLS2022 Terms and Conditions, previous and attached Amendments, and your Bid Response by reference. Submitted deviations or exceptions to the terms and conditions were not accepted. This is a fixed percentage discount bid with the minimum discount being fixed for the term of the contract at the rate below.

Contract Number	10100828-CLS2022.001
Bid Type	Catalog
Fixed General Discount %	5

Upon the signature of an authorized officer of KEDC and an authorized representative of the above-named company or corporation, this agreement is hereby executed.

KENTUCKY EDUCATIONAL DEVELOPMENT CORPORATION

Samuel Atkins

KEDC Chief Business Officer

Samuel Atkins

Printed Name

Trafera, LLC

David J Huls

Signature

David J Huls

Printed Name

Chief Financial Officer

Title

11/12/25 09:28 EST

Date

12/11/25 15:46 EST

Date

- E. Action by any governmental authority including but not limited to economic sanctions or trade restrictions.
- F. National or regional emergency
- G. Strikes, labor stoppages or slowdowns or other industrial disturbances.
- H. Emergency State
- I. Shortage of power or transportation facilities
- J. Other similar events beyond the reasonable control of the impacted party such as technological malfunctions or breakdowns

The impacted party must provide written notice of a force majeure event within five (5) calendar days after reasonably determining its impact. The notice should include the impacted party's reasonable estimate of the event's duration and the expected time of performance. The impacted party must make diligent efforts to end the delay, minimize effects, and resume performance promptly after the removal of the force majeure cause.

PurchasePros may, in addition to other rights and remedies, terminate any agreement resulting from this solicitation if the contractor is the impacted party and any force majeure event continues or is expected to continue for more than ninety (90) calendar days, upon written notice to the contractor.

**I have read the last page of the amendment above.

 DGH
Initial Here

ATTACHMENT A
CONTRACT
FOR
KETS Instructional Devices
BETWEEN
THE COMMONWEALTH OF KENTUCKY
The Finance and Administration Cabinet
On Behalf Of
Kentucky Department of Education (KDE)
AND
HP Inc.
MA 758 2100000418

VENDOR CONTACT INFORMATION:

Debra Lee
HP Inc.
10400 Energy Drive
Spring, Texas 77389
Phone: 847.537.0344 (office); 847.922.2977 (cell);
Fax: 847.572.1336
debra.lee@hp.com

This Master Agreement ("Contract", "Award" or "Agreement") is entered into, by and between the **Commonwealth of Kentucky, Kentucky Department of Education** ("the Commonwealth" or "Customer" or "KDE") and **HP Inc.**, ("Contractor" or "Vendor" or "HP") as the Prime Vendor.

The Commonwealth and Contractor agree to the following:

I. Scope of Contract

This Contract will provide **KETS Instructional Devices and related services** for usage by KY Public School Districts, the KY School for the Blind (KSB), the KY School for the Deaf (KSD) and the KY Department of Education (KDE).

II. Negotiated Items

1. Section 40.31 – Limitation of Liability

Original Language:

The liability of the Commonwealth related to contractual damages is set forth in KRS 45A.245.

Negotiated Language:

The liability of the Commonwealth related to contractual damages is set forth in KRS 45A.245. The Vendor's liability for damages to the Commonwealth should be limited to the greater of \$1,000,000 or two times the contract purchase. The foregoing limitation of liability should not apply to claims covered by other specific provisions calling for liquidated damages or specifying a different limitation of liability, or to claims for injury to persons or damage to property caused by the Vendor's negligence or willful or wanton conduct. In no event should either party be liable for any indirect, special, punitive or consequential damages unless otherwise specified in the Contract.

2. Neither party will incur any liability to the other if its performance of any obligation under this Agreement is prevented or delayed by causes beyond its reasonable control and without the fault or negligence of either party. Causes beyond a party's control may include, but are not limited to: acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics, pandemics, quarantines, general strikes throughout the trade and freight embargoes, Federal or state declared emergencies, or delays in delivery due to industrywide component shortages or region-wide transportation delays.

3. Section 50.6 A.2 Enterprise Instructional Hardware and Services - Categories

Original Language:

2. Categories

The following categories should be established KETS Instructional Devices:

- Enterprise Desktops
- Enterprise Laptops
- Instructional Device Maintenance/Warranty Support
- Enterprise Tablets (Optional)

- Monitors (Optional)
- Instructional Device Accessories (Optional)
- Instructional Device Installation/Initial Configuration (Optional)
- Services (Optional)

Services should include but not be limited to: de-installation, training, migration, and optimization of products offered or supplied under the Master Agreement. These types of services may include, but are not limited to: de-installation, factory integration (software or equipment components), asset management, recycling/disposal, training and certification, pre-implementation design, disaster recovery planning and support, service desk/helpdesk, and any other directly related technical support service required for the effective operation of a product offered or supplied.

Consumer grade devices, which are defined as devices that are not included in the manufacturer's enterprise line of devices are not included in this Contract.

Minimum Technical Specifications are included for enterprise desktops and laptops in **Attachment G**.

KETS Instructional Device Guidelines are included in **Attachment I**.

Categories including tablets, instructional device accessories and services are optional. Vendors may include these optional categories if available. KETS customers may purchase products or services included in the optional categories from either this KETS contract or other approved sources.

Additional Negotiated Language:

HP agrees that the products proposed will conform to HP specifications. Services are performed using generally recognized commercial practices and standards. The Commonwealth agrees to provide prompt notice of any such service concerns and HP will re-perform any service that fails to meet this standard. Services that are not Care Packs, or not included in HP's Cost, which are custom quoted, will be mutually agreed by the parties and included in an executed project plan (statement of work).

4. Section 50.6 A. 4. Enterprise Instructional Hardware and Services – Pricing – Promotional Pricing

Original Language:

Promotional Pricing: KDE may identify set dates where promotional pricing is encouraged by contract holders to KETS customers. During the promotional period(s) deeper discounts which are available regardless of quantities purchased may be set by the contract holder. This promotional pricing must be submitted and approved by the OET

Vendor Manager and be available to all KETS customers. At the close of a promotion period the discounts would return to the discount off MSRP approved prior to the promotional period. Any promotional discount must be equitable and offered to all KETS customers during that period.

Additional Negotiated Language:

HP has Smart Buys, which are otherwise referred to as Promotions. These Promotional items are based on a specific configuration at a set promotional fixed price and are typically not discountable. These Promotional items already carry a reduced price that was created from an overall Company perspective to HP customers available for only a limited time period. Providing these automatically to KETS customers provides readily available promotions and savings. The proposed Category discounts would, therefore, not apply to these Smart Buy Promotional products.

5. Section 50.6 F. 2. Delivery Penalties

Original Language:

Vendor agrees when delivery is not made within the contracted due date, five percent (5%) per calendar week may be deducted from the Vendor's invoice for each calendar week vendor fails to meet the contracted delivery date.

Vendor agrees when delivery and/or installation is not made within the contracted timeframes, five percent (5%) per calendar week from the total invoice amount may be deducted from the vendor's invoice for each calendar week vendor fails to meet the contracted timeframe. Penalties may continue to be charged to the vendor until the delivery and installation if applicable is complete.

Negotiated Language:

Vendor agrees when delivery is not made within the contracted due date, five percent (5%) per **complete, 7-day** calendar week may be deducted from the Vendor's invoice for each calendar week vendor fails to meet the contracted delivery date.

Vendor agrees when delivery and/or installation is not made within the contracted timeframes, five percent (5%) per **complete, 7-day** calendar week from the total invoice amount may be deducted from the vendor's invoice for each calendar week vendor fails to meet the contracted timeframe. Penalties may continue to be charged to the vendor until the delivery and installation if applicable is complete.

III. Terms and Conditions

SECTION 30 – COMMONWEALTH OFFICE OF TECHNOLOGY (COT) REQUIREMENTS
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- 30.1 **Commonwealth Information Technology Policies and Standards**
- A. The vendor and any subcontractors shall be required to adhere to applicable Commonwealth policies and standards.
 - B. The Commonwealth posts changes to COT Standards and Policies on its technology.ky.gov website. Vendors and subcontractors shall ensure their solution(s) comply with all posted changes. Vendors or subcontractors that cannot comply with changes must, within thirty (30) days of the posted change, request written relief with the justification for such relief. The Commonwealth may 1) deny the request, 2) approve an exception to the policy / standard, or 3) consider scope changes to the contract to accommodate required changes. Vendors or subcontractors that do not provide the response within the thirty (30) day period shall be required to comply within ninety (90) days of the change.
- 30.2 **Compliance with Kentucky Information Technology Standards (KITS)**
- B. The vendor and any subcontractors may be required to submit a technology roadmap for any offered solution. Additional roadmaps will be submitted upon request of the Commonwealth. The Roadmap shall include, but is not limited to, planned, scheduled and projected product lifecycle dates and historical release/patch or maintenance dates for the technology. In addition, any guidance on projected release/revision/patch/maintenance schedules would be preferred.
- 30.3 **Compliance with Commonwealth Security Standards**
- The software deployment and all vendor services shall abide by privacy and security standards as outlined in the Commonwealth's Enterprise Information Technology Policies.

Enterprise Security Policies

<http://technology.ky.gov/ciso/Pages/InformationSecurityPolicies,StandardsandProcedures.aspx>

Enterprise IT Policies

<http://technology.ky.gov/policy/pages/policies.aspx>

**Finance and Administration Cabinet Commonwealth Office of Technology
Enterprise IT Policies**

<http://finance.ky.gov/services/policies/Pages/default.aspx>

30.4 **Compliance with Industry Accepted Reporting Standards Based on Trust Service Principles and Criteria**

The vendor must employ comprehensive risk and threat management controls based on defined industry standards for service organizations such as AICPA TSP section 100, Trust Services Principles and Criteria. The vendor must annually assert compliance and engage a third party to examine such assertions and controls to provide a Report, such as AT101 SOC 2 type 2, on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, and Privacy, which contains an opinion on whether the operating controls effectively support the assertions. All such reports, including publicly available reports (i.e. AT 101 SOC 3) shall be made available to the Commonwealth for review.

30.5 **System Vulnerability and Security Assessments**

The Commonwealth reserves the right to conduct, in collaboration with the vendor, non-invasive vulnerability and security assessments of the software and infrastructure used to provide services prior to implementation and periodically thereafter. Upon completion of these assessments, the Commonwealth will communicate any findings to the vendor for action. Any cost relating to the alleviation of the findings will be the responsibility of the vendor. Mitigations will be subject to re-evaluation after completion. In cases where direct mitigation cannot be achieved, the vendor shall communicate this and work closely with the Commonwealth to identify acceptable compensating controls that will reduce risk to an acceptable and agreed upon level. An accredited third party source may be selected by the vendor to address findings, provided they will acknowledge all cost and provide valid documentation of mitigation strategies in an agreed upon timeframe.

30.6 **Privacy, Confidentiality and Ownership of Information**

The Commonwealth is the designated owner of all Commonwealth data and shall approve all access to that data. The Vendor shall not have ownership of Commonwealth data at any time. The vendor shall not profit from or share Commonwealth data. The Vendor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy notice statements may be developed and amended from time to time by the Commonwealth and will be appropriately displayed on the Commonwealth portal (Ky.gov). The Vendor should provide sufficient security to protect the Commonwealth and COT data in network transit, storage, and cache. **All Commonwealth data, including backups and archives, must be maintained at all times within the contiguous United States. All Commonwealth data, classified as sensitive or higher, as defined in Enterprise Standards, must be encrypted in-transit and at rest.**

30.7 EU GDPR Compliance

The Commonwealth of Kentucky requires all vendor contracts to comply with the European Union's General Data Privacy Regulation [Regulation (EU) 2016/679] (the "GDPR") when the Commonwealth is a "controller" or "processor" of "personal data" from an individual "data subject" located in the European Union, as those terms are defined in the GDPR. The Contractor acknowledges and agrees that it is acting as a "processor" of "personal data" for the Commonwealth under this Agreement and that all applicable requirements of the GDPR are incorporated by reference as material terms of this Agreement. The Contractor represents and warrants that (1) it is aware of and understands its compliance obligations as a "processor" under GDPR; (2) it has adopted a GDPR compliance policy/program, a copy of which has been provided to the Commonwealth; (3) it will process "personal data" only in accordance with the Commonwealth's instructions; and (4) with regard to its obligations under this Agreement, it shall comply with all applicable requirements of the GDPR to the same extent as adopted by the Commonwealth. Additionally, the Contractor shall indemnify and hold harmless the Commonwealth, and its employees from and against any claims, demands, suits, damages, penalties, fines, or costs arising from any violation of GDPR by the Contractor.

30.8 Software Development

If applicable, source code for software developed or modified by the vendor specifically for the Commonwealth shall become property of the Commonwealth. This is not meant to include minor modifications to the vendor software to configure the software for Commonwealth use. This is meant to include software written to add functionality to the vendor product specifically to meet the requirements of the Commonwealth where the Commonwealth bears the entire cost of creating that functionality.

30.9 License Agreements

If applicable, software provided by the vendor to the Commonwealth should contain a provision for perpetual licensing with all upgrade options. License agreements should also contain a provision for the Commonwealth to maintain a version of the software in escrow in the event the vendor is unable to continue business for financial or other business reasons. Any escrow agreement shall be negotiated by all parties. Any third party software licenses and cloud resources necessary for the proposed solution may be procured via the Commonwealth's existing contracts.

30.10 Software Version Requirements

All commercially supported and Commonwealth approved software components such as Operating system (OS), Database software, Application software, Web

Server software, Middle Tier software, and other ancillary software must be kept current. In the event that a patch interferes with the solution, the vendor must present a plan for compliance to the Commonwealth outlining the constraints and an appropriate plan of action to bring the solution in to compliance to allow this patch to be applied in the shortest timeframe possible, not to exceed three months, unless otherwise negotiated with the Commonwealth.

The Vendors shall keep software in compliance with industry standards to support third party products such as Java, Adobe Flash, Internet Explorer, Mozilla Firefox, etc. at latest supported version, release, and patch levels, when such dependencies exist. In the event that a third party dependency interferes with the solution, the vendor must present a plan for compliance to the Commonwealth outlining the constraints and an appropriate plan of action to bring the solution into compliance to allow this third party dependency to be updated in the shortest timeframe possible, not to exceed three months, unless otherwise negotiated with the Commonwealth.

30.11 Section 508 Compliance

All user interfaces to the solution(s) provided, shall be warranted by the vendor to comply with Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) and the World Wide Web Consortium's (W3C) Web Content Accessibility Guidelines (WCAG) 2.0, conformance level Double-A or greater.

30.12 No Surreptitious Code Warranty

The contractor represents and warrants that no copy of licensed Software provided to the Commonwealth contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this contract as the "No Surreptitious Code Warranty".

As used in this contract, "Self-Help Code" means any back door, time bomb, drop-dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access) for purposes of maintenance or technical support.

As used in this contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

In addition, contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the Commonwealth.

The vendor shall defend the Commonwealth against any claim, and indemnify the Commonwealth against any loss or expense arising out of any breach of the No Surreptitious Code Warranty.

30.13 **Applicable Security Control Framework Compliance**

The vendor must have an awareness and understanding of the NIST Special Publication 800-53 Security Control Framework and employ safeguards that meet or exceed the moderate level controls as defined within the standard. The respondent must provide sufficient safeguards to provide reasonable protections around the Commonwealth's data to ensure that the confidentiality, integrity, and availability is maintained at an appropriate level. These include but are not limited to:

- *Access Control*
The vendor must employ policy and process that provide for stringent control to limit physical and logical access to systems that house Commonwealth data, on a need to know basis, provide clear separation of duties, and adheres to least privilege principles.
- *Awareness and Training*
The vendor must provide the appropriate role specific training for staff to ensure that there is awareness and understanding of roles and responsibilities as they relate to the protections around the Commonwealth's data.
- *Audit and Accountability*
There must be sufficient auditing capability to ensure that actions are tracked and there is individual accountability for all actions taken by vendor staff.
- *Configuration Management*
The vendor must work within established baselines that provide minimal functionality needed to ensure service delivery without exposing unnecessary risk. The vendor must also employ structured change control processes that provide a level of coordination with the client agreed upon in a Service Level Agreement (SLA).
- *Contingency Planning*
The vendor must employ contingent planning policy and procedures that ensure service delivery based on agreed SLA levels while maintaining all Commonwealth data within the continental United States.
- *Identification and Authorization*
The vendor must employ appropriate identity and access management policies and procedures to ensure that access is appropriately authorized and managed

at a level to ensure that access is provisioned and de-provisioned in a timely and efficient manner.

- *Incident Response*
The vendor must employ policy and procedures to ensure that an appropriate response to all identified security incidents are addressed in a timely manner and are reported to the appropriate parties in an agreed upon SLA timeframe. The vendor must also ensure that all staff are sufficient trained to ensure that they can identify situations that are classified as security incidents.
- *Maintenance*
The vendor must employ policy and procedures that ensure that all maintenance activities are conducted only by authorized maintenance staff leveraging only authorized maintenance tools.
- *Media Protection*
The vendor must employ policy and procedure to ensure that sufficient protections exist to protect Commonwealth data on all storage media throughout the media lifecycle and maintain documentation from media creation through destruction.
- *Physical and Environmental Controls*
The vendor must employ physical and environmental policies and procedures that ensure that the service and delivery infrastructure are located in a physically secure and environmentally protected environment to ensure the confidentiality, integrity, and availability of Commonwealth data.
- *Personnel Security*
The vendor must employ policies and procedures to ensure that all staff that have access to systems that house, transmit, or process Commonwealth data have been appropriately vetted and have been through a background check at the time of hire and periodically thereafter.
- *System and Communications Protections*
The vendor must employ physical and logical protection that protect system communications and communication media from unauthorized access and to ensure adequate physical protections from damage.

SECTION 40 – PROCUREMENT REQUIREMENTS

40.1 **Procurement Requirements**
Procurement requirements are listed under “**Procurement Laws, Preference, Regulations and Policies**” and “**Response to Solicitation**” located on the eProcurement Web page at <https://finance.ky.gov/services/eprocurement/Pages/LawsPrefRegsPolicies.aspx> and <http://finance.ky.gov/services/eprocurement/Pages/VendorServices.aspx> respectively. The Vendor must comply with all applicable statutes, regulations and policies related to this procurement.

40.2 **Contract Components and Order of Precedence**

The Commonwealth's acceptance of the contractor's offer in response to the Solicitation RFP 758 2000000368, indicated by the issuance of a contract award by the Office of Procurement Services, shall create a valid contract between the Parties consisting of the following:

1. Procurement Statutes, Regulations and Policies
2. Any written Agreement between the Parties;
3. Any Addenda to the Solicitation RFP 758 2000000368;
4. The Solicitation RFP 758 2000000368 and all attachments
5. Any Best and Final Offer;
6. Any clarifications concerning the Contractor's proposal in response to the Solicitation RFP 758 2000000368;
7. The Contractor's proposal in response to the Solicitation RFP 758 2000000368.

In the event of any conflict between or among the provisions contained in the contract, the order of precedence shall be as enumerated above.

40.3 **Final Agreement**

This Contract represents the entire agreement between the parties with respect to the subject matter hereof. Prior negotiations, representations, or agreements, either written or oral, between the parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

40.4 **Contract Provisions**

If any provision of this Contract (including items incorporated by reference) is declared or found to be illegal, unenforceable, or void, then both the Commonwealth and the Contractor shall be relieved of all obligations arising under such provision. If the remainder of this Contract is capable of performance, it shall not be affected by such declaration or finding and shall be fully performed.

40.5 **Type of Contract**

This Contract shall be on the basis of a **firm fixed unit price** for the elements listed.

40.6 **Contract Usage**

The contractual agreement with the Vendor will in no way obligate the Commonwealth of Kentucky to purchase any services or equipment under this Contract. The Commonwealth agrees, in entering into any contract, to purchase only such services in such quantities as necessary to meet the actual requirements as determined by the Commonwealth.

40.7 **Addition or Deletion of Items or Services**

The Office of Procurement Services reserves the right to add new and similar items, by issuing a contract modification, to this Contract with the consent of the vendor. Until such time as the Vendor receives a modification, the Vendor shall not accept delivery orders from any agency referencing such items or services.

40.8 **Changes and Modifications to the Contract**

Pursuant to KRS 45A.210 (1) and 200 KAR 5:311, no modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by the contractor and the Commonwealth, and incorporated as a written amendment to the Contract and processed through the Office of Procurement Services and approved by the Finance and Administration Cabinet prior to the effective date of such modification or change pursuant to KRS 45A.210(1) and 200 KAR 5:311. Memorandum of understanding, written clarification, and/or correspondence shall not be construed as amendments to this Contract.

If the contractor finds at any time that existing conditions made modification of the contract necessary, it shall promptly report such matters to the Commonwealth Buyer for consideration and decision.

40.9 **Changes in Scope**

The Commonwealth may, at any time by written order, make changes within the general scope of the Contract. No changes in scope are to be conducted except at the approval of the Commonwealth.

40.10 **Contract Conformance**

If the Commonwealth Buyer determines that deliverables due under this Contract are not in conformance with the terms and conditions of this Contract and the mutually agreed-upon project plan, the Buyer may request the contractor to deliver assurances in the form of additional contractor resources and to demonstrate that other major schedules will not be affected. The Commonwealth shall determine the quantity and quality of such additional resources and failure to comply may constitute default by the contractor.

40.11 **Assignment**

This Contract shall not be assigned in whole or in part without the prior written consent of the Commonwealth Buyer.

40.12 **Payment**

The Commonwealth will make payment within thirty (30) working days of receipt of contractor's invoice or of acceptance of goods and/or services in accordance with KRS 45.453 and KRS 45.454.

Payments are predicated upon successful completion and acceptance of the described work, services, supplies, or commodities, and delivery of the required documentation. Invoices for payment shall be submitted to the agency contact person or his representative.

40.13 **Contractor Cooperation in Related Efforts**

The Commonwealth of Kentucky may undertake or award other contracts for additional or related work, services, supplies, or commodities, and the contractor shall fully cooperate with such other contractors and Commonwealth employees. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Commonwealth employees.

40.14 **Contractor Affiliation**

"Affiliate" shall mean a branch, division or subsidiary that is effectively controlled by another party. If any affiliate of the contractor shall take any action that, if done by the contractor, would constitute a breach of this agreement, the same shall be deemed a breach by such party with like legal effect.

40.15 **Commonwealth Property**

The contractor shall be responsible for the proper custody and care of any Commonwealth-owned property furnished for contractor's use in connections with the performance of this Contract. The contractor shall reimburse the Commonwealth for its loss or damage, normal wear and tear excepted.

40.16 **Confidentiality of Contract Terms**

The contractor and the Commonwealth agree that all information communicated between them before the effective date of the contract shall be received in strict confidence and shall not be necessarily disclosed by the receiving party, its agents, or employees without prior written consent of the other party. Such material will be kept confidential subject to Commonwealth and Federal public information disclosure laws.

Upon signing of this Contract by all parties, terms of the Contract become available to the public, pursuant to the provisions of the Kentucky Revised Statutes.

The contractor shall have an appropriate agreement with its subcontractors extending these confidentiality requirements to all subcontractors' employees.

40.17 **Confidential Information**

The contractor shall comply with the provisions of the Privacy Act of 1974 and instruct its employees to use the same degree of care as it uses with its own data to keep confidential information concerning client data, the business of the Commonwealth, its financial affairs, its relations with its citizens and its employees, as well as any other information which may be specifically classified as confidential by the Commonwealth in writing to the contractor. All Federal and State Regulations and Statutes related to confidentiality shall be applicable to the contractor. The contractor shall have an appropriate agreement with its employees, and any subcontractor employees, to that effect, provided however, that the foregoing will not apply to:

- A. Information which the Commonwealth has released in writing from being maintained in confidence;
- B. Information which at the time of disclosure is in the public domain by having been printed and published and available to the public in libraries or other public places where such data is usually collected; or
- C. Information, which, after disclosure, becomes part of the public domain as defined above, through no act of the contractor.

40.18 **Advertising Award**

The contractor shall not refer to the award of Contract in commercial advertising in such a manner as to state or imply that the firm or its services are endorsed or preferred by the Commonwealth of Kentucky without the expressed written consent of the agency technical contact person. (see Section 50.4)

40.19 **Patent or Copyright Infringement**

The contractor shall report to the Commonwealth promptly and in reasonable written detail, each notice of claim of patent or copyright infringement based on the performance of this Contract of which the contractor has knowledge.

The Commonwealth agrees to notify the contractor promptly, in writing, of any such claim, suit or proceeding, and at the contractor's expense give the contractor proper and full information needed to settle and/or defend any such claim, suit or proceeding.

If, in the contractor's opinion, the equipment, materials, or information mentioned in the paragraphs above is likely to or does become the subject of a claim or infringement of a United States patent or copyright, then without diminishing the contractor's obligation to satisfy any final award, the contractor may, with the Commonwealth's written consent, substitute other equally suitable equipment,

materials, and information, or at the contractor's options and expense, obtain the right for the Commonwealth to continue the use of such equipment, materials, and information.

The Commonwealth agrees that the contractor has the right to defend, or at its option, to settle and the contractor agrees to defend at its own expense, or at its option to settle, any claim, suit or proceeding brought against the Commonwealth on the issue of infringement of any United States patent or copyright or any product, or any part thereof, supplied by the contractor to the Commonwealth under this agreement. The contractor agrees to pay any final judgment entered against the Commonwealth on such issue in any suit or proceeding defended by the contractor.

If principles of governmental or public law are involved, the Commonwealth may participate in the defense of any such action, but no costs or expenses shall be incurred for the account of the contractor without the contractor's written consent. The contractor shall have no liability for any infringement based upon:

- A. the combination of such product or part with any other product or part not furnished to the Commonwealth by the contractor
- B. the modification of such product or part unless such modification was made by the contractor
- C. the use of such product or part in a manner for which it was not designed

40.20 **Permits, Licenses, Taxes and Commonwealth Registration**

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of all Federal, State, and local governments in which work under this Contract is performed.

The contractor shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this Contract. Such registration is obtained from the Secretary of State, who will also provide the certification thereof. Additional local registration or license may be required.

The contractor shall pay any sales, use, and personal property taxes arising out of this Contract and the transaction contemplated hereby. Any other taxes levied upon this Contract, the transaction, or the equipment or services delivered pursuant hereto shall be borne by the contractor.

40.21 **EEO Requirements**

The Equal Employment Opportunity Act of 1978 applies to All State government projects with an estimated value exceeding \$500,000. The contractor shall comply with all terms and conditions of the Act.

<http://finance.ky.gov/services/eprocurement/Pages/VendorServices.aspx>.

40.22 **Provisions for Termination of the Contract**

This Contract shall be subject to the termination provisions set forth in 200 KAR 5:312.

40.23 **Bankruptcy**

In the event the contractor becomes the subject debtor in a case pending under the Federal Bankruptcy Code, the Commonwealth's right to terminate this Contract may be subject to the rights of a trustee in bankruptcy to assume or assign this Contract. The trustee shall not have the right to assume or assign this Contract unless the trustee (a) promptly cures all defaults under this Contract; (b) promptly compensates the Commonwealth for the monetary damages incurred as a result of such default, and (c) provides adequate assurance of future performance, as determined by the Commonwealth.

40.24 **Conformance with Commonwealth & Federal Laws/Regulations**

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the Commonwealth on this Contract, including but not limited to actions either for breach of contract or for enforcement of this Contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

40.25 **Accessibility**

Vendor hereby warrants that the products or services to be provided under this Contract comply with the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, part 1194. Vendor further warrants that the products or services to be provided under this Contract comply with existing federal standards established under Section 255 of the Federal Telecommunications Act of 1996 (47 U.S.C. § 255), and its implementing regulations set forth at Title 36, Code of Federal Regulations, part 1193, to the extent the vendor's products or services may be covered by that act. Vendor agrees to promptly respond to and resolve any complaint regarding accessibility of its products or services which is brought to its attention.

40.26 **Access to Records**

The state agency certifies that it is in compliance with the provisions of KRS 45A.695, "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract." The Contractor, as defined in KRS 45A.030, agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement for the purpose of financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the agreement and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

40.27 **Prohibitions of Certain Conflicts of Interest**

In accordance with KRS 45A.340, the contractor represents and warrants, and the Commonwealth relies upon such representation and warranty, that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services. The contractor further represents and warrants that in the performance of the contract, no person, including any subcontractor, having any such interest shall be employed.

In accordance with KRS 45A.340 and KRS 11A.040 (4), the contractor agrees that it shall not knowingly allow any official or employee of the Commonwealth who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this Contract to voluntarily acquire any ownership interest, direct or indirect, in the contract prior to the completion of the Contract.

40.28 **No Contingent Fees**

No person or selling agency shall be employed or retained or given anything of monetary value to solicit or secure this Contract, excepting bona fide employees of the offeror or bona fide established commercial or selling agencies maintained by the offeror for the purpose of securing business. For breach or violation of this provision, the Commonwealth shall have the right to reject the proposal or cancel the Contract without liability.

40.29 **Intentionally Left Blank**

40.30 **Contract Claims**

The Parties acknowledge that KRS 45A.225 to 45A.290 governs contract claims.

40.31 **Limitation of Liability**

The liability of the Commonwealth related to contractual damages is set forth in KRS 45A.245. The Vendor's liability for damages to the Commonwealth should be limited to the greater of \$1,000,000 or two times the contract purchase. The foregoing limitation of liability should not apply to claims covered by other specific provisions calling for liquidated damages or specifying a different limitation of liability, or to claims for injury to persons or damage to property caused by the Vendor's negligence or willful or wanton conduct. In no event should either party be liable for any indirect, special, punitive or consequential damages unless otherwise specified in the Contract.

40.32 **Discrimination (Effective April 8, 2015)**

Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. This section applies only to contracts utilizing federal funds, in whole or in part. During the performance of this Contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, or age. The contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The contractor agrees to provide, upon request, needed reasonable accommodations. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.
3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this section, and shall

post copies of the notice in conspicuous places available to employees and applicants for employment. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.
7. The contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

SECTION 50 – SCOPE OF WORK

50.1 **Agencies to Be Served**

This Contract shall be for use by the **KY DEPARTMENT OF EDUCATION** including **all KY Public School Districts, KY School for the Blind (KSB), KY School for the Deaf (KSD),** and the **Education and Workforce Development Cabinet** which includes but is not limited to the **KY Department of Education (KDE), KY Educational Television (KET)** and the **Council on Postsecondary**

Education (CPE). No shipments shall be made except upon receipt by vendor of an official delivery order from the using agency.

50.2 **Term of Contract and Renewal Options**

The initial term of this Contract shall be for a period of **four (4) years** from the effective date of the Award of Contract.

This Contract may be renewed at the completion of the initial contract period for **two (2) additional two-year** periods upon the mutual agreement of the Parties. Such mutual agreement shall take the form of a contract modification as described in Section 40.8.

At the end of this Contract, the vendor shall provide all agency data in a form that can be converted to any subsequent system of the agency's choice. The vendor shall cooperate to this end with the vendor of the agency's choice, in a timely and efficient manner.

The Commonwealth reserves the right not to exercise any or all renewal options. The Commonwealth reserves the right to extend the contract for a period less than the length of the above-referenced renewal period if such an extension is determined by the Commonwealth Buyer to be in the best interest of the Commonwealth.

The Commonwealth reserves the right to renegotiate any terms and/or conditions as may be necessary to meet requirements for the extended period. In the event proposed revisions cannot be agreed upon, either party shall have the right to withdraw without prejudice from either exercising the option or continuing the contract in an extended period.

50.3 **Basis of Price Revisions**

PRICE ADJUSTMENTS: Unless otherwise specified, the prices established by this Contract shall remain firm for the contract period subject to the following:

- A. **Price Increases:** A price increase shall not occur during the first twelve (12) months of this Contract. A vendor may request a price increase after twelve (12) months of this Contract, which may be granted or denied by the Commonwealth. Any such price increase shall be based on industry wide price changes. The contract holder must request in writing a price increase at least thirty (30) days prior to the effective date, and shall provide firm proof that the price increase(s) is justified. The Office of Procurement Services may request additional information or justification. If the price increase is denied, the contract holder may withdraw from the Contract without prejudice upon written notice and approval by the Office of Procurement Services.

Provided, however, that the vendor must continue service, at the contract prices, until a new contract can be established (usually within sixty (60) days).

- B. Price Decreases: The Contract price shall be reduced to reflect any industry wide price decreases. The contract holder is required to furnish the Office of Procurement Services with notice of any price decreases as soon as such decreases are available.
- C. Extended Contract Periods: If this Contract provides for an optional renewal period, a price adjustment may be granted at the time the contract is renewed, subject to price increase justification as required in Paragraph A "Price Increases" as stated above.

50.4 Notices

All programmatic communications with regard to day-to-day performance under this Contract are to be made to the agency technical contact(s) identified during the negotiation phase of this procurement.

**Agency Technical Contact
Melissa Moore
KY Department of Education
300 Sower Boulevard, 4th Floor
Frankfort, KY 40601
(502) 564-2020 x 2438
Melissa.Moore@education.ky.gov**

All communications of a contractual or legal nature are to be made to the Commonwealth Buyer.

**Commonwealth Buyer
Susan S. Noland, KCPM
COMMONWEALTH OF KENTUCKY
FINANCE AND ADMINISTRATION CABINET
Office of Procurement Services
New Capital Annex
702 Capitol Avenue, Room 096
Frankfort, KY 40601
(502) 564-5951
Susan.Noland@ky.gov**

50.5 Subcontractors

The Contractor is permitted to make subcontract(s) with any other party for furnishing any of the work or services herein. The Contractor shall be solely responsible for performance of the entire Contract whether or not subcontractors are used. The Commonwealth shall not be involved in the relationship between the prime contractor and the subcontractor. Any issues that arise as a result of this relationship shall be resolved by the prime contractor. All references to the contractor shall be construed to encompass both the contractor and any subcontractors of the contractor.

50.6 Scope of Work/Technical Requirements

A. Enterprise Instructional Hardware and Services

1. Qualified Vendors

A qualified vendor is an original equipment manufacturer (OEM) of enterprise level instructional devices and related services that meets or exceeds all technical specifications outlined in this Contract.

After award, the manufacturer may propose the usage of up to three (3) agents. The Kentucky Department of Education reserves the right to review and give final approval to the proposed agents and/or any change in agents after the initial contract award. The manufacturer is still responsible for ALL aspects of the contract requirements regardless of the usage of an agent(s). A manufacturer SHALL NOT be allowed to have more than three (3) agents.

For this Contract, an agent is defined as a company or individual that represents the manufacturer in marketing, quoting items from contract, purchase order review & acceptance, delivery and/or warranty and support services of the manufacturer's product(s). Payment for invoices from contract purchases may be addressed to either the contract holder or an agent if the KETS customer is working directly with an approved agent.

Vendor Single Point of Contact

The vendor should name a person that will be the single point of contact (SPOC) for contract issues.

SPOC
Debra Lee
HP Inc.
10400 Energy Drive

Spring, Texas 77389
Phone: 847.537.0344 (office); 847.922.2977 (cell);
Fax: 847.572.1336
debra.lee@hp.com

The SPOC should be aggressive in sharing contract information, including but not limited to solution roadmaps, pricing and other strategic information to KDE and KETS customers.

The contract holder should ensure this person and all salespersons of their product will be knowledgeable in:

- All the details of the KETS contract.
- The KY School, District Office and KDE customer base.
- The most current KETS Master Plan on our Web site and year round current events in KETS.

Upon contract award, the Vendor's SPOC should provide a description of a copy of procedures for requesting escalation, complaint resolution and identify the staff available for installations, billing problems, etc. Vendor should update this information annually at a minimum.

2. Categories

The following categories should be established KETS Instructional Devices:

- Enterprise Desktops
- Enterprise Laptops
- Instructional Device Maintenance/Warranty Support
- Enterprise Tablets (Optional)
- Monitors (Optional)
- Instructional Device Accessories (Optional)
- Instructional Device Installation/Initial Configuration (Optional)
- Services (Optional)

Services should include but not be limited to: de-installation, training, migration, and optimization of products offered or supplied under the Master Agreement. These types of services may include, but are not limited to: de-installation, factory integration (software or equipment components), asset management, recycling/disposal, training and certification, pre-implementation design, disaster recovery planning and support, service desk/helpdesk, and any other directly related technical support service required for the effective operation of a product offered or supplied.

Consumer grade devices, which are defined as devices that are not included in the manufacturer's enterprise line of devices are not included in this Contract.

Minimum Technical Specifications are included for enterprise desktops and laptops in **Attachment G**.

KETS Instructional Device Guidelines are included in **Attachment I**.

Categories including tablets, instructional device accessories and services are optional. Vendors may include these optional categories if available. KETS customers may purchase products or services included in the optional categories from either this KETS contract or other approved sources.

HP agrees that the products proposed will conform to HP specifications. Services are performed using generally recognized commercial practices and standards. The Commonwealth agrees to provide prompt notice of any such service concerns and HP will re-perform any service that fails to meet this standard. Services that are not Care Packs, or not included in HP's Cost, which are custom quoted, will be mutually agreed by the parties and included in an executed project plan (statement of work).

3. New/Revised Products

Vendor(s) are encouraged to update their product lines and solutions as quickly as possible. As new models of products and/or updates to solutions within the scope and spirit of the contract become available the vendor will notify OET's Vendor Manager. OET reserves the right to approve all new and revised products and solutions, including pricing prior to the vendor being able to include it in the KETS contract. **OET reserves the right to ask for an evaluation unit for a three (3) month period.**

4. Pricing

Contract Pricing: Equitable pricing shall be offered to all KETS customers. KY Public School Districts, KSB, and KSD may qualify for discounts including but not limited to operating system or other education discounts. KY's Public School Districts shall purchase from the KETS Master Agreements for the instructional device solutions and categories that have been approved by KDE. Vendor(s) shall be able to effectively handle this magnitude of sales, meet delivery deadlines with quality Enterprise (not Consumer) hardware and support equitably across every county in our state while meeting the performance standards for the life of the contract. The Commonwealth requests hardware that has consistency in parts and has undergone testing of internal components to the Enterprise level versus the consumer level. It is mandatory that vendors have capacity to provide contract management and support across every county KY. Vendor shall provide on-site support to **every school**

in **every county** with the same timelines and costs with no exceptions for location.

Promotional Pricing: KDE may identify set dates where promotional pricing is encouraged by contract holders to KETS customers. During the promotional period(s) deeper discounts which are available regardless of quantities purchased may be set by the contract holder. This promotional pricing must be submitted and approved by the OET Vendor Manager and be available to all KETS customers. At the close of a promotion period the discounts would return to the discount off MSRP approved prior to the promotional period. Any promotional discount must be equitable and offered to all KETS customers during that period.

HP has Smart Buys, which are otherwise referred to as Promotions. These Promotional items are based on a specific configuration at a set promotional fixed price and are typically not discountable. These Promotional items already carry a reduced price that was created from an overall Company perspective to HP customers available for only a limited time period. Providing these automatically to KETS customers provides readily available promotions and savings. The proposed Category discounts would, therefore, not apply to these Smart Buy Promotional products.

Operating System Pricing: Vendors awarded a contract may offer the best operating system pricing available to the KETS customer. This may include but is not limited to Original Equipment Manufacturer (OEM) pricing.

Negotiation of Price: During the life of the contract, KETS customers are encouraged to negotiate a better price for items or a better discount for product categories available for purchase from the KETS Master Agreement(s). However, once a lower price or better discount has been negotiated with one district, it becomes the new statewide price/discount for that solution/product category for the duration of the KETS contract. Typically, vendors have special offers to quickly get rid of inventory that didn't sell as well as anticipated or is outdated. If a vendor offers a special price for any time period (e.g. Offer ends August 12), that price for that model for all districts does not end on August 12. Instead, it has now become the new price for the duration that the model is on contract. The exception to this is the promotional pricing period set by KDE. Example: If a large district like Jefferson County negotiates a lower price for a specific model from a vendor, it now becomes the new price for every district statewide for that model from that vendor.

5. Personal Purchases

All staff of KETS customers, including public school staff and students, may purchase from this contract for their personal use. This specifically includes certified teachers as mandated by KRS 156.690. On-site warranty service for personal purchases from this contract will take place at the staff member's school or district office. Applicable taxes and/or shipping charges may apply to personal purchases.

6. Contract Quotes and Invoicing

Vendor quotes and invoices shall be submitted to the customer. Vendor shall submit invoices only for items ordered, delivered and accepted by the customer. Each quote and invoice should include at a minimum:

- State/KETS Master Agreement number
- Customer purchase order number
- Customer name and address
- Date of Order
- Date of Installation (if applicable)
- Detailed equipment charges
- Hourly rate, if applicable
- Grand total for the quote or invoice

B. Leasing

Leasing should be made available as an option to KETS customers. Leasing agreements shall meet all legal requirements for the Commonwealth and KDE. Vendor shall quote hardware warranty coverage for the duration of the lease period. The Commonwealth Lease Agreement is attached to this Contract as **Attachment J**. No changes or substitutions to the Commonwealth Lease Agreement may be made without the approval of KDE and the Finance Cabinet Office of Procurement Services (OPS). Lessee shall not be penalized for failure to return copies of device technical documentation such as CDs if reasonable efforts have been made to store, track and return them at the end of a lease. Information provided by the Vendor of leased items on any Lease quote or schedule of equipment shall include the following: description (including model name and number where applicable), price, quantity, total quantity price, and the KETS contract number. When there is a residual lease value the Vendor shall clearly identify the residual value per unit and the total quantity residual value. The residual value must be clearly identified in the lease quote and lease agreement. Lease payments will be addressed to the contract holder. If the lease exceeds threshold of \$100,000 then the lease has to be approved by KDE before the lease can be approved. Below is a link to the guidelines and regulations regarding leases

<https://education.ky.gov/districts/tech/kpur/Pages/Leases.aspx>

C. Web site

Vendor shall maintain their own Web site where solutions and prices offered on the KETS contract may be easily/quickly viewed. The web site should allow KETS customers to place and view orders. This information must be easily accessible and easily recognized as "KETS Master Agreement" pricing. The vendor Web site shall also clearly identify the contract number and vendor contact information. The vendor shall work with the OET Vendor Manager to satisfy the Web site requirements within (90) ninety days of a contract award.

D. Warranty

Vendor should be able to provide various levels of warranty service for all hardware offered on the contract. Vendor shall include one (1) year of onsite warranty coverage with an optional three (3) year warranty in the initial purchase cost of desktops and one (1) year of depot warranty coverage with an optional three (3) year warranty in the initial purchase cost of laptops. Vendor may offer optional upgrades at an additional fee: four (4) or five (5) year on-site and depot warranty and faster repair times such as next business day no troubleshooting if available. After the initial one (1) year period, if hardware maintenance is desired, it will be the responsibility of the customer to procure from either this Contract or other approved sources.

Depot and on-site warranty shall meet the following criteria:

- The KETS Customer's Primary Period of Service (PPS) falls between the hours of 8:00 am and 5:00 pm ET, Monday - Friday, excluding state observed holidays. The vendor shall be available to provide warranty service during the PPS;
- Vendor shall have a toll-free number for all calls and a call tracking system;
- Vendor shall call and/or email the customer back within one (1) hour of placing call to provide applicable information including ticket number;
- The **one (1)** warranty coverage included in the initial purchase shall be either Depot or on-site and is defined as:
 - **Depot Warranty:** Depot warranty means that upon determining the hardware requires service, the vendor will provide to the customer a shipping container by the close of the customer's next business day for the customer to package and ship the hardware to the manufacturer's authorized repair facility. Hardware being serviced through depot warranty must be fully operational and returned to the customer within forty (40) business hours upon receipt of the depot shipment from the customer. Depot warranty periods begin at the time of delivery of the equipment. The vendor shall be responsible for all shipping costs.

- On-site Warranty: On-site warranty means that the vendor goes to the location of the equipment purchased, e.g. a school, district office, state agency, etc. On-site warranty shall be a full on-site service, parts and labor and warranty to begin at the time of delivery of equipment to the customer's site. Hardware being serviced through on-site warranty must be fully operational within forty-eight (48) working hours.
- All technicians shall be properly certified and/or licensed to service the hardware;
- Vendor may perform diagnostics and repair remotely if applicable with the customer's prior approval;
- Vendor is not responsible for disaster recovery;
- Products that are delivered but defective "out of the box" shall be replaced with new replacements versus initiating warranty service.
- Replacement parts shall be new or reconditioned, and of equal or better quality than original parts;
- There shall be no charge for any shipping and handling of parts or labor charges for troubles or issues with the equipment;
- Vendor shall ensure the cost is the same throughout the state for installation or warranty services;
- Vendor shall be provided access to the customer's building where the equipment is located as required to fulfill customer service requests in the event of onsite service.
- Warranty does not extend to hardware that has been damaged or rendered defective due to:
 - a result of accident, misuse or abuse;
 - a result of an act of God;
 - Operation outside the usage parameters stated in the products user manual;
 - modification of the product
 - A result of service by anyone other than (manufacturer), contract agent who is authorized to provide service, or authorized service provider. Expendable parts, such as non-rechargeable batteries, carrying cases, etc. are not covered. Damage due to loss of any programs, data or removable storage media is not covered.

Self-Maintainer:

Vendor must be able to facilitate the customer to become a self-maintainer of hardware that is purchased from this Contract. Being a self-maintainer allows the customer to have staff certified on the manufacturer's brand of hardware to provide in-house servicing for hardware programs. Several districts within the Commonwealth currently are manufacturer certified to perform such service, which provides for cost savings as well as the opportunity within some districts

for the Student Technology Leadership Program (STLP) to gain hands-on experience that can be invaluable educational experience.

Warranty Penalties

There shall be a complaint desk at KDE site so customers can quickly document vendors that are failing to meet the service requirements of the contract. Quarterly reports will be prepared and submitted by the vendor to the OET Vendor Manager which will assist KDE in identifying vendors whom have not successfully met service response times. Vendor shall meet service specifications for a minimum of 97% of total annual service calls. Vendor is allowed this three percent (3%) failure rate based on total service calls they receive annually due to vehicle break down, parts that get lost, addresses being difficult to find, etc.

Vendors who exceed the three percent (3%) failure rate during the first quarter shall be required to meet with OET Vendor Manager to establish a corrective plan for warranty service. Vendors who exceed the three percent (3%) failure rate for two (2) consecutive quarters shall be required to meet with OET Vendor Manager to establish a corrective plan for warranty service and OET may recommend a two (2) week suspension of the vendor's contract to OPS. Vendors who exceed the three percent (3%) failure rate for three (3) consecutive quarters shall be required to meet with OET Vendor Manager to establish a corrective plan for warranty service and OET may recommend a three (3) week suspension of the vendor's contract to OPS. Vendors who exceed the three percent (3%) failure rate for four (4) consecutive quarters shall be required to meet with OET Vendor Manager to establish a corrective plan for warranty service and OET may recommend termination of the vendor's contract to OPS.

The vendor shall be held solely accountable for all services conducted under the terms and conditions specified in this warranty. Service calls taken by any technical support center(s) shall be quickly turned over to second and third levels of support for quick resolution rather than attempts to resolve issues at that point. All support personnel shall be certified by the manufacturer of equipment (for example, if this vendor supplies Vendor X equipment, support staff shall hold a manufacturer's certification and be certified by Vendor X to perform service on Vendor X equipment).

E. Vendor's Contract Reporting

In addition to the reporting requirement by OPS, the vendor shall submit the following reports quarterly to the OET Vendor Manager:

1. **Sales Report**, vendor shall maintain accurate records indicating sales from the KETS contract. Reports will contain the following fields: contract number, invoice date, customer name, product number, description (must include model name and number), unit price, list price, quantity purchased, total price, discount off MSRP.

2. **Warranty/Maintenance Report**, vendor shall maintain accurate records indicating service performance of hardware purchased from the KETS contract. Reports will contain the following fields: Customer name, service call date, Hardware & Service Description including models and versions respectively, Warranty or SLA Coverage, and Service Completion Date.

Vendor shall prepare and submit electronically this information no later than ten (10) business days after the end of each quarter to the OET Vendor Manager. It will be the responsibility of the vendor to submit the quarterly sales reports. Neither the OET Vendor Manager nor KDE shall be responsible for reminders to submit reports. OET shall report any failure to submit and/or late submissions of sales reports on the annual contract review.

F. Delivery, Delivery Penalties, Delivery Penalty Waiver

1. Delivery

All deliveries of equipment shall be provided within thirty (30) calendar days of the vendor's receipt of the purchase order from the customer, unless otherwise requested by the purchasing agency in writing. Delivery is defined as the receipt of goods and completion of installation, if required.

Customers purchasing from this Contract shall have thirty (30) calendar days from the date the customer receives a complete order to notify the vendor of any issues with the order (i.e. missing or damaged parts). Vendor may consider the order accepted by the customer after the close of the thirty (30) calendar day window.

2. Delivery Penalties

Vendor agrees when delivery is not made within the contracted due date, five percent (5%) per **complete, 7-day** calendar week may be deducted from the Vendor's invoice for each calendar week vendor fails to meet the contracted delivery date.

Vendor agrees when delivery and/or installation is not made within the contracted timeframes, five percent (5%) per **complete, 7-day** calendar week from the total invoice amount may be deducted from the vendor's

invoice for each calendar week vendor fails to meet the contracted timeframe. Penalties may continue to be charged to the vendor until the delivery and installation if applicable is complete.

3. Delivery Penalty Waiver

Vendor shall not be penalized if within the thirty (30) day delivery period, they have supplied OET and the customer with a written notice indicating the particular model ordered is not available in inventory anymore and a newer different model will be shipped in its place. In this case, the vendor should have submitted the new model to OET for approval and evaluation testing unless the evaluation of that model is waived by OET. The new model should not be shipped to the customer until which time the model has been added to the KETS contract. The vendor should not use this penalty waiver to notify customers falsely with intentions to stall and send the same unit originally ordered. This conduct may result in termination of contract. Once the vendor receives notification their new model is now available for sales; the thirty (30) day clock starts again.

IV. Pricing

Instructional Device Categories	Discount Off MSRP
Enterprise Desktops	10%
Enterprise Laptops	10%
Instructional Device Maintenance/Warranty Support	15%
Enterprise Tablets	10%
Monitors	5%
Instructional Device Accessories	15%
Instructional Device Installation/Initial Configuration	10%
Services	10%

V. Approvals

This Contract is subject to the terms and conditions as stated. By executing this Contract, the parties verify that they are authorized to bind this agreement and that they accept the terms of this agreement.

This Contract may be executed electronically in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Contract.

This Contract is invalid until properly approved and executed by the Finance and Administration Cabinet.

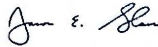
1st Party: Kentucky Department of Education, (“the Commonwealth” or “Customer” or “KDE”)

Jason E. Glass, Ed.D.

Commissioner of Education

Printed name

Title



09/17/2020

Date

Signature

2nd Party: HP Inc., as Contracting Agent (“Contractor” or “Vendor” or “HP”)

Judith M. Alexander

Senior Counsel

Printed name

Title



September 16, 2020

Date

Signature

**Approved by the Finance and Administration Cabinet
Office of Procurement Services**

Joan Graham

Executive Director

Printed name

Title

DocuSigned by:

Signature
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9/21/2020

Date

- Attachment A – This Document
- Attachment B – Omitted Intentionally
- Attachment C – Omitted Intentionally

- Attachment D – Omitted Intentionally**
- Attachment E – The Protection of Personal Information Security and Breach Investigation Procedures and Practice Act (KRS 61.931) if applicable**
- Attachment F – Omitted Intentionally**
- Attachment G – Instructional Device Hardware Minimum Technical Specifications**
- Attachment H – Omitted Intentionally**
- Attachment I – KETS Instructional Device Guidelines**
- Attachment J – Commonwealth Lease Document**
- Attachment K – Omitted Intentionally**
- Attachment L – Omitted Intentionally**
- Attachment M – Omitted Intentionally**
- Attachment N – Omitted Intentionally**

ATTACHMENT E
Protection of Personal Information Security and Breach
Investigation Procedures and Practices Act

Vendors that receive Personal Information as defined by and in accordance with Kentucky's Personal Information Security and Breach Investigation Procedures and Practices Act, KRS 61.931, et seq., (the "Act"), shall secure and protect the Personal Information by, without limitation, complying with all requirements applicable to non-affiliated third parties set forth in the Act.

"Personal Information" is defined in accordance with KRS 61.931(6) as "an individual's first name or first initial and last name; personal mark; or unique biometric or genetic print or image, in combination with one (1) or more of the following data elements:
a) An account, credit card number, or debit card number that, in combination with any required security code, access code or password, would permit access to an account;
b) A Social Security number;
c) A taxpayer identification number that incorporates a Social Security number;
d) A driver's license number, state identification card number or other individual identification number issued by an agency;
e) A passport number or other identification number issued by the United States government; or
f) Individually Identifiable Information as defined in 45 C.F.R. sec. 160.013 (of the Health Insurance Portability and Accountability Act), except for education records covered by the Family Education Rights and Privacy Act, as amended 20 U.S.C. sec 1232g."

As provided in KRS 61.931(5), a "non-affiliated third party" means "any person or entity that has a contract or agreement with the Commonwealth and receives (accesses, collects or maintains) personal information from the Commonwealth pursuant to the contract or agreement."

The vendor hereby agrees to cooperate with the Commonwealth in complying with the response, mitigation, correction, investigation, and notification requirements of the Act.

The vendor shall immediately notify as soon as possible, but not to exceed seventy-two (72) hours, the contracting agency, the Office of Procurement Services, the Commonwealth Office of Technology and the NG-KIH Program Office of a determination of or knowledge of a breach, unless the exception set forth in KRS 61.932(2)(b)2 applies and the vendor abides by the requirements set forth in that exception.

The vendor hereby agrees that the Commonwealth may withhold payment(s) owed to the vendor for any violation of the Identity Theft Prevention Reporting Requirements.

The vendor hereby agrees to undertake a prompt and reasonable investigation of any breach as required by KRS 61.933.

Upon conclusion of an investigation of a security breach of Personal Information as required by KRS 61.933, the vendor hereby agrees to an apportionment of the costs of the notification, investigation, and mitigation of the security breach.

In accordance with KRS 61.932(2)(a) the vendor shall implement, maintain, and update security and breach investigation procedures that are appropriate to the nature of the information disclosed, that are at least as stringent as the security and breach investigation procedures and practices established by the Commonwealth Office of Technology:

<http://technology.ky.gov/ciso/Pages/InformationSecurityPolicies,StandardsandProcedures.aspx>

Attachment G
Instructional Device Hardware Minimum Specifications

Category	Enterprise Desktop Solution	Enterprise Laptop or Windows Tablet Solution
Processor	X86, X64 or ARM	X86, X64 or ARM
Installed Memory	4 GB (1x4 GB DIMM)	4 GB (1x4 GB DIMM)
Memory Expansion	16 GB	8 GB
Cache	2 MB, Integrated L2 Cache	2 MB, Integrated L2 Cache
Slots	2 PCI/PCI X/PCI Express Slots	
Hard Drive	Internal persistent storage	Internal persistent storage
Audio	Combo Audio Out/In or Audio out and microphone	Combo Audio Out/In or Audio out and microphone
Video	Integrated shared video	Integrated shared video
Graphics Support	Graphics support 1280 x 1024 @ 75Hz	
Ports	VGA graphics, 1 VGA video port	VGA and/or HDMI capable either with or without use of an adapter or "dongle"
Ports – Universal Serial Bus (USB)	4 USB (2.0 and 2 USB 3.0)	1USB Ports (powered or USB 3.0)
CD/Rom	Optical drive is included	Optional, does not come with an optical drive
Display	N/A	1366 x 768
Battery	N/A	4.5-hour usage without plug in
Input Device (Mouse)	101 Key Keyboard – USB	
Input Device (Keyboard)	2 button Optical Mouse	
Operating System	Licensed for latest Apple or Windows OS	Licensed for latest Apple or Windows OS
Drivers	Shall have all standard drivers installed on each unit	Shall have all standard drivers installed on each unit
Driver – Network Interface	Include, at a minimum, network interface, hard disk, video, etc.	Include, at a minimum, network interface, hard disk, video, etc.

Category	Enterprise Desktop Solution	Enterprise Laptop or Windows Tablet Solution
Network	Configured with one (1) Ethernet network adapter (10/100/1000)	Configured Ethernet network adapter (10/100/1000) or Internal wireless (802.11 b/g/n)
Energy Star Certified	YES	YES
EPEAT Certified	YES	YES
Warranty	1 Year with a minimum 3 year option	1 Year with a minimum 3 years option

Attachment I KETS Instructional Device Guidelines



The instructional device market continues to grow and expand. Having device product standards and contracts has been a foundational effort for the Kentucky Educational Technology System (KETS) program since its existence. KETS Instructional Device Standards are in place and have been established for enterprise class devices. Recent innovations in computing devices, however, have realized two issues with the KETS ID Standards, namely 1) a blurring of the lines between what makes up an "enterprise" device and what makes up a "non-enterprise" grade or class device, and 2) the rapid creation of whole new categories of instructional devices. With these facts in mind, the focus of this document is to provide guidelines to consider when selecting and purchasing new instructional devices. Additionally, these guidelines will assist in determining whether a device is an "enterprise" level device that must be purchased through the KETS Instructional Device Standards, or a "non-enterprise" class device, which may be purchased outside of the KETS contract mechanism, while continuing to adhere to [model procurement code](#) and local district policy.

Quick Steps:

1. First, determine what you want to do instructionally, and then match the device up with that.
2. Next determine operational, management, and support strategy in order to achieve success.
3. If the strategy dictates an enterprise class approach, refer to the KETS product standards and contract holders.
4. If the strategy dictates a non-enterprise class approach, then consider the following guidance for non-enterprise class devices (see below).

Defining an Enterprise Class Device:

A device is determined enterprise grade if **all three** categories are achieved. *Special note: contrary to general perception, this determination does not hinge on form factor, appearance, and/or price.

1. **Centralized Manageability** - The device can be managed through enterprise systems such as: Active Directory, Group Policy (GPO), WSUS, Antivirus (the ability to push policies, updates, patches, etc. from a central location or network system).
2. **Long or Extended Life Cycle** - The device is expected to be in use for 3 to 5 years. As an example question to ask, is the device issued to a student as a freshman, and expected to have a viable 4-year lifespan (through graduation)? Manufacturers sometimes determine this by limitations on the OEM Warranty (both Hardware and Operating System or OS Support), on-site repair, and availability of depot parts.
3. **100% supported interoperability with Enterprise Applications** - Full support from the KETS Service Desk can be expected with devices that can run enterprise applications such as CIITS, IC, Munis, KDE endorsed online assessments. Enterprise applications are often rich client/ client based, or compatible with full browser version (not mobile versions of a web browser). The OS and software that can be installed on the device also speaks to the level of enterprise support and management. ***KETS/ KDE backing of the contract terms and conditions.

***Note:** Enterprise class devices shall be purchased from a KETS Contract. Devices that do not compete with KETS product or technical standards, and are not determined to be enterprise class devices, are not required to be purchased from a KETS contract. Therefore, a KETS contract waiver is not needed.*

Non-Enterprise Class Device Guidance:

If the device is not enterprise grade, the following best practice concepts should be explored:

1. Intended Use
 - a. Determine what the devices will be used for. Example: Assessments, basic Internet access, content creation, digital textbook consumption, etc. This will help determine the form factor and Operating System (OS) that is most appropriate. It will

also help determine if accessories are needed.

- b. Will the device be assigned to a single user or shared?
- c. Leaders should think through and plan for the required management strategies, replacement/sustainment strategies, and operational support strategies in leveraging this device selection.

2. Warranty and Lifespan Expectations

- a. Set the correct expectations - There is no KDE/State leverage in terms of support with vendor issues for non-enterprise class devices. Non-enterprise devices have not undergone review or evaluation by the KDE, and have not been confirmed to meet the KDE standards or recommended guidelines.
- b. If purchasing and deploying devices that are not determined to be enterprise grade, district and school level leadership teams should be prepared for shorter refresh cycle expectations, resulting in different measures of sustainability.
- c. Determine the scope and duration of manufacturer warranty. If additional warranty can be purchased, weigh the additional cost and lifecycle expectations against the overall cost of the device.

3. Buy a Few & Test

- a. Prior to making purchases for a large quantity of a particular device, full end user usability and technical reviews should be a major part of the adoption plan. End user experiences and technical management experiences should meet the desired outcomes.
- b. Consider exploring if the device is agile and flexible enough to meet the changing instructional practices that meet the vision of school and district leadership.
- c. Is the device durable enough for the environment in which it will be used?
- d. Consider reviewing the following specifications: screen size and resolution, processor type and speed, RAM, available storage space, quality of camera(s), battery life, available inputs and outputs, touch responsiveness (touch or non-touch – if applicable).

4. Price/ Cost

- a. In general terms, the price of a device is relational to the expectations

on supportability, life span or life cycle, and manageability.

- b. Consider related costs, such as software and/or servers for managing devices and accessories. As well as device accessories such as keyboards, protective cases, etc.

5. OS & Software/ Apps

- a. Does the device run the full version of Software or only run individual apps from an app store?
- b. Is there a game plan on how to purchase from an app store and how install applications across multiple devices?
- c. What is your method of ensuring virus protection and software updates for non-enterprise class devices?

**ATTACHMENT J
COMMONWEALTH LEASE AGREEMENT
Term Lease Agreement**

THIS TERM LEASE AGREEMENT is made this ____ day of _____, 20__

WHEREAS, The Commonwealth of Kentucky ("Lessee") and _____ ("Lessor") desire to enter into a Term Lease Agreement No. _____, dated _____ (the "Lease Agreement") and;

NOW, THEREFORE, the parties hereby agree as follows:

Lease

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, all hardware, software and other property (collectively, the "Equipment" and individually the "Item" or "Items of Equipment" described in the Equipment Schedule (Exhibit A) attached hereto and made a part hereof). Lessee acknowledges responsibility for choosing the Equipment to be leased. Lessor hereby affirms to have the ability to perform responsibly in connection with this Lease Agreement. Lessor has the capability in all respects to perform fully the Lease requirements, and the experience, integrity, perseverance, reliability, capability, facilities, equipment, and credit that will assure good faith performance.

Order of Equipment

Lessor agrees to arrange for delivery of the Equipment within thirty (30) days of the date of the Lease Agreement. All Equipment shall be completely configured with components and software prior to delivery. Lessor shall provide at time of delivery to Lessee the operational manuals for all hardware and software provided by Lessor. Delivery shall include unpacking and setting up Equipment as requested by the Lessee. Original boxes and packing shall be removed from the Lessee's premises and retained by the Lessor if Lessor requires re-packing of equipment at the end of the Lease period. There shall be no additional costs for configuration, delivery, or setup of Equipment. There shall be no additional charge for any Equipment delivered and installed earlier than other Equipment.

Term

The date of the Lessee's signing of the Certificate of Acceptance (Exhibit B which shall be attached hereto and made a part hereof) shall be the "Lease Commencement Date". The term of this Lease with respect to each item of Equipment as detailed in the Equipment Schedule (Exhibit A) shall commence when the Certificate of Acceptance (Exhibit B) is signed by Lessee or as otherwise specified herein and shall end upon the expiration of the number of months specified in the Equipment Schedule (Exhibit A).

Use

Lessee covenants and represents to Lessor that the Equipment will be used exclusively for official governmental agency purposes and will not be used at any time during the Term of this Lease for personal, family, or household purposes.

Lessee's Inspection and Acceptance

The Lessee's acceptance of the Equipment shall be evidenced by the Lessee's signing of the Certificate of Acceptance (Exhibit B). Lessee shall inspect each item of Equipment within five (5) work days of delivery and installation for acceptability thereof and if Equipment is acceptable shall promptly execute the Certificate of Acceptance (Exhibit B). Unless within such period of time Lessee gives written notice to Lessor specifying any defect in the Equipment or any other proper objection to the Equipment, Lessee agrees that it shall be conclusively presumed, as between Lessor and Lessee, that Lessee has accepted the Equipment and the Lease shall be deemed to commence on the sixth day after delivery. If Lessee gives such written notice to Lessor, the Equipment shall be deemed to be unacceptable.

Equipment Location

Lessee shall keep and use the Equipment at the Lessee address location as specified below. However, Lessee may move the Equipment to another location upon informing the Lessor of the new location.

Equipment Maintenance

Lessee must maintain and use the Equipment in compliance with all laws and regulations and in accordance with a manufacturer-approved maintenance program or agreement. If the Equipment malfunctions, is damaged, lost or stolen, Lessee agrees to continue to make all payments due under this Lease Agreement and each Schedule. This does not limit nor eliminate any rights or remedies Lessee may have against the Equipment manufacturer or supplier related to Equipment malfunction.

Title and Personal Property

The Equipment at all times shall be and remain the sole and exclusive property of Lessor during the Lease Term and Lessee shall have no right, title, or interest herein. In the event Lessee purchases missing/unfound Equipment at the end of Lease term, title shall transfer to Lessee at that time.

Liens and Taxes

Lessor shall keep the Equipment free and clear of liens and encumbrances. Lessee shall not be responsible for any taxes (property, local, state, or federal) related to ownership of the Equipment.

Lease Payments

Lease payments shall be made in accordance with Payment Schedule (Exhibit C attached hereto and made a part hereof).

The Lease payments for Equipment during the Term shall be payable to the Lessor in the amounts and sent to the address as specified on a per schedule basis on the Assignment Acknowledgement

Lease payments shall be paid on a _____ basis. First Lease payment shall be due no less than thirty (30) days after Lease Commencement Date or Lessor billing date, whichever is the later, for all Equipment.

Assignment

LESSEE MAY NOT SELL, PLEDGE, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS LEASE AGREEMENT OR ANY SCHEDULE. Lessor may sell, assign, or transfer all or any part of this Lease Agreement, any Schedule, and/or the Equipment. Assignment requires Lessee's prior written approval which will not be unreasonably withheld. The new owner will have the same rights that Lessor had, but Lessee agrees Lessee will not assert against the new owner any claims, defenses or set-offs that Lessee may have against Lessor or any supplier. The parties agree that any assignment will not materially affect Lessee's rights and benefits under this Lease Agreement or any Schedule.

Loss and Damage

Lessee assumes risks and liabilities directly related to loss, theft, damage, or destruction to any Equipment. No loss, theft, damage, or destruction of the Equipment shall relieve Lessee of the obligation of Lease payments or any other obligation under this Lease.

Insurance

Until a Schedule is paid in full and the Equipment has been returned to Lessor, Lessor will obtain insurance on the Equipment and Lessee acknowledges that the costs are included in the amount due under the applicable lease.

Notices

Lessor shall keep Lessee informed of their current address at all times. Service of all notices under this Lease shall be sufficient if mailed to the party involved at its respective address as set forth in the Lease Agreement or at such addresses as such party may provide in writing from time to time. Any such notice mailed to such address shall be effective when deposited in the United States mail via certified mail or other dated deliverance method such as Federal Express or UPS.

Return of Equipment or Purchase of Missing/Unfound Equipment

If Lessee does not exercise the lease End Purchase Option at the end of any Schedule term, as extended or renewed ("Termination Date"), Lessee will arrange for Equipment to be immediately crated, insured, and shipped, in good working condition, to Lessor by means Lessor will designate, with all expenses to be prepaid by Lessee. If Lessee fails to return the Equipment to Lessor as agreed, Lessee shall pay to Lessor the regular Lease payments each month from the Termination Date until the Equipment is returned. Lessee will be responsible for any damage to the Equipment during shipping.

Funding Out Provision

Lessee presently intends to continue this Lease hereunder for its entire Lease Term and pay all Lease payments thereto. Lessee will include in its budget proposal and use all reasonable and lawful means available to secure the appropriation of money for such payments. Lessor acknowledges that appropriation is a governmental function which Lessee cannot contractually commit itself in advance and this Lease Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make payments will be appropriated.

Other provisions of this Lease Agreement notwithstanding, the Lessor agrees that if funds are not appropriated to the Lessee or not otherwise available for the purpose of making payments hereunder, then the Lessee shall be authorized, upon sixty (60) days written notice to the Lessor, to terminate this Lease Agreement without obligation for the payment of any cancellation or termination charges. Lessee shall provide supporting documentation of funding lapse if Lessee initiates termination under this provision.

Non-waiver

No covenant or condition of this Lease shall be waived except by written consent of the Lessee and the Finance and Administration Cabinet, Office of Procurement Services by issuance of an official Modification.

Warranties

LESSOR IS LEASING THE EQUIPMENT TO LESSEE "AS IS", WITH NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Lessor assigns to Lessee for the term of this Lease Agreement and each Schedule any transferable manufacturer or supplier warranties. Such warranties are the sole covenant and obligation of the Equipment manufacturer or supplier; thereby Lessor or its assignees are not liable for any breach of those warranties. Lessee agrees that upon Lessee's acceptance of the Equipment, Lessee will have no set-offs or counter-claims against Lessor.

For the sake of clarity, please distinguish between the general obligations of the

manufacturer in connection with the sale and performance of the Equipment, and the limited obligations of Lessor, as Lessor, as stated in this Lease Agreement and each Schedule. Lessee acknowledges any right of return is solely with the manufacturer or supplier and not with the Lessor. Claims connected to the Equipment's performance must be addressed by Lessee directly with the Equipment manufacturer or supplier, separate and apart from the leasing relationship, and Lessee may not withhold lease payments during the pendency of such claims.

Default; Damages

If Lessee (a) fails to make any lease payment when due or (b) becomes insolvent or commences bankruptcy or receiverships proceedings or has such proceedings commenced against Lessee, or (c) terminates Lessee's existence by merger, consolidation, sale of substantially all Lessee's assets, or (d) defaults under any other agreement Lessee has with Lessor or Lessor's affiliates, or (e) otherwise breaches any provision of this Lease Agreement or any Schedule, Lessor may accelerate the remaining balance due on this Lease Agreement and any Schedule and demand the immediate return of the Equipment to Lessor. If Lessee does not return the Equipment to Lessor within (10) days of Lessor's notice of Lessee's default, Lessee will also pay a liquidated Equipment charge equal to the anticipated Lease-end residual value of the Equipment. Lessor may also use any remedies available to Lessor under the Uniform Commercial Code or any other applicable law. In the event of court action in which there is a final judgment, the losing party will pay all legal fees and expenses in addition to any judgment. Lessor will provide Lessee with notice and due process of law on any repossession or disposition of the Lease. To the extent permitted by law, Lessor will not be responsible to Lessee for any consequential or incidental damages. Lessor's delay or failure to enforce Lessor's rights under this Lease Agreement and each Schedule will not prevent Lessor from doing so at a later time.

Entire Lease Agreement

The terms and conditions of this Term Lease Agreement, Equipment Schedule (Exhibit A), Certificate of Acceptance (Exhibit B), Payment Schedule (Exhibit C), and the Master Agreement (_____ and any Modifications thereto) upon which it is based shall constitute the entire Lease Agreement between the Lessee and the Lessor. These terms and conditions shall not be amended, altered, or changed except by the written agreement of both parties and issuance of an official change order by the Finance and Administration Cabinet, Office of Procurement Services. Lessee shall not be required to sign any other lease agreement. Should Lessor request that any Commonwealth officer or employee sign such documents, and such documents are signed, any such documents shall not be binding on the State and shall be cause for termination of the Lease. This Lease Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky and any litigation with respect to this Lease Agreement shall be brought in state or federal court in Franklin County, Kentucky.

THIS LEASE IS SUBJECT TO THE TERMS AND CONDITIONS WRITTEN ABOVE AND WHICH LESSEE AND LESSOR ACKNOWLEDGE HAVING READ. THIS LEASE SHALL BE EFFECTIVE UPON ON THE DATE WRITTEN FIRST ABOVE.

LESSOR

LESSEE

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Lease Authorized by:

Finance & Administration
Office of Procurement Services
Master Agreement # _____
Assigned to this Lease

EQUIPMENT SCHEDULE
(Exhibit A)

This Equipment Schedule (Exhibit A) is attached to and is governed by the terms and provisions of the Term Lease Agreement dated _____, _____ by and between The Lessor, _____ (Lessee) and _____ (Lessor).

1. The Equipment leased hereunder is as outlined below:
(attach additional pages, if necessary)

Quantity	Make/Model #	Serial Number(s)	Cost Per Unit	Residual Amount
----------	--------------	------------------	---------------	-----------------

Detail of inspection criteria required at termination of Lease period.

Interest Rate _____ as determined by the criteria set out below:

Are manuals for hardware and software to be returned at end of Lease period?
Yes No If yes, what is the cost of non-returned manuals? _____ (Select one)
The per annum interest rate from which the Lease Rate Factors shall be calculated is the interest rate based on the three (3) year U. S. Treasury Constant Maturity or other date as shall be established by the Federal Reserve, as described in the weekly Federal Reserve Statistical Release H.15 ("Treasury Rate") plus or minus a spread (quoted in Basis Points). This rate shall be fixed as defined by the base rate +/- spread for the life of any Lease Agreement established during that month. This interest rate shall be all-inclusive and shall not be subject to any fees or other costs.

5. Lease Terms:

Term - 24 months _____ 36 months _____ 48 months _____ or 60 months _____

Payment Period - _____ based on Commencement Date

Residual Value Per Unit - _____ X Quantity = Total Residual Value

(Shall reference Equipment residual total as detailed on Equipment Schedule (1.))

Monthly/Quarterly/Annual Lease Payment - _____ (circle one)

**CERTIFICATE OF ACCEPTANCE
(Exhibit B)**

In compliance with the terms, conditions and provisions of the Term Lease Agreement dated _____, _____ ("Lease") by and between the undersigned ("Lessee") and _____ ("Lessor"), Lessee hereby accepts all of the Equipment for all purposes under the Lease and all attendant documents as of _____,

_____ (Lease Commencement Date).

LESSOR (LESSEE)

Using Agency: _____

By: _____
(Authorized Approval By - Name)

Title: _____

Date: _____

TERM LEASE QUOTE FORM

Lease Period - _____ months

From _____ till _____
(Date) (Date)

Original Equipment Cost _____

Less Residual Value of Equipment _____

Ancillary costs (itemize and attach separately) – Total _____

Total Cost for Lease _____

Interest Rate Spread _____

Monthly/Quarterly/Annual Lease Payment (circle one) _____

Lease Payment Schedule (Level Payments) - to be attached

This quote issued as of _____, _____ based on the three (3) year U. S. Treasury Constant Maturity or other date as shall be established by the Federal Reserve, as described in the weekly Federal Reserve Statistical Release H.15 ("Treasury Rate") plus/minus a spread to the Base Rate as defined.

BY:

LESSOR

(Authorized Approval by - Name)

(Title)

[ATTORNEY'S LETTERHEAD]

OPINION OF COUNSEL

RE: Term Lease Agreement No. _____, dated as of _____, 200_____, by and between _____ ("Lessor") and Commonwealth of Kentucky ("Lessee")

_____ or its Assignee:

This firm has acted as counsel to Lessee with respect to the Term Lease Agreement described above (the "Lease") and various related matters, and in this capacity has reviewed a duplicate original or copy of the Lease, including all Exhibits and attachments thereto. Based upon the examination of these and such other documents, records and papers as we deem relevant and necessary as the basis for the opinion set forth below, it is this firm's opinion that:

Lessee is authorized and has power under applicable law to enter into the Lease, and to carry out its obligations thereunder and the transactions contemplated thereby.

The Lease has been duly authorized, approved, executed, and delivered by and on behalf of Lessee, and is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

No further approval, consent, or withholding of objections is required from any federal, state, or local governmental authority with respect to the entering into or performance by Lessee of the Lease and the transactions contemplated thereby.

The authorization, approval, and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public bidding and all other applicable laws, rules and regulations.

The entering into and performance of the Lease and other related documents, and the appropriation of moneys to pay the Lease payments coming due thereunder, will not result in the violation of any judgment, order, law, rule or regulation applicable to Lessee, or any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee, nor result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of Lessee or the equipment pursuant to any indenture, mortgage, deed or trust, bank loan, credit agreement or other instrument by which the Lessee is a party or by which it or its assets may be bound.

There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body which (i) if adversely determined, will have a material adverse effect on the ability of Lessee to perform its obligations under the Lease, or (ii) challenges the organization or existence of Lessee; the authority of Lessee or its officers or its employees to enter into the Lease; the proper authorization, approval and/or the appropriation of moneys to make Lease payments under the Lease for the current fiscal year of Lessee; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

The person's signature which appears therein or is designated therein is the appropriate person to execute the Lease and has actual authority to do so.

We acknowledge and agree that Lessor intends to rely on the above statements in order to enter into Lease.

Respectfully yours,

By: _____

Attorney for: _____

Dated: _____



Kenton County School District | *It's about ALL kids.*

**THE KENTON COUNTY
BOARD OF EDUCATION**

1055 Eaton Drive, Fort Wright, KY 41017
859.344.8888 – Fax 859.344.1531
www.kenton.kyschools.us
Dr. Henry Webb, Superintendent

May 18, 2023

Kentucky Department of Education
Office of Education Technology
300 Sower Boulevard - 5th Floor
Frankfort, Kentucky 40601

RE: Kenton County School District Lease for KDE Review and Approval

Pursuant to KRS 65.944(1)(b), Kenton County School District is requesting Kentucky Department of Education (KDE) approval of the accompanying lease with Trafera Financial Services for 5275 HP G9 Chromebooks. Please find the completed lease checklist along with the requested documentation for review and approval.

The Kenton County School District Board of Education approved entering into the lease at the May 1, 2023 meeting pending final KDE approval.

The lease has been reviewed by the District Financial Officer. The funding source will be ESSR ARP and General Fund which has sufficient funding budgeted to pay the lease payments outlines in the accompanying lease.

The lease has been reviewed by the District Technology Coordinator. The leased products/services are included as part of the District Technology Plan submitted to KDE on April 14, 2023 and the District Technology 1:1 Implementation Plan approved by Kenton County School District Board of Education in February, 2022.

Warranty, Maintenance, and Accidental Coverage are included for the duration of the lease.

Sincerely,

A handwritten signature in black ink, appearing to be 'Henry Webb', written over a horizontal line.

Dr. Henry Webb
Superintendent

A handwritten signature in black ink, appearing to be 'Susan Bentle', written over a horizontal line.

Ms. Susan Bentle
Executive Director of Finance

A handwritten signature in blue ink, appearing to be 'Matthew Winkler', written over a horizontal line.

Mr. Matthew Winkler
Director of Technology

Kenton County Board of Education

"The Kenton County Board of Education provides Equal Education & Employment Opportunities."



DETERS
FICHER
WILLIAMS

ATTORNEYS

Jeremy Deters Licensed in KY & OH
Jeff Fichner Licensed in KY & OH
Wes Williams Licensed in KY
Lindsay Wurth Licensed in KY

May 17, 2023

Via Electronic Mail
matthew.winkler@kenton.kyschools.us

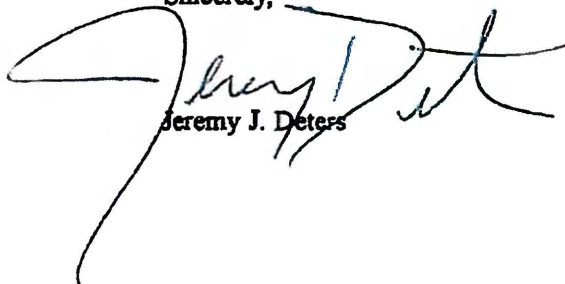
RE: Equipment Lease Authorization

Dear Matthew:

I have reviewed the Chromebook lease agreement between Trafera and my client, Kenton County Board of Education, and approve of the district entering into said lease. The Board has the authority and has authorized the lease execution.

Please call if you have any questions or concerns.

Sincerely,



Jeremy J. Deters

JJD/rmh

Andy Beshear
Governor



Jamie Link
Secretary, Education and
Labor Cabinet

Jason E. Glass, Ed.D.
Commissioner of Education and Chief Learner

KENTUCKY DEPARTMENT OF EDUCATION
300 Sower Boulevard · Frankfort, Kentucky 40601
Phone: (502) 564-3141 · www.education.ky.gov

May 30, 2023

Supt. Henry Webb
Kenton County School District
1055 Eaton Drive
Fort Wright, KY 41017

Dear Superintendent Webb:

Please be advised of the approval of the lease agreement between the Kenton County School District and Trafera Financial Services. This letter of approval fulfills the requirement of KRS 65.944, which provides that leases in excess of \$100,000 be approved by the chief state school officer.

Sincerely,

A handwritten signature in blue ink that reads "Jason E. Glass".

Jason E. Glass, Ed.D.
Commissioner of Education & Chief Learner



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.

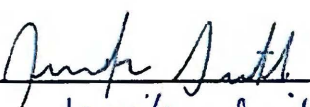
Every Term is Agreed to and Accepted:

Every Term is Agreed to and Accepted:

TRAFERA, LLC dba TRAFERA FINANCIAL SERVICES
"LESSOR"

KENTON COUNTY SCHOOL DISTRICT
"LESSEE"

By: 
Print Name: Mark Shauer
Title: SVP
Date: 9/1/23

By: 
Print Name: Jennifer Smith
Title: Procurement Coordinator
Date: 5/31/23



NEW CUSTOMER FORM

Organization Information		
Name of Organization: Kenton County School District	Website: www.kenton.kyschools.us	
Phone: 859.344.8888	Fax: 859.344.1531	Email: Matthew.Winkler@kenton.kyschools.us
Registered Address: 1055 Eaton Drive	City: Fort Wright	State: Kentucky Zip: 41017
DBA(if applicable):	DUNS#: 124948670 (required)	NCES#: 2103090 (required)

How long at current address? _____

Date Business Commenced: _____

Type of Business: Public School Private School Charter School Corporation
 Partnership Sole Proprietorship Other(list) _____

Accounts Payable Information		
Contact Name: Accounts Payable		
Phone: 859.344.8888	Fax: 859.344.1531	Email: accounts.payable@kenton.kyschools.us
Bill to Address (if different from above):		
City:	State:	Zip:
Payment method: <input type="checkbox"/> ACH <input checked="" type="checkbox"/> Check		

TERMS AND CONDITIONS

- 1. RETURNED CHECKS/PAST DUE ACCOUNTS.** If any check, negotiable instrument, or credit line of purchaser is returned or rejected for any reason, a \$20 service charge will be imposed by the seller for each such event. An account will be deemed past due if full payment is not received by seller in accordance with the terms specified in the Trafera invoice. Past due accounts are automatically placed on C.O.D. cash/cashier's check and all shipments are withheld until the account is brought current. An interest charge of 1.5% per month (18% per annum) will be imposed by seller as to all sums not paid when due. In the event of legal action by seller to collect any sum due on account or enforce any term or condition of any invoice, purchaser agrees to pay all of seller's expenses of collection, including court costs and reasonable attorney's fees.
- 2. TITLE OF GOODS.** Title to all goods, products, merchandise and items ("goods") specified on Trafera invoices is retained by seller until all goods are fully paid for by purchaser and all obligations of purchaser have been fulfilled.
- 3. TAX EXEMPT.** If you are a tax exempt organization please include your certificate along with this document.

Authorized Signature: Matthew Winkler Date: 5/31/2023
Name (Print): Matthew Winkler
Title: Director of Technology



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: ACCOUNTS.PAYABLE@KENTON.KYSCHOOLS.US

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 41017-9855.

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 8 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 agree 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, theft 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 inoperable 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 328 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: [Signature]

Print Name: Mark Brown

Title: SVP

Date: 9/1/23

Every Term is Agreed to and Accepted:

KENTON COUNTY SCHOOL DISTRICT
"LESSEE"

By: [Signature]

Print Name: Jennifer Smith

Title: Procurement Coordinator

Date: 5/31/23

Certificate of Incumbency

I, Matthew Winkler hereby certify to Trafera, LLC dba Trafera Financial Services ("Trafera") that I am
(insert name of secretary/officer, NOT signer of docs)
the Director of Technology 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
<u>Jennifer Smith</u>	<u>Procurement Coordinator</u>	<u>Jennifer Smith</u>
<u>Susan Bentley</u>	<u>Director of Finance</u>	<u>Susan Bentley</u>

(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:

- 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;
- 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;
- 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
- 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 31 day of May, 2023.

Signature:

Matthew Winkler

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

Printed Name:

Matthew Winkler

Title:

Director of Technology



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



	TRAFERA SILVER	TRAFERA GOLD	TRAFERA PLATINUM
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

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Kenton County Board of Education	
2 Business name/disregarded entity name, if different from above _____	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ <small>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small> <input checked="" type="checkbox"/> Other (see instructions) ▶ KY Subdivision Govn. -Public School	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) <u>3</u> Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
5 Address (number, street, and apt. or suite no.) See instructions. 1055 Eaton Drive	Requester's name and address (optional) _____
6 City, state, and ZIP code Ft. Wright, KY 41017	
7 List account number(s) here (optional) _____	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Social security number

				-		-			
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OR

Employer identification number

6	1	-	6	0	0	1	3	0	1
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Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶ <i>Jessan Beutle</i>	Director Finance Director	Date ▶ <i>Jan. 15, 2020</i>
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; do not leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. Individual. Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. Sole proprietor or single-member LLC. Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. Partnership, LLC that is not a single-member LLC, C corporation, or S corporation. Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. Other entities. Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(ii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 Instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

B470

Exemption Number

Kenton County School District

Name of Exempt Institution

Important - Certificates not valid unless completed.

PURCHASE EXEMPTION CERTIFICATE

Check Applicable Block

Blanket

Single Purchase

I hereby certify that Kenton County School District is a Kentucky resident, nonprofit educational, charitable or religious institution, or Kentucky historical site, located at 1056 Easton Drive, Kentucky and that the tangible personal property, digital property or services to be purchased from Trafega Financial Services

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

will be used solely within the exempt function of a charitable, educational or religious institution, or historical site.

Description of property to be purchased: Chromebooks

In the event that the property purchased is not used for an exempt purpose, it is understood that I am required to pay the tax measured by the purchase price of the property.

Any official or employee who uses this certificate to make tax-free purchases for his own personal use or that of any other person will be subject to the penalties provided in KRS 138.890 and other applicable laws.

Under penalties of perjury, I swear or affirm that the information on this certificate is true and correct as to every material matter.

[Signature]
Authorized Signature

Procurement Coordinator

Title

January 17, 2023

Date

CAUTION TO SELLER: This certificate cannot be issued or used in any way by a construction contractor to purchase property to be used in fulfilling a contract with an exempt institution. Sellers accepting certificates for such purchases will be held liable for the sales or use tax.

DEPARTMENT OF REVENUE
Frankfort, Kentucky 40620 51A128 (12-09)