

Lease Agreement

This Lease Agreement is made and executed on the 25th day of April, 2019, by and between First Student, Inc., referred to as "Contractor," and the Hamilton County Board of Education, referred to as "District."

WHEREAS, the Contractor and the District have entered into an agreement entitled SCHOOL BUS TRANSPORTATION SERVICES AGREEMENT pursuant to which the Contractor will provide the District with certain transportation services; and

WHEREAS, the District owns certain transportation facilities throughout the county that would enable the Contractor to perform its duties for the District more efficiently and effectively; and

WHEREAS, the Contractor and the District desire to establish guidelines for the Contractor's use of this District owned property; so therefore

PREMISES CONSIDERED in furtherance of the separately executed SCHOOL BUS TRANSPORTATION SERVICES AGREEMENT, the Contractor and the District hereby agree as follows:

1. Term: For the duration of the SCHOOL BUS TRANSPORTATION SERVICES AGREEMENT between the Contractor and the District, the Contractor shall be entitled to lease from the District the property described in Sections 3.1, 3.2 and 3.3; provided, however, that any event that shall operate to terminate the underlying Agreement shall also operate to terminate this Lease and that any default of the Contractor's obligations arising from the underlying Agreement shall also constitute a default of this separate Lease.
2. Consideration: In consideration for the services the Contractor renders to the District pursuant to the terms of the underlying Agreement, plus an additional \$1.00 in rent per school year, the Contractor shall be entitled to lease the Facilities described herein.
3. Facilities: The transportation Facilities that are subject to the terms of this Lease are located in three (3) separate locations. At each location, the Contractor shall have the right to use available bus yard space to park buses and available office space for the use of the Contractor's supervisory personnel. If, at any point during the term of the underlying Agreement, the Contractor finds existing space at any Facility to be inadequate, the Contractor shall request the District to provide it with additional space. Upon such a request, the District shall use its best efforts to accommodate

the Contractor's request, provided, however, that the Contractor shall, at its sole expense, provide fencing, paving, and installation of any necessary portable buildings.

- 3.1 The Dodds Avenue Facility, located at 2501 Dodds Avenue Chattanooga, TN 37407, houses centralized operations and maintenance. It consists of a 13,000 square foot administrative office and garage services building plus an additional portable building that serves as a driver-trainer facility. The site also includes a 10,000 square foot bus parking area.
- 3.2 The Hickory Valley Road Facility, located at 3074 Hickory Valley Road, Chattanooga, TN, consists of a 450 square foot dispatcher office and a 6,556 square foot parking area.
- 3.3 A third Facility to be agreed upon by the Contractor and the District with sufficient space for at least a 1,800 square foot office and a 5,000 square foot parking area.

The facilities described in Sections 3.1, 3.2 and 3.3 shall be collectively referred to as "Facilities".

4. Maintenance and Repair:

- 4.1 The Contractor will be responsible for routine maintenance and repair of all Facilities to the District's reasonable satisfaction, including, but not limited to painting, cleaning and waste disposal. District shall be responsible for all capital repair and replacement of all the exterior and structural elements of the Facilities.
- 4.2 The Contractor will also be responsible for the maintenance of any and all shop and office equipment that the District provides.
- 4.3 The Contractor is responsible for all damage to the Facilities caused by the Contractor, including realty, buildings, and fixtures, and additionally responsible for damage to any of the District's equipment, excluding normal wear and tear.
- 4.4 The Contractor specifically assumes the responsibility of properly disposing of all used oil, fuel, and other environmental waste whether hazardous or semi-hazardous in nature; provided, however, that the Contractor is not responsible for any Environmental Conditions that existed prior to its occupancy of the Facilities; and still further provided that this exclusion does not

apply to any previous use of the Facilities by the Contractor.

4.4.1 As used in this Section 4.4, the term “Environmental Conditions” means conditions where hazardous materials (as defined under applicable federal, state or local laws) are present to the extent that any reporting, remediation or other action is required under any such federal, state or local laws. References to “laws” hereunder includes all regulations, guidelines and other requirements thereunder, as amended and supplemented from time to time.

4.4.2 The Contractor may conduct, at its own expense, a Phase I and, if necessary, a Phase II Environmental Site Assessment of the Facilities before moving in, during the term and/or within a reasonable time thereafter.

5. Use and Alteration of Facilities:

5.1 The Contractor has the right to use the designated Facilities in any manner consistent with its obligation to provide transportation services to the District; provided, however, that the District reserves the right to designate to the Contractor reasonable restrictions on the use of the Facilities, which shall not interfere with the Contractor’s operations or increase operating costs for the Contractor; and further provided that the Contractor shall first obtain prior written approval from the Superintendent or his designee before altering or modifying any of the Facilities, including the realty, buildings, fixtures or equipment.

5.2 The Contractor understands and agrees any fixture that it may install becomes the property of the District upon its installation and may not be removed without the express, written consent of the Superintendent or his designee.

6. Unlawful or Dangerous Activity: The Contractor shall neither use nor occupy the Facilities referenced in paragraphs 3.1,3.2, or 3.3 for any unlawful, disreputable, or ultra-hazardous purpose or activity nor operate or conduct their business in a manner constituting a nuisance of any kind. The Contractor shall immediately, on discovery of any unlawful, disreputable, or ultra-hazardous use, take action to halt such activity.

7. Utilities: The Contractor will be responsible for any utilities arising out of its use of the leased Facilities, including electricity, water, and sewage.

Additionally, the Contractor will be responsible for installation, upkeep, maintenance, and fees related to long distance and computer data lines. The District will continue to maintain existing local telephone service for use of the Contractor.

8. Expenses Incurred by the District: The Contractor agrees to bear the costs for cleanup of the Facilities, supplying utilities, and stocking the Facilities with supplies. Recognizing, however, that from time to time it may be more expedient for the District to assume these obligations to ensure the efficient operation of the transportation services, the Contractor agrees to request these services when necessary and to credit the District or reimburse the District as may be appropriate.
9. Use of Leased Facilities by District Personnel: The Contractor agrees to allow District to staff its transportation personnel on the leased Facilities and to occupy such space as the District may designate. Furthermore, the Contractor agrees that it will not charge the District for the use of the leased Facilities by the District's personnel and that the Contractor shall not be entitled to a credit for any utility usage attributable to the District's personnel.
10. Taxes: The Contractor shall pay all applicable taxes arising from its use of the Facilities and equipment under this lease, including personal property taxes and real property taxes. The Contractor shall pay all of the mentioned taxes before any fine, penalty, interest, or cost may be added for nonpayment, and shall furnish to the District, on request, official receipts, or other satisfactory proof evidencing such payment.
11. Insurance: The Contractor agrees to insure the leased Facilities against any loss, including the realty, buildings, fixtures, and equipment, in an amount satisfactory to the District's Risk Management Office and to name the District as an additional insured party under the terms of its insurance policy.
12. Fueling: The Contractor is allowed to wet hose fuel the buses.
13. Agreement to Protect, Defend and Indemnify: The Contractor agrees to protect, defend, to hold harmless, and to fully indemnify the District from and against any and all claims arising from or in any way related to the Contractor's use of the leased Facilities whether any such claims arise in whole or in part out of the Contractors use or occupancy of the leased Facilities.

WITNESS WHEREOF, we have set our hands this ___ day of _____, 2019.

First Student, Inc.

Hamilton County Board of Education

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____