

Board of Education

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J. Vance Lee Superintendent
Capitan Municipal Schools
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CAPITAN MUNICIPAL SCHOOLS BOARD OF EDUCATION

AGENDA ITEM EXECUTIVE SUMMARY

1. Board Meeting Date: July 21, 2025
2. Item Title: V.A.1 Rental Agreement – Bus Barn
3. Name of Presenter: V. Lee
4. This item is for: XX Action ____ Consent Agenda ____ Discussion ____ Report/Information
5. Proposed Motion (Action Items Only): I move that we approve the Rental Agreement for the Bus Barn, as presented.
6. Executive Summary: Please see attached.

RENTAL AGREEMENT

This rental agreement (hereinafter, "Agreement") is dated this 21st day of July 2025 for shop, building all of Lot 7, part of Lot 8, part of Lot 9, and Part of Lot 10 located in the Fletcher Hall Subdivision, commonly known as 563 West Fifth Street, Capitan, New Mexico. This Agreement is made between Irene Shaffer (hereinafter, "Lessor") and Capitan Municipal Schools, P.O. Box 278, Capitan, NM 88316 (hereinafter "Lessee"). The term of this lease shall be twenty-four months commencing on July 1, 2025 and June 30, 2027. The parties agree that Lessee will be given the right of first refusal for any subsequent lease of the property

The Lessee may use any part of Lots 7,8,9, and 10 for school bus parking or school bus maintenance until needed or canceled by Lessor but no earlier than June 30, 2027.

The lease will total eighteen thousand dollars (\$18,000.00) per year payable in two installments, the first on July 15, and the final on January 15 or each year of the lease delivered to Irene Shaffer, P.O. Box 1129, Ruidoso, NM 88355.

The Lessee is responsible for all upkeep, repair and maintenance of said property, including keeping the premises in a clean and orderly condition. No waste, salvage or other material shall accumulate on the premises.

The Lessee is responsible for all utilities and will hold Lessors harmless therefrom. The Lessee will furnish insurance on the building and the liability insurance on the premises and furnish Lessor with a copy of the policy. Lessee will hold Lessor harmless from any claims or damage excesses not covered by insurance.

At the termination of this Agreement, all vehicles, material, equipment, waste and other property brought onto premises by Lessee or with Lessee's permission, and all property that does not belong to Lessors will be removed from the premises by Lessee at Lessee's cost. Any waste, including used oil, petroleum products, or any other substance that may be considered hazardous or having a potential to contaminate land, groundwater, etc. shall be disposed of by Lessee. Any failure to dispose of products brought onto the premises by the Lessor which cause cleanup expenses, fines, or other harm shall be paid for by Lessee or reimbursed to Lessors, should Lessors be held responsible.

Lessee will ensure the premises complies with all statues, ordinances, and requirements of all municipal, state and federal authorities now in force. Any fine due to lack of compliance or actions necessary to comply with said statues and/or ordinances shall be the sole responsibility of the Lessee, who shall pay the fine and take whatever action is necessary to comply.

The building and premises is being used as an auto, truck, and school bus repair shop and schools bus storage and shall continue in these uses, with no additional uses, unless approved in writing by Lessor.

The Lessee shall not assign this agreement or sublet any portion of the premises without prior written consent of Lessor.

The Lessor reserves the right to enter the premises at all reasonable hours for the purpose of inspection, to make repairs, or to alter the premises.

All tools and equipment left in the shop building by Lessor may be used by the Lessee during the term of this Agreement. Any of the tools, equipment, building, land or other portions of the premises damaged or destroyed will be replaced by tools, equipment or material of comparable quality, normal wear and tear excepted. A copy of the list of tools and equipment is attached to this agreement.

During the term of this Agreement, any of the tools, equipment, vehicles or material stored or placed in the building or on the premises covered by this Agreement by the Lessor will be moved at the request of the Lessee, normal time allowed for moving.

Radon Gas Disclosure: as required by law, Lessors make the following disclosure: Radon Gas is a naturally occurring radioactive gas that when it has accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. The premises has never been tested for radon gas.

The parties shall have the right to indemnification to include costs of attorney's fees for any harm the other party may suffer from the failure to abide by any terms of this Agreement.

The Lessee to give a written thirty {30} days' notice with an additional thirty {30} days' notice if needed of intent to terminate this Agreement at any time during the term of this Agreement.

Irene Shaffer
P.O. Box 1129
Ruidoso, New Mexico
88355

Date

Dennis Rich
Capitan School Board
P.O. Box 278
Capitan, NM 88316

Date

J. Vance Lee
Capitan Municipal Schools
P.O. Box 278
Capitan, NM 88316

Date