

SHORT FORM OPERATING LEASE AGREEMENT

EXHIBIT 1 - MODULAR GENIUS, INC. LEASE TERMS AND CONDITIONS – Rev. 2/26

The following lease terms and conditions (“Exhibit 1”) are attached to and incorporated by reference into the **Modular Genius, Inc.** (“Lessor” or “MGI”) Proposal (The “Lease”) to facilitate the rental by the customer identified in the MGI Proposal (“Lessee”) of one or more modular buildings (the “Property”). This Exhibit 1 and the MGI Proposal / Lease cover page are collectively referred to herein as the “Agreement.”

1. **TRUE LEASE:** The Agreement between Lessor and Lessee is a true lease, and not a sale, of the Property specified herein and in the MGI Lease. Title to the Property shall remain with MGI at all times. The Property is and shall remain the personal property of Lessor.

2. **DELIVERY & INSTALLATION.** Lessee shall be liable for any failure or delay in delivering or installing the Property that is not due to the fault of Lessor. Lessee shall choose a firm, open, level site accessible by truck for Lessor to deliver and install the Property. Lessee is responsible for site selection, local code compliance, surface and subsurface conditions, the suitability of said site, and for utilities being available at the site. Lessee is responsible for all applicable zoning approvals, permits (except for transport), providing a site, at time of delivery and installation, with a bearing surface of a minimum of 3,000 PSF and a site clear of obstructions, both above and below ground. Lessor is not responsible for unforeseen conditions, settlement or erosion. If an obligation is not expressly stated in this Lease or in the MGI Proposal, then it is not the responsibility of Lessor. Lessee warrants that it has exercised due diligence and care in selecting the location and the site for the Property. If the site is not suitable, additional delivery and installation charges may apply. By accepting the Property, as defined below, Lessee acknowledges that the Property is in good operating order, repair, and working condition. If Lessee does not own the site where Lessee delivers the Property, Lessee warrants that the site owner has approved such placement in writing prior to delivery.

3. **MAINTENANCE OF PROPERTY:** Lessee shall keep the Property in good repair and safe operating condition, ordinary wear and tear excepted, and is responsible for routine and other maintenance. The Agreement does not include maintenance by MGI. Upon delivery, the Property is accepted by the Lessee unless Lessor is notified of a defect or deficiency within three (3) working days after Lessor tenders a Notice of delivery to Lessee. “Substantial Completion” shall mean that the Property is delivered and is ready for lawful and functional use, or has already been utilized or occupied by the Lessee or others. Lessee cannot relocate the Property without Lessor’s prior written consent.

4. **TERM:** Lessor reserves the right to impose a storage fee of 50% of the monthly rental charges if delivery of the Property is delayed more than sixty (60) days. The term of the lease (the “Term”) begins on the date of Substantial Completion, is subject to a mandatory minimum lease term, and ends when the Property is returned to Lessor. For the avoidance of doubt, if Lessee terminates the Lease prior to the expiration of the minimum lease term, Lessee shall be required to pay Lessor the Total Monthly Rental Amount for the full remainder of said minimum lease term. “Substantial Completion” shall be defined as the date when the Property is delivered. Upon the end of the initial minimum term, the Term of the Agreement is automatically extended on a month-to-month basis until the Property is returned to Lessor (the “Extension Period”). During the Extension Period, Lessor has the right, effective after thirty (30) days’ written notice to Lessee, to increase the monthly rental rate and/or the dismantle and return freight charges.

5. **RENT, FEES AND TAXES:** Rent commences upon the Substantial Completion date and continues monthly. Charges for rent shall be billed and payable as indicated on MGI’s invoices, which may include applicable taxes or other payments due. Lessee shall pay, or shall reimburse Lessor for, any applicable sales, use, excise, gross receipts, personal property or any similar transactional taxes, levies, duties or assessments imposed by a taxing authority (“Taxes”), costs, expenses or fees related to the leased Property, its value, use or operation (except for Lessor’s income tax).

6. **LESSEE TO COMPLY WITH LAWS:** Lessee shall comply with all applicable laws, regulations, and ordinances relating to the Property, and shall be responsible for licenses, permits and other certificates related to the use of the Property, all of which shall show Lessor as the owner.

7. **INDEMNITY:** Lessee agrees to indemnify, defend and hold harmless Lessor, its agents and employees, from and against any and all losses, claims, damages, demands, liabilities, attorneys’ fees and expenses related to: (a) the death of, injury to, or damage to the property of, any person or party related to or arising out of the possession or use of the Property; and/or (b) the failure of Lessee to maintain the Property as agreed to herein.

8. **INSPECTION.** Lessor may enter the site and inspect the Property during normal business hours. Unless otherwise specified in the project specific MGI Proposal, Lessee is responsible for obtaining all necessary permits required for the placement and use of the Property.

9. **LOSS OR DAMAGE:** Commencing upon the earlier of the date of delivery, and continuing for the entire Term, Lessee shall bear all risk of loss or damage to the Property from all causes. Lessor has created, and incorporates herein or in the MGI Proposal by reference, the attached “Damage and Wear / Cleaning Rebill Guidelines” (hereinafter the “DW Guidelines”). No loss or damage to the Property shall impair any other obligation of Lessee hereunder. Upon the total loss of any or all of the Property, to such an extent as to make the repair of the Property uneconomical in Lessor’s sole opinion, Lessor may declare the Property a “Total Loss.” Upon a Total Loss of the Property, Lessee must pay Lessor the current replacement value of the Property prior to the next due date for the payment of rent.

10. **LESSEE’S INSURANCE:** Lessee, prior to the delivery of the Property, shall maintain and keep in force during the entire Lease Term, for the benefit of Lessor, the following insurance coverage: (a) **General Liability Insurance:** A policy of combined bodily injury and property damage insurance insuring against any liability arising out of the use, occupancy, maintenance, or possession of the Property in an amount not less than \$1,000,000 per occurrence, as evidenced by a Certificate of Insurance naming Lessor as an additional insured; and (b) **Property Insurance:** A policy of insurance covering loss or damage to the Property, in an amount of at least the replacement value of the Property, as determined by Lessor, providing protection against all perils included within the classification and special extended perils (“All Risk” insurance) as evidenced by a Certificate of Insurance naming Lessor as Loss Payee. Such insurance must cover and must not exclude loss or damage caused by: fire; lightning; explosion; windstorm; hail; riot; civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; water damage; flood; earthquake or other earth movement; and collapse. Lessee shall provide Lessor with written evidence of such coverage prior to the Lease start date. Such insurance must be primary over any policies of Lessor, and must contain provisions stating Lessee, and its insurer, waive all subrogation rights against Lessor.

11. **LESSOR’S INSURANCE:** While Lessor is working at Lessee’s site, Lessor shall provide evidence of the following insurance coverage:

(1) Comprehensive General Liability with minimum limits as listed below.
General Aggregate \$2,000,000 Products-Complete Operations Aggregate \$1,000,000

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Personal & Adv Injury \$1,000,000 Each Occurrence \$1,000,000

Certificate shall name Lessee as an additional insured, when required.

(2) Commercial Auto Liability Coverage with combined single limit of \$1,000,000 covering owned autos, hired or non-owned autos.

(3) Workers' Compensation Insurance and Employer's Liability for all of its employees:

Part A: Workers Compensation - in compliance with applicable State Worker's Compensation laws.

Part B: Employer's Liability

EL each Accident \$1,000,000 EL Disease - Policy Limit \$1,000,000

EL Disease - each Employee \$1,000,000

(4) Upon Lessee's request, Lessor shall furnish evidence of insurance to Lessee, stating the above limits of coverage, on the Standard Acord form, prior to commencement of any work by Lessor at Lessee's site. Lessor's evidence of insurance coverage shall in no way affect the insurance responsibilities of the Lessee, which remain in full force and effect, as outlined in this Agreement.

12. **MGI WARRANTY.** During the Term, Lessor will repair structural or mechanical defects in the Property (excluding any maintenance, cleaning, snow removal, or replacement of HVAC filters, fire extinguishers, fuses/breakers and light bulbs), provided that Lessee notifies Lessor in writing of any defects, malfunctions, or leaks within three business days of the occurrence thereof. Lessor shall not be required to repair any defect or condition resulting from Lessee's relocation of the Property, utilities connection, alteration of the Property, failure to maintain the Property, vandalism, misuse of the Property, or for which timely notice is not provided to Lessor. Repairs not covered by Lessor's warranty shall result in additional charges to Lessee. **MGI DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AND THE IMPLIED WARRANTY OF MERCHANTABILITY.**

13. **LIENS; ASSIGNMENTS:** Lessee shall keep the Property free of any claim, lien, or encumbrance. Lessee shall immediately notify Lessor of any attempted levy or seizure of the Property. Lessee shall not transfer, deliver, sublet, or assign its rights in this Agreement or the Property without the prior written consent of Lessor. Lessor may assign any or all of its rights hereunder with or without notice to Lessee.

14. **RETURN OF PROPERTY:** Lessee may not terminate the lease during the minimum term and must provide 60 days' advance written notice to return the Property. Property dismantle/return are not included in the Lease and would be subject to the parties' execution of a separate agreement or change order.

15. **DEFAULT:** Any of the following events constitute an Event of Default under this Agreement: (a) Nonpayment of any amounts owed hereunder; (b) Lessee's termination or abandonment of the Agreement; and/or (c) any failure by Lessee to perform any term or condition of this Agreement.

16. **REMEDIES:** Upon the occurrence of an Event of Default, Lessor shall have the right to exercise any of the following remedies: (a) Declare that the rent for the Minimum Lease Term and other unpaid rent, fees, taxes and charges, for any or all Property covered by this Agreement immediately due and payable; (b) repossess the Property; (c) use, hold, or sell the Property upon such terms as Lessor determines; (d) cancel this Agreement with respect to one or more items of Property or the entire Agreement, at Lessor's sole option. A termination hereunder shall occur only upon written notice by Lessor to Lessee and only with respect to such items of Property as Lessor specifically elects to terminate in such notice. Except as to such items of Property with respect to which there is a termination, this Agreement shall remain in full force and effect and Lessee shall be and remain liable for the full performance of all of its obligations hereunder; and/or (e) proceed with any remedies at law or in equity available to Lessor. All such remedies are cumulative and may be enforced separately or concurrently from time to time. Lessor's waiver of any Event of Default shall not constitute a waiver of any other Event of Default.

17. **FORCE MAJEURE:** MGI shall not be responsible for any delays which may arise beyond MGI's control, including without limitation, delays caused by Lessee, its employees, agents or other contractors, or any third parties; governmental and/or municipal authorities; acts of God; delays in obtaining permits, inclement weather; union activities or labor issues; floods, fire, earthquakes, windstorms or other catastrophe; manufacturer's delays; transportation delays; shortages of materials; pandemics; delays in obtaining permits, licenses, approvals, tests or inspections; hazardous materials encountered at site; conditions existing at the project site; or any other conditions beyond MGI's control.

18. **LIABILITY LIMITATION:** **MGI SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY LIQUIDATED DAMAGES OR FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, LIQUIDATED, OR SPECIAL DAMAGES, COSTS, OR EXPENSES ARISING OUT OF OR RELATED TO THE AGREEMENT BETWEEN THE PARTIES. IN NO EVENT SHALL MGI'S LIABILITY ARISING OUT OF OR RELATED TO THE AGREEMENT EXCEED THE TOTAL AMOUNT THEREOF. Except to the extent caused by Lessor's gross negligence or willful misconduct, Lessor shall not be liable to Lessee for any loss, damage, or expense of any kind or nature caused directly or indirectly by the Property, or by the use, maintenance, operation, handling, or storage of the Property.**

19. **HAZARDOUS MATERIALS:** Lessee shall not use, release, store, dispose of, or otherwise have present any Hazardous Materials in, on, under, or near the Property, unless Lessor shall have first consented in writing to such use or presence of Hazardous Materials, and such Hazardous Materials are used, stored, manufactured, or otherwise present in accordance with all applicable laws. "Hazardous Materials" shall mean any hazardous, toxic, dangerous or otherwise regulated substances, wastes, pollutants, contaminants, materials, or biological substances as defined as such under applicable federal, state, or local laws and regulations. Damage, contamination, or deterioration to the Property related to Hazardous Materials shall not be considered ordinary wear and tear. Lessee is and shall remain responsible for returning the Property free of any and all Hazardous Materials.

20. **MISCELLANEOUS:** (a) Time is of the essence with respect to this Agreement. (b) In the event of a conflict between the Agreement documents, Lessor shall determine the order of precedence. Except as otherwise indicated in (e) below, the Agreement constitutes the entire understanding between the parties and can only be amended or changed by a document signed by both parties. (c) If Lessee fails to perform any obligation hereunder, Lessor may affect such performance and charge Lessee those costs and expenses (including attorneys' fees and costs) incurred therewith. (d) Within 24 hours after any accident involving the Property, Lessee must notify Lessor by telephone and within 48 hours notify Lessor in writing. (e) Changes to the MGI Proposal shall require the execution of a "Change Request" or a change order by Lessee, which shall be subject to the payment terms therein; MGI shall not be required to proceed with such changes until a Change Request or change order has been executed by Lessee. (f) Lessor is authorized by Lessee to cause this 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 Property. Lessee agrees to execute any such instruments as Lessor may request from time to time. (g) This Lease shall be governed by the laws of the State of Maryland.