



**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

Matthew G. Bevin
Governor

Division of Real Properties
403 Wapping Street, Suite 300
Frankfort, Kentucky 40601-2638
(502) 564-2205
Fax: (502) 564-8108


William M. Landrum III
Secretary

Robert M. Burnside
Commissioner

Scott Aubrey
Director

MEMORANDUM

TO: Katherine Halloran, Committee Staff Administrator
Capital Projects and Bond Oversight Committee

FROM: Brien S. Hoover, Leasing Manager 
Division of Real Properties

DATE: February 4, 2019

SUBJECT: PR-4496, Jefferson County
Department of Corrections
Statutory Lease Modification Report

As outlined, attached please find notification of a lease agreement modification exceeding \$50,000.00 and reflecting the amortization of monies being processed by our Leased Properties Branch.

If you have any questions or require additional information concerning this matter, please advise.

BSH/JLB/jlb
Attachment

Cc: Capital Construction Log
OSBD
PR-4496 File
BSH



REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE MODIFICATION AMORTIZATION

Date Posted in 30-Day Register: February 4, 2019	
Lease No.: PR-4496	County: Jefferson
Using Agency: Department of Corrections	
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary	FBM Properties LLC
Property Location: 410 West Chestnut Street, Louisville, KY	
Existing Rental Terms	
Type Space: Office/Parking	Square Feet: 9,549 square feet/35 parking spaces
Annual Payment: \$104,275.08 Office / \$25,935.00 Parking	Contract Expiration: June 30, 2024
Modified Rental Terms	
Type Space: Office/Parking	Square Feet: 14,806 square feet/52 parking spaces
Annual Payment: \$161,681.52 Office / \$38,532.00 Parking	New Contract Expiration: June 30, 2026
Total Cost to be Amortized: \$50,000.00	
Projected Period of Amortization: To be determined (April 1, 2019 projected) through June 30, 2026	
Reason for Modification (see attached approval memo and modification): Please see attached.	
Estimate Details (see attached copies): <ol style="list-style-type: none"> 1. Star Drywall of Louisville, Inc. \$28,586.49 2. Julius Schnurr & Sons Inc. \$43,640.00 3. Mink Electric \$13,900.00 4. JD Electric LLC \$15,400.00 5. Albrecht Painting \$14,630.00 6. CertaPro Painters of Kentuckiana \$25,130.00 Note: Agency costs capped at a total of \$50,000.00.	

COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT

LESSOR	FBM Properties	PR NUMBER, COUNTY	PR-4496, Jefferson County
ADDRESS	333 Guthrie Green	VENDOR NUMBER	KY0023270
	Louisville KY 40202	AGENCY/DEPARTMENT	Department of Corrections
		DIVISION	
		DATE	February 4, 2019
		BUILDING CODE	90584001

1. Lease Agreement number PR-4496, Jefferson County dated May 1, 2000, is hereby modified as set forth in Paragraph 2.
2. This Lease is modified as follows:
 1. To increase the leased space by 5,257 square feet; from 9,549 square feet to 14,806 square feet; at the same terms and conditions as reflected in the existing lease, resulting in an annual increase of \$57,406.44 from \$104,275.08 to \$161,681.52.
 2. To increase the leased parking spaces by 17; from 35 spaces to 52 spaces; at the same terms and conditions reflected in the existing lease, resulting in an annual increase of \$12,597.00 from \$25,935.00 to \$38,532.00.
 3. To amortize the \$50,000.00 cost for leasehold improvements; per estimate submitted by Star Drywall of Louisville, Inc., Mink Electric, and Albrecht Painting, same attached and incorporated herein by reference.
 4. To add two (2) automatic extension periods, at the existing terms and conditions, resulting in a new lease expiration date of June 30, 2026.
 5. The lease modification effective date will be established by signature of the Director, Division of Real Properties once verification has been received from the Department of Housing, Buildings, and Construction and the using agency that all renovations have been satisfactorily completed.
3. All other terms and conditions of the lease remain unchanged.
4. The Lessor is required to sign this document and return all copies for further processing.
5. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Modification Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

STATE LEASING AGENCY REPRESENTATIVE _____ Date _____

LESSOR _____ Date _____

ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES _____ Date _____

ATTORNEY, FINANCE & ADMINISTRATION CABINET _____ Date _____

MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES _____ Date _____

DIRECTOR, DIVISION OF REAL PROPERTIES _____

SECRETARY, FINANCE & ADMINISTRATION CABINET _____ Date _____

APPROVED THIS _____ DAY OF _____, 20____

FILE COPY



**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

Matthew G. Bevin
Governor

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William M. Landrum III
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Robert M. Burnside
Commissioner

Scott Aubrey
Director

MEMORANDUM

TO: Scott Aubrey, Director
Division of Real Properties

FROM: Brien S. Hoover, Leasing Manager *BS*
Division of Real Properties

DATE: February 4, 2019

SUBJECT: PR-4496, Jefferson County
Department of Corrections

The Department of Corrections currently occupies 9,549 square feet of space leased at a rental rate of \$10.92 per square foot (\$104,275.08 annually), including utilities and janitorial services, and 35 reserved parking spaces leased at rate of \$61.75 per space per month (\$25,935.00 annually), with a lease term expiring June 30, 2024. The Department recently submitted a request to obtain supplemental space to accommodate a reorganization that creates a new District Office in Jefferson County with oversight of halfway houses throughout the state and a Jefferson County fugitive unit. The request also includes space for Division of Mental Health staff associated with sex offender treatment programs and indicates a need for approximately 5,192 square feet of space and 17 additional parking spaces. Subsequent to review of the plans and specifications for the proposed expansion, and subject to the Department incurring a portion of the renovation expenses, the lessor has consented to lease the necessary space to accommodate this request at terms that exceed those applied to the existing lease agreement. Specifically they have consented to the addition of two automatic extension periods, and the terms defined herein, which will result in a new lease expiration date of June 30, 2026.

Renovations to the supplemental space required to accommodate the Department's request resulted in total estimated construction expenses of \$115,000.00 to \$120,000.00. Based on the scope of necessary renovations, the fact that the lessor has maintained the applicable rental terms for approximately 18 years, and the fact that they have consented to maintain that rate through 2026, the lessor requested that the Department absorb approximately fifty percent of the total renovation costs. Subsequent negotiations resulted in a final proposal to cap the costs incurred by the Department at \$50,000.00.

In accordance with applicable provisions of KRS 56.813(2), the lessor has provided two estimates for construction of interior walls/ceilings (\$28,586.49 from Star Drywall of Louisville, Incorporated and \$43,640.00 from Julius Schnurr & Sons, Inc.), electrical improvements (\$13,900.00 from Mink Electric and \$15,400.00 from JD Electric, LLC), and interior painting (\$14,630.00 from Albrecht Painting and \$25,130.00 from CertaPro Painters). The Department of Corrections has recommended acceptance of the low bids for each item subject to the aforementioned \$50,000.00.



Memo to: Scott Aubrey, Director
PR-4496, Jefferson County
Department of Corrections
February 4, 2019
Page Two

The proposed lease agreement therefore provides for the following:

1. The increase of 5,257 square feet in the area under lease; from 9,549 square feet to 14,806 square feet, and for the corresponding increase of \$57,406.44 in the annual rental cost; from \$104,275.08 to \$161,681.52.
2. The increase of 17 in the number of parking spaces under lease; from 35 spaces to 52 spaces, and for the corresponding increase of \$12,597.00 in the annual rental cost; from \$25,935.00 to \$38,532.00.
3. The amortization of \$50,000.00 in renovation costs, per estimates submitted by Star Drywall of Louisville, Mink Electric, and Albrecht Painting.
4. The addition of two (2) automatic extension periods, resulting in a new lease expiration date of June 30, 2026.

Capital Projects and Bond Oversight Committee reporting prior to execution of the proposed modification is required for both the increase in the area(s) under lease and for the amortization of improvements associated with the proposed lease agreement. Your approval of the attached lease agreement modification is recommended based on the following:

1. The anticipated amortization period of eighty-seven months results in an estimated annual amortization cost of \$6,896.52 and a total annual estimated cost of \$168,578.04 for the office portion of the lease. This represents an estimated cost of \$0.47 per square foot and an effective rental rate of \$11.39 per square foot. The inclusion of parking costs increases the effective per square foot cost of the entire lease to \$13.52 per square foot, and adjustments based on current statewide average costs for utilities and janitorial services results in an effective estimated base rental rate of \$10.11 per square foot.
2. The most recent (i.e., lease effective June 4, 2015) competitive lease award issued in Jefferson County provided space for the Department of Corrections at an effective base rental rate of \$12.58 per square foot. Assuming comparable costs for alternate leased space, the proposed modification produces an estimated effective savings of \$2.47 per square foot (\$36,570.87 annually at 14,806 square feet) for the Department. It should also be noted that the most recent competitive bid project (reference PR-5506) producing proposals to lease offered space at a rental rate of \$29.82 per square foot.

Based on the information herein, your approval of the attached lease modification is recommended to secure suitable supplemental space as requested by the Department of Corrections.

Should you require additional information, please advise.

JSA/BSH/JLB/jlb
Attachment

APPROVED: Scott Aubrey
Scott Aubrey, Director



Star Drywall of Louisville, Inc.

4021 Poplar Level Road, Louisville, KY 40213
Office: (502) 968-5481 Fax: (502) 964-2020

B/

August 20, 2018

FBM

**Attn: J. F. Norris, L. Dixon
K. Shaker**

**RE: Jefferson County Corrections
Probation & Parole**

Supply & Install:

Metal Stud Framing (25 Gauge)

Sound Insulation

1/2" Gypsum Wallboard

Tape & Finish

**Acoustical Ceilings (Only in Area that has been discussed with Fred,
No Grid or Tile in other area)**

Total-----\$28,586.49

Exclusions:

Acoustical Ceiling in the area of New Proof Rooms

Thank you!

Terry L. Stilger

DRYWALL SPECIALIST

Proposal

A

Page 1 of 1

JULIUS SCHNURR & SONS, INC.

820 Logan Street
Louisville, Kentucky 40204

Phone 502-585-2967 Fax 502-561-8589

Proposal Submitted To: F.B.M Properties LLC	Phone: 589-5383	Date: October 18, 2018
Street: 333 Guthrie Street	Job Name: Probation & Parole	
City, State & Zip: Louisville ky 40202	Job Location: 4th Floor Chestnut Center	
Architect: _____	Date of Plans: _____	Job Phone: _____

We hereby submit specifications and estimates for

Supply labor and material to frame, insulate and drywall new partitions on southeast side as discussed.

Repair existing drywall ready for paint.

We propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

Forty Three Thousand Six Hundred Forty \$ 43,640.00

Payment to be made as follows:

Billings on 15th of month paid by 10th of following month.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, theft and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature:

John S. Schnurr

Note: This proposal may be withdrawn by us if not accepted within

60 days

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

are hereby

Signature: _____

Date of Acceptance: _____

Signature: _____

Mink Electric
1101 Spencer Hollow Way
Louisville, KY 40245 US
Minkelectric@gmail.com
www.minkelectric.com



Estimate

A/

ADDRESS

Chestnut Center
FBM Properties

ESTIMATE #

DATE

1081

09/07/2018

DESCRIPTION

AMOUNT

Labor & materials to:	13,900.00
Demo and rework wiring as needed	
24 - 120 volt new switches	
Rework all lay-in light fixtures	
54 - new 120 volt outlets	
2 - 120 volt dedicated circuits	
1 - 120 volt dedicated 4plex	
21 - data rings and pull string	

Notes:

Existing light fixtures to be re-used
Light repair if needed not included
New outlets and face plates on existing
outlets not included

TOTAL

\$13,900.00

Accepted By

Accepted Date

B

JD Electric, LLC
4702 Pinewood Road
Louisville, KY 40218
Office: (502) 671-244
Cell: (502) 376-9764
Fax: (502) 671-2442

October 5, 2018
FBM Properties
Chestnut Center

Proposal

We hereby propose to furnish the following material and provide the labor for the completion of the following:

1. Install all electric in a workman-like manor.
2. Demo and re-work wiring as needed included.
3. Installation of 24 new 120 volt switches included.
4. Re-work all lay-in light fixtures. Existing light fixtures will be re-used. Any lighting repair needed will incur additional fees.
5. Installation of 54 new 120 volt receptacles included.
6. Installation of 2 new 20 amp 120 volt dedicated circuits included.
7. Installation of 1-120 volt 4 plex dedicated receptacle included.
8. Installation of 21 data rings with pull strings included.

Comments

1. If for any reason any of the existing receptacles and/or face plates need to be replaced, additional charges will be incurred.

Total Bid: \$15,400.00

Thank you,
Jason Dailey



August 9th, 2018

2ND PHASE

FBM Properties

Fred Norris

410 W. Chestnut Street

Louisville, KY 40202

502 639 0385

Jfnorris72@gmail.com

Dear Fred,

Albrecht Painting thanks you and looks forward to working with you!

Since Albrecht Painting has been in business, we have been blessed with extraordinary growth. Our uniformed painters are top notch and average over 18 years professional painting experience per person. Unlike most paint companies, our painters are direct employees and are covered under worker's compensation insurance, which means, you will never have to worry should one get hurt on your project. We also carry comprehensive liability insurance. Our company will arrive on your job site between the hours of 8:00/8:30am will finish their day at 4:00pm, unless other arrangements have been made. Please let us know if any special arrangements need to be made for our entry and how to lock up. Albrecht Painting takes responsibility in everything we do from start to finish. We guarantee all our work and will make sure you are totally satisfied prior to our close of the job.

This estimate includes:

- All necessary materials
- All necessary labor
- Tarps, poly and drop cloths
- Clean-up debris from scraping and prep
- Transportation to and from site

Project Specifications: Interior: Second Phase (4th Floor)

***ALL AREAS NEED TO BE FINISHED BEFORE WE SEND PAINTERS**

Doors & Door Frames: \$1,745

This includes 8 doors to be refinished, 37 door frames, 2 metal doors with frames (1 side), and elevator door

Raw Drywall: \$1,030

To be prepped and primed

Walls: \$11,855

Prep and paint two coats using Sherwin Williams Sherscrub eggshell

Total: \$14,630

1/3 Deposit upon signing: \$4,870

1/3 Payment upon job start: \$4,870

1/3 Payment upon completion: \$4,890

This offer has been accepted _____

(Signature and date)

Thank you for the opportunity to be of service,

Lynn D. Morrow

Owner/President

2719 Grassland Drive

Louisville, KY 40299

p. 502-836-0844

f. 502-267-5655

paintinglouisville@gmail.com

This proposal does not contain any warranty or guarantee except as may be specifically set forth in writing under the section labeled "Description". Any warranty or guarantees given do not include damage or failure to work by others, inadequate maintenance, abuse, falling objects, foreign materials or chemicals, building movement, fire, hail, tornado, or other natural disasters. Albrecht Painting must be notified in writing of any work or additions by other which may affect the subject work prior to such work or additions. Failure to do so shall nullify any warranty or guarantee contained herein. TERMS: Due and payable in full upon completion of work, non-payment of any and all sums under this contract, as specified, will result in the imposition of a late payment charge of 1 1/2% per month, commencing on the 11th day following completion of work, and may result in a lien being filed against the affected real property under KRS 376.010 or other applicable statute. In the event of default in payment, as specified or in the event of a lien or action to collect is filed as authorized statute, the debtor or other obligor shall pay all costs of collection of the balance. Failure to make payment in full in according to the terms of this proposal shall nullify all warranties.

B

 <p>INTERIOR PROPOSAL</p> <p>Job Address: 410 E Chestnut</p>	<p>Independent Franchise Owner: Lee Sapata CertaPro Painters of Kentuckiana 2218 Frankfort Ave Louisville, KY, 40206 502-290-6636 502-554-5843 Fax : 502 - 290 - 6636 LSapata@certapro.com 502-290-6636</p>	<p>Job #: GHDBB900348 Date: 10/08/2018</p> <p>Customer Address: Laurie Dixon FBM Properties 333 Guthrie Street Louisville KY 40202 Phone: (502) 589-5383</p>
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Full Workers Compensation Coverage/\$2,000,000 General Liability Insurance

SPECIAL NOTES:

This proposal includes prep, labor and material to paint the areas indicated below.

SCOPE OF WORK:

Included Items:

Doors, door frames, walls

Excluded Items:

Baseboards, ceilings, windows

SET-UP TO BE DONE:

Client to:

Remove small and fragile objects., Remove all wall decorations., Remove drapes and blinds.

CertaPro will cover and protect:

Floors., Furniture., Cabinets/ Fixtures

PREPARATION TO BE DONE:

Fill cracks and holes in walls, Scuff sand trim

INCLUDED DETAILS

Description	Manufacturer/Paint Type	Color	Coats
Apply two coats of paint to walls, 8 doors, 37 door frames, 2 metal doors and 1 elevator door per attached drawings.	PPG / Porter Paints/Eggshell/100% Acrylic	TBD	Two

Clean Up

To be completed in full daily in each room so as to allow customer access. The drop cloths, tools and ladders to be placed in determined location by the customer for safety. The only time cleanup not completed in full is if the customer has agreed to allow painter to leave the room in a certain state so as to allow for more efficient production.

Notes/Misc

CUSTOMER SERVICE COMMITMENT: The goal for this job is to provide the best customer experience possible. This is accomplished by being friendly and courteous, by making the client feel part of the process with daily updates and excellent communication, by doing things right the first time, and by respecting your property and your home. We recognize that we are guests.

FINAL PRICING

PRICE OF INCLUDED ITEMS (All labor, paint, materials)	\$25130.0
SALES TAX (@ 0 %)	\$0.00
GRAND TOTAL	\$25130.00

DEPOSITS DUE
PAYMENTS RECEIVED

-\$0.00

-\$0.00

BALANCE DUE

\$25130.00

Signature of Authorized Franchise Representative: _____ Date: _____

Payment is due: Scheduled Payments (to be determined)
20% down; 40% at mid point of project; 40% upon completion

*
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*
*
*

DECLARATION

(I/WE) HAVE READ THE TERMS STATED HEREIN, THEY
HAVE BEEN EXPLAINED TO (ME/US) AND (I/WE) FIND
THEM TO BE SATISFACTORY, AND HEREBY ACCEPT
THEM

(I/WE) HAVE EXAMINED THE JOB STATED HEREIN,
THEY HAVE BEEN SHOWN TO (ME/US) AND (I/WE)
FIND THEM TO BE SATISFACTORY, AND HEREBY
ACCEPT THE JOB AS COMPLETE

SIGNATURE

DATE

SIGNATURE

DATE



RELATIONSHIP - The individual giving you this proposal is an independent contractor licensed by CertaPro Painters to use its systems and trademarks to operate a painting franchise. The work will be completed by the independent franchised contractor. Please make any check payable to the franchise shown in the upper right hand corner of the front of this proposal

DEFINITIONS AND CONDITIONS OF THIS CONTRACT

COLORS - Colors may be chosen by the client prior to commencement of work. If, after the job starts, a color change is required, the independent Contractor will have to charge for time and material expenses incurred on the original color.

UNFORESEEN CONDITIONS - Should conditions arise which could not be determined by visual inspection prior to starting work, the client must pay an agreed upon extra for the completion of such work.

PROPOSAL - This proposal is valid for 60 days after it was written. In addition, the Independent Franchised Contractor should be informed of your desire to have the work done and receive a signed copy of the proposal before work is to be started.

ATTENTION CLIENT:

YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE BELOW NOTICE OR CANCELLATION FOR AN EXPLANATION OF THIS RIGHT. (SATURDAY IS A LEGAL BUSINESS DAY IN CONNECTICUT). THIS SALE IS SUBJECT TO THE PROVISIONS OF THE HOME SOLICITATION SALES ACT AND THE HOME IMPROVEMENT ACT. THIS INSTRUMENT IS NOT NEGOTIABLE

NOTICE OF CANCELLATION

Date of Transaction _____

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE BUSINESS DAYS FROM THE ABOVE DATE IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN TEN BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELLED. IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR SALE, OR YOU MAY, IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK. IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN TWENTY DAYS OF THE DATE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREED TO RETURN THE GOODS AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT.

TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM TO _____

(Name of Seller)

(Address of Seller's Place of Business)

NOT LATER THAN MIDNIGHT OF _____

(Date)

I HEREBY CANCEL THIS TRANSACTION. _____

(Date)

(Buyer's Signature)

LIMITED TWO YEAR WARRANTY

Subject to the limitations set forth below, for a period of 24 months from the date of completion of the work described on the front of this contract, the Independent Franchise Owner named on the front of this contract (the "Contractor") will repair peeling, blistering or chipping paint resulting from defective workmanship.

THIS LIMITED WARRANTY DOES NOT COVER:

- Any work where the Contractor did not supply the paint or other materials.
- Any work which was not performed by the Contractor
- Varnished surfaces.
- Surfaces made of, or containing, galvanized metal.
- The cost of paint required to perform the repairs.
- Repairs to horizontal surfaces or any surface that, by virtue of its design permits moisture to collect. Surfaces include, but are not limited to, decks, railings, stairs, porches, roofs, and wood gutters.
- Exact paint match as environmental conditions will affect the color and finish of all paints over time.
- Any repairs which are necessitated as a result of a defect in the paint regardless of whether the paint was supplied by the Contractor or the customer.
- Bleeding caused by knots, rust or cedar.
- Cracks in drywall, plaster or wood.
- Peeling, blistering or chipping where they are caused by:
 - mill-glazing from smooth cedar
 - ordinary wear and tear.
 - abnormal use or misuse
- peeling of layers of paint existing prior to the work performed by the Contractor.
- structural defects.
- settling or movement
- moisture content of the substrate.
- abrasion, mechanical damage, abrasive cleaning, abuse, or damage resulting from use of chemicals or cleaning agents or exposure to harmful solids, liquids or gases. - damage or defects caused in whole or in part by reason of fire, explosion, flood, acts of God, extreme weather conditions, misuse, alterations, abuse, vandalism, negligence, or any other similar causes beyond the control of the Contractor.

Repairs under this limited warranty will be performed only on the specific areas where peeling, blistering or chipping has occurred and only to the level of surface preparation described in the preparation section of this Contract.

FOR THIS WARRANTY TO BE VALID, YOU MUST:

- Pay the full contract price.
- Retain a copy of the original contract.
- Retain a copy of your cancelled check or other evidence of payment in full.
- Pay for all materials used to perform the repairs.
- Make the property accessible to the Contractor, or his employees, to perform the repairs.

THIS LIMITED WARRANTY IS THE ONLY EXPRESS WARRANTY MADE BY THE CONTRACTOR AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. THIS WARRANTY COVERS ONLY THOSE SERVICES PROVIDED BY THE CONTRACTOR TO THE ORIGINAL PURCHASER NAMED ON THE FRONT OF THIS CONTRACT. IN NO EVENT SHALL THE CONTRACTOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OR DAMAGES IN EXCESS OF THE ORIGINAL CONTRACT PRICE. THIS WARRANTY MAY NOT BE ALTERED OR EXTENDED FOR ANY PURPOSE UNLESS DONE SO IN WRITING IN A DOCUMENT EXECUTED BY ALL PARTIES TO THIS CONTRACT.

This warranty gives you specific legal rights. Some jurisdictions do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you. Some jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so the above imitations or exclusions may not apply to you.

For warranty service, you should contact your Contractor to schedule an inspection of your property by calling CertaPro Painters at 800.462.3782.



**FINANCE AND ADMINISTRATION CABINET
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Governor

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William M. Landrum III
Secretary

Robert M. Burnside
Commissioner

Scott Aubrey
Director

MEMORANDUM

TO: Katherine Halloran, Committee Staff Administrator
Capital Projects and Bond Oversight Committee

FROM: Brien S. Hoover, Leasing Manager *B*
Division of Real Properties

DATE: February 4, 2019

SUBJECT: PR-5323, Casey County
Cabinet for Health and Family Services
Annual Rental Exceeding \$100,000.00

As outlined, attached please find notification of a lease agreement renewal that is being processed by our Division's Leasing Branch.

If you have any questions or require additional information concerning this matter, please advise.

BSH/LCD/lcd

CC: Capital Construction Log
OSBD
PR-5323-File
BSH

Attachment



REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-5323	County: Casey
Using Agency: Cabinet for Health and Family Services	
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary	Robert O. Fowler
Property Location: 1000 Hustonville Street, Liberty KY	
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification	
Type Space: Office	Cost Per Square Foot: \$15.75
Annual Rental Cost: \$130,992.76	Average Cost Per Square Foot of Leased-In Space in County: \$10.69
Utilities Included: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Cancellation Clause:	<input checked="" type="checkbox"/> Yes If yes, explain terms: 30 Days
	<input type="checkbox"/> No If no, explain why not:
Effective Date: July 1, 2019	Expiration Date: June 30, 2027
Justification for Lease: See attached	
Has the Finance & Administration Cabinet complied with statutory requirements: X-Yes <input type="checkbox"/> No If no, explain:	
Explain why the Finance & Administration Cabinet chose this lessor (see attached approval memo and modification): See attached	

COMMONWEALTH OF KENTUCKY LEASE AGREEMENT

LEASE/PR #	PR-5323, Casey County	Agency/Dept	Cabinet for Health & Family Services
INITIAL ENCUMBRANCE	\$	DIVISION	
ANNUAL ENCUMBRANCE	\$130,992.76	DATE	February 4, 2019
VENDOR #	KY0010840	BUILDING CODE #	

THIS LEASE, entered into between: **Robert O. Fowler**, whose address is: **350 Booker Road, Springfield KY 40069** (Business Phone: **859-319-3006**, his heirs and assigns, hereinafter called the "Lessor", and the COMMONWEALTH OF KENTUCKY, hereinafter referred to as the "Commonwealth";

WITNESSETH, that for the consideration hereinafter mentioned, the parties hereto agree as follows:

- 1a. The Lessor hereby leases to the Commonwealth and agrees to keep in quiet and peaceful possession the following described premises with its appurtenances; property located at **1000 Hustonville Street, Liberty KY, 42539**, in the County of **CASEY**.
- 1b. Said premises consisting of **8,317** square feet are to be rented at the cost of **\$15.75** per square foot and will be used by the Commonwealth for **Office** space.
2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **\$32,748.19**, payable **Quarterly**. The Lessor shall provide the Commonwealth with the following services: **NONE**; with **44** reserved parking spaces.
3. Subject to the limitations imposed by law and as provided in paragraphs 5 and 6 of this Lease, the term during which the Lease shall be effective shall begin **July 1, 2019**, and end **JUNE 30, 2020**.
4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed **7** extension period(s) unless the Commonwealth shall give the Lessor written notice **30** days prior to the expiration of the term or any extension that it will not be extended; no extension shall prolong the period of occupancy of the leased premises beyond the **30TH** day of **June, 2027**. The Lessor understands that the Commonwealth's funds cannot be committed beyond its current fiscal year and its applicable appropriation, and the related allotment from rental payments will be made.
5. The Commonwealth shall have the further right to terminate this Lease at any time upon **30** days written notice, time to be computed from date of mailing notice; termination under this paragraph shall not be considered effective until the last day of the month in which the notice period ends.
6. The Commonwealth agrees not to assign this Lease, or to sublet the premises except to a desirable tenant and for a similar purpose, and will not permit the use of the premises by anyone other than the Commonwealth, the Federal Government, or such sub-lessee, and the agents and servants of the Commonwealth, the Federal Government, or such sub-lessee.
7. The Commonwealth shall have the right during the existence of this Lease to make alterations, attach fixtures and erect additional structures or signs in or upon the leased premises, provided such alterations, additions, structures or signs shall not be detrimental to or inconsistent with rights granted to other tenants on the property or in the building in which the premises are located. Fixtures, additions, structures or signs placed in or upon or attached to the premises shall remain the Commonwealth's property and may be removed by it prior to the termination of this Lease.
8. Unless otherwise specified, the Lessor shall maintain the premises in good repair and tenable condition, including heating and/or air conditioning equipment, except in case of damage arising from the negligent acts of the Commonwealth's agents or employees. For the purpose of maintaining the premises and to make necessary repairs, the Lessor reserves the right to enter and inspect the premises at reasonable times.
9. The Commonwealth agrees to take good care of the premises and to return them at the expiration of their Lease in as good order as received, ordinary wear and tear and natural decay excepted.
10. The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased premises.
11. If the premises are destroyed by fire or other casualty, this Lease shall immediately terminate. In case of partial destruction or damage so as to render the premises untenantable, the Commonwealth may terminate or suspend this Lease by giving written notice to the Lessor within 15 days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Lessor after the date of such partial destruction or damage until such damage is repaired and premises are considered tenantable.
12. It is agreed by the parties hereto that if any one of the provisions of this Lease shall contravene or be invalid under the laws of the Commonwealth of Kentucky, such contravention or invalidity shall not invalidate the whole Lease, but it shall be construed as if not containing that particular provision or provisions, and the rights and obligations of the parties shall be construed accordingly.
13. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Agreement he will not be in violation of the campaign finance laws of the Commonwealth.
14. The Lessor agrees to notify the Commonwealth of all persons owning or upon any change or transfer of ownership involving 5% or more in stock, in partnership, business trust, or corporation, including silent or limited partners. Non-compliance may result in termination of the Lease Agreement.
15. Lessor shall comply with all standards set by the Department of Housing, Buildings and Construction, Division of Building Codes Enforcement, and that of the Kentucky Occupational Safety and Health Standards Board and the Americans with Disabilities Act (ADA).
16. The Contractor, as defined in KRS 45A.030(7), 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 contract for the purpose of financial audit or program review. Furthermore, any books, documents, papers, records, or other evidence provided to the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information which would otherwise be subject to public release if a state government agency provides the service.

IN WITNESS WHEREOF, the parties hereto have subscribed their names:

STATE LEASING AGENCY REPRESENTATIVE	Date	LESSOR	Date
ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES	Date	ATTORNEY, FINANCE & ADMINISTRATION CABINET	Date
MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES	Date	DIRECTOR, DIVISION OF REAL PROPERTIES	
SECRETARY, FINANCE & ADMINISTRATION CABINET	Date	APPROVED THIS _____ DAY OF _____, 20____	

When executed by the Secretary, Finance & Administration Cabinet, this instrument constitutes a finding and order, pursuant to KRS Chapters 45A and 56, that the leased property is needed for use by the Commonwealth of Kentucky. All correspondence and inquiries regarding this Lease are to be directed to the Division of Real Properties, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502-564-2105.

FILE COPY



FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES

Matthew G. Bevin
Governor

Division of Real Properties
403 Wapping Street, Suite 300
Frankfort, Kentucky 40601-2638
(502) 564-2205
Fax: (502) 564-8108


William M. Landrum III
Secretary

Robert M. Burnside
Commissioner

Scott Aubrey
Director

MEMORANDUM

TO: Scott Aubrey, Director
Division of Real Properties

FROM: Brien S. Hoover, Leasing Manager, 
Division of Real Properties

DATE: February 4, 2019

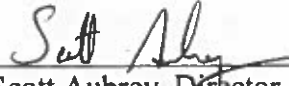
SUBJECT: PR-5323 Casey County
Cabinet for Health & Family Services

The Cabinet for Health and Family Services currently occupies 7,751 square feet of space, leased at a rental rate of \$10.69 per square foot (\$82,858.20 annually) excluding utilities and janitorial services, with a term expiring June 30, 2019. During regular renewal cycle processing the lessor advised that they would require a rental rate increase and the Cabinet submitted an updated space request indicating a need for approximately 8,389 square feet of space. A competitive bid project was completed with one (1) best and final proposal submitted as follows:

1. Mr. Robert Fowler proposed to lease 8,317 square feet at a rental rate of \$16.75 per square foot (\$139,309.76 annually), excluding utilities and janitorial services, with a term expiring June 30, 2026.

Efforts to obtain more favorable terms for the Cabinet were initiated and resulted in an offer to reduce the rental rate by \$1.00 per square foot and to extend the term through June 30, 2027. The Cabinet for Health and Family Services has recommended acceptance of the proposal from Robert Fowler based on the fact that his proposal represents the only proposal received. Pursuant to applicable provisions of KRS 56.803, the attached lease agreement therefore provides for the use of 8,317 square feet at a rental rate of \$15.75 per square foot (\$130,992.76 annually), excluding utilities and janitorial services, with a term expiring June 30, 2027. Capital Projects and Bond Oversight Committee reporting is required for the proposed lease agreement and your approval of same is recommended to resolve the original request for a rental rate increase and to secure appropriate supplemental space as requested by the Cabinet for Health and Family Services.

Should you require additional information, please advise.

APPROVED: 
Scott Aubrey, Director

BSH/LCD/lcd
Attachment





**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

Matthew G. Bevin
Governor

Division of Real Properties
403 Wapping Street, Suite 300
Frankfort, Kentucky 40601-2638
(502) 564-2205
Fax: (502) 564-8108


William M. Landrum III
Secretary

Robert M. Burnside
Commissioner

Scott Aubrey
Director

MEMORANDUM

TO: Katherine Halloran, Committee Staff Administrator
Capital Projects and Bond Oversight Committee

FROM: Brien S. Hoover, Leasing Manager 
Division of Real Properties

DATE: February 7, 2019

SUBJECT: PR-5585, Jefferson County
Department of Corrections
Emergency Lease

As outlined, attached please find notification of a lease agreement being processed by our division's Leased Properties Branch.

If you have questions or require additional information concerning this matter, please advise.

BSH/bh
Attachment

Cc: Capital Construction Log
OSBD
PR-5585 File
BSH



REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

EMERGENCY LEASE AGREEMENT

KRS 56.823(11)(b)

Lease No.: PR-5585		County: Jefferson	
Using Agency: Department of Corrections			
LESSOR (identify all parties having 5% or more ownership): Attach extra sheet if necessary		FBM Properties LLC	
Property Location: 410 West Chestnut Street, Louisville, KY			
Check One: <input checked="" type="checkbox"/> New Lease <input type="checkbox"/> Renewal <input type="checkbox"/> Modification			
Type Space: Office		Cost Per Square Foot: \$10.92	
Annual Rental Cost: \$97,504.68		Average Cost Per Square Foot of Leased-In Space in County: \$10.37	
Utilities Included: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Cancellation Clause: <input checked="" type="checkbox"/> Yes If yes, explain terms: 30 Days		<input type="checkbox"/> No If no, explain why not:	
Effective Date: January 9, 2019		Expiration Date: June 30, 2019	
Justification for Lease: Please see attached			
Has the Finance & Administration Cabinet complied with statutory requirements: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, explain:			
Explain why the Finance & Administration Cabinet chose this lessor: Please see attached.			



JUSTICE AND PUBLIC SAFETY CABINET

MATTHEW G. BEVIN
GOVERNOR

JOHN C. TILLEY
SECRETARY

125 HOLMES STREET, 2ND FLOOR
FRANKFORT, KENTUCKY 40601
(502) 564-7554
(502) 564-4840 - FAX

January 17, 2019

Secretary William M. Landrum III
Kentucky Finance and Administration Cabinet
Room 383, Capitol Annex
Frankfort, KY 40601

Dear Secretary Landrum:

On the night of January 8, 2019, leased space occupied by the Department of Corrections (DOC), Probation and Parole District 16, and located at 225 N. Clifton Avenue in Louisville, Kentucky (PR-4261), was damaged by a fire and is no longer tenable. As a result of this damage, and pursuant to KRS 56.805(3)(a), I would request the Division of Real Properties obtain appropriate temporary and/or permanent replacement space to house the District 16 office. Probation and Parole was able to remove all remaining property by January 11, 2019. I respectfully request lease PR-4261 be suspended and cancelled as of this date.

If additional information is needed, please do not hesitate to contact DOC's Division of Probation and Parole Leased Properties Liaison, Michael Lynn, at 502.782.2330.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink that reads "John C. Tilley".

John C. Tilley, Secretary
Justice and Public Safety Cabinet



**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

Matthew G. Bevin
Governor

Division of Real Properties
403 Wapping Street, Suite 300
Frankfort, Kentucky 40601-2638
(502) 564-2205
Fax: (502) 564-8108


William M. Landrum III
Secretary

Robert M. Burnside
Commissioner

Scott Aubrey
Director

MEMORANDUM

TO: Scott Aubrey, Director
Division of Real Properties

FROM: Brien S. Hoover, Leasing Manager 
Division of Real Properties

DATE: February 7, 2019

SUBJECT: PR-5585, Jefferson County
Department of Corrections

The Department of Corrections has submitted a request to obtain emergency leased space via KRS 56.805(3)(a) due to fire damage occurring on the evening of January 8th and/or morning of January 9th that rendered the existing leased facility (i.e., PR-4261, Jefferson County) untenable. The Department of Corrections advised our office of this condition on the morning of January 9th and was requested to prepare the necessary emergency certification document(s) and to determine if displaced staff could be accommodated in one or more of their other Jefferson County District Offices (i.e., PR-4264, PR-4496, PR-5290, and/or PR-5370). Based on our knowledge of potentially available space at the aforementioned locations and the rental terms applicable to each, the existing lessor under PR-4496 was contacted and they indicated that sufficient temporary space to accommodate the Department was available. Prior to finalizing proposed temporary lease terms with that lessor and absent authorization from the Division of Real Properties, the Department of Corrections advised our office that they were relocating furnishings and equipment to space on the 7th floor of the facility (with the consent of a representative of the lessor) and that they anticipated that staff would begin operating from the proposed temporary space on or about January 11th. Further negotiations with that lessor (i.e., FBM Properties LLC) resulted in a proposal to lease the necessary temporary space at the same terms applied to the existing lease agreement under PR-4496 (i.e., \$10.92 per square foot including all utilities and janitorial services), however parking is excluded due to lack of availability and the initial lease term is defined as January 1, 2019 through June 30, 2019.

Subsequent to verification of the space occupied by the Department, the proposed lease agreement provides for the use of 8,929 square feet of space at a rental rate of \$10.92 per square foot (\$97,504.68 annually), including all utilities and janitorial services, with a term expiring June 30, 2019. The proposed lessor has indicated that they will provide favorable consideration to additional term extensions and parking to accommodate agency staff will be obtained via a separate lease agreement through Parking Authority of River City (i.e., Louisville Jefferson County Metro Government).



Memo to: Scott Aubrey, Director
PR-5585, Jefferson County
Department of Corrections
February 7, 2019
Page Two


The following considerations support the use of space in the recommended facility:

1. Adjustments for utility and janitorial expenses based on fiscal year 2018 statewide averages reduces the effective base rental rate of the lease agreement to \$7.51 per square foot and this is the lowest rental rate available in the various facilities currently occupied by the Department in Jefferson County.
2. The proposed location offered immediately available temporary space and subject to appropriate renovation, space located on a different floor may offer suitable permanent replacement space for the Department. In addition, the Department benefits from immediate temporary access to support space (e.g., conference areas, training rooms, etc.) located in the existing area leased under PR-4496.
3. The temporary space includes a small suite previously occupied by the Department, and a larger suite previously occupied by the Department of Workers Claims, which provides existing network and telecommunication infrastructure. The presence of another District office in the building allows for access to centralized network equipment and eliminates additional expenses associated with installation of that equipment while allowing the agency to resume operations with minimal disruption.

Capital Project and Bond Oversight Committee reporting is required for the proposed lease agreement pursuant to applicable provisions of KRS 56.823 and your approval of same is recommended to secure appropriate temporary replacement space as requested by the Department of Corrections.

Should you require additional information, please advise.

JSA/BSH/bh
Attachment

APPROVED: 
Scott Aubrey, Director

LEASE/PR #	PR-5585, Jefferson County	AGENCY/DEPARTMENT	Department of Corrections
INITIAL ENCUMBRANCE	\$	DIVISION	
ANNUAL ENCUMBRANCE	\$97,504.68	DATE	February 7, 2019
VENDOR #	KY 0023270	BUILDING CODE #	90584001

THIS LEASE, entered into between: **FBM Properties LLC**, whose address is: **333 Guthrie Green; Louisville; KY; 40202** (Business Phone: **502-589-5383**), his heirs and assigns, hereinafter called the "Lessor", and the COMMONWEALTH OF KENTUCKY, hereinafter referred to as the "Commonwealth";

WITNESSETH, that for the consideration hereinafter mentioned, the parties hereto agree as follows:

- 1a. The Lessor hereby leases to the Commonwealth and agrees to keep in quiet and peaceful possession the following described premises with its appurtenances; property located at **410 West Chestnut Street; 7th Floor; Louisville; KY; 40202**, in the County of **Jefferson**.
- 1b. Said premises consisting of **8,929** square feet are to be rented at the cost of **\$10.92** per square foot and will be used by the Commonwealth for **Office** space.
2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **\$24,376.17**, payable **Quarterly**. The Lessor shall provide the Commonwealth with the following services: **All Utilities and Janitorial Services**, with **Zero (0)** parking spaces.
3. Subject to the limitations imposed by law and as provided in paragraphs 5 and 6 of this Lease, the term during which the Lease shall be effective shall begin **January 9, 2019**, and end **JUNE 30, 2019**.
4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed **Zero (0)** extension period(s) unless the Commonwealth shall give the Lessor written notice **30** days prior to the expiration of the term or any extension that it will not be extended; no extension shall prolong the period of occupancy of the leased premises beyond the **30th** day of **June 2019**. The Lessor understands that the Commonwealth's funds cannot be committed beyond its current fiscal year and its applicable appropriation, and the related allotment from rental payments will be made.
5. The Commonwealth shall have the further right to terminate this Lease at any time upon **30** days written notice, time to be computed from date of mailing notice; termination under this paragraph shall not be considered effective until the last day of the month in which the notice period ends.
6. The Commonwealth agrees not to assign this Lease, or to sublet the premises except to a desirable tenant and for a similar purpose, and will not permit the use of the premises by anyone other than the Commonwealth, the Federal Government, or such sub-lessee, and the agents and servants of the Commonwealth, the Federal Government, or such sub-lessee.
7. The Commonwealth shall have the right during the existence of this Lease to make alterations, attach fixtures and erect additional structures or signs in or upon the leased premises, provided such alterations, additions, structures or signs shall not be detrimental to or inconsistent with rights granted to other tenants on the property or in the building in which the premises are located. Fixtures, additions, structures or signs placed in or upon or attached to the premises shall remain the Commonwealth's property and may be removed by it prior to the termination of this Lease.
8. Unless otherwise specified, the Lessor shall maintain the premises in good repair and tenantable condition, including heating and/or air conditioning equipment, except in case of damage arising from the negligent acts of the Commonwealth's agents or employees. For the purpose of maintaining the premises and to make necessary repairs, the Lessor reserves the right to enter and inspect the premises at reasonable times.
9. The Commonwealth agrees to take good care of the premises and to return them at the expiration of their Lease in as good order as received, ordinary wear and tear and natural decay excepted.
10. The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased premises.
11. If the premises are destroyed by fire or other casualty, this Lease shall immediately terminate. In case of partial destruction or damage so as to render the premises untenable, the Commonwealth may terminate or suspend this Lease by giving written notice to the Lessor within 15 days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Lessor after the date of such partial destruction or damage until such damage is repaired and premises are considered tenable.
12. It is agreed by the parties hereto that if any one of the provisions of this Lease shall contravene or be invalid under the laws of the Commonwealth of Kentucky, such contravention or invalidity shall not invalidate the whole Lease, but it shall be construed as if not containing that particular provision or provisions, and the rights and obligations of the parties shall be construed accordingly.
13. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Agreement he will not be in violation of the campaign finance laws of the Commonwealth.
14. The Lessor agrees to notify the Commonwealth of all persons owning or upon any change or transfer of ownership involving 5% or more in stock, in partnership, business trust, or corporation, including silent or limited partners. Non-compliance may result in termination of the Lease Agreement.
15. Lessor shall comply with all standards set by the Department of Housing, Buildings and Construction, Division of Building Codes Enforcement, and that of the Kentucky Occupational Safety and Health Standards Board and the Americans with Disabilities Act (ADA).
16. The Contractor, as defined in KRS 45A.030(7), 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 contract for the purpose of financial audit or program review. Furthermore, any books, documents, papers, records, or other evidence provided to the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information which would otherwise be subject to public release if a state government agency provides the service.

IN WITNESS WHEREOF, the parties hereto have subscribed their names:

STATE LEASING AGENCY REPRESENTATIVE _____ Date _____

LESSOR _____ Date _____

ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES _____ Date _____

ATTORNEY, FINANCE & ADMINISTRATION CABINET _____ Date _____

MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES _____ Date _____

DIRECTOR, DIVISION OF REAL PROPERTIES _____

SECRETARY, FINANCE & ADMINISTRATION CABINET _____ Date _____

APPROVED THIS _____ DAY OF _____, 20____

When executed by the Secretary, Finance & Administration Cabinet, this instrument constitutes a finding and order, pursuant to KRS Chapters 45A and 56, that the leased property is needed for use by the Commonwealth of Kentucky. All correspondence and inquiries regarding this Lease are to be directed to the Division of Real Properties, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2205.

BS11

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