MEMORANDUM

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

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

DATE: July 15, 2019

SUBJECT: PR-4861, Franklin County
          Department of Agriculture
          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/JLB/jlb

CC: Capital Construction Log
    OSBD
    PR-4861-File
    BSH
<table>
<thead>
<tr>
<th>Lease No.: PR-4861</th>
<th>County: Franklin</th>
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</thead>
<tbody>
<tr>
<td>Using Agency: Department of Agriculture</td>
<td>Century Investment Group, LLC</td>
</tr>
</tbody>
</table>

**Lessor** (identify all parties having 5% or more ownership): Attached extra sheet if necessary

**Property Location:**  
111 Corporate Drive, Frankfort KY

<table>
<thead>
<tr>
<th>Check One:</th>
<th>□ New Lease</th>
<th>□ Renewal</th>
<th>□ Modification</th>
</tr>
</thead>
</table>

**Type Space:** Office/Warehouse  
Cost Per Square Foot: $12.50, 9,639 sq. ft. office/$3.25, 2,687 sq. ft. warehouse

**Annual Rental Cost:** $129,220.24  
Average Cost Per Square Foot of Leased-In Space in County: $7.16 office/$1.04 warehouse

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<tr>
<th>Utilities Included:</th>
<th>□ Yes</th>
<th>X - No</th>
</tr>
</thead>
</table>

**Cancellation Clause:**  
X - Yes  
If yes, explain terms: 30 Days  
□ 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  
□ No  
If no, explain:

Explain why the Finance & Administration Cabinet chose this lessor (see attached approval memo and modification): See attached
<table>
<thead>
<tr>
<th>LEASE#/ RENTAL NUMBER</th>
<th>807</th>
<th>INCOME ENCUMBRANCE</th>
<th>$329,220.24</th>
<th>DATE</th>
<th>July 1, 2019</th>
<th>BUILDING CODE</th>
<th>90960004</th>
</tr>
</thead>
<tbody>
<tr>
<td>VENDOR #</td>
<td>PR-4861, Franklin County</td>
<td>AGENCY/DEPARTMENT</td>
<td>Department of Agriculture</td>
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</tbody>
</table>

THIS LEASE, entered into between: Century Investment Group LLC, whose address is: 108 West Maple Street, Nicholasville; KY; 40356 (Business Phone: 859-885-4106; Home Phone: N/A), 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:

1. 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 111 Corporate Drive; Frankfort, KY in the County of Frankfort.

2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of $32,305.06, payable Quarterly. The Lessor shall provide the Commonwealth with the following services: None, in forty-one (41) 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, 2027.

4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed Seven (7) extension periods 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 prorogue 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 sublessor, and the agents and servants of the Commonwealth, the Federal Government, or such sublessor.

7. The Commonwealth shall have the right during the existence of this Lease to make alterations, additions, 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 or 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 ventilation 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 maintaining and continuously maintaining and desirable appearance of 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 the Lease by giving written notice to the Lessor within 15 days after such partial destruction or damage, and, if so terminated, 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 it contained 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 (or she) is a corporation, partnership, business trust or other organization is involved, then he (or she) is to be written as person in which an interest therein is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by entering into and performing this contract will not be violating any other agreement between the Commonwealth of Kentucky and any other public or private person or organization, including any person with an interest therein is legally entitled to enter into contracts with 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 stock or limited partners. Non-compliance may result in termination of the Lease Agreement.

15. The Contractor, as defined in KRS 45A.300, agrees that the contract is in full compliance with the requirements of the Commonwealth of Kentucky and the Commonwealth of Kentucky’s statutes and rules. The Contractor agrees to submit the contract to the Commonwealth of Kentucky for approval and compliance with all applicable laws and regulations.

16. The Contractor agrees to submit the contract to the Commonwealth of Kentucky for approval and compliance with all applicable laws and regulations.

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

<table>
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<tr>
<th>STATE LEASING AGENCY REPRESENTATIVE</th>
<th>LESSOR</th>
<th>ATTORNEY, FINANCE &amp; ADMINISTRATION CABINET</th>
<th>DIRECTOR, DIVISION OF REAL PROPERTIES</th>
<th>APPROVED THIS DAY OF</th>
<th>20</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES</td>
<td>Date</td>
<td>Date</td>
<td>Date</td>
<td>Date</td>
<td>20</td>
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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, 402 Wapping Street, Frankfort, Kentucky 40601-5007, phone 502-564-2205.

FILE COPY
MEMORANDUM

TO: Scott Aubrey, Director
Division of Real Properties

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

DATE: June 15, 2019

SUBJECT: PR-4861 Franklin County
Department of Agriculture

The Department of Agriculture currently occupies 12,326 square feet of office and warehouse space, leased at a combined rental rate of $7.07 per square foot ($87,144.82 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. A competitive bid project was completed with one (1) best and final proposal submitted as follows:

1. Century Investment Group, LLC proposed to lease 9,639 square feet of office space at a rental rate of $12.50 per square foot ($120,487.50 annually), and 2,687 square feet of warehouse space for $3.50 per square foot ($9,404.50 annually) excluding utilities and janitorial services, with a term expiring June 30, 2027.

Efforts to obtain more favorable terms for the Department were initiated and resulted in an offer to reduce the rental rate by $.25 per square foot for the warehouse space. The Department of Agriculture has recommended acceptance of the proposal from Century Investment Group, LLC based on the fact that the proposal represents the only proposal received. Pursuant to applicable provisions of KRS 56.803, the attached lease agreement therefore provides for the use of 9,639 square feet of office space at a rental rate of $12.50 per square foot ($120,487.50 annually), and 2,687 square feet of warehouse space for $3.25 per square foot ($8,732.75 annually) for a combined rate of $129,220.24 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 space as requested by the Department of Agriculture.

Should you require additional information, please advise.

APPROVED: Scott Aubrey, Director

BSH/JLB/jlb
Attachment
MEMORANDUM

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

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

DATE: August 16, 2019

SUBJECT: PR-5180, Fayette County
          Department for Workforce Investment
          Annual Rental Exceeding $100,000.00

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

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

BSH/bh
Attachment

CC: Capital Construction Log
    OSBD
    PR-5180 File
    BSH
# Report to Capital Projects and Bond Oversight Committee

**Lease Renewal with Annual Rental Exceeding $100,000.00**

<table>
<thead>
<tr>
<th>Lease No.: PR-5180</th>
<th>County: Fayette</th>
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<tbody>
<tr>
<td>Using Agency: <strong>Department for Workforce Investment</strong></td>
<td>Ken Isaacs Properties LLC</td>
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</tbody>
</table>

**Lessor** (identify all parties having 5% or more ownership):  
Attached extra sheet if necessary

**Property Location:**  
141 Leestown Center Way, Suite 300, Lexington, KY

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<tr>
<th>Check One:</th>
<th>New Lease</th>
<th>Renewal</th>
<th>Modification</th>
</tr>
</thead>
</table>

**Type Space:** Office  
Cost Per Square Foot: $16.40

**Annual Rental Cost:** $119,310.00  
Average Cost Per Square Foot of Leased-In Space in County: $14.35

**Utilities Included:**  
☑ Yes (water/sewer only)  
☐ No

**Cancellation Clause:**  
☑ Yes  
If yes, explain terms: 30 Days  
☐ No  
If no, explain why not:

**Effective Date:** July 1, 2020  
**Expiration Date:** June 30, 2028

**Justification for Lease:** Lease renewal

Has the Finance & Administration Cabinet complied with statutory requirements:  
☑ Yes  
☐ No  
If no, explain:

**Explain why the Finance & Administration Cabinet chose this lessor:** Lease renewal
COMMONWEALTH OF KENTUCKY LEASE RENEWAL AGREEMENT

1. Subject to the limitations imposed by law and the terms set forth in the original Lease Agreement, and as designated below by signature of the parties (or their representatives), the following described Lease Agreement by and between WORKFORCE INVESTMENT and KEN ISAACS PROPERTIES, LLC 141 LEESTOWN CENTER WAY, SUITE 220 LEXINGTON, KY 40511, by mutual agreement, is hereby renewed at the same terms and conditions for further periods of twelve (12) months not to extend beyond June 30 (please check and initial your choice on the appropriate line):

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<th>2021</th>
<th>2022</th>
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<th>2026</th>
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<th>2028</th>
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</table>

The annual base rental rate shall remain $ 16.40 per square foot for 7,275.8 rentable square feet.

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<tr>
<th>LEASE NUMBER:</th>
<th>LOCATION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR05180</td>
<td>141 LEESTOWN CENTER WAY,</td>
</tr>
<tr>
<td></td>
<td>SUITE 300 LEXINGTON, KY</td>
</tr>
</tbody>
</table>

ADDENDUM ATTACHED: NO (Lessor must sign Addendum if attached)

2. The Lessor agrees to notify the Commonwealth of all persons owning, or upon any change or transfer of ownership involving five percent (5%) or more in stock, in partnership, in business trust, or in corporation, including silent or limited partners. Non-compliance may result in termination of the Lease Agreement.

3. The Lessor acknowledges that his property may be inspected by the Division of Building Codes Enforcement and/or the State Fire Marshal and must comply with all applicable standards (life safety and ADA accessibility).

4. The contractor, as defined in KRS 45A.030 (9) 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. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall not be exempt from disclosure as provided in KRS 61.878 (1)(c). 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. In the event of a dispute between the contractor and the contracting agency, Attorney General, or the Auditor of Public Accounts over documents that are eligible for production and review, the Finance and Administration Cabinet shall review the dispute and issue a determination, in accordance with Secretary's Order 11-004.

5. The Lessor certifies by his signature hereon after affixed that he ("he") is construed to mean "they" if more than one person in 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 (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.

[Signature]
LEOSS

Annual Amount $119,310.00
LEOSS'S CURRENT PHONE NUMBER 459-253-9988

NEW ADDRESS Only if the above Address is incorrect

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

ATTORNEY, FINANCE & ADMINISTRATION CABINET

SECRETARY, FINANCE & ADMINISTRATION CABINET

All correspondence and notices regarding this Lease Modification Agreement are to be directed to the Division of Real Properties, Suite 300, 403 Wapping Street, Frankfort, Kentucky 40601-2967, phone 502/564-2318 B34/185P