



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

ANDY BESHEAR
Governor

Division of Real Properties
Bush Building, 3rd Floor
403 Wapping Street
Frankfort, Kentucky 40601
(502) 564-2205
Fax: (502) 564-8108


HOLLY M. JOHNSON
Secretary

PAUL MCPHERSON
Acting 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: December 17, 2019

SUBJECT: PR-2591, Jefferson County
Unified Prosecutorial System
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-2591 File
BSH



REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-2591		County: Jefferson	
Using Agency: Unified Prosecutorial System			
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary		Louisville Metro Government Public Works	
Property Location: 514 West Liberty, Louisville, KY			
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification			
Type Space: Office		Cost Per Square Foot: \$16.55	
Annual Rental Cost: \$401,056.16		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: July 1, 2020		Expiration Date: June 30, 2021
Justification for Lease: Lease renewal			
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: 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 **UNIFIED PROSECUTORIAL SYSTEM and LOUISVILLE/JEFFERSON CO METRO GOVERNMENT 611 WEST JEFFERSON STREET LOUISVILLE, KY 40202**, 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):

<input checked="" type="checkbox"/>	2021	<input type="checkbox"/>	2022	<input type="checkbox"/>	2023	<input type="checkbox"/>	2024
<input type="checkbox"/>	2025	<input type="checkbox"/>	2026	<input type="checkbox"/>	2027	<input type="checkbox"/>	2028

The annual base rental rate shall remain \$ 16.55 per square foot for 24,233.0 rentable square feet.

LEASE NUMBER: PR02591	LOCATION: 514 W LIBERTY LOUISVILLE, KY
COUNTY: JEFFERSON	
ADDENDUM ATTACHED: NO (Lessor must sign Addendum if attached)	

- 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.
- 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).
- 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 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.
- 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.

Annual Amount \$401,056.16

Cathy M. Duncan
LESSOR
(502) 574-4174
LESSOR'S CURRENT PHONE NUMBER

NEW ADDRESS Only if the above Address is Incorrect

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

ATTORNEY, FINANCE & ADMINISTRATION CABINET

SECRETARY, FINANCE & ADMINISTRATION CABINET



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

ANDY BESHEAR
Governor

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HOLLY M. JOHNSON
Secretary

PAUL MCPHERSON
Acting Commissioner

SCOTT AUBREY
Director

MEMORANDUM

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

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

DATE: January 3, 2020

SUBJECT: PR-4849, Clark County
Cabinet for Health & Family Services
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

CC: Capital Construction Log
OSBD
PR-4849 File
BSH

Attachment

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-4849	County: Clark			
Using Agency: Cabinet for Health & Family Services				
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">August Properties LLC</td> </tr> <tr> <td style="height: 20px;"> </td> </tr> <tr> <td style="height: 20px;"> </td> </tr> </table>	August Properties LLC		
August Properties LLC				
Property Location: 1113 Pioneer Plaza, Winchester, KY, 40391				
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification				
Type Space: Office	Cost Per Square Foot: \$10.00			
Annual Rental Cost: \$109,460.00	Average Cost Per Square Foot of Leased-In Space in County: \$10.00			
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, 2020	Expiration Date: June 30, 2021			
Justification for Lease: Lease renewal				
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: 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 HEALTH AND FAMILY SERVICES and AUGUST PROPERTIES, LLC 100 MARY LYNN DRIVE, SUITE 16 GEORGETOWN, KY 40324, 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):

<input checked="" type="checkbox"/>	2021	<input type="checkbox"/>	2022	<input type="checkbox"/>	2023	<input type="checkbox"/>	2024
<input type="checkbox"/>	2025	<input type="checkbox"/>	2026	<input type="checkbox"/>	2027	<input type="checkbox"/>	2028

The annual base rental rate shall remain \$ 10.00 per square foot for 10,946.0 rentable square feet.

LEASE NUMBER: PR04849	LOCATION: 1113 PIONEER PLAZA WINCHESTER, KY
COUNTY: CLARK	
ADDENDUM ATTACHED: NO (Lessor must sign Addendum if attached)	

- 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.
- 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).
- 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 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.
- 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.

Annual Amount \$109,460.00

Mike K Day
LESSOR

859-819-7253
LESSOR'S CURRENT PHONE NUMBER

NEW ADDRESS Only if the above Address is incorrect

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

ATTORNEY, FINANCE & ADMINISTRATION CABINET

SECRETARY, FINANCE & ADMINISTRATION CABINET



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

ANDY BESHEAR
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HOLLY M. JOHNSON
Secretary

PAUL MCPHERSON
Acting Commissioner

SCOTT AUBREY
Director

MEMORANDUM

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

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

DATE: December 17, 2019

SUBJECT: PR-5616, Fayette County
Transportation Cabinet
Annual Rental Exceeding \$100,000.00

As outlined, attached please find notification of a lease agreement modification 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-5616 File
BSH

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-5616		County: Fayette	
Using Agency: Transportation Cabinet			
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary		Ken Isaacs Properties LLC	
Property Location: 141 Leestown Center Way, Lexington, KY			
Check One: <input checked="" type="checkbox"/> New Lease <input type="checkbox"/> Renewal <input type="checkbox"/> Modification			
Type Space: Office		Cost Per Square Foot: \$16.40	
Annual Rental Cost: \$115,587.20		Average Cost Per Square Foot of Leased-In Space in County: \$14.35	
Utilities Included: <input checked="" type="checkbox"/> Yes (partial) <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: To be determined		Expiration Date: June 30, 2027	
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 (see attached approval memo and modification): Please see attached			



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

ANDY BESHEAR
Governor

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Bush Building, 3rd Floor
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(502) 564-2205
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HOLLY M. JOHNSON
Secretary

PAUL MCPHERSON
Acting 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: December 17, 2019

SUBJECT: PR-5616, Fayette County
Transportation Cabinet

The Transportation Cabinet recently submitted a request to obtain space to accommodate implementation of the Real ID Act, same indicating a need for approximately 5,135 square feet. It should be noted that our space allocations are based on the employee classification and count; however, the Cabinet will utilize specially designed license issuance workstations. Space planning considerations relative to efficient functionality are therefore expected to result in square footage deviations that would warrant additional review in regular lease projects. We are noting the deviation herein in lieu of attempting to define a workstation specific space standard that will vary based on the actual dimensions of each proposed property. A review of properties currently leased by the Commonwealth indicated that suitable space to accommodate this request was available in a facility containing a lease agreement for the Department for Workforce Investment. Subsequent to review of plans and specifications for the proposed space, and in accordance with applicable provisions of KRS 56.813(1), the lessor consented to lease the space at terms that exceed those applied to PR-5180, Fayette County. Specifically they have agreed to extend the proposed lease term to the maximum permitted under KRS 56.806(1) as opposed to the current expiration date of June 30, 2020.

The attached lease agreement provides for use of 7,048 square feet, leased at a rental rate of \$16.40 per square foot (\$115,587.20 annually), including partial utilities and excluding 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 suitable space as requested by the Transportation Cabinet.

JSA/BSH/bh
Attachment

APPROVED:

Scott Aubrey

Scott Aubrey, Director

LEASE/PR #	PR-5616, Fayette County	AGENCY/ DEPARTMENT	Transportation Cabinet
INITIAL ENCUMBRANCE	\$	DIVISION	
ANNUAL ENCUMBRANCE	\$ 115,587.20	DATE	November 18, 2019
VENDOR CODE #	KY0020327	BUILDING CODE #	91627001

THIS LEASE, entered into between: **Ken Isaacs Properties, LLC**, whose address is: **141 Leestown Center Way Suite 220, Lexington, KY, 40511** (Business Phone: **859.253.9988**) 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:

- 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 **141 Leestown Center Way, Suite 125, Lexington, KY; 40511**, in the County of **Fayette**.
- Said premises consisting of **7,048** square feet are to be rented at the cost of **\$16.40** per square foot and will be used by the Commonwealth for **office** space.
- The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **\$28,896.80** payable **quarterly**. The Lessor shall provide the Commonwealth with the following services: **water/sewer**; with **Fifty (50)** reserved parking spaces.
- 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 **as specified in the attached addendum**, and end **JUNE 30, 2020**.
- 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 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased premises.
- 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 tenantable.
- 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.
- 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.310 - 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.
- 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.
- 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).
- 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 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.

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 502/564-2200.

FILE COPY

BSH



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

ANDY BESHEAR
Governor

Division of Real Properties
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Fax: (502) 564-8108


HOLLY M. JOHNSON
Secretary

PAUL MCPHERSON
Acting 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: December 18, 2019

SUBJECT: PR-5622, Floyd County
Department of Correction
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.

JSA/bh
Attachment(s)

Cc: Capital Construction Log
OSBD
PR-5622 File
BSH

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

EMERGENCY LEASE AGREEMENT
KRS 56.823(5)/KRS 56.823(11)(b)

Lease No.: PR-5622		County: Floyd	
Using Agency: Department of Corrections			
Lessor (identify all parties having 5% or more ownership): Attach extra sheet if necessary		CoreCivic Incorporated	
Property Location: Southeast Kentucky Correctional Facility, Wheelwright, KY			
Check One: <input checked="" type="checkbox"/> New Lease <input type="checkbox"/> Renewal <input type="checkbox"/> Modification			
Type Space: Correctional Facility		Cost Per Square Foot: N/A	
Annual Rental Cost: \$3,750,000.00 with 5% biennial escalations		Average Cost Per Square Foot of Leased-In Space in County: N/A (no comparable facility leases)	
Utilities Included: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Cancellation Clause:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
	If yes, explain terms: 30 days notice, 120 days to transfer inmates.	If no, explain why not:	
Effective Date: To be determined		Expiration Date: Ten years from effective date	
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 (see attached approval memo and modification): Please see attached			



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

MATTHEW G. BEVIN
GOVERNOR

700 CAPITOL AVENUE
SUITE 100
FRANKFORT, KY 40601
(502) 564-2611
Fax: (502) 564-2517

October 17, 2019

VIA HAND-DELIVERY

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

Re: Authorization for Emergency Lease

Dear Secretary Landrum:

I am in receipt of Secretary John Tilley's letter to you and me of October 16, 2019, requesting authorization for entry into an emergency lease for jail space to alleviate the severe overcrowding in many of the Commonwealth's county jails and to accommodate placement of controlled intake inmates as required by law.

I am well-aware that Kentucky jails are experiencing severe overcrowding, as demonstrated by the facts and data set forth in Secretary Tilley's letter and otherwise. This overcrowding is unacceptable, as it not only appears to violate state regulations relating to jail standards, but, from a practical standpoint, creates sanitation and hygiene challenges that render extremely difficult the ability to remain safety and security in the facilities, along with obvious health concerns. For example, overcrowding often forces inmates to sleep in very uncomfortable conditions, such as on concrete floors, to compete for toilet facilities and showers, and to be restricted in their ability to have religious and social services.

In these circumstances, which undeniably exist, I fully concur with Secretary Tilley that the Commonwealth has a serious emergency and, pursuant to KRS 56.805, hereby certify the existence of such an emergency and authorize the Commonwealth to enter into an appropriate lease, in compliance with all applicable laws and regulations, for CoreCivic's Southeast Correctional Complex in Wheelwright,



Kentucky, to house secure custody male inmates who are classified as medium and close custody inmates.

Please let me know if you have any questions.

Sincerely,



Matthew G. Bevin
Governor

cc: Secretary John C. Tilley

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into between **CORECIVIC, INC.**, a Maryland corporation located at 5501 Virginia Way, Suite 110, Brentwood, TN 37027, authorized to do business in the Commonwealth of Kentucky and assigned organization number 0463918 by the Kentucky Secretary of State, "LESSOR"; and the **COMMONWEALTH OF KENTUCKY**, acting by and through William M. Landrum, III, Secretary of the Finance and Administration Cabinet, for the use and benefit of the **DEPARTMENT OF CORRECTIONS**, located at 275 East Main Street, Frankfort, KY 40602-2400, the "COMMONWEALTH" or "LESSEE;"

BACKGROUND:

WHEREAS:

A. The Department of Corrections has determined there is a need for additional correctional facilities in Eastern Kentucky to help alleviate the overcrowding of county jails in Kentucky; and,

B. KRS 532.100 (7) states, "State prisoners, excluding the Class D felons and Class C felons qualifying to serve time in county jails, shall be transferred to the state institution within forty-five (45) days of final sentencing."

C. The shortage of state prison beds causes a significant delay in accepting these inmates which adds to the overcrowding of inmates in county jails; and,

D. The overcrowding causes inmates to be housed without receiving programming or treatment which decreases the likelihood of inmates being reformed and becoming productive citizens; and,

E. Inmates that do not receive the needed programming or treatment also do not receive sentencing credits which would otherwise shorten the total length of an inmates stay in the system; and,

F. Lessor owns approximately 111 acres of land improved with a 656 bed correctional facility known as the Southeast Kentucky Correctional Facility located in Wheelwright, Kentucky; and,

G. The re-opening of this facility, to be renamed as the Southeast Correctional Complex, under the control, operation, and management of the Department of Corrections, will help to alleviate overcrowding in county jails so that inmates can receive the proper programs and treatment they require, and will also provide employment and other economic benefits to the region.

NOW, THEREFORE, for and in consideration of the foregoing and other good and valuable consideration, the receipt of which is hereby acknowledged by the parties, it is hereby understood and agreed by and between Lessor and Lessee as follows:

ARTICLE I. **DEFINITIONS**

For the purposes of this Lease Agreement, the definitions listed in this section shall represent the common and exclusive understanding of the parties hereto. The singular and plural form, as well as the small or upper case, of any defined term can be used interchangeably regardless of whether the definition refers to the singular or plural term, or uses the small or upper case.

"Alterations" means any additions to, alterations or renovations of the Leased Premises or the Improvements, excluding decorations, signage and movable fixtures that can be installed and removed without causing damage to the structure, systems, or integrity of the Leased Premises or the Improvements.

"Cameras" means certain security cameras and associated wiring, cabling and other necessary accessories installed by Lessee.

“Contracting Agency” means Commonwealth of Kentucky Department of Corrections.

“Facility Maintenance Plan” means the preventive maintenance program concerning the Leased Premises, the Improvements, and the FF&E, which program shall comply with the minimum requirements of the maintenance plan attached hereto as Exhibit D.

“FF&E” means those certain items of furniture, fixtures, and equipment used in the normal operation of the Leased Premises.

“Improvement” means any buildings, structures, and improvements, now or at any time hereafter erected, constructed or situated at the facility or any part thereof, including, without limitation, the objectives and targets listed in Exhibit B attached to this Lease Agreement, foundations, fixtures, plants, apparatuses, appliances, furnaces, boilers, engines, motors, compressors, generators, elevators, escalators, fittings, machinery, piping, connections, compactors, heating, ventilation and air conduits, conduits, ducts, equipment, heating, cooling, lighting, plumbing, ventilating, air conditioning systems, partitions, furniture, furnishings and property now or hereafter affixed, attached to or useful or necessary for the operation of the facility, buildings, structures or improvements.

“Initial Term” has the definition set forth in Section 5.01 hereof.

“Lease Agreement” means this lease agreement and any subsequently executed modifications, addendums and renewals applicable thereto.

“Leased Premises” means that certain lot, tract, and parcel of land owned by Lessor located at 306 Corrections Rd. Wheelwright, Ky. 41669, as more particularly described on Exhibit A, attached to this Lease Agreement, and the correctional facility located thereon commonly known as the Southeast Kentucky Correctional Facility, together with (a) all plants, shrubs and trees located thereon, and together with all rights, ways and easements appurtenant thereto, (b) all Improvements now located or hereafter attached thereto, (c) all easements and appurtenances in Lessor’s adjoining and adjacent land to the extent the same by their express terms run in favor of and benefit the Leased Premises, and (d) all of Lessor’s rights, titles, and interests in and to the adjacent highways, roads, streets, lanes, whether public or private, required by Lessee for the installation, maintenance, operation and service of sewers, water, gas, drainage, electricity, telephone, broadband, and other utilities and for unrestricted driveways and approaches to and from abutting roads and streets for the use and benefit of the Leased Premises.

“Lease Year” means each period of twelve (12) consecutive calendar months commencing on the Term Commencement Date.

“Lessor Designee” means an agent, employee, contractor, subcontractor, volunteer, or any other individual or entity acting on behalf of Lessor that provides services pursuant to this Lease Agreement.

“Maintain” and “Maintenance” means the reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, painting, installation, service, renovations, reconstruction, and restoration of the facility and improvements, including without limitation, pest control, maintenance to any items listed in Exhibit B, fencing, landscaping, mowing, snow and ice removal for the roadways, parking areas and walkways for the entire leased property.

“PREA” means the Prison Rape Elimination Act, 34 U.S.C.A. § 30301, et seq., (formerly cited as 42 U.S.C. §15601, et seq.), and all applicable PREA National Standards (28 C.F.R. Part 115).

“Proper Invoice” means an invoice that is complete in all requirements necessary for processing it for payment in accordance with the terms of this Lease Agreement and applicable state or federal statutes.

“Rent” the rent amount as set forth in Article VI hereof.

“Representatives” means the directors, officers, members, managers, employees, agents, attorneys, contractors, and consultants of the parties hereto.

“Renewal Term” has the meaning set forth in Section 5.02 hereof.

“Taxes” means all present and future taxes, assessments, customs, charges, tariffs, imposts, duties, levies and other governmental charges, including without limitation, income taxes, gross receipts taxes, unincorporated business income taxes, payroll taxes, sales taxes, use taxes, privilege taxes, margin taxes, franchise taxes, personal property (tangible and intangible) taxes, real estate taxes, excise taxes, stamp taxes, withholding taxes, value added taxes, and all penalties, fines, and interest thereon, in all cases imposed by an government unit having taxing power.

“Term” means, collectively, the Initial Term and each Renewal Term of this Lease Agreement, as applicable.

“Term Commencement Date” has the meaning set forth in Section 5.01 hereof.

ARTICLE II. **CONDITIONS PRECEDENT**

2.01. This Lease Agreement is contingent upon the following conditions precedent (the **“Conditions”**) being satisfied within ninety (90) days after the Term Commencement Date:

(a) Lessee has obtained such boring and percolation tests as may be required to determine the physical characteristics, including the water table of sub-strata, of the Leased Premises that indicate, in Lessee's sole judgment, that the Leased Premises are satisfactory for use as a state correctional facility.

(b) Lessee will obtain environmental studies of the Leased Premises, the results of which will be evaluated by Lessee in Lessee's sole judgment. Should the studies prove soil or subsurface contamination, and if neither Lessor nor Lessee elects to terminate this Lease Agreement as set forth below, then Lessor will remove the contamination in a manner and with results satisfactory to Lessee, in Lessee's sole judgment, at Lessor's own expense. Lessor shall pay one-half (1/2) the cost of the environmental studies obtained by Lessee. Lessor reserves the right to terminate this Lease Agreement, if such studies prove soil or subsurface contamination, within fifteen (15) days after delivery of such studies to Lessor by providing written notice of termination to Lessee. If Lessor's removal of the contamination is not satisfactory to Lessee in Lessee's sole judgment, Lessee may terminate this Lease Agreement upon written notice to Lessor.

(c) Lessee has confirmed that all utilities for Lessee's full use and enjoyment of the Leased Premises are available at the property line of the Leased Premises, or Lessor will cause them to be available at the property line, including water, sanitary and storm sewer, electricity, gas, telephone and broadband service, all of which shall be available in sufficient quantities for Lessee's use of the Leased Premises as a state correctional facility in Lessee's sole judgment upon the Term Commencement Date (or as soon thereafter as possible as set forth below) and thereafter throughout the Term.

(d) Lessee has obtained a commitment for title insurance from a title insurer acceptable to Lessee, insuring Lessee's leasehold estate in the Leased Premises. If such commitment discloses

any conditions, restrictions, liens, encumbrances, easements or covenants which, in Lessee's sole judgment, would affect Lessee's use and enjoyment of the Leased Premises as a state correctional facility, Lessor shall have thirty (30) days from the date of notification to cure such defects and to furnish a commitment to Lessee showing such defects having been cured or removed. If such defects in title are not so cured within such (30) day period, Lessee may, at its option, terminate this Lease upon written notice to Lessor or waive this condition pursuant to a written document delivered to Lessor.

(e) Lessee, at Lessee's sole cost and expense, has obtained a current certified topographical survey of the Leased Premises by a licensed surveyor, acceptable to Lessee in Lessee's sole judgment.

(f) Lessee is granted the continuing right to conduct engineering surveys and feasibility studies of the Leased Premises, and to enter upon the Leased Premises for purposes of soil analysis, core drilling, or other tests which may be deemed necessary by Lessee or its engineers or other professionals, such tests and results to be satisfactory to Lessee in Lessee's sole discretion.

(g) In the event that any or all of the Conditions set forth above are not satisfied within the ninety (90) day period set forth above, Lessee may terminate this Lease Agreement by giving Lessor notice that one or more of the Conditions has not been satisfied or waived by Lessee within one hundred twenty (120) days after the Term Commencement Date, and Lessee shall not be liable for any claims in law or equity arising from the termination of this Lease Agreement, provided that Lessee shall be obligated at its sole cost and expense to repair and restore any damage to the Leased Premises caused by Lessee or its employees, agents and independent contractors.

ARTICLE III.
REPRESENTATIONS, WARRANTIES AND COVENANTS BY LESSOR

3.01. Lessor represents warrants and covenants to Lessee as follows:

(a) Lessor is the owner in fee simple of the Leased Premises and, as of the date hereof, the Leased Premises are free and clear of any liens, encumbrances, restrictions, tenancies and leases (other than this Lease) thereon including without limitation, any deeds to secure debt or mortgages (unless specifically subordinated to this Lease or unless Lessee's interests are protected pursuant to a recordable non-disturbance agreement signed by such mortgagee in form satisfactory to Lessee).

(b) Lessor has the power and authority to execute and deliver this Lease Agreement and to incur all obligations provided herein, and the performance and compliance with the terms, provisions and conditions of this Lease Agreement do not and will not conflict with or result in any violation of any of the terms, conditions, or provisions of any agreement, obligation, lease, license, judgment, decree, order, statute, rule or regulation applicable to Lessor or the Leased Premises.

(c) Lessor shall, if necessary, use its best efforts and fully cooperate with Lessee, to obtain all necessary permits, licenses and approvals of all appropriate governmental authorities as to all matters relating to zoning, subdivision, lot splits, special use permits or similar requirements for use of the Leased Premises as a state correctional facility in accordance with Lessee's plans and specifications.

(d) All water and gas mains, electric power lines, sanitary and storm sewers and other utilities are located at the property line of the Leased Premises and are available and adequate for Lessee's use of the Leased Premises as a state correctional facility. If any of the utilities are not located at the property line, or are not available and adequate for use in connection with a state

correctional facility, Lessor agrees to, if necessary, use its best efforts to initiate correction of the issue, within thirty (30) days from the date that Lessee notifies Lessor that all necessary permits and approvals for Lessee's intended use of the Leased Premises have been obtained and Lessee delivers its plans and specifications for the utilities to Lessor.

(e) Lessor acknowledges that Lessee is relying upon the above representations, warranties and covenants in executing this Lease Agreement, all of which are material to Lessee's decision to execute this Lease Agreement. Lessor accordingly agrees that if Lessor does not cure or diligently commence to cure any breach of any of the representations, warranties and covenants set forth in this Section within thirty (30) days after written notice of such breach has been provided to Lessor from Lessee, such uncured breach shall constitute a basis for Lessee to elect, at its sole option, to cure Lessor's default(s). These remedies are in addition to all other remedies Lessee may have in law or equity under this Lease Agreement.

(f) Lessor covenants, warrants and represents that Lessee shall peacefully and quietly have, hold and enjoy the Leased Premises for the Term without disturbance from Lessor or any claiming by or through Lessor and with all the rights, privileges provided in this Lease Agreement. Lessee may terminate and cancel this Lease upon thirty (30) days written notice to Lessor in the event that enjoyment or use of the Leased Premises is prohibited or prevented contrary to the terms and provisions of this Section, which remedy shall be in addition to all other remedies Lessee may have in law or equity under this Lease Agreement.

ARTICLE IV. CONVEYANCE OF LEASE

4.01. **Conveyance of Lease.** Lessee hereby leases and takes from Lessor, and Lessor hereby demises and leases unto Lessee, subject to and in accordance with the covenants, terms and conditions set forth below, the Leased Premises for the operation of a state correctional facility.

Lessor shall make all necessary improvements and provide the items as identified in Exhibit B attached to this Lease Agreement throughout the Term

4.02. Option to purchase.

(a) The Lessor hereby grants to the Lessee an option to purchase the leased premises. The Lessee may exercise this option at any time during the term of this lease. The purchase price shall be the fair market value of the property and all improvements at the time the option is exercised as determined by an independent third party appraiser. Should the option be exercised, at the time of conveyance, the Lessor shall convey good and marketable title to the leased premises.

ARTICLE V.
TERM

5.01. **Initial Term.** The Initial Term (as defined below) shall commence on the date the Improvements are accepted for occupancy by the Commonwealth, but not later than thirty (30) days after Lessor's architect has certified that construction of the Improvements has been completed (the "**Term Commencement Date**"). The initial lease term shall be for a period of 10 years (the "**Initial Term**").

5.02. **Renewal Terms.** The Term shall automatically be renewed for five (5) successive terms of two (2) years each (each, a "**Renewal Term**", and collectively, the "**Renewal Terms**") unless the Commonwealth provides written notice to Lessor that it does not intend to extend the term of this Lease Agreement not less than one hundred twenty (120) days prior to the expiration of the Initial Term or the then existing Renewal Term, as applicable, of this Lease Agreement.

5.03. **Termination.** The parties hereby acknowledge that Lessee has the right to terminate this Lease Agreement pursuant to the provisions contained in K.R.S. 56.806(6).

5.04. Effect of Expiration or Termination. Upon the expiration or termination of this Lease Agreement, Lessor shall allow a minimum of 120 days for transfer of inmates upon termination of this Lease Agreement and provide any transition assistance necessary to enable the Commonwealth to close this Lease Agreement and return all inmates to other facilities selected by the Commonwealth. After the completion of all such inmate transfers, Lessee shall provide all keys to the Leased Premises to Lessor.

ARTICLE VI.
RENT

6.01. Rent. For and in consideration of the terms of this Lease Agreement, Lessee shall pay rent to Lessor as shown in Exhibit C attached hereto.

6.02. Funding. The parties agree that Lessee's obligation for payment of Rent is subject to the Kentucky General Assembly appropriating funds each biennium in the Executive Branch budget bill of the Commonwealth of Kentucky.

6.03. Invoices. Lessor shall invoice Lessee for Rent due on a quarterly basis no later than sixty (60) days in advance of the due date. All invoices shall be submitted to the following:

Kentucky Department of Corrections
Office of Adult Institutions
P.O. Box 2400
Frankfort, KY 40601

Kentucky Department of Corrections
Division of Administrative Services
P.O. Box 2400
Frankfort, KY 40601

6.04. Payment of Rent. All Rent shall be paid quarterly in advance of the due date. All payments shall be submitted to the following:

CoreCivic, Inc.
Suite 110

5501 Virginia Way
Brentwood, TN 37027

ARTICLE VII.
MAINTENANCE

7.01. **Maintenance.** Lessor shall be solely responsible for Maintenance of the Leased Premises, during the Term.

7.02. **Maintenance Plan.** Lessor shall provide Maintenance in accordance with the Facility Maintenance Plan attached to this Lease Agreement as Exhibit D, as may be amended by the parties from time to time..

7.03. **Facility Modifications.** Lessor shall provide proposed modifications, alterations and adjustment in priorities of the maintenance plan to the Corrections Safety Director for approval prior to enactment of those changes.

7.04. **Cost.**

(a) Lessor shall pay all costs and expenses associated with the Improvements, including, without limitation, all maintenance, property insurance, and taxes.

ARTICLE VIII.
MAINTENANCE STAFF

8.01. **Maintenance Staff.** Lessor shall provide a minimum of three staff, who will report directly to the Warden, and be available 24 hours per day, 365 days per year, at Lessor's sole expense. These staff shall maintain the Leased Premises including the Improvements in good

repair and tenantable condition, including but not limited to the building structures, heating and/or air conditioning equipment, plumbing and electrical service for the facilities, during the Term.

8.02. **Locksmith.** In addition to the maintenance staff, Lessor shall provide one (1) full time locksmith that will report to the Warden during the Term.

8.03. **Additional Staff.** Lessor shall provide for additional staff as needed to maintain the property, upon the approval of the Department of Corrections and subject to requirements set forth by the Department of Corrections for training and access to the facility.

8.04. **Guidelines and Procedures.** All maintenance staff and the locksmith shall meet with the Department of Corrections Safety Director to review the safety and emergency guidelines and procedures to be implemented at the facility.

8.05. **Staff Safety.** Lessor and Lessee shall take all necessary precautions for the safety of employees on the work site and shall comply with all applicable provisions of the Kentucky Worker's Compensation laws and all federal, state, and municipal safety laws and building codes to prevent accidents or injury to persons on, about, or adjacent to the Leased Premises where the work is being performed.

8.06. **Criminal Background Check and Approval.** All personnel provided by the Lessor as required in this Lease Agreement and any of its subcontractors who will be working at the facility must pass a criminal background check and be approved by the Department of Corrections prior to being granted access to the secure facility.

ARTICLE IX.
UTILITIES, TRASH REMOVAL, AND JANITORIAL SERVICES

9.01. **Utilities and Trash Removal.** Lessee shall solely be responsible for all utilities and trash removal for the Leased Premises, including placing in its own name all of the utilities connected with the Leased Premises.

9.02. **Janitorial Services.** Lessee shall be responsible for all janitorial services.

9.03. **Cost.** Lessee shall pay all charges and cost for utilities, trash removal and janitorial services furnished to the Leased Premises during the term of this Lease Agreement and any extensions thereof.

ARTICLE X.
ACCESS TO PROPERTY

10.01. **Notice.** Lessor shall provide at a minimum seventy two (72) hour notice to the Warden in order to be provided access to the Leased Premises with the exception of those approved under this Lease Agreement.

10.02. **Access.** Upon proper notice, as outlined in Section 10.01 hereof, access to the Leased Premises shall not be unreasonably withheld, with the exception of circumstances which may render such access unreasonable, unsafe or otherwise impractical, including but not limited to those exception delineated in Section 10.03, hereof.

10.03. **Exceptions.** Lessee shall have the right to deny Lessor and/or Lessor's Representatives access to the Leased Premises in the following limited circumstances:

- (a) Critical incident
- (b) Fire
- (c) Inclement weather, flood or other natural disaster

(d) As necessary to insure the health, safety, welfare and security of inmates, staff and the general public.

ARTICLE XI.
COMPLIANCE AND ACCREDITATION

11.01. **PREA Accreditation.** Lessor shall comply with PREA. Lessor shall obtain, and maintain, PREA accreditation for the facilities throughout the Term. Lessor shall ensure that all Lessor designees shall comply with PREA.

11.02. **ACA Accreditation.** The Leased Premises shall comply with the standards enumerated in the current American Correctional Association (ACA) publications entitled Adult Correctional Institutions and Performance Based Standards for Correctional Health Care in Adult Correctional Institutions. ACA accreditation must be obtained and maintained throughout the Term.

11.03. **Policies and procedures.** Lessor shall ensure that Lessor Designees and the Leased Premises shall comply with any and all applicable Department of Corrections Policies and Procedures.

11.04. **Fees, Penalties and Cost.** Lessor shall pay any legal fees or penalties that the Commonwealth incurs as a direct result of the failure of Lessor and/or Lessor designees to comply with requirements set forth by PREA, the ACA, or Department of Corrections Policies and Procedures.

ARTICLE XII.
CONSTRUCTION, IMPROVEMENTS, AND REPAIRS.

12.01. **Initial Construction of Improvements.** Lessor agrees that it shall commence construction of the Improvements with delivery of this Lease Agreement by Lessee. Lessee agrees to an extension of time to commence construction where the cause for delay is beyond the control

of Lessor. After beginning construction, Lessor will diligently prosecute construction of the Improvements to completion, and the construction schedule associated therewith.

12.02. Construction, Alterations, Renovations, and Repairs. All construction, alterations, renovations, repairs to the Leased Premises shall be subject to all applicable building codes of the Commonwealth of Kentucky, U.S. Department of Labor Occupational Safety and Health Administration (OSHA) requirements, and the Americans with Disabilities Act (ADA). This shall include any and all building inspections, which are required by law to be performed prior to commencement of Lessee's operation of the state correctional facility.

12.03. Permits, Licenses, Authorizations and Certificates. Lessor shall procure all necessary permits, licenses, authorizations and certificates and abide by all applicable statutes, regulations, and ordinances of the United States, the Commonwealth of Kentucky, and all political subdivisions thereof in which work under this Lease is performed.

12.04. Modifications by Lessee. Due to the continuing development of new technology Lessor authorizes competent agency personnel to install additional security and/or access control equipment, camera equipment and wiring, telephone wiring, computer cabling, and conduit or wire molding (as required) to accommodate such technology during the term of the agency's occupancy. Agency will notify the Division of Real Properties for approval before commencing any of this type work.

12.05. Signage. Lessee shall approve of all signage related to the facility. Any current signs related to the facility that are not approved by Lessor shall be replaced with appropriate signage as approved by the Department of Corrections at the sole cost of Lessor. Lessor shall install and maintain all signs regarding the leased premises as requested by the Department of Corrections.

Lessee shall remove all signs relating to the facility upon the cancellation or termination of this Lease Agreement.

12.06. Partial Destruction or Damage of Improvements. If the Improvements to the Leased Premises are partially destroyed or damaged by fire or other casualty rendering not more than twenty five percent (25%) of the Improvements either untenable or undesirable for habitation by Lessee, Lessee may suspend this Lease Agreement 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 after such damage is repaired and the Improvements are considered tenable by the Commonwealth.

12.07. Destruction or Damage of Improvements. If the Improvements to the Leased Premises are destroyed or damaged by fire or other casualty rendering more than twenty five percent (25%) of the Improvements either untenable or undesirable for habitation by Lessee or if a condemnation of all or any portion of the Leased Premises has occurred, Lessee may terminate this Lease Agreement by giving written notice to Lessor within 15 days after such destruction, damage or condemnation event, and, if so terminated, no rent shall accrue to Lessor after the date of such termination.

12.08. Abatement of Rent. Unless Lessee shall terminate this Lease Agreement, Lessee shall not abate rent or any other amounts due and owing under this Lease Agreement if a condemnation of all or any portion of the Leased Premises has occurred.

12.09. Temporary Alterations, Renovations, or Repairs. Lessor authorizes competent agency personnel to implement temporary alterations, renovations, or repairs to the Leased Premises in limited circumstances where the emergency nature of such alterations, renovations, or repairs is necessary to ensure the health, safety, welfare and security, of inmates, staff and the

general public. Lessee shall notify Lessor in compliance Article XV, hereof, of any temporary alterations, renovations, or repairs made under this section, within 48 hours of implementation and work with Lessor or Lessor's Representatives to arrange access for permanent alterations, renovations, or repairs.

ARTICLE XIII.
INSURANCE

13.01. **Insurance Coverage.** During the Term of this Lease Agreement, Lessor shall keep the Improvements and FF&E insured for its full insurable value against damage or destruction by fire, windstorm, earthquake, flood, or other casualty through a solvent insurance company which is authorized (admitted) and holds a Certificate of Authority from the Commonwealth of Kentucky and has an A.M. Best rating of B+ or higher. For the avoidance of doubt, Lessor shall not maintain insurance covering personal property, equipment, or fixtures placed in or on the Leased Premises by Lessee, or its agents, employees, invitees, or inmates, including, but not limited to, the Cameras. Lessee shall maintain insurance covering any such contents and Lessee shall provide Lessor with a certificate of insurance upon request.

13.02. **Notice of Insurance.** Lessor shall provide copies of all insurance policies to the Commonwealth as designated in Article XV, hereof.

ARTICLE XIV.
INDEMNIFICATION

14.01. Lessor shall indemnify and hold harmless Lessee, any of its departments or agencies or officers or employees from any and all claims, demands, damages, actions, costs (including attorney fees), and charges which Lessor or Lessee may have to pay by reason of injury to any person or property or loss of life or property resulting from or in any way connected with the character, condition, or use of the Leased Premises or any means of ingress thereto, or egress

therefrom, or resulting from Lessee's operations on the Leased Premises, unless such injury or loss arises directly from the negligence of Lessee, any of their departments or agencies, or officers or employees while acting within the scope of their employment.

14.02. Lessee shall be responsible for damage or loss of personal property, equipment, or fixtures placed in or on the Leased Premises by Lessee, or its agents, employees, invitees, or inmates, including, but not limited to, the Cameras. To the extent as permitted by law, Lessee shall indemnify and hold harmless Lessor, its agents, officers, directors, employees and agents from any and all claims, demands, damages, actions, costs (including attorney fees), and charges arising from Lessee's Alterations to (which shall not be made without the prior written consent of Lessor) or use, occupancy or enjoyment of the Leased Premises, including, but not limited to, the use or presence of the Cameras, for the conduct of its business or from any activity, work, or things done, permitted or suffered by Lessee and its agents and employees in or about the Leased Premises, unless such injury or loss arises directly from the negligence of Lessor, its agents, officers, directors, employees and agents while acting within the scope of their employment. For the avoidance of doubt, except as provided in Article II and Article III, Lessor's obligations under this Lease Agreement are limited to the services provided under the Facility Maintenance Plan, attached hereto as Exhibit D, to maintain the physical plant requirements with respect to the Leased Premises. Subject to this Section 14.02, all obligations and liability arising from non-physical plant requirements such as PREA and ACA accreditation standards and the operation of the Leased Premises as a state correctional facility remain Lessee's sole responsibility.

ARTICLE XV. **NOTICES**

15.01. **Notice Addresses.** Unless otherwise provided in this Lease Agreement, all notices and communications concerning this Lease Agreement shall be in writing and addressed to the

other party as follows, or to such other mailing address as any party may hereafter indicate in writing:

If to Commonwealth:

Commonwealth of Kentucky
Attention: Secretary
Finance and Administration Cabinet
702 Capital Avenue
Room383
Frankfort, KY 40601
Facsimile No. (502) 564-6785

With Copies to:

Division of Real Properties
Bush Building, Third Floor
403 Wapping Street
Frankfort, Kentucky 40601
Facsimile No. (502) 564-8108

And:

Kentucky Department of Corrections
Division of Administrative Services
P.O. Box 2400
Frankfort, KY 40601

If to Lessor:

CoreCivic, Inc.
Suite 110
5501 Virginia Way
Brentwood, TN 37027
Attention: General Counsel
Cole.Carter@corecivic.com

15.02. Notice and Invoice Delivery. Unless otherwise provided herein, notices and invoices shall be hand delivered; sent by registered or certified U.S. Mail, postage prepaid; or by commercial overnight delivery service, and shall be deemed served or delivered to the addressee or its office when received at the address for notice specified above when hand delivered, on the day after being sent when sent by overnight delivery service, or three (3) United States Postal Service business days after deposit in the mail when sent by U.S. mail.

ARTICLE XVI.
DEFAULT

16.01. Each of the following shall constitute an Event of Default on the part of a party:

(a) The failure of a party to make any payment required under this Lease Agreement that is not cured by payment within sixty (60) days after receiving notice from the other party that payment is past due.

(b) If Lessor fails to keep, observe, perform, meet or comply with any covenant, agreement, term, or provision of this Lease Agreement required to be kept, observed, met, performed, or complied with hereunder and such failure is material and Lessor does not cure such default within sixty (60) days written notice from Lessee.

(c) If Lessee fails to keep, observe, perform, meet or comply with any covenant, agreement, term, or provision of this Lease Agreement required to be kept, observed, met, performed, or complied with hereunder and such failure is material and Lessee does not cure such default within sixty (60) days written notice from Lessor.

16.02. Upon the occurrence of an Event of Default, either party shall have the right to pursue any remedy it may have at law or equity, including but not limited to: reducing its claim to judgment, including seeking an award of attorney's fees and costs, taking action to cure the Event of Default, and termination of this Lease Agreement.

ARTICLE XVII.
AUDITS RIGHTS

17.01. Lessor, the contractor, as that term is defined in K.R.S 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. 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 that would otherwise be subject to public release if a state government agency were providing the service.

ARTICLE XVIII.
APPLICABLE LAW AND VENUE

18.01. **Choice of Law.** This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

18.02. **Venue.** Venue of any action filed by the Lessor shall be in Franklin County, Kentucky.

18.03. **Cost.** In the event that either party deems it necessary to take legal action to enforce any provision of the Lease Agreement, and in the event the Lessee prevails, the Lessor agrees to pay all expenses of such action, including attorney's fees and costs at all states of litigation as set by the court or hearing officer.

ARTICLE XIX.
DISPUTE RESOLUTION

19.01. It is the intent of Lessor and the Commonwealth that any disputes, which may arise between them, or between the employees of each of them, be resolved as quickly as possible. Quick resolution may, in certain circumstances, involve immediate decisions made by the Parties'

Representatives. When such resolution is not possible, the Parties hereto agree to resolve such disputes in accordance with the provisions of this Article XIX.

19.02. Any claims or disputes arising under the terms and provisions of this Lease Agreement, or any claims or disputes which the Parties are unable to resolve within the seventy-two (72) hour time period, shall be resolved pursuant to KRS 45A.230 - 245.

ARTICLE XX.
RULES OF CONSTRUCTION

20.01. **Interpretation.** The captions or headings in this Lease Agreement are strictly for convenience and shall not be considered in interpreting this Lease Agreement or as amplifying or limiting any of its content. Words in this Lease Agreement that import the singular connotation shall be interpreted as plural, and words that import the plural connotation shall be interpreted as singular, as the identity of the Parties or objects referred to may require. References to "person" or "entity" each include natural persons and legal entities, including corporations, limited liability companies, partnerships, sole proprietorships, business divisions, unincorporated associations, governmental entities, and any entities entitled to bring an action in, or that are subject to suit in an action before, any state or federal court of the United States. The word "including" means "including, but not limited to." "Days" refers to calendar days and references to "business days" exclude Saturdays, Sundays and federal holidays and holidays in the Commonwealth of Kentucky. Unless expressly defined herein, words having well-known technical or trade meanings shall be so construed.

20.02. **Cumulative Remedies.** Except as set forth to the contrary herein, any right or remedy of Lessor or the Commonwealth shall be cumulative and without prejudice to any other right or remedy, whether contained herein or not.

20.03. **No Third-Party Rights.** Nothing in this Lease Agreement is intended to provide any legal rights to any other person or entity other than the Parties except under the indemnification provisions contained in Article XIV, hereof.

20.04. **Agreement Fully Negotiated.** This Lease Agreement has been fully negotiated between and jointly drafted by Lessor and the Commonwealth.

20.05. **Cross References.** Except as the context otherwise indicates, all references to Exhibits, Articles, Sections, Subsections, Clauses, and Paragraphs refer to provisions of this Lease Agreement.

20.06. **Limited Effect of Waiver.** The failure of either Lessor or the Commonwealth to enforce any of the provisions of this Lease Agreement, or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

20.07. **Severability.** If any term, covenant or condition in this Lease Agreement shall, to any extent, be invalid or unenforceable in any respect under the laws governing this Lease Agreement, the remainder of this Lease Agreement shall not be affected thereby, and each term, covenant or condition of this Lease Agreement shall be valid and enforceable to the fullest extent permitted by law.

ARTICLE XXI **GENERAL PROVISIONS**

21.01. **Integration; Exhibits.** This Lease Agreement constitutes the entire and final agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof including which are of no further force or effect. The Exhibits referred to herein are integral parts hereof and are made a part of this Lease Agreement by reference. Where the terms of the Lease Agreement and an Exhibit

conflict, the Exhibit will control.

21.02. **No Amendment.** This Lease Agreement may only be amended, modified, or supplemented by an instrument in writing executed by duly authorized representatives of Lessor and the Commonwealth.

21.03. **Counterparts.** This Lease Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument

21.04. **Electronic Delivery.** This Lease Agreement may be duly executed and delivered by a Party by execution and delivery of the signature page of a counterpart to the other Party by electronic mail in "portable document format" (".pdf") form, or by any other electronic means; provided that, if delivery is made by electronic mail in .pdf form, or by any other electronic means, the executing Party shall promptly deliver a complete counterpart that it has executed to the other Party.

IN TESTIMONY WHEREOF, Lessor and Lessee have subscribed hereto for convenience as of the date hereinbefore set forth but actually on the dates shown in the notary's acknowledgement of their respective signatures.

RECOMMENDED:

LESSOR:
CoreCivic, Inc.

Kathleen Kenney, Interim Commissioner
Department of Corrections

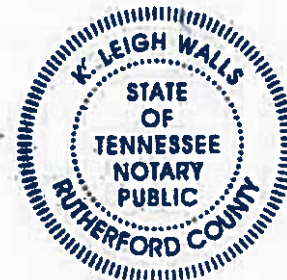
Lucibeth Mayberry
Lucibeth Mayberry, Executive Vice President, Real Estate

STATE OF Tennessee
COUNTY OF Rutherford

I, the undersigned, certify that the foregoing Lease Agreement, was produced before me in my said County and State and duly acknowledged and sworn to by Lucibeth Mayberry as Lessor, on this 9th day of December, 2019.

My commission expires: 3/19/2023

K Leigh Walls
NOTARY PUBLIC, STATE AT LARGE




LESSEE:
Commonwealth of Kentucky,

By: _____
William M. Landrum, III, Secretary
Finance and Administration Cabinet

IN TESTIMONY WHEREOF, Lessor and Lessee have subscribed hereto for convenience as of the date hereinbefore set forth but actually on the dates shown in the notary's acknowledgement of their respective signatures.

RECOMMENDED:

LESSOR:
CoreCivic, Inc.



Kathleen Kenney, Interim Commissioner
Department of Corrections

STATE OF _____


COUNTY OF _____

I, the undersigned, certify that the foregoing Lease Agreement, was produced before me in my said County and State and duly acknowledged and sworn to by _____, as Lessor, on this _____ day of _____, 2019.

My commission expires: _____.

NOTARY PUBLIC, STATE AT LARGE

LESSEE:
Commonwealth of Kentucky,

By: 

William M. Landrum, III, Secretary
Finance and Administration Cabinet

Approved:

Counsel to Governor:



COMMONWEALTH OF KENTUCKY:


_____ **MATTHEW G. BEVIN, GOVERNOR**

COMMONWEALTH OF KENTUCKY

COUNTY OF FRANKLIN

I, the undersigned, certify that the foregoing Lease Agreement, was produced before me in my said County and State and duly acknowledged and sworn to by William M. Landrum, III, Secretary of the Finance and Administration Cabinet, as Lessee, on this 9 day of December, 2019.

My commission expires: 10-5-2023.

632297



NOTARY PUBLIC, STATE AT LARGE, KY



Approved as to Form and Legality:


_____ **Attorney**
Finance and Administration Cabinet

Prepared by:

A handwritten signature in blue ink that reads "Patrick McGee". The signature is written in a cursive style and is positioned above a horizontal line.

Patrick McGee, Attorney
Finance & Administration Cabinet
Room 392, Capitol Annex
702 Capitol Avenue
Frankfort, Kentucky 40601
502-564-6660

EXHIBIT A

DESCRIPTION OF PREMISES

A certain tract or parcel of real property located on the Right Fork of Otter Creek of Left Beaver Creek and located within the City of Wheelwright, Floyd County, Kentucky, and being more particularly described as follows: Beginning at Corner of Lot No. 110 of the Wheelwright Subdivision, Map No. 348, Floyd County records, said corner having coordinates in the Elkhorn Coal Corporation System of S 171, 308.65 W 159, 786.41; thence of the east hillside S 89° 50' E eight hundred ninety (890) feet; thence S 20° 25' E four hundred fifty four (454) feet; thence S 61° 29' E one hundred eighty (180) feet; thence N 86° 03' E one hundred fifty five (155) feet thence N 10° 07' E three hundred sixty five (365) feet to survey corner L 3088; thence north with the ridge; N 10° 29' E three hundred eighty four point forty three feet (384.43) feet; thence N 22° 05' E four hundred three point three nine (403.39) feet; thence N 15° 46' W two hundred thirty one point seventy three (231.73) feet; thence N 23° 30' E two hundred sixty eight point twenty six (268.26) feet; Thence N 02° 10' E four hundred forty nine point thirty two (439.32) feet; thence N 08° 59' W two hundred seventeen point sixty seven (217. 67) feet; thence N 06° 13' W three hundred seventy five point zero zero (375. 00) feet; thence N 32° 50' W two hundred fifteen point zero zero (215.00) feet; thence N 60° 20' W three hundred forty point zero zero (340.00) feet; thence N 49° 42' W one hundred sixty point zero zero (160. 00) feet; thence N 81° 30' W three hundred fifteen point zero zero (315.00) feet; thence S 75° 23' W two hundred forty point zero zero (240.00) feet; thence S 68° 00' W eight hundred twenty five point zero zero (825.00) feet to survey Corner No. 96; thence south with Otter Creek; S 32° 00' E one hundred forty two point zero zero (142.00) feet; thence S 20° 00' E three hundred forty one point zero zero (341.00) feet; thence S 15° 45' W ninety eight point zero zero (98.00) feet; thence S 46° 00' W one hundred thirty four point zero zero (134.00) feet; thence S 37° 00' W five hundred eighteen point zero zero (518.00) feet; thence S 24° 00' W two hundred forty point zero zero (240.00) feet; thence S 14° 34' E four hundred sixty seven point twenty seven (467.27) feet to the northeast corner to Wilkinson; thence S 02° 38' W one hundred eleven point seventy three (111.73) feet; thence S 01° 29' W one hundred seventy five point zero zero (175.00) feet; thence N 88° 31' W seventy five point zero zero (75.00) feet; thence S 01° 29' W thirty point zero zero (30.00) feet; thence S 88° 31' E ninety point zero zero (90.00) feet; thence south one hundred fifty four point zero zero (154. 00) feet; thence east twenty seven point zero zero (27.00) feet to the corner of Lot No. 110, the Beginning. Containing one hundred twelve (112) acres, more or less.

EXHIBIT B
IMPROVEMENTS
[ATTACHED]

Southeast State Correctional Complex Opening Action Plan

Objective: Control Center / Main Entrance / Visitation	Target	Target Date	Progress	Responsibility	Comments
HVAC Units: Protect from inmates tampering with / Protect Inmates and staff from hazards.	Install chain-link fence around HVAC Units, associated Electrical disconnects and Gas piping.	Prior to Inmates arriving	FM	CoreCivic	Cost include all areas of facility
Secure Gutters and Drainage	The gutters and ground drainage can be tampered with Secure Cleanouts, and install additional strapping on gutters, to prevent removal, and install wire / anti climbing device on gutters.	Prior to Inmates arriving	FM	CoreCivic	Cost include all areas of facility
Roadways and Parking area: Repave/Patch Asphalt	Repair the Parking area, Sally Port and roads in and outside the fence.	Within 1st 24 months of operation	Design/Const.	CoreCivic	
X-ray Machine	Replace package x-ray machine to newer model	Prior to Inmates and staff arriving		KDOC	
Visitation Tables	Replace Visiting tables with knee high tables to prevent contraband passing.	Prior to Inmates arriving		KDOC	
Trash Receptacles	Add trash receptacles where needed	Prior to Inmates arriving		KDOC	
Visiting Inmate Search Room	Add curtain to visiting inmate search room for PREA compliance	Prior to Inmates arriving	FM	CoreCivic	
Objective: Recreation Building	Target	Target Date	Progress	Responsibility	Comments
HVAC Units: Protect from inmates tampering with / Protect Inmates and staff from hazards.	Install chain-link fence around HVAC Units, associated Electrical disconnects and Gas piping.	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #4
Fire System	Install fire alarm system in building.	Within 1st 36 months of operation.	FM	CoreCivic	Cost includes design, permitting and installation of new fire alarm system throughout facility.
Gym Sprinkler	Gymnasium does not have a sprinkler system. Appears upstairs sprinkler is tied into regular plumbing.	Prior to Inmates arriving		KDOC	Not Needed after discussion on 11/21/19 with State, Remove
Door and Door Frame Repairs	Repair Door and Door Frames from the GYM to the Yard. Daylight can be observed around the Door Frame	Within 1st 18 months of operation	FM	CoreCivic	
Soffit Repairs and Gutters	The Soffit on the rear portion of the building on the block extension is need of repairs / Along with additional razor wire needed to keep inmates from climbing. The gutters and ground drainage can be tampered with Secure Cleanouts, and install additional strapping on gutters, to prevent removal, and install wire / anti climbing device on gutters.	Prior to Inmates arriving	FM	CoreCivic	
PREA Compliance	Upgrade Inmate restroom areas for PREA Compliance	Prior to Inmates arriving	FM	CoreCivic	
Remove Mechanical area Staircases	Remove stairs leading to 2nd floor mechanical areas for security reasons. Install security hatches.	Prior to Inmates arriving	FM	CoreCivic	Will install expanded metal around stairs and install a hasp on gate. Will utilize existing hatches with hasp.
Inmate Seating	Provide inmate seating/norix chairs where needed (day rooms, dorms, & gym)	Prior to Inmates arriving		KDOC	
Barber Chairs	Add Barber Chairs (2-3) to gymnasium	Prior to Inmates arriving		KDOC	
Wall Hooks	Remove all Non Security Break Away Hooks	Prior to Inmates arriving	FM	CoreCivic	
Trash Receptacles	Add trash receptacles where needed	Prior to Inmates arriving		KDOC	
Add razor wire to roof corner adjacent to staff walkway	Easily access the roof from this area, razor wire needs to be added to prevent access	Prior to Inmates arriving	FM	CoreCivic	
Add Water Fountain	add water fountain	Prior to Inmates arriving		CoreCivic	
Objective: Programs Building (Green House)	Target	Target Date	Progress	Responsibility	Comments
HVAC Units: Protect from inmates tampering with / Protect Inmates and staff from hazards.	Install chain-link fence around HVAC Units, associated Electrical disconnects and Gas piping.	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #4

Objective: Support Services (Food Services, Medical, Dentist, Maintenance, Admin)	Target	Target Date	Progress	Responsibility	Comments
Entire Building					
HVAC and Freezer units: Protect from inmates tampering with Protect Inmates and staff from hazards.	Install chain-link fence around HVAC / Freezer Units, associated Electrical disconnects and Gas piping.	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #4
Exterior Steps	Replace steps.	Within 1st 18 months of operation	FM	CoreCivic	
Secure Gutters and Drainage	The gutters and ground drainage can be tampered with Secure Cleanouts, and install additional strapping on gutters, to prevent removal, and install wire / anti climbing device on gutters.	Prior to Inmates arriving	FM	CoreCivic	Cost Included in Line Item #5
Remove bushes	Bushes are blocking camera view next to food service entry	Prior to Inmates arriving	FM	CoreCivic	
Fire System	Install fire system and connect to existing system	Within 1 st 36 months of operation.	FM	CoreCivic	
PREA Compliance	Make Inmate restroom areas PREA Compliant	Prior to Inmates arriving	FM	CoreCivic	PLACE MAGNETIC PANEL ON OBS CELL DOORS FOR STAFF TO PLACE OVER WINDOW WHEN OBS INMATES IN CELLS
Door and Door Frame Repairs	Repair Door and Door Frames as needed some doors on the rear of the kitchen could not be opened or secured due to repairs needed.	Prior to Inmates arriving	FM	CoreCivic	
Lighting	Lighting needs to be increased to minimum of 30-50 Foot candles.	Within 1st 18 months of operation	Utilities	CoreCivic	Cost included in Line Item #172
Trash Receptacles	Add trash receptacles where needed	Prior to Inmates arriving		KDOC	
Paint	Paint interior walls and maintain every 3 years	Develop Paint Schedule and utilize inmates. Entire facility will be painted in 3 years.	FM	CoreCivic	Will be included in annual R&M costs for next 3 years.
Wall Hooks	remove all non security break away hooks	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #22
Administration Section (Upper Level)					
Office Furniture	Replace and Maintain Office Furniture as needed "Purchase thru KCI"	Prior to Staff arriving		KDOC	
Safe	Provide a Safe for Fiscal Office	Prior to Inmates arriving		KDOC	
Carpet	Replace Old Carpet in administration section	Prior to Staff arriving	FM	CoreCivic	
Maintenance Section (Lower Level)					
Review Fencing and Gates for inmate access to administration area	Look at adding seperation fencing to stair well leading up to administration building. Look at adding gate for inmate maintenance entrance and possible gate and fencing to maintenance overhead door section to prevent inmates from attempting to access area during emergency situations.	Prior to Inmates arriving	FM	CoreCivic	Was reviewed on 11/21 with State and it was determined back door of maintenance needs to expanded metal installed with pedestrian gate.
Bio Hazard	Refrigerator in maintenance area is marked as biohazard storage. Not an approved bio hazard storage container.	Prior to Inmates arriving	FM	CoreCivic	
Medical Section (Lower Level)					
Office Furniture	Replace and Maintain Office Furniture as needed "Purchase thru KCI"	Prior to Staff arriving		KDOC	
Dental Room: Replace Autoclave	Not in working order	Prior to Inmates arriving		KDOC	
Dental Room: Needs Xray Equipment	Needs Xray Machine, apron, and dip tank	Prior to Inmates arriving		KDOC	
Pharmacy: Fix hole in wall	Repair wall	Prior to Inmates arriving	FM	CoreCivic	
Nurses Station: Replace Counter Top	Replace counter top	Prior to Inmates arriving	FM	CoreCivic	
Negative Pressure Room: Test and repair if needed	test and repair	Prior to Inmates arriving	FM	CoreCivic	
Deep Cleaning	Remove all supplies and dispose if needed, deep clean due to odors	Prior to Inmates arriving	FM	CoreCivic	
Food Service Section (Lower Level)					
Trash Receptacles	Add trash receptacles where needed	Prior to Inmates arriving		KDOC	
Forklift	New Forklift for Delivery including any inspections	Prior to Inmates arriving		KDOC	
Trash Carts	Provide Trash Carts	Prior to Inmates arriving		KDOC	

Dish Machine	unit in poor condition - corecivic stated this is currently on CapX listing	Prior to Inmates arriving	Purchasing/Food Service	CoreCivic	
Add exhaust vent at dish washing station	add exhaust vent	Prior to Inmates arriving	FM	CoreCivic	
Hot serving line (Four (4) serving spots)	Due to the menu, Aramark advised that a 5 serving spot would be best	Prior to Inmates arriving		KDOC	
Storage room full of supplies (pans, trays, shelving, dunnage racks, etc.)	Determine if core civic plans to supply these items. Need a full accurate inventory of contents of storage room to determine if additional supplies are needed.	Prior to Inmates arriving	FM/Food Service	KDOC	KDOC will receive entire contents in Storage Room. In future KDOC will be responsible for Food Service inventories.
Equipment (Ovens were shrink wrapped)	Needs to be fully tested to ensure working condition	Prior to Inmates arriving	Purchasing/Food Service	CoreCivic	
Ice machine	need to ensure it is in proper working condition (appeared to only be working less than 100%)	Prior to Inmates arriving	Purchasing/Food Service	CoreCivic	
Freezer & cooler units	were not turned on- need to ensure that they are proper working condition	Prior to Inmates arriving	FM	CoreCivic	
Delivery Cart for Segregation Trays	currently use delivery bag system	Prior to Inmates arriving		KDOC	
Mixer	no unit on site	Prior to Inmates arriving	Purchasing/Food Service	CoreCivic	This is for a Mixer - 80 qt. JDE 105726
Meat Slicer	no unit on site	Prior to Inmates arriving	Purchasing/Food Service	CoreCivic	Food Slicer, Electric (JDE 105734)
Flooring and both coolers is rusted	make necessary repairs to pass health inspection	Prior to Inmates arriving	FM	CoreCivic	
Flooring needs to be repaired-- missing grout in several areas	make necessary repairs to pass health inspection	Prior to Inmates arriving	FM	CoreCivic	
Remove drop down ceiling wall in freezer storage area.	remove wall	Prior to Inmates arriving	FM	CoreCivic	
Objective: Programs Building (Vocational School / Canteen / Laundry)	Target	Target Date	Progress	Responsibility	Comments
HVAC and Window unit: Protect from inmates tampering with / Protect Inmates and staff from hazards.	Install chain-link fence around HVAC Units and associated Electrical disconnects and Gas piping. Secure window unit to prevent tampering / security hazard.	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #4
Secure Gutters and Drainage	The gutters and ground drainage can be tampered with Secure Cleanouts, and install additional strapping on gutters, to prevent removal, and install wire / anti climbing device on gutters.	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #5
PREA Compliance	Make Inmate restroom areas PREA Compliant	Prior to Inmates arriving	Design/Const	CoreCivic	KDOC SUGGESTED MOVABLE PREA PARTITIONS FINE WITH THEM OR INSTALL CAMERA. IF CAMERA NO COST TO CORECIVIC
Soffit Repairs	The Soffit vinyl soffit is in need of general repairs where the flashing has been pulled away	Prior to Inmates arriving	FM	CoreCivic	
Lighting	Lighting needs to be increased to minimum of 30-50 Foot candles.	Within 1st 18 months of operation	Utilities	CoreCivic	Cost included in Line Item #172
Trash Receptacles	Add trash receptacles where needed			KDOC	
Wall Hooks	Remove all non security break away hooks	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item @22
Laundry: Equipment	Maintain all laundry equipment. Replace missing dryer.	Prior to Inmates arriving	FM	CoreCivic	
Paint	Paint interior walls and maintain every 3 years	Develop Paint Schedule and utilize inmates. Entire facility will be painted in 3 years	FM	CoreCivic	Will be included in annual R&M costs for next 3 years.
Rekey classroom back exit doors.	back exit doors should have different key than interior hallway door and only opened in emergency situations.	Prior to Inmates arriving	FM/Locksmith	CoreCivic	
Remove brush	Remove brush growing into razor wire fencing next to laundry entrance	Prior to Inmates arriving	FM	CoreCivic	
Laundry: Add fire caulking where wall meets ceiling	add fire caulking	Prior to Inmates arriving	FM	CoreCivic	

Laundry: Replace missing exhaust Fan	add exhaust fan	Prior to Inmates arriving	FM	CoreCivic	
Canteen: Add 2nd Canteen Window	Add another access window for inmates to pick up orders	Prior to Inmates arriving	Design/Const.	CoreCivic	SAME SIZE AS EXISTING. FRAME OUT IN STEEL
Canteen: Add interior door to adjacent storage room	Add doorway between both rooms to allow product movement between each room. Otherwise product will need to flow through the academic hallway which could lead to security issues.	Prior to Inmates arriving	Design/Const.	CoreCivic	DOORWAY NOT NEEDED. PASS-THRU WINDOW WILL DO - CONFIRM IF STRUCTURAL WALL OR NOT
Canteen: Coolers and Freezers for Canteen	Install 6 freezers and 2 refrigerators in canteen area as needed. Make sure electrical load to handle and that these are placed on backup generators.	Prior to Inmates arriving		KDOC	KDOC will be responsible for providing freezers and coolers. CoreCivic will install needed electrical needs once it is determined on load equipment produces.
Objective: Dorms A, B, C and D	Target	Target Date	Progress	Responsibility	Comments
Install Fire Suppression & Smoke exhaust system	HBC requires fire sprinkler protection for building over 10,000 sf. This building is 32,000 sf.	Within 5 month of operation	Design/Const.	CoreCivic	Conduct Fire Watch unit system can be designed and installed. Installation will be completed within 18 months
Remove Drop Down Ceilings	These are a security concern.	Prior to Inmates arriving		KDOC	
Upstairs Egress	Add manual override for locking system.	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #185
HVAC and Window unit: Protect from inmates tampering with / Protect Inmates and staff from hazards.	Install chain-link fence around HVAC Units and associated Electrical disconnects and Gas piping.	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #4
Secure Gutters and Drainage	The gutters and ground drainage can be tampered with Secure Cleanouts, and install additional strapping on gutters, to prevent removal, and install wire / anti climbing device on gutters.	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #5
PREA Compliance	Make Inmate restroom areas and showers PREA Compliant. Recommendation: Install prea shower curtains, raise front wall blocks by two blocks, and raise restroom stall blocks by 2 blocks	Prior to Inmates arriving	Design/Const.	CoreCivic	INSTALL PREA PANELS AT ENTRANCE TO SHOWER AND TOILET AREAS. MOVE 2 SINKS EA.
Install Ice Machines	Install ice machines in Dorms for inmate use.	Prior to Inmates arriving	Purchasing/FM	CoreCivic	
Lighting	Lighting needs to be increased to minimum of 30-50 Foot candles in office areas, and 20fc in Inmate living areas, and Grooming areas.	Within 1st 18 months of operation	Utilities	CoreCivic	Cost included in Line Item #172
General Maintenance	Repair Leaking plumbing fixtures	Prior to Inmates arriving	FM	CoreCivic	
Doors, vented	Review vented doors in units A, B, C, & D. Vents are considered unsecure and need to reviewed and replaced.	Prior to Inmates arriving	Design/Const.	CoreCivic	These vent are for air return. Evaluate how to secure opening.
Paint	Paint interior walls and maintain every 3 years	Develop Paint Schedule and utilize inmates. Entire facility will be painted in 3 years	FM	CoreCivic	Will be included in annual R&M costs for next 3 years.
Ladders on Bunkbeds	Add ladders to bunk beds throughout for safety	Prior to Inmates arriving	KDOC/FM	KDOC / CoreCivic	KDOC to purchase ladders / Corecivic will install - CoreCivic will provide labor and bolts to attached to bunks.
Floor Electrical Boxes	Review floor electrical boxes which are considered a trip hazard.	Prior to Inmates arriving		KDOC	
Inmate Lockers	Replace lockers with Baracuda boxes	Prior to Inmates arriving	Purchasing/FM	CoreCivic	CoreCivic will drill holes in boxes at KDOC's request, CoreCivic will purchase 1st supply for activation then KDOC will be responsible for replacement for remainder of lease. Cost is for 1400 boxes with lids.

Inmate Seating	Provide inmate seating/norix chairs where needed in comply with unencumbered space requirements (day rooms, dorms, & gym)	Prior to Inmates arriving		KDOC	
Wall Hooks	Remove all Hooks on walls and inmate furniture	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #22
Trash Carts	Provide Trash Carts	Prior to Inmates arriving		KDOC	
Matress and Pillows	Replace all Matress and Pillows	Prior to Inmates arriving		KDOC	
Exterior Steps	Replace steps.	Within 1st 18 months of operation	FM	CoreCivic	
Cable TV	Install proper cabling in cells to reduce extra cabling	Prior to Inmates arriving	FM	CoreCivic	
Cell and Dorm Floors	Repair all crack and chips in floors	Prior to Inmates arriving	FM	CoreCivic	WILL make repairs to areas that cause tripping hazards or that are structural concerns.
Repair Concrete picnic tables	Many are need of repairs and are unusable in their current state.	Prior to Inmates arriving	FM	CoreCivic	Will remove concrete tables that need repair and will replace with metal tables from Admin Yard.
Trash Receptacles	Add trash receptacles where needed	Prior to Inmates arriving		KDOC	
Objective: Dorm E	Target	Target Date	Progress	Responsibility	Comments
Secure Gutters and Drainage	The gutters and ground drainage can be tampered with Secure Cleanouts, and install additional strapping on gutters, to prevent removal, and install wire / anti climbing device on gutters.	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #5
Stairway repairs	All stairs need risers and protection rails.	Prior to Inmates arriving		CoreCivic	Remove per KDOC
PREA Compliance	Make Inmate restroom areas and showers PREA Compliant. RHU showers are already PREA Compliant. Recommendation: add shower curtains and raise side blocks by two blocks.	Prior to Inmates arriving	Design/Construction	CoreCivic	INSTALL PREA PANELS ON EACH SHOWER STALL WITH SHOWER CURTAIN. SEND SKETCH TO KDOC. BLANK OFF TWO SHOWERS CLOSEST TO STAIRS IN TWO 64 BED UNITS
Install Ice Machines	Install ice machines in Dorms for inmate use.	Prior to Inmates arriving	Puchasing/FM	CoreCivic	
Lighting	Lighting needs to be increased to minimum of 30-50 Foot candles in office areas, and 20fc in Inmate living areas, and Grooming areas.	Within 1st 18 months of operation	Utilities	CoreCivic	Cost included in Line Item #172
General Maintenance	Repair Leaking plumbing fixtures	Prior to Inmates arriving	FM	CoreCivic	
Paint	Paint interior walls and maintain every 3 years	Develop Paint Scheudle and utilize inmates. Entire facility will be painted in 3 years	FM	CoreCivic	Will be included in annual R&M costs for next 3 years.
Ladders on Bunkbeds	Add ladders to bunk beds throughout for safety	Prior to Inmates arriving	KDOC/FM	KDOC / CoreCivic	KDOC to purchase ladders / Corecivic will install. Price included on Line Item #106
Office Door without Window	Window needs to be installed in office door.	Prior to Inmates arriving	FM	CoreCivic	
Inmate Lockers	Replace lockers with Baracuda boxes	Prior to Inmates arriving	FM	CoreCivic	CoreCivic will drill holes in boxes at KDOC's request. Corecivic will purchase 1st supply for activation then KDOC will be responsible for replacement for remainder of lease. Cost is included in Line Item #108
Inmate Seating	Provide inmate seating/norix chairs where needed in comply with unencumbered space requirements (day rooms, dorms, & gym)	Prior to Inmates arriving		KDOC	
Wall Hooks	Remove all Hooks on walls and inmate furniture	Prior to Inmates arriving	FM	CoreCivic	Cost included on Line Item #22
Trash Carts	Provide Trash Carts	Prior to Inmates arriving		KDOC	
Matress and Pillows	Replace all Matress and Pillows	Prior to Inmates arriving		KDOC	

Cable TV	Install proper cabling in cells to reduce extra cabling	Prior to Inmates arriving	FM	CoreCivic	Install metal cover over exposed conduit for both electrical and cable. Install detention outlet covers in all cells with security screws.
Cell and Dorm Floors	Repair all crack and chips in floors	Prior to Inmates arriving	FM	CoreCivic	Will make repairs to areas that cause tripping hazards or that are structural concerns.
Trash Receptacles	Add trash receptacles where needed	Prior to Inmates arriving		KDOC	
RHU Cell Door Replacement	RHU cell door is severely damaged and needs to be replaced.	Within 1st 6 months of operation	FM	CoreCivic	One door on lower level needs replaced.
RHU Watch Cell	Make largers window so inmate can be observed easier by staff. Secure interior of watch cell. Currently has non security screws and exposed items that an inmate on watch will manipulate.	With 1st 6 months of operation	FM	CoreCivic	Cut cell door to install 3/4" lexan observation window with expanded metal install over lexan inside cell. Cell 105
RHU Recreation cages	Look at replacing side metal sheets with expanded metal. This will allow cameras to see better into the cells.	Prior to Inmates arriving		KDOC	KDOC to install cameras
Remove phone blocks	Look at removing phone blocks in units. Blocks give privacy, but also provide area for security concern due to the location being close to inmate cells. Also the step up underneath provides security concerns.	Prior to Inmates arriving		KDOC	KDOC to install cameras, will not remove
Objective: Perimeter Fence / Detection systems	Target	Target Date	Progress	Responsibility	Comments
Perimeter Fence Razor wire	The Exterior fence has gaps in the Razor wire, Install additional wire in these area so that there are no gaps. Add additional row of razor wire to outside fence to enhance security.	Prior to Inmates arriving	Design/Const.	CoreCivic	
Stun Fence	The stun fence doesn't extend around the entire perimeter, a feasibility study will need to take place to see if this is needed. There is a Shaker fence installed to assist in these gaps	Prior to Inmates arriving		KDOC	KDOC has determined that existing perimeter alarm system is sufficient.
Lighting	Exterior Lighting will need to be greater than 5fc "Readings not taken"	Within 1st 18 months of operation.	Utilities	CoreCivic	Cost included in Line Item #172
Cables	Review cables and wires secured to the fence and make adjustments where necessary to remove cabling from the fence.	Prior to Inmates arriving	FM	CoreCivic	
Objective: Security and Security Controls	Target	Target Date	Progress	Responsibility	Comments
Dorms A,B,C, and D controls do not work.	Repair the controls system	Prior to Inmates arriving	FM	CoreCivic	
Security Mirrors	Install security mirrors where needed	Prior to Inmates arriving	FM	CoreCivic	
Security Doors and Windows	Install Security Grade Doors and Windows where needed	Prior to Inmates arriving	Design/Const.	CoreCivic	Replace 15 new detention doors - SOME DOORS WERE APPROVED ON SITE BY KDOC
Mark Doors	Mark all doors with proper signage	Prior to Inmates arriving	FM	CoreCivic	
Wall Hooks	Remove all Hooks on walls and inmate furniture	Prior to Inmates arriving	FM	CoreCivic	Cost included in Line Item #22
Repair softball field fence gate	Gate appears to have been cut out and not properly placed. Left exposed fencing prongs. Add gate and finish properly.	Prior to Inmates arriving	FM	CoreCivic	
Objective: Armory	Target	Target Date	Progress	Responsibility	Comments
Add Fencing, Razor Wire, and Gate around building	This allows us to meet NCIC recommendations of double lock	Prior to Inmates arriving	FM	CoreCivic	Will install expanded metal to ceiling inside Armory
HVAC System	Need to add an HVAC system to the building	Prior to Inmates arriving		KDOC	HVAC is already installed with dehumidifier.
Objective: Misc.	Target	Target Date	Progress	Responsibility	Comments
Buffers	Provide Floor Buffers as needed throughout facility	Prior to Inmates arriving		KDOC	
Doors	Review all doors for the need of interior panic bars	Prior to Inmates arriving	FM	CoreCivic	Panic bars to be installed on specified doors.

Paint	Paint interior and exterior of the facilities every 3 years	Develop Paint Schedule and utilize inmates. Entire facility will be painted in 3 years	FM	CoreCivic	Will be included in annual R&M costs for next 3 years.
Outdoor Staff Facilities	Add some exterior staff shelters for exterior posts located at needed	Within 1st 12 months of operation	NA	CoreCivic	It was determined that the one located in the vehicle sallyport is sufficient on the back side of facility and the installation of the the Gate 1 would be sufficient on the front of the facility.
Outside Freezer/Refrigeration Unit	Provide Outside Freezer & Refrigeration unit for use with food service storage. In order to meet contract requirements the vendor has to have 7 days of food on hand and the current freezer and refrigeration unit inside will not allow the vendor to meet those requirements.	Prior to Inmates arriving		KDOC	
Outside Storage Container / Picnic Shelter Conversion	Provide outside storage unit for facility to store inventory needed to be kept secured or stock. Current internal storage does not allow the facility to maintain appropriate stock for operation.	Prior to Inmates arriving	KDOC/FM	KDOC	Looked at boxing in picnic shelter behind visitation to be used for maintenance storage and facility storage.
Tower Addition	Add tower to front of facility to allow viewing of yards and facility exterior.	Add 1-24 months after inception		KDOC	remove
Gate 1 Addition	Review and add Gate1 on roadway leading up to the facility. This can be a small secure structure for heating and cooling with an exterior gate/checkpoint.	Within 1st 24 months of operation	Design/Const.	CoreCivic	Gatehouse down the hill by the road, to include toilet, power, cameras, lighting - LOCATION CHANGED TO TOP OF HILL, SMALL SINGLE OCCUPANT POST WITH POWER, TOILET, CAMERAS, LIGHTING AND HVAC.
Objective: Safety	Target	Target Date	Progress	Responsibility	Comments
Exit Signs	Test and repair all emergency exit signs and lighting.	Prior to Inmates arriving	FM	CoreCivic	
Lighting	All florescent lighting needs to be reviewed and have covers added to lighting in all areas.	Within 6 months of operation.	Utilities	CoreCivic	Will replace with LED
Lighting Covers	Replace light covers that have been melted throughout the facility	Within 1st 18 months of operation.	NA	CoreCivic	Will replace with LED
Air Ducts	Review all air ducts for openings and repair where needed. These opening can collect dust and cause fire.	Prior to Inmates arriving	FM	CoreCivic	
Electrical Panels	All electrical panels should be labeled with arc flash signage.	Prior to Inmates arriving	FM	CoreCivic	Will install signage, cost includes inferred testing.
Fire Extinguishers	All fire extinguishers need to be reviewed for obstructions. Several locations where fire extinguishers are placed in obstructed areas	Prior to Inmates arriving	FM	CoreCivic	
Eye Wash	All hand and eye wash stations need to be tested and reviewed for access. Stations need to be replaced or removed where needed.	Prior to Inmates arriving	FM	CoreCivic	
Can Crushers	All can crushers need to be removed from all areas.	Prior to Inmates arriving	FM	CoreCivic	
Flammable Cabinets	All flammable cabinets need to be reviewed for obstructions and have the areas cleared out around where necessary.	Prior to Inmates arriving	FM	CoreCivic	
Manufacturing Equipment	All manufacturing equipment should be reviewed for appropriate safeguards. Several machines were found to be noncompliant due to this issue. These would be locked out if in operation.	Prior to Inmates arriving	FM	CoreCivic	
Walkways	Walkways need to be reviewed for damage and fixed to prevent slip, trip, & fall hazards	Prior to Inmates arriving	FM	CoreCivic	
Toe Boards	Toe boards should be added to 2 nd story walkways.	Prior to Inmates arriving	FM	CoreCivic	
ADA upgrades bathrooms in housing units, support and admin		Within 1st 36 months of operation.	Design/Const.	CoreCivic	Added by Corecivic

Site ADA upgrades for staff, inmates and public		Within 1st 24 month of operation.	Design/Const.	CoreCivic	Added by Corecivic
Upgrade Locking Controls.	Install new locking controls system to include intercoms. This cost includes design. This will include entire facility.	Within 1st 24 month of operation.	FM	CoreCivic	Added by Corecivic
Replace Generator	Replace generator servicing the facility.	Within 1st 12 months of operation	FM	CoreCivic	Added by Corecivic
Replace Roof E Building	Replace existing roof on E Building - Original Roof	Within 1st 36 months of operation	FM	CoreCivic	Added by Corecivic

EXHIBIT C

RENT

1.

(a) The Rent payable by Lessee to Lessor during the Initial Term shall be as follows:

Lease Year	Quarterly Rent	Annual Rent
1	\$937,500.00	\$3,750,000.00
2	\$937,500.00	\$3,750,000.00
3	\$984,375.00	\$3,937,500.00
4	\$984,375.00	\$3,937,500.00
5	\$1,033,593.75	\$4,134,375.00
6	\$1,033,593.75	\$4,134,375.00
7	\$1,085,273.44	\$4,341,093.75
8	\$1,085,273.44	\$4,341,093.75
9	\$1,139,537.11	\$4,558,148.44
10	\$1,139,537.11	\$4,558,148.44

(b) The Rent payable by Lessee to Lessor during each Lease Year of each Renewal Term (if exercised by Lessee as provided in this Lease Agreement) shall be equal to the Rent due during the Lease Year prior to the Renewal Term in question, adjusted by an increase of five percent (5%) of such Rent.

2. During each Lease Year of the Term, Lessee shall pay the Rent to Lessor in equal quarterly installments in advance, without setoff or deduction, unless otherwise provided in this Lease Agreement. Lessee shall normally pay such invoices within thirty (30) days of receipt of Lessor's invoice by Lessee. Any Proper Invoice unpaid as of its due date shall accrue interest at the maximum lawful rate beginning on such Proper Invoice's due date. The payment of such interest shall not excuse or cure any default or modify any obligation of Lessee under this Lease Agreement.

3. All sums payable by Lessee under this Lease Agreement shall be deemed Rent and shall be paid to Lessor in legal tender of the United States at the address of Lessor as noted in the introductory paragraph to this Lease Agreement, as may be changed by Lessor. If Lessor shall at any time accept Rent after it shall have become due and payable, such acceptance shall not excuse a delay upon subsequent occasions, or constitute a waiver of any of Lessor's rights hereunder.

EXHIBIT D

FACILITY MAINTENANCE PLAN

Routine/Preventative Maintenance

General

- A. From the Effective Date and thereafter, the Lessor will maintain and repair the Premises, including the maintenance of all systems on or about the Premises (i.e., conveyance systems; electrical, mechanical, heating, ventilation and plumbing distribution systems, roofing, fire alarm systems, including notification and suppression; landscaping and parking), as well as its Furnishings, Fixtures and Equipment noted in the FFE Schedule, in accordance with the Maintenance Plan so as to minimize breakdowns and loss of the Lessee's use of the Premises caused by deferred or inadequate maintenance. Such maintenance and repair shall include but not be limited to:
1. Generally maintaining the Premises in good, vermin-free, operating condition and appearance.
 2. Furnishing prompt, good quality repair of the Premises.
 3. Maintaining the requisite amount of supplies on hand to promptly repair and or replace damaged or worn equipment.
 4. Furnishing preventative maintenance through a Computer Maintenance Management System (CMMS), including, but not limited to, manufacturer's recommended servicing of infrastructure systems, equipment, and fixtures.
 5. Furnishing ongoing maintenance and prompt repair of any and all special equipment and systems including but not limited to, fire suppression systems, special HVAC systems for computer rooms, and Uninterrupted Power Supply (UPS) systems for life safety equipment only. Lessee will be responsible for maintaining UPS's on their cameras and phone equipment.
 6. Furnishing and promptly replacing any inoperative light bulbs, fluorescent tubes, ballast, starters, and filters for the heating, ventilating and air conditioning equipment as required utilizing a preventative maintenance program.
 7. Furnishing remedial painting as necessary to maintain the Premises in a neat, clean and orderly condition.
 8. Annual testing and maintenance of all fire extinguishers, fire suppression and fire/smoke detection in or adjacent to the Premises.
 9. Repairing and replacing parking lot bumpers and paving as necessary. Repaint directional arrows, striping, etc., as necessary.
 10. Keeping parking areas and sidewalks free of debris and, maintaining landscaped areas, including sprinklers, drainage, etc., in a growing, litter-free, weed-free, and neatly mowed and/or trimmed condition.

11. Repairing and replacing floor covering as necessary. Lessor, at Lessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repairing or replacement of floor covering.
12. Promptly removing snow, water, oil spills, debris, or other materials which may be hazardous to users of the building from walkways, parking lots, entrances, and auxiliary areas.
13. Lessor will be responsible for repairing and maintaining any locks (mechanical locks, electro-mechanical locks and associated indication switches) at doors and gates, sliding doors, gate devices and door position switches; it shall also, be responsible for maintaining electro-mechanical locking control systems on the Premises. Lessor will provide on-site a trained subject matter expert in locking systems to conduct the preventative maintenance plan established by the Warden and approved by CoreCivic of all locking devices. Lessor will provide additional support from the Regional Locksmith who will make quarterly site visits to the facility to assist with preventative maintenance and conduct inspections on all locking devices. Lessor will provide Lessee shall report to Lessor daily any deficiencies in any locking device or locking control system. Lessor shall be responsible for repairs and maintenance of locksets and Lessee will be responsible for administration of keys. Lessor shall provide a complete inventory of all keys to the Premises upon Term Commencement Date and shall ensure that all keys are in possession of the Lessee at that point, with no unaccounted keys previously issued for the Facility. Lessee shall ensure that it provides the appropriate keys to Lessor's maintenance personnel during the Term.

Lessor shall provide prompt repair or correction for any damage at its sole cost and expense as part of its repair and maintenance obligations herein, except Lessee shall be responsible for damage arising from a willful or negligent act of the Lessee, its agents, employees or inmates, repairs or maintenance resulting from a "disturbance" as defined in Lessee's policy. In this event, Lessee agrees to reimburse Lessor's actual costs for such repairs which it shall promptly perform. Except in emergency situations, the Lessor shall give not less than 48 hour prior notice to Lessee when any pest control, remodeling, renovation, or repair work affecting the Lessee occupied space may result in employee concerns in the work environment.

- B. Lessor shall perform routine inspections, maintenance and minor repairs as necessary to achieve and sustain all local, State and Federal operating permits, licenses and other regulatory compliance for all systems subject thereto.
- C. Lessor agrees to schedule such work in such a manner as to pose the least disruption to Lessee's ongoing operations.

- D. Lessor shall provide all maintenance activities at a standard of quality and frequency not less than industry practice and/or manufacturer's recommendations in each instance.
- E. Lessor shall ensure that it maintains the appropriate level of maintenance staff, supplies and services contracts as necessary at all times during the term of this Lease to perform its required obligations hereunder.
- F. Lessee agrees that to the extent feasible and where practicable in each instance, as determined by Lessee in its sole discretion, it will provide an available labor force of inmates to augment Lessor's required maintenance staff. Nothing in this section is intended to guarantee to Lessor the availability of inmate workers for these purposes. Lessor shall be obligated to pay the per diem rate to any inmate used for this purpose.

Automated Maintenance System/Work Order Processing

General

- A. Lessor shall ensure the establishment and ongoing maintenance of an automated maintenance tracking system on behalf of Lessee, which system shall be utilized in accordance with Lessor's Policy 7-2. In the event of a conflict between Lessor Policies, and the policies, procedures, rules and regulations to be established by Lessee for the Facility, Lessee's policies, procedures, rules and regulations will override those contained in this Exhibit A. Lessor shall provide an initial training to key personnel designated by Lessee to understand how Lessor will initiate, track and complete all maintenance and repair activities contemplated hereunder. A monthly report shall be issued by Lessor to Lessee showing the month's activities, or more frequently if requested by Lessee.
- B. In addition to work initiated by Lessor to maintain and repair the Premises, Lessor's automated system shall provide for the ability to initiate maintenance and repair activities at Lessee's request (i.e., Work Requests) in a timely manner and according to required response and resolution time-frames as further outlined in this exhibit.

Work Request / Work Order Tracking and Reporting

- A. The Lessor shall input, track, record and report all Lessee's Work Requests in its automated system.
- B. The Lessee will designate one or more Work Request Coordinators (WRC) and Lessee will submit all work requests except for emergencies to the Lessor through the WRC (s).
- C. The Lessee will submit all work requests except emergencies to the Lessor utilizing Lessor's standard work request form.

D. Lessor Policy work request; The Lessee shall communicate work requests to the Lessor in accordance with Lessor Policy/ work order priority definitions which are as follows:

1. Priority Categories:

- 1 Emergency
- 2 Urgent
- 3 Routine
- 4 Scheduled

2. Work Request / Work Order Definitions, Response and Resolution Parameters:

EMERGENCY

Conditions that demand immediate response to protect and save property and/or preserve health, life and safety. Immediate response and implementation of measures to alleviate the situation is required. Permanent repair will follow as necessary. Personnel are dispatched immediately by radio in advance of system generated work request / work order creation.

EMERGENCY items include but are not limited to the following conditions:

- a. Security fences and alarm failures
- b. Fire alarms
- c. Electrical sparks, smoke
- d. Downed electrical lines
- e. Electrical outage (entire building)
- f. Water outage
- g. Ruptured steam, water, sewer or gas lines
- h. Overflowing toilet
- i. Storm water flooding into a building
- j. Sewage system failure causing back up.
- k. Broken, gushing or misdirected irrigation device
- l. Sprinkler head causing flooding.
- m. Gas leaks or smell of gas
- n. Food service related deficiencies that have an immediate impact on sanitation
- o. Loss of refrigerated storage space

URGENT

Urgent situations pose the potential threat of personal injury, equipment

damage or a serious disruption to normal operations. Whenever possible, urgent work requests / work orders shall be completed within 24 hours to alleviate the situation before injury occurs, equipment or property is damaged or the condition worsens. Personnel are dispatched as soon as practical and may be dispatched in advance of a system generated work request / work order but will respond within the same shift or within 24 hours maximum based on type of issue and time remaining in shift.

URGENT items include but are not limited to the following conditions:

- a. Broken window/door glazing
- b. Inoperable doors (non-cell or security)
- c. HVAC temperature adjustments (i.e. hot/cold calls)
- d. Toilets/urinals running constantly
- e. Loss of refrigerated storage space
- f. Toilets stopped up (non-inmate toilets)
- g. Inoperable lighting and power switches
- h. Roof or plumbing pipe leaks
- i. Loss of domestic hot/cold water
- j. Pest issue in food preparation/serving area

ROUTINE

Maintenance, minor repair or services that do not pose an immediate risk to facilities, systems, equipment or personnel and that can be handled on a routine planned and scheduled basis. Advanced coordination with the requestor is typically required to allow scheduling of personnel and receipt of materials. Immediate dispatching of personnel is not required. Personnel respond as ROUTINE items include but are not limited to the following conditions:

- a. Cracked glass replacement
- b. Grounds maintenance request
- c. Dripping faucets/showers

SCHEDULED

Maintenance, minor repair or services that do not pose an immediate risk to facilities, systems, equipment or personnel and that can be handled on a scheduled basis. Advanced coordination with the requestor is typically required to allow scheduling of personnel and receipt of materials. Immediate dispatching of personnel is not required. Personnel respond as scheduled and based on system generated work requests / work orders. Response is typically greater than 5 business days.

Scheduled items include but are not limited to the following conditions:

- a. Painting

- b. Floor finish repair
 - c. Light bulb change
 - d. Inoperative switches, outlets or lighting (where lighting is sufficient and other power outlets are available)
 - e. Grounds maintenance
 - f. Preventative maintenance
 - g. Predictive testing and inspection
 - h. Minor projects (shelf, cabinet, bulletin board install, etc.)
- E. The Lessor's system shall provide for the accurate and efficient status tracking, retrieval and reporting of all requested, scheduled and completed work required, including work required by Lessee.

Regular Monthly Reporting

- A. The Lessor's maintenance organization shall prepare and submit a record of all work requested, completed and outstanding no later than the tenth day of each month to an assigned representative of Lessee. A meeting will be held monthly no later than the 15th of each month to review the following Facility Management activities.
- Work Request Report
 - Preventative Work Order Report
 - Utility Usage
 - Review any requested work by the Lessee.
 - Provide Lessee with upcoming scheduled inspections and results of previous inspections with plan of actions if applicable.
- B. The Lessor shall provide the report in Adobe portable document format (pdf) and transmit the same via email to the address designated by Lessee.

Major Repairs and Replacements

General

- A. Lessor shall, in addition to any routine/preventative maintenance it is obligated to perform, perform any major repairs or replacements with respect to the Premises that may be required from time to time due to unplanned breakages/failures or system obsolescence.
- B. Lessor agrees to initiate the work within a reasonable time upon receipt of notice of the circumstances and in consultation with Lessee.
- C. Lessor will meet with Lessee in August of each calendar year to review CapEx requests from Lessee to be assessed and submitted for approval for the next year's funding. Lessor will advise Lessee of approved CapEx projects by December 31st.