

**KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM**  
**DRAFT LEASE AGREEMENT**

LEASE/PR NO.	PR-00478	COLLEGE	Jefferson Community and Technical College
INITIAL ENCUMBRANCE	\$801,589 Annually	CAMPUS	Main Campus
ANNUAL ENCUMBRANCE	\$	DATE	11/01/2023

1. Description of Leased Premises (hereinafter "Premises"). **AMERICAN DEVELOPMENT CORPORATION** ("Lessor") hereby leases to KCTCS **36,651** square feet total located at the **JEFFERSON EDUCATION CENTER, 200 WEST BROADWAY, LOUISVILLE KY 40202**, in the county of **JEFFERSON**. KCTCS will use the space for **classroom, office and the college bookstore**. Lessor shall provide the following services to KCTCS as part of the agreement:

**GENERAL MAINTENANCE AND TAXES.**

2. Term and Termination.

- a. This Lease shall be effective for a lease term of **NOVEMBER 1, 2023**, to **June 30, 2024**, and shall automatically extend upon the same terms and conditions for no more than **7** extension periods unless either party provides written notice of termination or cancellation **30** days prior to the expiration of the term or any extension.
- b. KCTCS and Lessor shall further have the right to terminate this Lease at any time, with or without cause, upon 30 days' written notice to the other party.
- c. The 30 days will be calculated from the date the notice is received by the non-cancelling party. Termination shall be effective as of the last day of the month in which the notice period ends.
- d. If the Premises are destroyed by natural disaster or other casualty, this Lease shall immediately terminate. In case of partial destruction or damage so as to render the Premises untenable, KCTCS may terminate or suspend this Lease by giving written notice to Lessor within 15 days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Lessor after the date of such partial destruction or damage until such damage is repaired and Premises are considered tenable.

3. Responsibilities of KCTCS

KCTCS shall:

a. Pay base rent and utilities to Lessor for the term of the lease as follows:

- **Rate:** \$21.87 per square foot annually
- **Term:** 7 years
- **Average Annual Payment:** \$801,589 fixed for term of lease
- **Payment Frequency:** Monthly
- **Monthly Payment:** \$66,799.08 (fixed for lease term)
- **Common Area/Other Charges:** Janitorial and Utilities; estimated annual total of \$75,000. On a monthly basis Lessor will bill and prorate utilities based on the amount of space Lessee occupies. At the start of the student housing renovation, Lessor will make every reasonable effort to install separate utility meters for the space the college occupies.

b. Not assign this Lease or sublet the Premises or otherwise allow anyone not affiliated with the conduct of KCTCS's operations to use the Premises.

- c. 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 KCTCS's property and may be removed by it prior to the termination of this Lease.
- d. Take good care of the Premises and return them at the expiration of this Lease and any extensions in as good condition as it was received, ordinary wear and tear and natural decay excepted.
- e. Maintain contents insurance for all KCTCS owned equipment and other KCTCS items being stored in the leased premises.

4. Responsibilities of Lessor

Lessor shall:

**a. Pay general maintenance and taxes.**

- b. Keep in quiet and peaceful possession of the Premises described in Section 1.
- c. 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).
- d. Maintain the Premises in good repair and tenantable condition, including heating and/or air conditioning equipment, unless otherwise specified, and except in case of damage arising from the negligent acts of the KCTCS'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.
- e. Procure and continuously maintain casualty and liability insurance on the Premises.
- f. Maintain all life safety infrastructure components and will supply KCTCS with life safety system inspection reports including, but not limited to, inspections occurring pursuant to 815 KAR 10:060 Section 2, the Kentucky Standards of Safety. At a minimum, Lessor will provide fire alarm and fire sprinkler reports to KCTCS within ten (10) days of receiving inspection reports. Lessor, as the building owner, takes full responsibility and assumes all costs for ensuring life safety infrastructure (such as, fire alarms and sprinklers) and complying with Kentucky Revised Statutes and associated Kentucky Administrative Regulations. Lessor shall be responsible for maintaining life safety infrastructure components. Lessor will correct any life safety infrastructure deficiency in a timely manner at its expense, unless it is determined that the deficiency is the result of KCTCS' negligence. If the deficiency is the result of KCTCS's negligence, then KCTCS will assume corrective action responsibility and costs.
- g. Certify that Lessor and/or the individual signing this Lease has authority and is legally entitled to enter into a contract with KCTCS and that by holding and performing this contract will not be violating any conflict of interest statute (KRS 45A.330 - 45A.340) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, nor realize any unlawful benefit or gain directly or indirectly from it. Lessor further certifies that neither the entity nor the individual signing has knowingly violated any provision of the campaign finance law of the Commonwealth, and that entering into this Lease Agreement will not be a violation of the campaign finance laws of the Commonwealth.
- h. Notify KCTCS 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.

5. Counterparts; Electronic Execution and Retention. This Lease may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall, together, constitute and be one and the same instrument. A signature on a counterpart may be

made by facsimile or otherwise electronically transmitted, and such signature shall have the same force and effect as an original signature. Further, this Lease may be retained in any electronic format, and all electronic copies thereof shall likewise be deemed to be an original and shall have the same force and effect as an original copy of this Agreement.

- 6. Severability. In any case one or more of the provisions or part thereof contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, the remaining parts of the provision and the remaining provisions of this Lease will remain in full force and effect, and such invalid, illegal and unenforceable provisions shall be reformed and construed so that it will be valid, legal and enforceable to the maximum extent permitted by law.
  
- 7. Access to Records. 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. Choice of Law and Venue. Both parties hereby agree that KCTCS, as a public agency, enjoys sovereign and/or governmental immunity. Per KRS 45A.245, any litigation arising from the alleged breach of this Lease and/or interpretation of the terms of this Lease shall be brought in the Franklin Circuit Court. Any negligence claims against KCTCS shall be brought before the Kentucky Claims Commission pursuant to KRS Chapter 49. Furthermore, all terms and conditions in this Lease to the contrary notwithstanding, the parties understand and agree that state and federal laws governing KCTCS as a public agency shall prevail.

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

\_\_\_\_\_  
KCTCS OFFICE OF FACILITIES SUPPORT SERVICES

\_\_\_\_\_  
LESSOR

\_\_\_\_\_  
VICE PRESIDENT, KCTCS

\_\_\_\_\_  
LESSOR PRINTED NAME

\_\_\_\_\_  
LESSOR'S TITLE

\_\_\_\_\_  
LESSOR PHONE

775 West Spring Creek Place,  
Springville, UT 84663 \_\_\_\_\_  
LESSOR ADDRESS

Approved this \_\_\_ day of \_\_\_\_\_ 20\_\_

*All correspondence and inquiries regarding this Lease are to be directed to the KCTCS, Attn: Billie Hardin, 300 North Main Street, Versailles, KY, 40383, phone 859/256-3272.*

September 13, 2023

Senator Rick Girdler, Co-Chair,  
Representative Deanna Frazier Gordon, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building - Room 34  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Girdler, Representative Frazier Gordon and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823 this is to report a new lease which will exceed \$100,000 annually. The University, after careful consideration, determined that this lease is in the best interests of UK and the Commonwealth of Kentucky.

This lease is for 5,772 square feet of clinical space located at 2420 Argillite Road, Suite B, Flatwoods, Greenup County, Kentucky. This space is needed for UK HealthCare King's Daughters' Flatwoods Primary Care Clinic. The cost of the lease is \$17.78 per rentable square foot with an annual rental cost of \$102,626.16. The effective date of the lease will be May 25, 2024 (contingent upon the Committee's approval) with an expiration date of June 30, 2026.

If you should have additional questions regarding the lease, please contact me at 859.221.4122 or Elizabeth Baker at 859.257.6315.

Sincerely,



George Ward  
Associate Vice President  
Economic Development and Real Estate

c: Angie Martin Katherine Halloran Christine O'Brien Elizabeth Baker



Real Estate Services Division

## Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000  
(to be reported after lessor selection, but before lease execution)

**Lease number:** 320179, Peoples Bank Trustee for Lana Pennington IRR Trust, UKKD, PBB, 2026, ATTN: TIS Shaun Kiser, 138 Putnam Street, Marietta, Ohio 45785

**County:** Greenup County Kentucky

**Lessee:** UK HealthCare King's Daughters Medical Center (KDMC)

**Lessor:** Peoples Bank, Trustee for Lana Pennington IRR Trust, ATTN: TIS, Shaun Kiser, 138 Putnam Street, Marietta, Ohio 45785

**Property location:** 2420 Argillite Road, Suite B, Flatwoods, Greenup County, Kentucky 41139

**Check one:** new lease  renewal  addendum

**Type of space:** Clinical

**Total square feet being leased:** 5,772

**Cost per square foot:** \$17.78 **Annual cost:** \$102,626.16 (UKHC King's Daughters per the terms of the lease will also cover property tax and property insurance premiums on an annual basis which are estimated not to exceed \$11,000.00).

**Average square foot cost of state leased cost in county:** \$17

**Includes utilities:** yes  no

**Cancellation clause:** yes  no

*If yes, explain terms:* 30 Days

*if no, explain why not:* [Click or tap here to enter text.](#)

**Effective date:** May 25, 2024 **Expiration date:** June 30, 2026

824 Bull Lea Run., Suite 210 | Lexington, KY 40511 | P: 859-257-8649 | [www.uky.edu](http://www.uky.edu)



**Justification for lease:** This space houses UKHC King's Daughters' Flatwoods Primary Care Clinic. The Clinic has been housed at this location for a number of years and UKHC King's Daughters assumed this lease from Our Lady of Bellefonte Hospital (OBLH) when they closed in early 2020. UKHC King's Daughters assumed the lease to ensure that the necessary family medical care would continue to be provided to the population served by this location. The Flatwoods Primary Care Clinic treats patients from birth to geriatric and manages and treats chronic and acute needs including helping patients stay current on important preventative and wellness screenings and exams. Common services provided include but are not limited to injuries, illnesses, lab work, injections, vaccines, EKGs, and school physicals. This space includes exam rooms and other clinical spaces, and administrative and support space for staff and providers.

**Statements as to whether the University of Kentucky complied with statutory requirements:** (if not in compliance, explain why) The University is in compliance with statutory requirements.

**Explanation of why the University of Kentucky chose this lessor over the competition:** There was only one RFP response and after careful consideration and review this location was determined to be in the best interest of the University and the Commonwealth of Kentucky.