Andy Beshear
GOVERNOR

FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES
DIVISION OF REAL PROPERTIES
Bush Building, 3rd Floor
403 Wapping Street
Frankfort, Kentucky 40601
Phone: (502) 564-2205

Holly M. Johnson
SECRETARY

Charles O. Bush, Jr.
INTERIM COMMISSIONER

Natalie W. Brawner
DIRECTOR

MEMORANDUM

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

FROM: Natalie W. Brawner, Director NWB
Division of Real Properties

DATE: October 7, 2025

SUBJECT: PR-5912, Jefferson/Bullitt County
Cabinet for Health & Family Services
Annual Rental Exceeding $200,000.00

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

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

NWB/CTY/sn
Attachment

CC: Capital Construction Log
OSBD
PR-5912 File
SN

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT

COMMITTEE LEASE WITH ANNUAL RENTAL EXCEEDING $200,000.00

Lease No.: **PR-5912**	County: **Jefferson/Bullitt**	
Using Agency: **Cabinet for Health & Family Services**		
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	**REALCO - KY 001, LLC**	
Property Location: **5111 Commerce Crossings Dr, Suite 106, Louisville, Kentucky 40229**		
Check One: ☒ New Lease ☐ Renewal ☐ Modification		
Type Space: **Office**	Cost Per Square Foot: $**15.75**	
Annual Rental Cost: $ **259,953.76**	Average Cost Per Square Foot of Leased-In Space in County: $**12.91 sf for Bullitt County**	
Utilities Included: ☐ Yes ☒ No		
Cancellation Clause:	☒ Yes If yes, explain terms: 30 Days	☐ No If no, explain why not:
Effective Date: **November 1, 2025**	Expiration Date: **June 30, 2027**	
Justification for Lease: Please see attached		
Has the Finance & Administration Cabinet complied with statutory requirements: ☒ Yes ☐ No If no, explain:		
Explain why the Finance & Administration Cabinet chose this lessor (see attached approval memo and modification): Please see attached		

B217-5 (Rev. 9/03) **COMMONWEALTH OF KENTUCKY LEASE AGREEMENT**

LEASE/PR #	**PR-5912, JEFFERSON/BULLITT COUNTY**	AGENCY/DEPARTMENT	**Cabinet for Health and Family Services**
INITIAL ENCUMBRANCE		DIVISION	
ANNUAL ENCUMBRANCE	**$259,953.76**	DATE	**October 1, 2025**
VENDOR #		BUILDING CODE #	

THIS LEASE, entered into between: **REALCO- KY 001, LLC**, whose address is: **P. O. Box 3149, Charleston, WV 25331** (Business Phone: **502-429-0090**, his heirs and assigns, hereinafter called the "Lessor", and the COMMONWEALTH OF KENTUCKY, hereinafter referred to as the "Commonwealth";

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

1a. The Lessor hereby leases to the Commonwealth and agrees to keep in quiet and peaceful possession the following described premises with its appurtenances; property located at **5111 Commerce Crossings Dr, Louisville, Kentucky 40229 - Suite 106,**, in the County of **JEFFERSON**.

1b. Said premises consisting of **16,505** square feet are to be rented at the cost of **$15.75** per square foot and will be used by the Commonwealth for **OFFICE** space.

2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **$64,988.44**, payable **QUARTERLY in advance**. The Lessor shall provide the Commonwealth with the following services: **none**; with **57** non-reserved parking spaces.

3. Subject to the limitations imposed by law and as provided in paragraphs 5 and 6 of this Lease, the term during which the Lease shall be effective shall begin **upon the date of the Director's signature**, and end **JUNE 30, 2026.**

4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed **1** extension period(s) unless the Commonwealth shall give the Lessor written notice **120** 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 30, 2027**. The Lessor understands that the Commonwealth's funds cannot be committed beyond its current fiscal year and its applicable appropriation, and the related allotment from rental payments will be made.

5. The Commonwealth shall have the further right to terminate this Lease at any time upon **30** days written notice, time to be computed from date of mailing notice; termination under this paragraph shall not be considered effective until the last day of the month in which the notice period ends.

6. The Commonwealth agrees not to assign this Lease, or to sublet the premises except to local government, agencies of the Commonwealth, or the Federal Government.

7. The Commonwealth shall have the right during the existence of this Lease to make alterations, attach fixtures and erect additional structures or signs in or upon the leased premises, provided such alterations, additions, structures or signs shall not be detrimental to or inconsistent with rights granted to other tenants on the property or in the building in which the premises are located. Fixtures, additions, structures or signs placed in or upon or attached to the premises shall remain the Commonwealth's property and may be removed by it prior to the termination of this Lease.

8. Unless otherwise specified, the Lessor shall maintain the premises in good repair and tenantable condition, including heating and/or air conditioning equipment, except in case of damage arising from the negligent acts of the Commonwealth's agents or employees. For the purpose of maintaining the premises and to make necessary repairs, the Lessor reserves the right to enter and inspect the premises at reasonable times.

9. The Commonwealth agrees to take good care of the premises and to return them at the expiration of their Lease in as good order as received, ordinary wear and tear and natural decay excepted.

10. The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased premises; provided Tenant will be responsible for any liability claim within their premises, so long as the liability claim is not due to the sole negligence of the Lessor.

11. If the premises are destroyed by fire or other casualty, this Lease shall immediately terminate. In case of partial destruction or damage so as to render the premises untenantable, the Commonwealth may terminate or suspend this Lease by giving written notice to the Lessor within 15 days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Lessor after the date of such partial destruction or damage until such damage is repaired and premises are considered tenantable.

12. It is agreed by the parties hereto that if any one of the provisions of this Lease shall contravene or be invalid under the laws of the Commonwealth of Kentucky, such contravention or invalidity shall not invalidate the whole Lease, but it shall be construed as if not containing that particular provision or provisions, and the rights and obligations of the parties shall be construed accordingly.

13. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person in involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

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

15. Lessor shall comply with all standards set by the Department of Housing, Buildings and Construction, Division of Building Codes Enforcement, and that of the Kentucky Occupational Safety and Health Standards Board and the Americans with Disabilities Act (ADA).

16. The contractor, as defined in KRS 45A.030 (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 502/564-2205.

SLN

PR-5912, Jefferson/Bullitt County
Cabinet for Health & Family Services
Lease Agreement

ADDENDUM

The following items are to be considered a part of lease agreement PR-5912, Jefferson/Bullitt County, dated October 1, 2025:

1. The building shall meet all Kentucky building codes and accessibility specifications in accordance with ADA, as enforced by the Kentucky Department of Housing, Buildings and Construction (HBC) and the floor plan may be subject to review by HBC and HBC may conduct a life safety inspection of the building.

2. Central heating and air conditioning (HVAC) system shall in conformance with Kentucky building codes, as administered by the Kentucky Department of Housing, Buildings and Construction and if issues arise requiring repairs, the Lessor shall remediate in a timely manner.

3. The using agency will be responsible for its utilities. If there are separate utility meters for the space, the using agency is to pay utilities, with service to be established in the name of the using agency. *{Agencies that are billed directly by a local utility should contact the utility company to identify their agency as "tax exempt".}* If a separate meter is not feasible, the Lessor shall bill the using agency on a pro-rated basis. If this method is used, the Lessor shall provide the using agency sufficient documentation to justify the percentage of the total bill to be charged to the using agency. *{Agencies that receive utility invoices from the Lessor (based on the percentage of space occupied) should reimburse the Lessor for the full amount of the invoice including any applicable taxes}.*

4. The Lessor shall be responsible for the maintenance and upkeep of the grounds surrounding the property, to include mowing/trimming grass and raking leaves. The Lessor shall also be responsible for maintenance and cleaning of the parking lot, including snow removal from the parking lot and snow & ice removal from the sidewalks.

5. Due to the continuing development of new office technology the Lessor authorizes competent agency personnel to install additional security and/or access control equipment, 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 obtain written authorization from the Division of Real Properties and the Lessor before commencing any work under this section.

ACKNOWLEDGED BY:

____
Cabinet for Health & Family Services Date

ACKNOWLEDGED BY:

____
REALCO KY 001 LLC Date

Andy Beshear
GOVERNOR

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

Holly M. Johnson
SECRETARY

Charles O. Bush, Jr.
INTERIM COMMISSIONER

Natalie W. Brawner
DIRECTOR

M E M O R A N D U M

TO: Natalie W. Brawner, Director
Division of Real Properties

FROM: Calleen T. Yett, Leasing Manager
Division of Real Properties

DATE: September 29, 2025

SUBJECT: PR-5912, Bullitt County
Cabinet for Health & Family Services

The Cabinet for Health and Family Services currently occupies 14,527 square feet of office space leased at a rental rate of $13.50 per square foot ($196,114.52 annually), excluding all utilities and janitorial services, with a term expiring June 30, 2030 (PR-3083). Due to ongoing unsatisfactory conditions in the leased facility, the agency submitted a space request for approximately 13,104 square feet of replacement space to relocate staff. In accordance with KRS 56.803, a competitive bid process is currently pending for this request under PR-5858.

The existing leased property has experienced persistent maintenance and safety issues over the past several years. According to the agency, these concerns have not been addressed by the lessor to date, despite numerous complaints from staff. This has led to OSHA complaints, air quality assessments, and the need for ADA accommodations. One of the most significant issues is the deteriorating roof which has caused significant leaks and will likely require a full replacement. However, the lessor has not made the necessary repairs to-date until just recently indicating a plan for replacement.

Given the ongoing issues in the existing building under PR-3083, the agency requested Real Properties seek immediate temporary space. A search was conducted for sites in the closest zip codes near the current location, with a minimum of 10,000 square feet, and in move-in ready condition. Multiple sites in zip codes 40229 (Hillview and Louisville) and 40165 (Shepherdsville) were reviewed.

Until a permanent location can be identified, the agency has requested to proceed with temporary space located at 5111 Commerce Crossing Drive, Louisville, Kentucky 40229 in Suite 106. This site is approximately ten (10) miles from the current location, has a ground floor entrance, and ADA accessibility. Further, this site has some existing workstations in place which will allow staff to begin working quickly, and the location is large enough to store furniture from the existing location until a permanent location is secured.

Pursuant to applicable provisions of KRS 45A.095, the attached temporary lease agreement provides for the use of 16,505 square feet at a rate of $15.75 per square foot ($259,953.76 rounded annually), excluding all utilities and janitorial services with a term expiring June 30, 2027. Given the new temporary lease exceeds $200,000, Capital Projects Bond Oversight Committee reporting is required for this lease. Your approval of the attached lease is recommended to ensure access to suitable office space for the benefit of the Cabinet for Health and Family Services.

If you require additional information, please advise.

NWB/SLN/sln

APPROVED: Natalie W. Brawner

Natalie W. Brawner, Director

Attachment

Andy Beshear
GOVERNOR

FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES
DIVISION OF REAL PROPERTIES
Bush Building, 3rd Floor
403 Wapping Street
Frankfort, Kentucky 40601
Phone: (502) 564-2205

Holly M. Johnson
SECRETARY

Charles O. Bush, Jr.
INTERIM COMMISSIONER

Natalie W. Brawner
DIRECTOR

M E M O R A N D U M

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

FROM: Natalie W. Brawner, Director
Division of Real Properties

DATE: October 8, 2025

SUBJECT: PR-5886, Hardin County
Department of Juvenile Justice
Annual Rental Exceeding $100,000.00

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

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

NWB/CTY/sn
Attachment

CC: Capital Construction Log
OSBD
PR-5886 File
NWB

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

<u>LEASE WITH ANNUAL RENTAL EXCEEDING $100,000.00</u>

<table>
<tr><td colspan="2">Lease No.: PR-5886</td><td colspan="2">County: Hardin</td></tr>
<tr><td colspan="4">Using Agency: Department of Juvenile Justice</td></tr>
<tr><td colspan="2" rowspan="3">Lessor (identify all parties having 5% or more ownership):
Attached extra sheet if necessary</td><td colspan="2">K&B Properties E-Town LLC</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4">Property Location:
643 Westport Rd, Elizabethtown, Kentucky</td></tr>
<tr><td colspan="4">Check One: ☒ New Lease ☐ Renewal ☐ Modification</td></tr>
<tr><td colspan="2">Type Space: Office</td><td colspan="2">Cost Per Square Foot: $14.23</td></tr>
<tr><td colspan="2">Annual Rental Cost: $ 167,643.64 (rounded)</td><td colspan="2" rowspan="2">Average Cost Per Square Foot of Leased-In Space in County: $11.69</td></tr>
<tr><td colspan="2">Utilities Included: ☐ Yes ☒ No</td></tr>
<tr><td>Cancellation Clause:</td><td colspan="2">☒ Yes
If yes, explain terms: 30 Days</td><td>☐ No
If no, explain why not:</td></tr>
<tr><td colspan="2">Effective Date: tbd</td><td colspan="2">Expiration Date: June 30, 2030</td></tr>
<tr><td colspan="4">Justification for Lease: Please see attached</td></tr>
<tr><td colspan="4">Has the Finance & Administration Cabinet complied with statutory requirements: ☒ Yes ☐ No
If no, explain:</td></tr>
<tr><td colspan="4">Explain why the Finance & Administration Cabinet chose this lessor (see attached approval memo and modification): Please see attached</td></tr>
</table>

B217-5 (Rev. 9/03) **COMMONWEALTH OF KENTUCKY LEASE AGREEMENT**

LEASE/PR #	PR-5886, Hardin County	AGENCY	Department of Juvenile Justice
INITIAL ENCUMBRANCE	$	DIVISION	
ANNUAL ENCUMBRANCE	$167,643.64 (rounded)	DATE	October 8, 2025
VENDOR CODE #	KS0009334	BUILDING CODE #	91051001

THIS LEASE, entered into between: **K&B Properties E-Town LLC**, whose address is: **121 Big Blue Court, Elizabethtown, KY 42701** (Business Phone: **914-707-8787**), his heirs and assigns, hereinafter called the "Lessor", and the COMMONWEALTH OF KENTUCKY, hereinafter referred to as the "Commonwealth";

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

1a. The Lessor hereby leases to the Commonwealth and agrees to keep in quiet and peaceful possession the following described premises with its appurtenances; property located at **643 Westport Rd, Elizabethtown, Kentucky**, in the County of **Hardin**.

1b. Said premises consisting of **11,781** square feet are to be rented at the cost of **$14.23** per square foot and will be used by the Commonwealth for office space.

2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **$41,910.91**, payable **Quarterly**. The Lessor shall provide the Commonwealth with the following services: **None**; with **30** reserved parking spaces.

3. Subject to the limitations imposed by law and as provided in paragraphs 5 and 6 of this Lease, the term during which the Lease shall be effective shall begin **per the Addendum**, and end **June 30, 2026.**

4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed **5** 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, 2030**. The Lessor understands that the Commonwealth's funds cannot be committed beyond its current fiscal year and its applicable appropriation, and the related allotment from rental payments will be made.

5. The Commonwealth shall have the further right to terminate this Lease at any time upon **30** days written notice, time to be computed from date of mailing notice; termination under this paragraph shall not be considered effective until the last day of the month in which the notice period ends.

6. The Commonwealth agrees not to assign this Lease, or to sublet the premises except to a desirable tenant and for a similar purpose and will not permit the use of the premises by anyone other than the Commonwealth, the Federal Government, or such sub-lessee, and the agents and servants of the Commonwealth, the Federal Government, or such sub-lessee.

7. The Commonwealth shall have the right during the existence of this Lease to make alterations, attach fixtures and erect additional structures or signs in or upon the leased premises, provided such alterations, additions, structures or signs shall not be detrimental to or inconsistent with rights granted to other tenants on the property or in the building in which the premises are located. Fixtures, additions, structures or signs placed in or upon or attached to the premises shall remain the Commonwealth's property and may be removed by it prior to the termination of this Lease.

8. Unless otherwise specified, the Lessor shall maintain the premises in good repair and tenantable condition, including heating and/or air conditioning equipment, except in case of damage arising from the negligent acts of the Commonwealth's agents or employees. For the purpose of maintaining the premises and to make necessary repairs, the Lessor reserves the right to enter and inspect the premises at reasonable times.

9. The Commonwealth agrees to take good care of the premises and to return them at the expiration of their Lease in as good order as received, ordinary wear and tear and natural decay excepted.

10. The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased premises.

11. If the premises are destroyed by fire or other casualty, this Lease shall immediately terminate. In case of partial destruction or damage so as to render the premises untenantable, the Commonwealth may terminate or suspend this Lease by giving written notice to the Lessor within 15 days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Lessor after the date of such partial destruction or damage until such damage is repaired and premises are considered tenantable.

12. It is agreed by the parties hereto that if any one of the provisions of this Lease shall contravene or be invalid under the laws of the Commonwealth of Kentucky, such contravention or invalidity shall not invalidate the whole Lease, but it shall be construed as if not containing that particular provision or provisions, and the rights and obligations of the parties shall be construed accordingly.

13. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person in involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

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

15. Lessor shall comply with all standards set by the Department of Housing, Buildings and Construction, Division of Building Codes Enforcement, and that of the Kentucky Occupational Safety and Health Standards Board and the Americans with Disabilities Act (ADA).

16. The contractor, as defined in KRS 45A.030 (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 502/564-2205. SLN

ADDENDUM

The following items are to be considered a part of lease agreement PR-5886, Hardin County, dated October 8, 2025:

SECTION 1

1. The building shall meet all Kentucky building codes and accessibility specifications in accordance with ADA, as enforced by the Kentucky Department of Housing, Buildings and Construction. The Department may require a set of construction plans from the Lessor. The Lessor is required to submit a copy of these plans, if/as approved by the Department, to the Division of Real Properties. The Lessor shall be responsible for determining/complying with the requirements of the Department. Issues such as fire rated corridors, fire suppression systems (if applicable), HVAC installation, etc. are not addressed in the space planning information (i.e., floor plans and specifications) provided by the Division of Real Properties.

2. All facilities with a total leased square footage of 3,000 square feet or more shall be equipped with automatic fire suppression systems (sprinklers). The system shall be installed in accordance with all applicable provisions/requirements of the Department of Housing, Buildings, and Construction. **NOTE: Access to an underground water main with a minimum diameter of six (6) inches is required for sprinkler systems serving spaces that exceed 3,000 square feet**. The Lessor shall be responsible for installation and maintenance of the fire suppression system. The Commonwealth prepares floor plans based on the presence of a suppression system. Should the Lessor submit an exception to this requirement they shall be solely responsible for any expenses associated with additional requirements as determined by the Department.

3. Central heating and air conditioning (HVAC) shall be installed throughout. The HVAC system shall be installed in conformance with Kentucky building codes, as administered by the Kentucky Department of Housing, Buildings and Construction. The Lessor shall also install an adequate fresh air handling system in accordance with applicable ASHRAE Standards. Electronic thermostats with programmable functions shall be installed for new or existing HVAC systems. A standard locking cover shall be installed on the thermostat. The local supervisor, in conjunction with the Lessor, will determine appropriate settings (i.e.: daytime/evening temperature settings, set back timer settings as required by regular office hours, etc.) for each property. Central air units, heat pumps, etc. must be ENERGY STAR qualified where available. Alternative systems (e.g., geo-thermal, etc.) may be proposed at the discretion of the lessor but are subject to review and approval by the Division of Real Properties. The Lessor shall ensure that applicable HVAC systems are serviced (e.g., clean and check) not less than twice annually and filters shall be replaced not less than once per quarter. Documentation regarding annual servicing shall be provided to the Division of Real Properties.

4. The Lessor shall insulate exterior walls at a minimum R-13 or equivalent and the ceiling at a minimum R-38 or equivalent. Weather stripping and/or other suitable insulation shall be applied to all doors and windows and all other exterior of the leased space. This shall be inspected on an annual basis and repaired/replaced as necessary. Windows shall be installed or replaced with Low E/ENERGY STAR qualified windows. The lessor shall provide documentation identifying the type/rating of installed windows. The Lessor shall provide mini-blinds for all windows.

5. Separate utility meters are needed if the using agency is to pay utilities, with service to be established in the name of the using agency. *{Agencies that are billed directly by a local utility should contact the utility company to identify their agency as "tax exempt".}* If a separate meter is not feasible, the Lessor shall bill the using agency on a pro-rated basis. If this method is used, the Lessor shall provide the using agency sufficient documentation to justify the percentage of the total bill to be charged to the using agency. *{Agencies that receive utility invoices from the Lessor (based on the percentage of space occupied) should reimburse the Lessor for the full amount of the invoice including any applicable taxes}.*

6. If a plenum ceiling is to be used, all wiring shall be housed in conduit, or plenum cable shall be used. The Lessor shall advise the Division of Real Properties as soon as possible when it is determined that plenum or a ducted ceiling is to be used. This will ensure that the agency's appointed electricians will be prepared with the right cabling. Failure to notify the Division of Real Properties of a plenum ceiling, prior to award of a lease, shall be considered grounds for termination of the lease.

SECTION 2

1. Floor-to-ceiling walls shall be constructed as indicated on the floor plan. Install acoustical insulation (R-11 or equivalent) or soundboard in interior walls if/where indicated on the floor plan. All walls shall be drywalled and painted or repainted a scrubbable neutral color latex enamel paint with either a satin or eggshell finish in conjunction with the floor covering replacement defined in item # 3 below. New walls require a primer coat (sprayed or rolled) and two finish coats (rolled). Existing walls require one finish coat (rolled) if same color is being used or two finish coats (rolled) if changing color or patching is required. The Lessor shall install a chair rail at a height of 32" from the floor in the reception area(s).

2. An acoustical tile ceiling installed at a height of 9'. **Replace all stained tiles throughout the facility.**

3. **All floor coverings installed shall be with Luxury vinyl tile/plank with the exception of VCT in bathroom, break room and file rooms.**

4. The Lessor shall provide lockable doors where indicated on the floor plan.

5. Shelving shall be installed if/where shown on the floor plan.

6. Rest rooms must comply with ADA requirements and be furnished with hot and cold water, toilet tissue holders, soap dispensers, paper towel dispensers, and mirrors. Prior to installation, verify with the using agency the type of dispensers required for products currently on Commonwealth of Kentucky price contract. Water fountain(s) shall be installed as shown on the floor plan, or as approved by the Department of Housing, Buildings, & Construction.

7. The Lessor shall provide a sink and counter in the break room, with cabinets above and below, if/as shown on the floor plan.

8. The Lessor shall provide in the janitorial closet, shelving at a height of 54" from the floor, and a built-in floor sink with drain at a height of 10” to 12” from the floor.

9. Water Sense labeled products shall be installed as applicable (i.e. restroom, breakroom fixtures, etc.). (See www3.epa.gov/watersense/index.html). Product information (e.g., maximum flow rates, gallons per flush, etc.) shall be provided to the Division of Real Properties prior to installation. Water heaters may be replaced with point of use/demand heaters where feasible and must be appropriately sized for restroom(s), break room(s), and offices or other spaces supplied with water. Water heaters may alternatively be replaced with ENERGY STAR certified water heaters. Upon completion of renovations or construction, the lessor must supply confirmation of the installation of certified/qualified products to the Division of Real Properties. This requirement may be waived for laboratory facilities subject to specific requirements of the tenant agency and approval from the Division of Real Properties.

10. The Lessor shall provide **30 reserved parking spaces** for agency staff and visitors, plus accessible space(s) as required by the Department of Housing, Buildings, & Construction. The parking lot shall be asphalted and striped with all spaces clearly marked and identified. All holes and other damage shall be repaired on a timely basis. All spaces shall be a minimum of 9' x 18' with the exception of ADA accessible spaces.

11. The Lessor shall install security lighting around the exterior perimeter of the building and throughout the parking area(s).

12. The Lessor shall be responsible for the maintenance and upkeep of the grounds surrounding the property, to include mowing/trimming grass and raking leaves. The Lessor shall also be responsible for maintenance and cleaning of the parking lot, including snow removal from the parking lot and snow & ice removal from the sidewalks.

SECTION 3 - Telephone/Computer Access/Electrical Fit Up

1. Adequate recessed fluorescent lighting shall be installed for office use, including telephone/storage rooms, with separate light switches for each room Light fixtures shall be installed (or all existing fixtures shall be replaced) with T-8 fixtures equipped with direct replacement LED lamps. Alternatively, fixtures may be replaced with LED Contemporary Architectural Troffers or equivalent fixtures. Alternate fixture types may be proposed by the lessor provided that adequate lighting levels are maintained for the proposed facility use and a similar level of efficiency can be documented. The lessor will be responsible for supplying/replacing lamps as required. Sufficient fixtures must be installed to provide adequate lighting levels for the application (e.g., office, storage, clinical/laboratory, etc.). **The tenant agency and lessor acknowledge that existing T-8 type fixtures will remain in operation, however the lessor shall replace lamps fluorescent tubes with LED lamps as individual fixture require repair or replacement.**

2. All exit and directional lights shall be the LED type.

3. Appropriate electrical and telephone outlets are to be installed where indicated on the floor plan. The Lessor shall also provide access to phone outlets by conduit. Electrical circuits in the electrical panel box shall be labeled and identified. Lessor shall install electrical surge protection for the main electric service.

4. The Lessor shall install a three-wire, 117-volt, 60 Hz single phase, 20 AMP dedicated 4-plex AC outlet in the wall located within 4' of the telephone system for each telephone system installed in building. *NOTE:* **The third wire, or ground wire, in this circuit shall be connected to earth/ground.** The Lessor shall install a 5/8", 4' x 8' sheet of plywood (painted black) on the wall in the telephone equipment room for each telephone system installed. If space permits, the plywood will be mounted horizontally.

5. The Lessor shall install an entrance conduit with pull string with a minimum diameter of 4", or other size as recommended by the local telephone service provider (the lessor shall contact the local telephone service provider to determine service entrance

requirements and conduit size), through the foundation or building wall to facilitate the incoming telephone service cable to a predetermined telephone company "network access unit" (demarcation point) location within the building. If the "network access unit" does not terminate in the telephone equipment room, the Lessor shall install conduit from the "network access unit" location to the telephone equipment room. *Note:* **The number and size of this conduit depends on the terminal devices served on a floor, the type of cable used, and the need to use one cable or a cable per floor. At least one spare conduit of the same size with a pull wire should be installed for future expansion.**

6. On multi-story buildings, the Lessor shall install conduit with pull string from the "network access unit" to each designated telephone equipment room (see note for proper sizing of conduit). If telephone closets rooms are vertically aligned, sleeves through the floor may be used instead of conduit.
7. The Lessor shall be responsible for providing and **replacing any broken closable HVAC vents** and cold air returns throughout the building.
8. Conduit, cable tray, or raceway fill rate is to comply with the National Electrical Code.
9. The Lessor shall obtain basic phone service, including at a minimum the installation of a network access unit (demarcation point), for newly constructed buildings and those facilities not already equipped with a network access unit. The using agency may assume responsibility for the ongoing costs associated with the aforementioned basic phone service, or the Lessor may cancel service, upon occupancy.
10. The Lessor shall contact the Division of Real Properties at a point when the agency's electricians can install computer cables and telephone wiring through conduit.
11. The Lessor shall provide empty conduit with pull string within the walls from the ceiling on locations shown on the floor plan as voice/data outlets. Install a cut-in box where conduit symbols are shown on the floor plan, the conduit should have smooth edged bushings at the box and above the ceiling. One inch (1") conduit shall be provided for data terminals, printers, and telephone instruments from each designated outlet location. *NOTE*: **In most instances, voice/data cables (from individual office conduits) merge above the ceiling and should be supported by cable trays or pass through conduits (sized by number of outlets in the building) to the telephone equipment room or controller location.**

SECTION 4

1. Due to the continuing development of new office technology the Lessor authorizes competent agency personnel to install additional security and/or access control equipment, 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 of work.
2. **The office shall be thoroughly cleaned after renovation/construction and before occupancy, including vacuuming all carpeted areas, spot-cleaning carpet, mopping and waxing vinyl tile, dusting, cleaning rest rooms, washing windows, etc.**
3. The exterior front of the building shall have a professional office appearance; with street number(s) of subject building displayed prominently.
4. Subsequent to the receipt of approval to begin renovations/construction from both the Division of Building Codes Enforcement and the Division of Real Properties, the lessor shall submit an estimated schedule for completion of the renovations/construction. Written progress reports, and a revised completion schedule, if appropriate, shall be submitted to the Division of Real Properties not less than once per month until complete.
5. The Division of Real Properties and/or the using agency reserves the right to inspect the facility at any time during construction/renovations/occupation.
6. Lessor agrees and understands PR-4495 will automatically terminate upon the effective date of PR-5886.

Upon verification from the Department of Housing, Buildings, and Construction, Division of Building Codes Enforcement that all life safety regulations and all accessibility specifications (in accordance with ADA) have been satisfactorily met and verification from the Department of Juvenile Justice that all renovations have been satisfactorily completed, the lease effective date will be established by signature of the Director, Division of Real Properties, upon the lease document.

ACKNOWLEDGED BY:	**ACKNOWLEDGED BY:**
______________________________	______________________________
Department of Juvenile Justice Date	**K&B Properties E-Town LLC Date**

FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES
DIVISION OF REAL PROPERTIES

Andy Beshear
GOVERNOR

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

Holly M. Johnson
SECRETARY

Charles O. Bush, Jr.
INTERIM COMMISSIONER

Natalie W. Brawner
DIRECTOR

M E M O R A N D U M

TO: Natalie W. Brawner, Director
Division of Real Properties

FROM: Calleen T. Yett, Leasing Manager
Division of Real Properties

DATE: October 8, 2025

SUBJECT: PR-5886, Hardin County
Department of Juvenile Justice

The Department of Juvenile Justice currently occupies 11,781 square feet of space under PR-4495, leased at a rental rate of $9.05 per square foot ($106,618.04 annually) which excludes all utilities and janitorial services, with a term that originally expired on June 30, 2025 but was extended until October 31, 2025 to allow time to finalize a new lease. Due to a rate increase request during the previous renewal process, a competitive bid project was conducted under KRS 56.803 with one (1) best and final proposal submitted as follows:

1. K&B Properties E-Town LLC proposed existing space at 643 Westport Rd, Elizabethtown, Kentucky with 11,781 square feet of office space and 30 reserved paved parking spaces at $14.23 per square foot ($167,643.63 annually), excluding utilities and janitorial, through June 30, 2030.

The Department of Juvenile Justice recommended acceptance of the proposed lease terms as defined herein. Therefore, the attached lease agreement provides for the use of 11,781 square feet at a rental rate of $14.23 per square foot ($167,643.64 rounded annually), excluding utilities and janitorial, with a term expiring June 30, 2030. Per KRS 56.823, Capital Projects and Bond Oversight Committee approval is required for the proposed lease agreement and your approval is recommended to secure continued access to suitable office space for benefit of the Department of Juvenile Justice.

APPROVED:

NWB/CTY/sn
Attachment

Natalie W. Brawner
Natalie W. Brawner, Director

Andy Beshear
GOVERNOR

FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES
DIVISION OF REAL PROPERTIES
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Frankfort, Kentucky 40601
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Holly M. Johnson
SECRETARY

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INTERIM COMMISSIONER

Natalie W. Brawner
DIRECTOR

MEMORANDUM

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

FROM: Natalie W. Brawner, Director NWB
Division of Real Properties

DATE: October 7, 2025

SUBJECT: FY26 Lease Renewals Greater than $100,000

During the regular renewal cycle processing for Fiscal Year 2026, the Division of Real Properties, Leased Properties Branch secured various lease renewals for an additional year or years at the existing terms of the leases that were previously set to expire June 30, 2025. Pursuant to KRS 56.823(2), since the annual lease cost equals or exceeds $100,000.00, the following lease is being reported to the Committee.

FY26 LEASE RENEWALS GREATER THAN $100,000

PR Lease	DEPARTMENT NAME	VENDOR NAME	COST PER SQ FT	SQUARE FT	COUNTY NAME	ANNUA AMOUNT	YEAR EXTENDED TO
PR-4435	Education Labor Cabinet, Career Development Office	Warren RECC	11.50	9,316	Warren	$107,134.00	2026

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

NWB/CTY
Attachment

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE WITH ANNUAL RENTAL EXCEEDING $100,000.00

Lease No.: **PR-4435**	County: **Warren**
Using Agency: **Education and Labor Cabinet (ELC) / Career Development Office (CDO)**	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	**WARREN RECC**
Property Location: **955 FAIRVIEW AVENUE, BOWLING GREEN, KY**	
Check One: ☐ New Lease ☒ Renewal ☐ Modification	
Type Space: **Office**	Cost Per Square Foot: $**11.50**
Annual Rental Cost: $**107,134.00**	Average Cost Per Square Foot of Leased-In Space in County: $**14.09**
Utilities Included: ☒ Yes ☐ No	
Cancellation Clause: ☒ Yes If yes, explain terms: 30 Days	☐ No If no, explain why not:
Effective Date: **July 1, 2025**	Expiration Date: **June 30, 2027**
Justification for Lease: Please see attached	
Has the Finance & Administration Cabinet complied with statutory requirements: ☒ Yes ☐ No If no, explain:	
Explain why the Finance & Administration Cabinet chose this lessor (see attached approval memo and modification): Please see attached	

B217-6 (Rev. 09/12)

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 **Education and Labor Cabinet (ELC) / Career Development Office (CDO)** and **WARREN RECC, P.O. BOX 1118; BOWLING GREEN, KY 42102-1118** 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):

☐ 2026 ____	X 2027 DT	☐ 2028 ____	☐ 2029 ____
☐ 2030 ____	☐ 2031 ____	☐ 2032 ____	☐ 2033 ____

The annual base rental rate shall remain **$ 11.50 per square foot for 9,316 square feet for office space.**

LEASE NUMBER: PR04435	**LOCATION:**
COUNTY: WARREN	**955 FAIRVIEW AVENUE BOWLING GREEN, KY**
ADDENDUM ATTACHED: NO (Lessor must sign Addendum if attached)	

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

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

4. The contractor, as defined in KRS 45A.030 (9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. In the event of a dispute between the contractor and the contracting agency, Attorney General, or the Auditor of Public Accounts over documents that are eligible for production and review, the Finance and Administration Cabinet shall review the dispute and issue a determination, in accordance with Secretary's Order 11-004.

5. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person in involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) 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 $ 107,134.00

Jamie Link
Jamie Link (Oct 1, 2025 10:23:22 EDT)
Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

Dean Mich...
LESSOR

270-842-6541
LESSOR'S CURRENT PHONE NUMBER

NEW ADDRESS Only *If the above address is incorrect*

ATTORNEY, FINANCE & ADMINISTRATION CABINET

SECRETARY, FINANCE & ADMINISTRATION CABINET

All correspondence and inquiries regarding this Lease Modification Agreement are to be directed to the Division of Real Properties, Suite 300, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2319. CTY/SN