

From: Hoover, Brien (Finance Facilities) [mailto:Brien.Hoover@ky.gov]
Sent: Thursday, October 3, 2019 9:39 AM
To: Jim Claxton <jclaxton@fuse.net>
Subject: RE: PR 5219 Florence KY

Good morning Jim,

The termination clause is a statutory requirement (see the final subsection in attached KRS 56.806). Yes that is a common point of discussion with our property owners, however we can write a standard lease agreement without including it. In terms of how often it is used, I can tell you that we generally don't move agencies without reason (the more common reasons being that we outgrow a space and we occasionally have owners that fail to maintain buildings properly), although the individual agencies sometimes have program changes that impact their use of space and that can also result in requests to terminate lease agreements. We don't really keep stats about the number of cancellations processed in a given period of time, but I can tell you that we average something like twelve years in a facility, and we have any number of leases that have been in the same location for twenty years plus.

Hope that helps, and let me know if you have any questions.
Thanks
Brien

From: Jim Claxton <jclaxton@fuse.net>
Sent: Tuesday, October 1, 2019 11:44 PM
To: Hoover, Brien (Finance Facilities) <Brien.Hoover@ky.gov>
Subject: RE: PR 5219 Florence KY

Brien,
I am going evaluating a few upgrades to the building (HVAC, paint, roof)and appraisers/bankers use the lease to get to a value. The 30 day out clause in your lease brings the value down I am told- have you had this discussion before with folks like me? When did KY first put this in your leases?
Are there stats you can sight that shows how often you exercise this option or do not?

Thank you for any help you can provide.

Jim