

COMMONWEALTH OF KENTUCKY LEASE AGREEMENT

LEASE/PR #	PR-5219, Boone County	Agency/Department	Department of Corrections
INITIAL ENCUMBRANCE	\$	DIVISION	Probation / Parole
ANNUAL ENCUMBRANCE	\$50,385.80	DATE	November 19, 2012
VENDOR #	VC 100005071	BUILDING CODE #	

THIS LEASE, entered into between: Claxton Properties, whose address is: P. O. Box 6404, Florence, Kentucky 41022-6404 (Business Phone: 859-653-5288, 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 7920 Dream Street, Florence, Kentucky, in the County of Boone.
- 1b. Said premises consisting of 3,820 square feet are to be rented at the cost of \$13.19 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 \$12,596.45, payable Quarterly. The Lessor shall provide the Commonwealth with the following services: NONE; with 18 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 As specified in the lease addendum, and end JUNE 30, 2013.
4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed Six (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, 2020. 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 tenable 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 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 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:

Michael R. Blum 8-28-13
STATE LEASING AGENCY REPRESENTATIVE Date

John L. [Signature] 09/23/13
ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

Scott Aubrey 9-6-13
MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

Jeri H. Flanery 9/12/13
SECRETARY, FINANCE & ADMINISTRATION CABINET Date

[Signature] 2/7/13
LESSOR Date

Patrick McJee 9/2/13
ATTORNEY, FINANCE & ADMINISTRATION CABINET Date

Scott Aubrey
DIRECTOR, DIVISION OF REAL PROPERTIES

APPROVED THIS 6th DAY OF November, 20 15

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.

ORIGINAL

REAL PROPERTY
INVENTORY SECTION

ADDENDUM

The following items are to be considered a part of lease agreement PR-5219, Boone County, dated November 19, 2012, and must be completed prior to establishing a lease date:

SECTION 1

1. The building shall meet all Kentucky building codes and accessibility specifications in accordance with ADA, as enforced by the Department of Housing, Buildings and Construction, Division of Building Codes Enforcement. The Division of Building Codes Enforcement will require a set of construction plans from the property owner. The Lessor is required to submit a copy of these plans, as approved by the Division of Building Codes Enforcement, to the Division of Real Properties. The using agency will provide all ADA signage required and **should obtain said signage from the Division of Correctional Industries, US 421 South, Frankfort, Kentucky (502.573-1040).** The Lessor (i.e., architect, contractor, etc.) shall be responsible for determining/complying with the requirements of the Division of Building Codes Enforcement. 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 with Best & Final solicitations.
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 Division of Building Codes Enforcement. **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 a Lessor submit an exception to this requirement, then the Lessor shall be solely responsible for any expenses associated with additional requirements as determined by the Division of Building Codes Enforcement.
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's Division of Codes Enforcement. The Lessor shall also install an adequate fresh air handling system according to ASHRAE Standard 62, which requires ventilation of 20 CFM per person for office areas, CFM shall be calculated based on a density of seven persons per 1,000 square feet.
4. The Lessor shall insulate exterior walls with a minimum 3½" of fiberglass batt or blanket insulation, R-11 or equivalent value. The ceiling shall have a minimum of 12" of fiberglass batt or blanket insulation, R-36 or equivalent value.
5. All new or replacement windows shall be insulated / thermo panes to provide energy conservation. The Lessor shall provide mini-blinds for all windows.
6. 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}*.
7. 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.
8. On existing buildings weather stripping and/or other suitable insulation shall be applied to all doors and windows and all other exterior penetrations (vent ducts, smoking room exhaust fan, etc.) of the leased space. This shall be inspected on an annual basis and repaired/replaced as necessary to minimize air seepage.
9. 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 or soundboard in interior walls (if indicated on floor plan).
2. An acoustical tile ceiling shall be installed at a height of 9' (if not structurally feasible, please notate on the Best & Final as an exception).
3. All walls shall be drywalled and painted with scrubbable neutral color latex enamel paint with either a satin or eggshell finish. 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.
4. To prevent chairs from damaging the walls in the reception area, the Lessor shall install a chair rail at a height of 32" from the floor.
5. Neutral color commercial grade 28 oz. carpet shall be installed in the offices and hallways. Tile shall be installed in rest rooms, janitorial closet, reception area, break room, file/storage areas, telephone room, and smoking room.
6. The Lessor shall provide lockable doors where indicated on the floor plan. These rooms shall include the supervisor(s)' offices, file storage room(s), janitorial closet, telephone room, and reception area door that leads into the office space.
7. Floor-to-ceiling shelves shall be constructed in paper supply areas as shown on the floor plan. Overhead shelving at a height of 54" from the floor shall be constructed in the printer area(s), as shown on the floor plan. Overhead shelving at a height of 65" from the floor shall be constructed in the file area(s).
8. All rest rooms shall be equipped with spray type self-closing faucets. 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.
9. Water fountain(s) shall be installed as shown on the floor plan, or as approved by the Division of Building Codes Enforcement.
10. The Lessor shall provide a sink and counter in the break room, with cabinets above and below as shown on the floor plan.
11. 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.
12. The Lessor shall provide reserved parking for 18 staff and clients, and handicapped parking space(s) as required by the Division of Building Codes Enforcement.
13. 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 the three (3) ADA accessible spaces.
14. 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.
15. One pass through or sliding glass window(s) and window counter(s) shall be installed as shown on the floor plan. The counter(s) shall be at a height of 42" from the floor, with a 16" deep laminated surface.

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. In those properties where new fixtures are installed, they shall be T-8 type fixtures with electronic ballasts. Existing fixtures are acceptable provided they conform with all other applicable specifications. When older or existing fixtures are replaced, they shall be replaced with T-8 type fixtures with electronic ballasts.
2. Storage area(s), rest room(s), break room(s), and any other area(s) subject to intermittent use shall be equipped with motion sensitive light switches and a manual override switch.
3. All exit and directional lights shall be the LED type.

4. A dedicated circuit is required for copier(s) and other equipment as noted on floor plan.
5. 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.
6. 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.
7. 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.
8. The Lessor shall install an entrance conduit with pull string with a minimum diameter of 2", 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. We suggest the current Building Industries Consulting Services (BICSI), Telecommunications Distribution Methods Manual as an excellent technical source to supply independent expertise on the standards to be followed on the proper sizing of conduit and other associated requirements.
9. 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. The number of sleeves per floor may be determined by utilizing information contained in above note.
10. The Lessor shall be responsible for providing a closable HVAC vent and cold air return for the telephone equipment room.
11. Conduit, cable tray, or raceway fill rate is to comply with the National Electrical Code.
12. 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.
13. 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.
14. 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. There is one controller(s) each requiring a dedicated circuit. A dedicated circuit is also required for every two printers.
15. The Commonwealth hereby consents to the Lessor accessing the Commonwealth's telephone/telecommunications system for the purpose of connecting automatic dialers (if required by the Division of Codes Enforcement) for the building's alarm system. This shall occur only after the using agency has occupied the building and the Division of Codes Enforcement has approved the facility. Lessor shall be solely responsible for the costs associated with said access and connection, and shall be liable to the Commonwealth for any service expense, maintenance expense, or damage to the Commonwealth's telephone/telecommunications system which arises from the connection or presence of automatic dialers. Further, the Commonwealth shall not be liable for any costs or damages, including but not limited to service expenses, maintenance expenses, damage to the automatic dialer or alarm system, damage to the premises, malfunction of the automatic dialer or alarm system, fire, burglary, or vandalism, that result from Lessor connecting automatic dialers or building alarm systems to the Commonwealth's telephone/telecommunications system.

SECTION 4


1. If shown on floor plan the lessor shall install electronic locks on interior door(s), equipped with remote openers (i.e., release buzzers, ADA compliant controls, etc.)
2. The lessor shall install ADA compliant automatic door opening equipment on the exterior door of the property as noted on the floor plan in compliance with the requirements of the Division of Building Codes Enforcement. In those properties containing a vestibule or airlock, automatic door opening equipment shall be installed on both sets of doors and programmed so that the doors operate simultaneously. If double doors are provided, and notwithstanding the above provision for vestibules/airlocks, only one door of the set shall require automatic door opening equipment provided that the door is 32" or greater in width, again in compliance with requirements of the Division of Building Codes Enforcement.
3. Due to the continuing development of new office technology the Lessor authorizes competent agency personnel to install additional 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.
4. 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.
5. The exterior front of the building shall have a professional office appearance; with street number(s) of subject building displayed prominently.
6. 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.
7. The Division of Real Properties and/or the using agency reserves the right to inspect the facility at any time during construction/renovations/occupation.

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 Corrections Probation / Parole 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:


Department of Corrections Probation / Parole

ACKNOWLEDGED BY:


Claxton Properties