

## LEASE

**THIS INDENTURE OF LEASE**, made and entered into this \_\_\_\_\_ of \_\_\_\_\_, 2019 by and between the Commonwealth of Kentucky, acting by and through William M. Landrum III, Secretary of the Finance and Administration Cabinet, on behalf of and for use and benefit of the Education and Workforce Development Cabinet, party of the first part, hereinafter referred to as the "LESSOR", and the Northern Kentucky Area Development District (NKADD), hereinafter referred to as "LESSEE".

### WITNESSETH

**WHEREAS**, the Lessee desires to lease 2,430 square feet of office space from the Lessor (NKADD-182 square feet, Brighton Center-1,174 square feet, and FAHE-1,074 square feet), located at 8020 Veteran Memorial Drive, Florence, Ky. (PR-4243); and,

**WHEREAS**, the aforementioned square footage is not presently needed by the Commonwealth and will not be needed for the foreseeable future; and,

**NOW THEREFORE**, for and in consideration of the premises and of the mutual benefits, which shall be received by the parties hereto, and in consideration of the covenants, conditions, agreements, and understandings hereinafter set forth, the Lessor hereby leases, lets, and demises unto the Lessee the above described office space in Barren County, Kentucky.

### TERMS AND CONDITIONS

(1) The initial lease term shall be for a period of one year beginning July 1, 2019, and ending June 30, 2020, with the option to automatically renew for additional one-year terms. This lease may be terminated by either party at any time during the term upon ninety days (90) written notice.

(2) The leased space contains 2,430 square feet and shall be rented at a cost of \$13.83 per square foot for the current term, payable in quarterly amounts of \$8,401.73, for a total annual encumbrance of \$33,606.92. The rental amount shall include all janitorial and utility costs.

(3) The Lessee shall be responsible for the installation and maintenance of a direct telephone line.

(4) The Lessee shall maintain the interior of the premises in good repair. This shall include keeping the premises in a clean and sanitary condition. The Lessee shall at the expiration or termination of the Lease Agreement, return the premises and all improvements in as good an order and condition as received, with normal wear and tear and acts of nature expected. All major structural repairs, and repairs to the roof, exterior walls, plumbing, and HVAC shall be the responsibility of the Lessor.

(5) The Lessee shall not sublease all or any part of the demised premises, or assign any part of this Lease Agreement without prior written approval of the appropriate parties within the Division of Real Properties of the Finance and Administration Cabinet.

(6) The Lessor, by its officers, employees, or agents, shall, at all times during the term of this lease, have the right to enter upon the premises for the purpose of inspecting the facilities.

(7) The Lessee agrees to indemnify or hold Lessor harmless from any and all claims, demands, damages, actions, costs, and charges, including attorney's fees, to which Lessor may be subjected, or which Lessor may have to pay by reason of injury to any person or property or loss of life or property resulting from or in any way connected with the character, condition or use of the leased premises or any means of ingress thereto or egress therefrom, unless such injury or loss arises directly from the negligence of the Lessor, any of its departments or agencies or any of their officers, agents, or employees, while acting within the scope of their employment. The Lessee shall, at their own expense, assume the defense of such claims and actions for damages arising out of such injuries or losses which may be brought against the Lessor by third persons and shall pay any such judgments that may be rendered in such actions.

(8) The Lessee shall obtain liability insurance coverage in favor of the Lessor in an amount no less than \$200,000.00. Lessee shall furnish a copy of the insurance certificate to the Lessor immediately upon execution of this Lease Agreement. If the Lessee fails to provide this proof of insurance within ninety (90) days from the beginning of the lease, the Lessor shall procure such coverage and include the cost in the next quarterly billing to the Lessee.

(9) Nothing contained in this lease shall be construed to require either party to repair, replace, reconstruct, or pay for any property of the other party which may be damaged or destroyed by fire, flood, windstorm, earthquake, strikes, riots, civil commotions, acts of public enemy, acts of God, or other casualty, except to the amount of insurance coverage the lessee is required to carry in paragraph 8 of this lease agreement for property damage. Otherwise, each party hereby waives all claims against the other for all loss or damage arising out of perils normally insured against by standard fire and extended coverage insurance.

(10) (a) If at any time during the period in which this Agreement is in effect, the Lessee, in the opinion of the Commonwealth, defaults on any obligation incurred hereunder, then this Agreement shall be subject to termination by the Lessor, with no right of recourse remaining in the Lessee. All rights and benefits herein conferred shall be deemed forfeited, and the Lessee shall quietly surrender possession of the demised property to the Lessor, provided however, that before any termination shall occur under this Paragraph, the Lessee shall be given written notice and be allowed thirty (30) days from receipt of such notice, in which to cure such default or noncompliance. If said default or noncompliance is cured within the above time period, then this Agreement shall remain in full force and effect.

(b) The rights and remedies of the Lessor provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law or equity.

(11) The Lessee shall comply with all applicable standards set by the Kentucky Fire Marshal's Office and of the Kentucky Occupational Safety and Health Standards Board, only as they relate to Lessee's use of the premises.

(12) It is agreed by the parties to this Lease Agreement that all prior negotiations have been merged into this Agreement, which may not be modified, altered or amended except by an Amendment to Lease Agreement, executed by all parties to this lease.

(13) It is agreed by and between the parties that should any provision of this Lease Agreement be declared void, invalid or unenforceable, then the remainder of this Agreement shall continue in full force and effect.

(14) This Lease Agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action, which may be brought on the basis of this Agreement, shall be filed in the courts of Franklin County, Kentucky.

(15) The Lessee, as defined in KRS 45A.030(10), agrees that the administering 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 Lease for the purpose of financial audit or program review. Furthermore, any books, documents, papers, records or other evidence provided to the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission, which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the Lease. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information, which would otherwise be subject to public release if a state government agency were providing the service.

(16) The Licensee certifies that by entering into this Agreement with the Commonwealth of Kentucky and that by holding and performing this Agreement, the Licensee will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340, 164.390), or KRS Chapter 11A, the Executive Branch Code of Ethics, or any other applicable statute or principle by the performance of this Agreement, nor will he realize any unlawful benefit or gain directly or indirectly from it. Non-compliance may result in termination of this License Agreement.

**IN TESTIMONY WHEREOF**, the parties hereto have subscribed their names on the dates indicated herein.

**RECOMMENDED:**

**LESSEE:**

**Northern Kentucky Area Development District**

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Cabinet Secretary  
Derrick K. Ramsey

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Barbara Stewart  
Director

**LESSOR: Commonwealth of Kentucky**

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William M. Landrum III, Secretary  
Finance and Administration Cabinet

**EXAMINED FOR FORM AND LEGALITY**

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Attorney  
Finance and Administration Cabinet