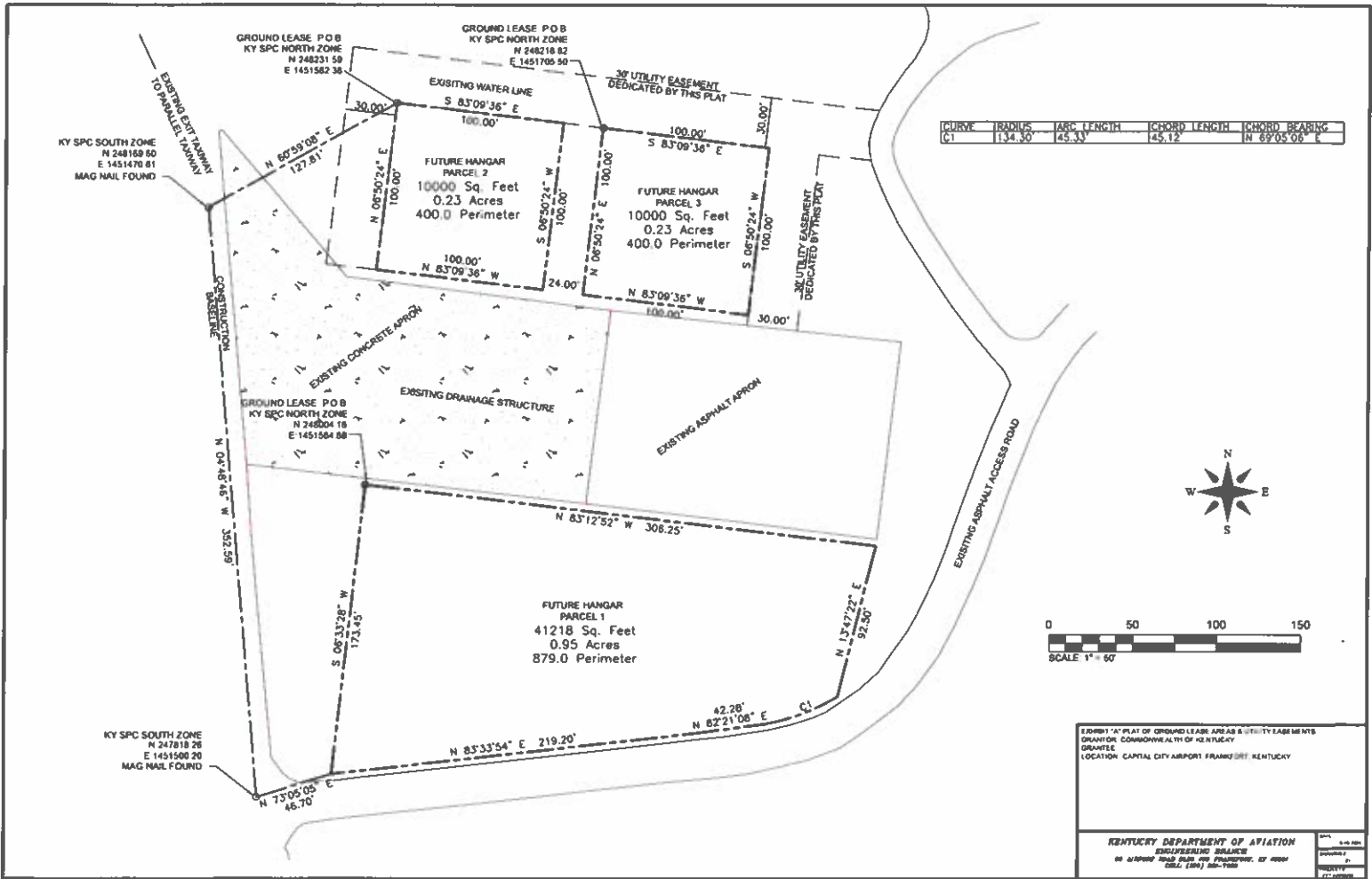


EXHIBIT A



CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING
C1	134.30'	45.33'	45.12'	N 69°05'06" E



EXHIBIT "A" PLAT OF GROUND LEASE AREAS & UTILITY EASEMENTS
 GRANTEE: COMMONWEALTH OF KENTUCKY
 GRANTEE: [REDACTED]
 LOCATION: CAPITAL CITY AIRPORT FRANKFORT, KENTUCKY

KENTUCKY DEPARTMENT OF AVIATION
 ENGINEERING DIVISION
 600 AIRPORT ROAD, SUITE 400, FRANKFORT, KY 40601
 (502) 226-7100

EXHIBIT B

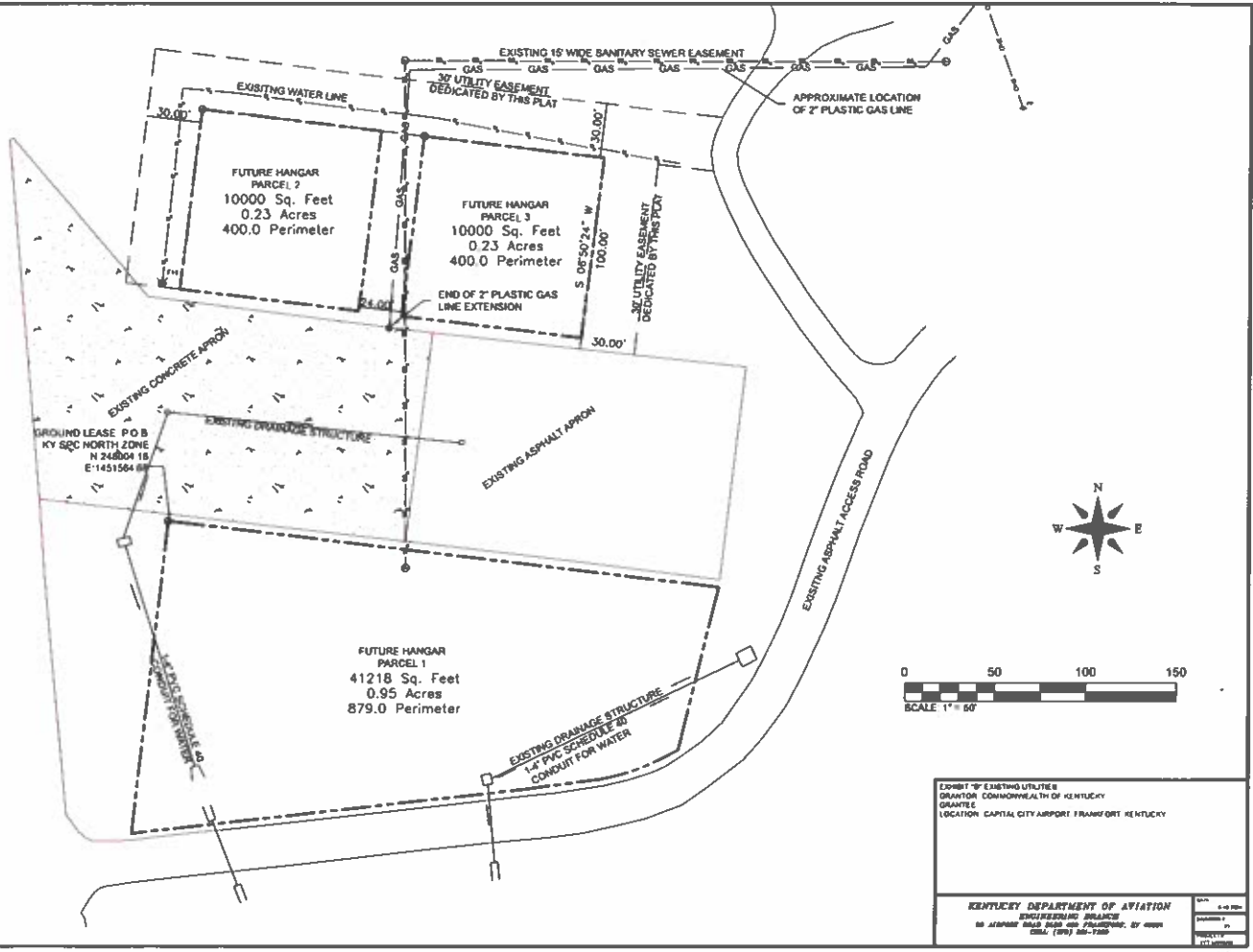


EXHIBIT C



**Required Affidavit for Bidders, Offerors
and Contractors
(KRS 45A.110 & 45A.115)**

Affidavit Effective for One (1) Year from Date of Execution

Instructions: Pursuant to [KRS 45A.110](#) and [45A.115](#), a bidder, offeror, or contractor (“Contractor”) is required to submit a Required Affidavit for Bidders, Offerors, and Contractors to be awarded a contract, or for the renewal of a contract. An authorized representative of the contracting party must complete the attestation below, have the attestation notarized, and return the completed affidavit to the Commonwealth.

Attestation

As a duly authorized representative for the Contractor, I swear and affirm under penalty of perjury, that that the Contractor has not knowingly violated campaign finance laws of the Commonwealth of Kentucky and that the award of a contract will not violate any provision of the campaign finance laws of the Commonwealth. For purposes of this attestation, "Knowingly" means that the bidder or offeror is aware or should have been aware of the existence of a violation. The bidder or offer understands that the Commonwealth retains the right to request an updated affidavit at any time.

Signature

Printed Name

Title

Date

Bidder or Offeror Name: _____

Address: _____

Commonwealth of Kentucky Vendor Code (If known): _____

Subscribed and sworn to before me this ____ day of _____, _____.

State of: _____

Notary: _____

County of: _____

My Commission Expires: _____

OFFICIAL BID DOCUMENT

AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST

I, HEREBY CERTIFY:

1. That I am the bidder (if the bidder is an individual), a partner in the bidder (if the bidder is a partnership), or an officer and employee of the bidding corporation having authority to sign on it's behalf (if the bidder is a corporation);
2. That the submitted bid or bids covering Division of Engineering and Contract Administration Request for Bid No. «Invitation» have been arrived at by the bidder independently and have been submitted without collusion with, and without any agreement, understanding or planned common course of action with any other contractor, vendor of materials, supplies, equipment or services described in the Request for Bid, designed to limit independent bidding or competition; as prohibited by provision KRS 45A.325;
3. That the contents of the bid or bids have not been communicated by the bidder or its employees or agents to any person not an employee or agent of the bidder, its surety on any bond furnished with the bid or bids and will not be communicated to any such person prior to the official opening of the bid or bids.
4. That the bidder is legally entitled to enter into the contract with the Commonwealth of Kentucky and is not in violation of any prohibited conflict of interest, including those prohibited by the provisions of KRS 164.390; and 45A.330 to 45A.340 and 45A.455;
5. This offer is for thirty (30) calendar days from the date this bid is opened. In submitting the above it is expressly agreed that upon proper acceptance by the Division of Engineering and Contract Administration of any or all items bid above, a contract shall thereby be created with respect to the items accepted;
6. That I have fully informed myself regarding and affirm the accuracy of all statements made in this Official Bid Document including Bid Amount.
7. Unless otherwise exempted by KRS 45.590, the bidder intends to comply in full with all requirements of the Kentucky Civil Rights Act and to submit data required by the Kentucky Equal Employment Act upon being designated the successful bidder.
8. That the bidder, if awarded a contract, would not be in violation of the Executive Branch Code of Ethics established by KRS 11A.001 through KRS 11A.990.
9. That the bidder is not debarred from doing business with federal agencies and that, if debarred during the life of the contract, the bidder will notify the Commonwealth buyer of record within seventy-two (72) hours of the federal debarment.

READ CAREFULLY – SIGN IN SPACE BELOW – FAILURE TO SIGN INVALIDATES BID

SIGNED BY: _____ **FIRM:** _____

PRINT NAME: _____ **ADDRESS:** _____

TITLE: _____

DATE: _____ **CITY** _____ **STATE** _____ **ZIP CODE** _____

_____ **TELEPHONE NO:** _____

_____ **FEDERAL ID. NO. OR SOCIAL SECURITY NO.** _____ **EMAIL:** _____

***Disadvantaged Contractors, check type of certification:**
 WBE MBE DBE SERVICE-DISABLED VETERAN

***Disadvantaged Contractors attach a copy of certification.**

ANNUAL AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS

Affidavit Effective Date: _____
Affidavit Expiration Date: _____
Maximum Length One-Year

REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS

PAGE 1 OF 2

FOR BIDS AND CONTRACTS IN GENERAL:

- I. Each bidder or offeror swears and affirms under penalty of perjury, that to the best of their knowledge:
 - a. In accordance with KRS 45A.110 and KRS 45A.115, neither the bidder or offeror as defined in KRS 45A.070(6), nor the entity which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth of Kentucky; and the award of a contract to the bidder or offeror or the entity which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.
 - b. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and all subcontractors therein, are aware of the requirements and penalties outlined in KRS 45A.485; have properly disclosed all information required by this statute; and will continue to comply with such requirements for the duration of any contract awarded.
 - c. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sales and use tax imposed by KRS Chapter 139, and will remain registered for the duration of any contract awarded.
 - d. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding is not delinquent on any state taxes or fees owed to the Commonwealth of Kentucky and will remain in good standing for the duration of any contract awarded.
 - e. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding, is not currently engaged in, and will not for the duration of the contract engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which Kentucky can enjoy open trade, as defined in Executive Order No. 2018-905.
 - f. The bidder or offeror swears and affirms that the entity bidding, and all subcontractors therein, have not violated any of the prohibitions set forth in KRS 11A.236 during the previous ten (10) years, and further pledge to abide by the restrictions set forth in such statute for the duration of the contract awarded.

FOR "NON-BID" CONTRACTS (I.E. SOLE-SOURCE; NOT-PRACTICAL OR FEASIBLE TO BID; OR EMERGENCY CONTRACTS, ETC):

- II. Each contractor further swears and affirms under penalty of perjury, that to the best of their knowledge:
 - a. In accordance with KRS 121.056, and if this is a non-bid contract, neither the contractor, nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of any contract awarded, have contributed more than the amount specified in KRS 121.150 to the campaign of the gubernatorial slate elected in the election last preceding the date of contract award.

ANNUAL AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS

REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS

PAGE 2 OF 2

- b. In accordance with KRS 121.330(1) and (2), and if this is a non-bid contract, neither the contractor, nor officers or employees of the contractor or any entity affiliated with the contractor, nor the spouses of officers or employees of the contractor or any entity affiliated with the contractor, have knowingly contributed more than \$5,000 in aggregate to the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract award.

- c. In accordance with KRS 121.330(3) and (4), and if this is a non-bid contract, to the best of his/her knowledge, neither the contractor, nor any member of his/her immediate family, his/her employer, or his/her employees, or any entity affiliated with any of these entities or individuals, have directly solicited contributions in excess of \$30,000 in the aggregate for the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract.

As a duly authorized representative for the bidder, offeror, or contractor, I have fully informed myself regarding the accuracy of all statements made in this affidavit, and acknowledge that the Commonwealth is reasonably relying upon these statements, in making a decision for contract award and any failure to accurately disclose such information may result in contract termination, repayment of funds and other available remedies under law. If the bidder, offeror, or contractor becomes non-compliant with any statements during the affidavit effective period, I will notify the Finance and Administration Cabinet, Office of Procurement Services immediately. I understand that the Commonwealth retains the right to request an updated affidavit at any time.

_____ Signature	_____ Printed Name
_____ Title	_____ Date
Company Name	_____
Address	_____

Commonwealth of Kentucky Vendor Code (if known)	_____
Subscribed and sworn to before me by	_____
	(Affiant) (Title)
of _____	this _____ day of _____, 20____
(Company Name)	

Notary Public
[seal of notary] My commission expires: _____

APPENDIX A

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

GROUND LEASE

THIS GROUND LEASE, made and entered into this ___ day of _____, 2024, by and between the COMMONWEALTH OF KENTUCKY, TRANSPORTATION CABINET, DEPARTMENT OF AVIATION, ("Lessor" or "Commonwealth"), acting by and through the Secretary of the Finance and Administration Cabinet pursuant to KRS Chapter 45A and 56, and _____, whose address is _____, KY ____ (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, it is the plan of the Transportation Cabinet, Department of Aviation, to develop, expand, and maintain a business complex at the Capital City Airport in Frankfort, KY, that will attract new business and continue to promote economic growth in the Commonwealth of Kentucky; and,

WHEREAS, the Transportation Cabinet, Department of Aviation, requested the Finance and Administration Cabinet to issue a Request for Proposal (RFP) to finance, construct, maintain, manage, operate, and furnish a first class, high quality private hangar structure at Capital City Airport; and,

WHEREAS, the Secretary of Finance, approved the request of the Department of Aviation, and solicited proposals for construction of the hangar facility; and,

WHEREAS, it was determined upon review of proposals received in response to the request for proposals that the proposal submitted by the Lessee was the best proposal received and it was thereupon determined that it should be accepted.

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

NOW, THEREFORE, for and in consideration of the foregoing and other good and valuable consideration, the receipt of which is hereby acknowledged by the parties, it is hereby understood and agreed by and between the Lessor and the Lessee as follows:

1. This Lease Agreement is made and entered into in conformity with the terms, conditions and stipulations contained in RFP No. _____, as (*may have been*) amended, for the lease of land to a private entity to finance, design, develop, construct, and operate a private hangar building and necessary related infrastructure, at Capital City Airport, Frankfort, Kentucky, issued by the Department for Facilities and Support Services, Finance and Administration Cabinet, Division of Real Properties, incorporated herein by reference, the same as if copied verbatim herein. It is the intention of the parties hereto that this Ground Lease shall not supersede but shall be complimentary to the terms and conditions of RFP _____, as (*may have been*) amended, and this Ground Lease shall be read in conjunction with such RFP. In the event of a conflict between a provision of this Ground Lease and a provision of the RFP, this Ground Lease shall prevail.

2. That for the term and considerations hereinafter set forth, the Lessor hereby leases and lets unto the Lessee those certain premises located within the grounds of the Capital City Airport in Franklin County, Kentucky, described in Exhibit A attached hereto and incorporated herein by reference (the "Leased Premises"), and identified as Parcel #____, together with all improvements and appurtenances thereto, including access to and from the Leased Premises over roads of Capital City Airport installation leading to the Leased Premises. The Lessee shall pay the Lessor the annual lease payment of \$_____ per year, as proposed by Lessee in its proposal submittal to RFP_____. As additional compensation

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

for this Lease, Lessee must continuously, throughout the lease term and any renewals thereof, have at least one private mid-sized jet to be based in the executive box hangar on the grounds of the Capital City Airport. *OR (this would go into a lease for parcel(s) #2 or #3: As additional compensation for this Lease, the Lessee of the hangar to be constructed on Parcel #2 or #3 must have at least one medium sized piston or turboprop aircraft to be based in the box hangar for the term of the lease and any renewals thereof.)*

The Lessee shall acquire fuel from the Capital City Airport at a price to be mutually agreed-upon as a codicil to the lease. It is the intent of the Capital City Airport to offer a competitive price, subject to market conditions and airport operational requirements, such that the Lessee is able to attract additional private jets to be based in the Hangar on Parcel #1.

3. Access to the site will be restricted and ID cards will be issued by Lessor. There is also a construction entrance that may be utilized by the Lessee with prior approval of the Lessor. All contractors, suppliers and others working on this project are responsible for their employees' conduct, and all shall be confined to the project site unless granted access otherwise by Capital City Airport.

4. (a) This Ground Lease shall become effective the date executed by the Secretary of the Finance and Administration Cabinet and shall end twenty (20) years thereafter. This lease shall be extended upon written mutual consent for two (2) additional five (5) year periods at the same terms and conditions as are contained herein. Either party to this Ground Lease may terminate this Lease by giving thirty (30) days written notice to the other party, calculated from the date of the mailing of notice of termination. Termination of

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

this agreement shall not be considered effective until the last day of the month in which said notice period ends.

(b) During the initial term of the lease, or any renewal thereof, title to all buildings, structures, additions, changes, and other improvements, including fixtures, shall remain with the Lessee. All buildings, structures, additions, changes, and other improvements, including fixtures, erected, or placed on the leased premises shall remain thereon. At the expiration or termination of this Lease Agreement, any and all such buildings, structures, additions, changes and other improvements shall be conveyed by the Lessee to the Lessor at no cost to the Lessor. Prior to conveyance of the property to the Lessor, both parties shall complete a walk-through inspection of the buildings and property to determine what, if any repairs or corrections must be completed by the Lessee prior to conveyance of the property to the Lessor.

5. The Lessee agrees to build, or cause to be built, on the Leased Premises, a ____ square foot, aircraft hangar building and related infrastructure, which facility shall be constructed in accordance with the architectural plans and specifications (the "Plans"), as supplied by the Lessee to the Lessor in response to RFP _____, as (*may have been*) amended. Construction of the building shall not begin until the Plans have been approved by the Secretary of the Finance and Administration Cabinet, acting through the Division of Engineering and Contract Administration, of the Commonwealth of Kentucky, Transportation Cabinet/Department of Aviation, and the Kentucky Department of Housing, Buildings and Construction. The Department of Housing, Buildings and Construction will review and approve drawings for plumbing, fire marshal compliance, ADA accessibility, and

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

Kentucky building code regulations; proof of such approval must be provided to the Division of Engineering and Contract Administration and Lessor before commencement of construction. If the Division of Engineering and Contract Administration or Lessor disapproves of the Plans, the Lessor shall give the Lessee an itemized summary of the reasons therefore, and the Lessee shall cause the Plans to be revised and resubmit the revised Plans for approval. The Lessor agrees to review the revised Plans within sixty (60) days after submission by the Lessee. In the event that the Plans are not approved within eight (8) months from the execution of this Lease, then this Lease shall be null and void and of no effect. It is understood and agreed by the parties hereto that any material variance from the plans and specifications submitted by the Lessee must receive the prior written approval of the Lessor.

6. The Lessee shall procure payment and performance bonds in favor of the Lessor in the amount of one hundred percent (100%) of the designated amount of the project as security for the faithful performance of the construction required including liquidated damages and penalties and the payment of all persons who have and fulfill subcontracts which are directly with the Lessee. Such payment and performance bonds shall be issued by a reputable insurance company, authorized to do business in the Commonwealth. The Lessee shall, before beginning the construction/development of facilities, require of any subcontractor employed by the Lessee to construct said facilities, a surety bond or bonds in form satisfactory to the Lessor. These bonds shall protect the Leased Premises against the imposition of mechanics and materialsman's liens and guarantee performance of the construction subcontract. All bonds shall be executed by a surety company authorized to do business in the Commonwealth. Performance and Payment Bonds Requirements:

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

A. Each bond furnished by the Lessee shall incorporate, by reference, the terms of the construction contract as fully as though they were set forth verbatim in such bonds. In the event a Change Order(s), executed by the Lessee, adjusts the Contract Sum payable under the construction contract, the penal sum of both the performance bond and the payment bond shall be deemed increased by like amount.

7. The Lessee shall coordinate all design and construction procedures/activities in advance with Lessor's Administrative and Maintenance Points of Contact (POC).

8. The Lessee, at its own expense, shall be responsible for providing for all construction trash and garbage disposal and removal from the entire project area. Open dumpsters shall not be allowed on the leased premises. All waste handling, storage, and removal shall comply with state and national health and environmental requirements. The leased site shall be policed daily, and all building materials, tools, portable equipment, and other related items shall be secured daily to prevent any opportunity for those objects to become airborne. The Lessee shall also keep roadways leading to and from the leased premises free and clear of mud and debris at all times.

9a. The structure will be stand-alone and shall comply with all requirements of the Kentucky Building Code and referenced Authorities Having Jurisdiction and/or RFP documents.

b. The structure will be a "turn-key" building project upon completion and must receive a Certificate of Occupancy from the Kentucky Department of Housing, Buildings and Construction to achieve substantial completion prior to occupancy.

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

- c. The design and construction of all interior and exterior facilities shall be in full compliance with the Americans with Disabilities Act.
- d. The site work includes all grading required for balanced cuts and fills to construct finished building elevation, construct new access drives, aprons, ramps, steps, stoops, and platforms with industry standard slopes for pedestrian and vehicle access and loading docks to provide access and connections to and from existing streets and parking lots.
- e. Construction of the building, site work and utilities extensions and connections shall be constructed by and at the sole expense of the Lessee. The free-standing [pre-engineered steel building] is comprised of _____ square feet, Including interior [administration/operations/shop area] within the entire building perimeter area.
- f. All mechanical, electrical, IT, plumbing, and physical security measures will be incorporated into the design.
- g. Architectural and engineering design concepts, systems, and components shall be economical to operate, functional, serviceable, and easy to maintain, commercially attractive, with colors and textures of building materials to match and/or be compatible with recently constructed and/or existing facilities at the Capital City Airport.
- h. All systems, components, and materials shall be of the average light industrial type and quality normally expected in facilities of this type and shall match and/or be compatible with recently constructed facilities/existing facilities at Capital City Airport. Code and referenced Authorities Having Jurisdiction and/or RFP documents.

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

- i. Paved street currently exists to the site; additional construction staging areas and new car parking area for building will be provided by the Lessee.
- j. The Lessee shall be responsible for providing and maintaining erosion control measures resulting from building construction activities. Any and all existing erosion control measures found on the site before building construction begins will be maintained; and, if disturbed, will be repaired or modified by the Lessee, as needed.
- k. Erosion control measures shall be included in the plans.
- l. The Lessee, with prior written approval of the Lessor, may dispose of all excess excavated materials (excess topsoil and subgrade materials from footings, ditches, etc.) on the Capital City Airport property, as directed by its administrative/maintenance officials.
- m. Borrow material is available within the limits of Capital City Airport property. Borrow areas exist within a one-quarter mile +/- radius, southwest of the project/leased site; access to each area shall be coordinated with and approved by Capital City Airport administrative/maintenance officials. The Lessee shall be responsible for all costs associated with determining and confirming the suitability of the fill material by performing industry standard geotechnical testing and shall be acceptable to the Lessee's geotechnical and structural engineers prior to transporting and placement at the leased site. Should the Lessee determine additional, acceptable fill material is needed, the Lessee shall be responsible, at its sole expense, for providing and

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

transporting such to the leased site. The use of transporting equipment larger than a tri-axel dump truck is prohibited on Capital City Airport property.

- n. All adjacent structures, streets, and utilities adjacent to and in the vicinity of the leased premises shall be protected from disturbance and/or damage by any and all construction activities; all damage caused from construction activities shall be repaired at the Lessee's sole expense.
- o. The Lessor, through the Capital City Airport, will designate and ensure adequate access to accommodate construction traffic within Airport boundaries and from adjacent state roadway - U.S. Highway 60, as required. The Lessee shall adhere to all security measures/restriction affiliated with access to Capital City Airport.
- p. Existing utility infrastructure components such as power, sanitary sewer, domestic water, and communications conduit are located in close proximity to the project site. See plat attached as Exhibit B. Lessee is solely responsible for coordinating with Frankfort Plant Board, Columbia Gas of KY, and any other utility company.
- q. The Lessor may reimburse the Lessee for construction of certain of the infrastructure including extending utilities to the site, construction of the concrete pad for the building and improvements to the apron and taxiway connectors. The Lessor will require that the Lessee construct the infrastructure and the Lessor may reimburse the Lessee for these infrastructure improvements. Reimbursement for these components of the project may not exceed \$400,000 for the hangar on Parcel #1 and \$120,000 each for the smaller hangars on Parcels #2 and #3. These are not to exceed reimbursements and all incurred

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

costs must be documented in accordance with standard Department of Aviation policies and procedures.

- r. All storm water management components will be designed and constructed by the Lessee as part of the site and topography and be acceptable to the authorities having jurisdiction and shall not create any extreme run-off conditions. The Lessee's design team shall be responsible for final storm water analysis, design, and construction.
- s. See attached Exhibit B for existing sanitary sewer.
- t. Lessee shall be solely responsible for contacting and coordinating any required work with Columbia Gas, if needed, for installation of service line, meter, regulator.
- u. Please see plat attached as Exhibit B for existing water line.
- v. Portable sanitary facilities during construction shall be provided by and at the expense of the Lessee.
- w. Any portable electrical power that may be needed to any locations within the leased site shall be provided by and the expense of the Lessee.
- x. All permanent communications, building emergency systems monitoring and security wiring, devices, and related components, if required, are to be installed by and at the expense of the Lessee. The Lessee is responsible for all telecom copper and/or fiber optic lines and connections from the building's main distribution panel to existing pull boxes and/or manholes.

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

10. The Lessee shall not suffer or permit any mechanic's or material man's lien to be filed against the Leased Premises, by reason of work, labor services or materials supplied or claimed to be supplied to the Lessee or anyone holding the Leased Premises or any part thereof through or under the Lessee. If a mechanic's or materialman's lien shall be filed against the Leased Premises at any time, the Lessee shall cause the same to be discharged within sixty (60) days after the Lessee receives notice of filing thereof by payment, deposit, bond, order of court of competent jurisdiction, or otherwise. If the Lessee in good faith disputes the validity or correctness of any such lien, it may refrain from paying same or causing same to be discharged of record, but it shall diligently proceed to initiate and conduct appropriate proceedings to determine the correctness or validity of such lien, and the Lessee shall not be deemed to be in default under this Lease while such proceedings or litigation are being conducted in good faith by the Lessee. If the Lessee fails to cause any such lien to be discharged within the period aforesaid, or fails to contest the same as provided above, the Lessee shall be deemed to be in default under this Lease, and the Lessor may, in addition to any other right or remedy it may have, but shall not be obligated to, discharge the same by paying the amount claimed due, or by bonding proceedings, and in any such event, the Lessor shall be entitled to compel the prosecution of any such action for the foreclosure of such mechanic lien by the lienor and to pay the amount of judgment for and in favor of the lienor with interest, costs and allowances. Any amount paid by the Lessor for any of the aforesaid purposes, together with the interest thereon at the then current prime interest rate, or the interest on judgments awarded in the Courts of the Commonwealth of Kentucky, whichever is the greater, shall be repaid on demand by the Lessee to the Lessor.

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

11. Nothing contained herein shall prohibit the Lessee from mortgaging its leasehold estate in the Leased Premises and/or the Lessee's rights in the facilities thereon to a bank or other lender for the purpose of securing financing for the construction of the facilities; provided, however, that the provisions and conditions of any mortgage of the leasehold estate are subject to the prior approval of the Lessor, with such approval not to be unreasonably withheld or delayed; and the obligation of said mortgage shall not constitute a debt of the Lessor or of the Commonwealth of Kentucky, and the lien created by said mortgage shall encumber only the leasehold estate in the property described in Exhibit A and hereby demised unto the Lessee, and not the Lessor's fee simple estate in said property.

12. Upon completion of construction of the facility, copies of all permits and certificates shall be submitted to the Division of Engineering and Contract Administration and the Capital City Airport, along with "as built" plans.

13. Should the Lessee, after commencing construction, permanently abandon the facilities, title to all materials or improvements on the Leased Premises shall immediately vest in and become the property of the Lessor. Provided, however, that the Lessee's lender shall have the right (but not the obligation) to cure any default as more particularly set forth in the Ground Lessor Estoppel, Consent and Nondisturbance Agreement between Lessee's lender and Lessor. Lessee shall be responsible for any costs incurred by the Lessor in removing or disposing of any materials or improvements. The right is hereby reserved to the Lessor, its offices, agents, and employees, to enter upon the Leased Premises at reasonable times to inspect the Leased Premises, the construction of the building, equipment, or for any other reasonable purposes in connection with this Ground Lease.

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

14. If Lessee defaults in the performance of any of the terms specified herein to be performed by Lessee in any material respect, including the Lessee's commitment to maintaining one private mid-sized jet to be based in the executive box hangar on Parcel #1, (or if for Parcels #2 or #3, including the Lessee's commitment to maintain a minimum of one medium-sized piston or turboprop aircraft to be based in the box hangar[s]), or if Lessee commits waste or inflicts unnecessary damage on the Leased Premises, either intentionally or as a result of gross negligence, Lessor may at any time while such default continues or before the replacement or repair of such waste or damage, upon forty-five (45) days written notice, declare the term of this Ground Lease ended and enter into possession of the Leased Premises and the building thereon, and sue for and recover all rents and damages accruing under this Ground Lease and arising out of any violation thereof; or, without declaring this Ground Lease void and enter into possession of the Leased Premises and facilities. Lessor may sue for and recover damages accrued or accruing under this Lease and arising out of any violation thereof of Lessee.

15. In the event that any telephone, water, sanitary or storm sewer lines, or electricity lines need to be relocated or extended, for whatever reason, the expense of such relocation shall be the responsibility of the Lessee.

16. The Lessee shall not voluntarily, involuntarily, or by operation of law assign, sublet, mortgage, or transfer this Ground Lease or any interest created therein to any other person, partnership, corporation, or other entity without first notifying and obtaining the prior written consent of the Department of Aviation and the Finance and Administration Cabinet. Any attempt to assign, sublet, mortgage or transfer, this Ground Lease or any interest created

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

therein without such consent shall be void. If an assignment, sublet, mortgage or transfer of this Ground Lease is made with the consent of the Lessor, the Lessee shall not be relieved from the performance of the terms of this Ground Lease or from the performance of all other terms, covenants, and conditions of this Ground Lease. If the Lessee is a corporation, then any transfer of the agreement by merger, consolidation or liquidation, or any change in ownership of, or power to vote the majority of its outstanding voting stock shall constitute an assignment for the purposes of this section. If consent is once given by the Lessor to any such assignment, mortgage or subletting, such consent shall not operate as a waiver of the necessity for obtaining the Lessor's consent to any subsequent assignment, mortgage, or subletting. Furthermore, any change in the Lessee's business status, i.e., partnership, corporation, should be reported to the Lessor immediately.

Except as permitted by Section 16 of this Ground Lease, no assignment, subletting, transfer, or mortgage of Lessee's interest in the property shall be effective or binding against the Lessor until such time as the assignee and the Lessor execute an amendment to this Ground Lease reflecting such transfer.

17. The Lessee shall furnish Builder's Risk Insurance, including the perils of fire, extended coverage, vandalism, and malicious mischief in an amount of not less than one hundred percent (100%) of the insurable value of all the work and the coverage, written on the Completed Value Form 17-C, latest edition, including extended coverage endorsement Form #61, latest edition, and malicious mischief endorsement Form #205, latest edition, or on the "All Risk Completed Value Form". Such insurance shall be for the benefit of the Lessee and any subcontractor engaged on the project, as their respective interest may appear. The

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

Builder's Risk Insurance must be dated and in force on the date indicated in the documentation to begin work. The insurance coverage required by this Ground Lease shall be in compliance with the laws of the Lessor and shall be placed with a licensed resident local agent in Kentucky who represents insurance companies authorized to do business in Kentucky. The contract amount shall be insurable value unless otherwise noted in the contract documents. All insurance certificates shall be submitted in duplicate to the Lessee and Lessor and carry the provision that a 30-day written notice shall be given prior to cancellation by the company to the Lessee and the Lessor.

19. The Lessee will be required to obtain, from a reputable insurance company authorized to do business in the Commonwealth and carry liability of indemnity insurance providing as a minimum, a combined single limit of \$5,000,000 for any number of persons and/or claims. Said insurance shall name the Lessor as additional insured and shall also provide that said policy shall not be subject to cancellation, termination or change without at least thirty (30) days prior written notice to the Lessor. The Lessee must furnish a copy of its insurance policy to the Department of Aviation and the Finance and Administration cabinet prior to commencement of operations, and on an annual basis thereafter for the full term of the lease and any renewals thereof.

After award of the lease, the minimum liability amounts of required coverage established under this Section shall be subject to modification by the Lessor, upon sixty (60) days written notice to the Lessee.

20. The Lessee shall indemnify and hold harmless the Lessor, and its sub-lessees, any of their departments or agencies, or officers or employees, from any and all claims, demands,

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

damages, actions, costs, including attorney fees, and charges which the Lessor or the Lessee 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, or resulting from the Lessee's operations on the premises, unless such injury or loss arises directly from the negligence of the Lessor, any of its sub-lessees, departments or agencies, or officers or employees while acting within the scope of their employment.

The Lessee shall, at its own expense, assume 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 such judgments that may be rendered in such actions, unless such claims or actions for damages and/or judgments arise directly from the negligence of the Lessor, and any of its departments or agencies, or any of Its officers, agents or employees while acting within the scope of their employment.

21. Lessee shall not in its operations discriminate on the basis of race, color, religion, age, sex, ethnic origin, or physical or mental impairment. If at any time any act of Lessee threatens to interfere with any federal or state contract or grant of or to Lessor, Lessee shall have sixty (60) days after receiving written notice from the Lessor in which to rectify the activity, and in the event that the activity is not corrected, the Lessor reserves the right to terminate this Ground Lease, with any resulting expense to be borne by Lessee.

22. The Lessor may terminate this Ground Lease because of the Lessee's failure to perform the terms and conditions of the contract or lease. If the Lessee is determined to be in default, the Lessor shall notify the Lessee of the determination in writing and may include

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

a specified date by which the Lessee shall cure the identified deficiencies. The Lessor may proceed with termination if the Lessee fails to cure the deficiencies within the specified time.

A default in performance by the Lessee for which this lease may be terminated shall include, but shall not necessarily be limited to:

- (a) Failure to perform the lease according to its terms, conditions and specifications;
- (b) Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract;
- (c) Late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the purchasing agency;
- (d) Failure to diligently advance the work under a contract for construction services;
- (e) The filing of a bankruptcy petition by or against the Lessee; or
- (f) Actions that endanger the health, safety or welfare of the Commonwealth or its citizens.
- (g) Failure to provide proof of project financing by a date determined in the sole discretion of the Lessor.
- (h) The cure provisions set out in the RFP do not apply to subparagraph (g).

The Lessor shall not be liable for any further payment to a Lessee under a contract terminated for the Lessee's default after the date of termination as determined by the purchasing officer

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

except for commodities, supplies, equipment, or services delivered and accepted on or before the date of termination and for which payment had not been made as of that date. The Lessor may require the Lessee to transfer title and deliver to Lessor completed supplies and manufacturing materials. The Lessee and its surety, if a performance or payment bond has been required under the lease/RFP, shall be jointly and severally liable to the Lessor for all loss, cost or damage sustained by the Lessor as a result of the Lessee's default. The Lessee's surety liability shall not exceed the final sum specified in the contractor's bond.

The Lessee shall be liable to the Lessor for any excess costs incurred in acquiring supplies and services similar to those terminated for default, and for any other damages or remedies available either at law or in equity.

Upon delivery by certified mail to the Lessee of a Notice of Termination specifying the nature of the termination, the extent to which performance of work under the agreement is terminated and the date upon which such termination becomes effective, the Lessee shall stop work under the agreement on the date indicated and to the extent specified in the Notice of Termination.

23. Lessee shall maintain in force at all times comprehensive liability insurance in amounts no less than five hundred thousand dollars (\$500,000) for one person and five million dollars (\$5,000,000) for more than one person involved in one accident to protect the Commonwealth of Kentucky, the Department of Aviation, and Lessee from claims for bodily injury or death or property damage which may arise from the existence and operation of the Leased Premises. A certificate of insurance shall be submitted annually to the Director of Capital City Airport for review and approval as to the policy limits and terms. The minimum

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

policy limits may be increased for time to time when the Director of Capital City Airport reasonably determines that an increase in policy limits will be in the best interest of the Lessor and the general public, so long as such increase is customary for properties reasonably similar to the leased premises. Such policy or policies of insurance shall inure to the benefit of both the Lessor and Lessee, and both of them shall be listed as co-insureds in said policy or policies; provided, however, that the insurance carrier shall not be permitted to raise the defense of sovereign immunity to any suit brought against either of the insured except as relates to the Lessor in any case where the amount of the claim exceeds the policy limits.

24. During the term of this Ground Lease, the Lessee shall maintain, at the Lessee's sole expense, fire, and extended coverage insurance, including theft and vandalism, covering the proposed development in an amount equal to its full replacement cost value. Lessor shall carry and maintain during the term of the lease, at Lessor's sole cost and expense, fire and extended coverage excluding contents. Said insurance shall name the Lessee as additional insured. Certificates of such policies shall be available to the Lessee within thirty (30) days of the beginning and prior to the expiration of the term of each policy. Renewal or additional policies shall be obtained and maintained by Lessor in like manner and to like extent. All policies of insurance must contain a provision that the company writing the policy will give the Lessee thirty (30) days advance written notice of any cancellation or lapse of the effective date or any reduction in the amounts of insurance.

25. The Lessee shall be responsible for paying all state and federal taxes assessed against the project development and the operations conducted on the demised premises. Lessor shall be responsible for any local property tax(es).

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

26. Lessee, as defined in KRS 45A.030(11), agrees that the Transportation Cabinet, 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 Transportation Cabinet, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission, which are directly pertinent to this Lease 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 this Ground 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 was providing the service.

27. It is agreed by the parties hereto that all questions as to the execution, validity, interpretation, construction, and performance of this Ground Lease shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action, which is brought on the basis of said Ground Lease, shall be filed in the Franklin Circuit Court of the Commonwealth of Kentucky.

If any provision of this Ground Lease Is declared invalid or unenforceable, then the remainder of said Ground Lease shall continue in full force and effect.

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

IN WITNESS WHEREOF, the parties hereto have set their hand on this the day and year first above written.

RECOMMENDED:

RECOMMENDED:

Director
Department of Aviation
Transportation Cabinet

Jim Gray, Secretary
Transportation Cabinet

LESSEE:

COMMONWEALTH OF KENTUCKY

COUNTY OF _____

I, the undersigned, certify that the foregoing Lease Agreement, was produced before me in my said County and State and duly acknowledged and sworn to by _____, as Lessee, on this ___ day of _____, 2024.

My commission expires: _____

NOTARY PUBLIC, STATE AT LARGE, KY

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

EXAMINED AS TO FORM &
LEGALITY:

Patrick W. McGee, Attorney
Finance and Administration Cabinet

LESSOR:
APPROVED:

Holly M. Johnson, Secretary
Finance and Administration Cabinet

COMMONWEALTH OF KENTUCKY

COUNTY OF FRANKLIN

I, the undersigned, certify that the foregoing Lease Agreement, was produced before me in my said County and State and duly acknowledged and sworn to by Holly M. Johnson, as Secretary of the Finance and Administration Cabinet, on this __ day of _____, 2024.

My commission expires: _____

NOTARY PUBLIC, STATE AT LARGE, KY

APPENDIX A - SAMPLE GROUND LEASE SUBJECT TO NEGOTIATION

APPROVED:

Andy Beshear, Governor
Commonwealth of Kentucky

EXAMINED:

Counsel to Governor

PREPARED BY:

Patrick McGee, Asst. General Counsel
Office of General Counsel
Finance and Administration Cabinet
5th Floor
200 Mero Street
Frankfort, Kentucky 40601