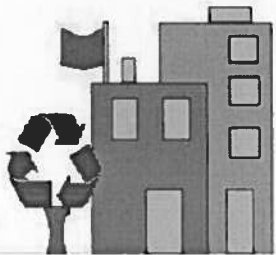


**Arkansas
Building
Authority**



MIKE BEEBE, GOVERNOR • ANNE W. LAIDLAW, DIRECTOR

June 21, 2013

Marty Garrity, Director
Bureau of Legislative Research
State Capitol, Room 315
Little Rock, AR 72201

Re: Lease Agreement #32-810-P6128

Dear Ms. Garrity:

Please find enclosed a copy of the lease agreement between Bill H. Walmsley, as Lessor, and the Arkansas Department of Workforce Services as Lessee. Since Judge Walmsley is currently serving a term as the Court of Appeals Judge for District 2/Position 1, the following law is applicable.

Ark. Code Ann. § 21-1-403 provides certain restrictions on state agency leases, agreements, contracts, and grants. Subsection (a)(2) mandates that:

(a) No constitutional officer may enter into any lease agreement, contract, or grant with any state agency unless:

(2) If competitive bidding or a request for proposal was not required by law, it has received the prior approval of the Joint Budget Committee during legislative sessions, the Legislative Council between legislative sessions, and the Governor.

The attached lease amendment is being presented to you for your review and approval. A similar request has been provided to Governor Beebe for his review and approval. Additionally the disclosure under EO98-04 was sent to Tim Leathers, Arkansas Department of Finance and Revenue, and was approved. As you are aware, real estate lease transactions are exempt from state procurement competitive bid laws and are procured under the Arkansas Building Authority Minimum Standards and Criteria. Additionally, no mandate exists in law or rule that amended leases such as the one referenced above must be competitively bid or placed out for proposals. In fact, negotiations for such transactions are clearly contemplated in Ark. Code Ann. §22-2-114. The initial lease was transacted prior to Judge Walmsley becoming a constitutional officer this year. The lease renewal term is to begin on July 1, 2013 and expire on June 30, 2015. Once the requisite approvals have been provided, I will execute the lease amendment.

Should you have any questions please do not hesitate to contact me.

Sincerely,

Susan Wilson for Anne W. Laidlaw

Anne W. Laidlaw, Director

Attachment (1)

Cc: Governor Beebe
Judge Walmsley
Tim Leathers, Deputy Director/Commissioner of Revenue, DFA

Lease Term: 07/01/13 to 06/30/15
Annual Rent: \$54,491.25
Square Feet: 6,605 Rate: \$8.25
Type: Renewal
Worked By: Wes Lacewell
County: 32 Agency: 810
Lease #: P6128 ct

**STATE OF ARKANSAS
THIRD LEASE AMENDMENT**

This Agreement is made and entered into as of the 29th day of May, 2013, by and between BILL H. WALMSLEY, hereinafter referred to as "Lessor", and ARKANSAS DEPARTMENT OF WORKFORCE SERVICES, hereinafter referred to as "Lessee".

WITNESSETH

Whereas, by Lease Agreement dated July 1, 2009, and First Lease Amendment dated April 26, 2011, and Second Lease Amendment dated May 23, 2012, Lessor leased to Lessee 6,605 square feet of office space and adequate automobile parking spaces located at Highway 167 & 69-A Bypass; all situated in the City of Batesville, Arkansas, County of Independence, (the "Lease"); and

Whereas, the parties hereto have hereby agreed to extend the term of the Lease and to amend and modify the Lease as hereinafter set out.

Now, therefore, for and in consideration of the Premises and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree that the term of the Lease is hereby extended for a period commencing on July 1, 2013 and continuing through June 30, 2015, upon the same terms and conditions except the Lease shall be amended and modified as follows:

1. Special Provisions. Special Provisions 10(g) of the First Lease Amendment dated March 31, 2011 is hereby amended and modified as follows:

(g) The LESSOR, LESSEE and ABA agree that should the Lease and any applicable amendments expire prior to the execution of this amendment agreement, the parties agree that the Lease and any applicable previous amendments are hereby reinstated and ratified upon this Amendment Agreement being fully executed by the parties. The provisions, terms, and conditions of this Amendment Agreement shall govern in the event of conflict or inconsistencies, or both.

Special Provisions of the original Lease Agreement are hereby amended and modified to add the following:

(h) Pursuant to Governor's Executive Order 09-07(3), LESSOR acknowledges and agrees that future renewals of this Lease Agreement will be subject to:

(i) The verification of LESSOR'S degree of implementation of various energy savings policies, practices, products, building equipment and services in order for the leased PREMISES (Building) to reach the goal of an EPA Energy Star rating of 50 or above; and

- (ii) LESSOR's ability to enter and complete a minimum of twenty-four (24) months* utility history into EPA's online Energy Star Portfolio Manager for utility benchmarking, and allow ABA, or the LESSEE, or both, access to the online data for verification purposes.

In addition to the above, the LESSEE shall be responsible for ensuring internal policies and practices work in concert with the LESSOR'S effort to achieve the goals stated above, and will encourage the LESSOR to pursue replacement of less efficient equipment, products and fixtures whenever possible and practical within the Lease term to assist the LESSOR'S commitment to reduce energy consumption within the PREMISES.

*(*Applicable if premises were owned by the LESSOR for the previous 24 months; if not, whatever data is available at the time of Lease execution.)*

The Lease Agreement as hereby amended, modified and extended is hereby ratified and confirmed by the parties hereto as being in full force and effect.

This Agreement shall be binding on the parties hereto and their respective heirs, successors and assigns.

Executed as of the date first hereinabove set out.

LESSOR:

LESSEE:

BILL H. WALMSLEY

ARKANSAS DEPARTMENT OF
WORKFORCE SERVICES

By: Bill H. Walmsley
Bill H. Walmsley

By: Artie Williams
Artie Williams, Director

Date: 6/7/13

Date: 6-12-2013

ARKANSAS BUILDING AUTHORITY
As Agent for Arkansas Department of Workforce Services

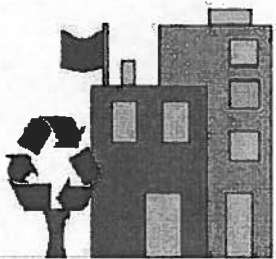
By: Chris Thomas
Chris Thomas, Administrator of
Real Estate Services

By: Anne W. Laidlaw
Anne W. Laidlaw, Director

Date: 6-19-13

Date: _____

**Arkansas
Building
Authority**



MIKE BEEBE, GOVERNOR • ANNE W. LAIDLAW, DIRECTOR

June 21, 2013

The Honorable Mike Beebe
Office of the Governor
State of Arkansas
State Capitol, Room 250
Little Rock, AR 72201

Re: Lease Agreement #32-810-P6128

Dear Governor Beebe:

Please find enclosed a copy of the lease agreement between Bill H. Walmsley, as Lessor, and the Arkansas Department of Workforce Services as Lessee. Since Judge Walmsley is currently serving a term as the Court of Appeals Judge for District 2/Position 1, the following law is applicable.

Ark. Code Ann. § 21-1-403 provides certain restrictions on state agency leases, agreements, contracts, and grants. Subsection (a) (2) mandates that:

(a) No constitutional officer may enter into any lease agreement, contract, or grant with any state agency unless:

(2) If competitive bidding or a request for proposal was not required by law, it has received the prior approval of the Joint Budget Committee during legislative sessions, the Legislative Council between legislative sessions, and the Governor.

The attached lease amendment is being presented to you for your review and approval. A similar request has been provided to the Arkansas Legislative Council for placement on the agenda for review and approval by the Council. Additionally the disclosure under EO98-04 was sent to Tim Leathers, Arkansas Department of Finance and Revenue, and was approved. As you are aware, real estate lease transactions are exempt from state procurement competitive bid laws and are procured under the Arkansas Building Authority Minimum Standards and Criteria. Additionally, no mandate exists in law or rule that amended leases such as the one referenced above must be competitively bid or placed out for proposals. In fact, negotiations for such transactions are clearly contemplated in Ark. Code Ann. §22-2-114. The initial lease was transacted prior to Judge Walmsley becoming a constitutional officer. The lease renewal term is to begin on July 1, 2013 and expire on June 30, 2015. Once the requisite approvals have been provided, I will execute the lease amendment.

Should you have any questions please do not hesitate to contact me.

Sincerely,

Sharon Wilson for Anne W. Laidlaw

Anne W. Laidlaw, Director

Attachment (1)

Cc: ✓ Marty Garrity, Director, Bureau of Legislative Research
Judge Walmsley
Tim Leathers, Deputy Director/Commissioner of Revenue, DFA