

**GOVERNMENTAL REAL ESTATE LEASE**

**THIS LEASE AGREEMENT** ("Lease") is made as of the Effective Date (which is the date on which the South Carolina Budget and Control Board, Division of General Services, executes this Lease as set forth on the signature page) by and between: \_\_\_ ("Landlord") having an address at \_\_\_, and the \_\_\_ ("Tenant"), an agency, institution, department (including any division or bureau thereof) or political subdivision of the State of South Carolina having an address at \_\_\_.

**ARTICLE 1 - DEMISE OF PREMISES**

1.1. Landlord hereby leases and lets to Tenant and Tenant hereby takes and hires from Landlord, upon and subject to the terms, covenants and provisions hereof, the premises (the "Demised Premises") consisting of \_\_\_ rentable square feet (\_\_\_ usable square feet) on the \_\_\_ ( ) floor of the building (the "Building") located at \_\_\_, in the County of \_\_\_, State of South Carolina (the "Land"), together with the benefit of any and all easements, appurtenances, rights and privileges now or hereafter belonging thereto. A floor plan of the Demised Premises is attached hereto as Exhibit "A."

**ARTICLE 2 - TERM**

2.1. The term of this Lease shall be \_\_\_ (\_\_\_) years (the "Initial Term" "Term") beginning on \_\_\_, \_\_\_, (the "Commencement Date") and, unless terminated or extended, shall end on \_\_\_, \_\_\_, (the "Termination Date"). **Provided there is no continuing event of default hereunder by Tenant and subject to the approval of the Division of General Services and any other required State and/or Federal approvals, Tenant shall have the right to extend the term of this lease for up to \_\_\_ (\_\_\_) consecutive terms of \_\_\_ (\_\_\_) years each (the "Extended Term") upon the same terms and conditions contained herein, except the amount of Basic Rent, by giving written notice to Landlord of Tenant's intent to extend the then existing term no later than \_\_\_. OR at least sixty (60) days prior to the expiration of the then existing term.**

**ARTICLE 3 - BASIC RENT**

3.1. Tenant shall pay rent (the "Basic Rent") to Landlord during the first year of the **Initial** Term at the rate of \$\_\_\_ per rentable square foot (**rounded**), an annual aggregate amount of \$\_\_\_, payable in equal \_\_\_ installments of \$ in advance on or before the tenth (10th) day of each consecutive calendar \_\_\_. Basic Rent for the **Initial Term and for the Extended Term** shall be payable \_\_\_ in the amounts set forth on the Rent Schedule in subparagraph 3.2.

3.2. Basic Rent for the first year of the **Initial** Term consists of \$\_\_\_ per square foot (\$\_\_\_ per year) allocated to rental space and \$\_\_\_ per square foot (\$\_\_\_ per year) representing Tenant's share of Building Operating Cost as related to the Tenant's pro rata share ("Pro Rata Share") defined in Article 4. The allocation of Basic Rent for the **Initial Term and for the Extended Term** is as follows:

<u>INITIAL TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR		\$	\$	\$
YEAR		\$	\$	\$
YEAR		\$	\$	\$

<u>EXTENDED TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR		\$	\$	\$
YEAR		\$	\$	\$
YEAR		\$	\$	\$
YEAR		\$	\$	\$

3.3. Rentable square footage shall be determined in accordance with the Standard Method for Measuring Floor Area in Office Buildings published by the Building Owners and Managers Association International (BOMA), as revised and adopted June 7, 1996.

3.4. All rental payments to be made by Tenant pursuant to this Lease shall be apportioned and prorated as of the Commencement Date and the Termination Date or as of the date of an earlier termination pursuant to this Lease, as the case may be.

3.5. Unless notified otherwise in writing, all payments of Basic Rent and Additional Rent, as defined in Article 4 herein below, shall be mailed to Landlord at:

**ARTICLE 4 - BUILDING OPERATING COST INCREASES**

4.1. Tenant shall pay as additional rent ("Additional Rent") its pro rata share ("Pro Rata Share") of increases in Building Operating Cost in accordance with subparagraph 4.2 of this Lease. Tenant's Pro Rata Share shall be a fraction, the numerator of which is the number of rentable square feet in the Demised Premises, and the denominator of which is the number of rentable square feet in the Building of which the Demised Premises is a part.

4.2. At the conclusion of the second year of the Initial Term, Landlord shall compute the increase, if any, in the Building Operating Cost over the first year Building Operating Cost as represented in subparagraph 3.2. At the conclusion of each subsequent year of the Term, Landlord shall compute the increase, if any, in the Building Operating Cost over the prior year's expenses. Such increase shall be multiplied by Tenant's Pro Rata Share as determined in accordance with subparagraph 4.1, and shall be paid by Tenant to Landlord in accordance with subparagraph 4.8.; PROVIDED, HOWEVER, that in no event shall Tenant be liable for or obligated to pay any portion of the Building Operating Cost increases which exceed 103% of Tenant's Pro Rata Share of Building Operating Cost in the immediately preceding rental year.

4.3. (a) "Building Operating Cost" shall mean the following specified non-capital expenditures made by Landlord in the operation, management, insuring, securing and protecting, cleaning, repair and maintenance of the Land and Building:

- (i) Real Estate, ad valorem, special assessment and personal property taxes and any tax on rent (exclusive of Landlord's income taxes) attributable to the Land and Building;
- (ii) All charges for water and sewer use, electricity, gas, oil and other public utilities supplied to the Building, exclusive of utilities for which there are separate meters in the Demised Premises;
- (iii) Wages and salaries; including payroll taxes, workers' compensation and insurance premiums (if paid for by Landlord); bonuses; and social security and unemployment taxes for all employees of Landlord

primarily engaged in the operation, maintenance, administration or management of the Building in proportion to the time they spend on the operation and maintenance of the Land and Building, and that part of central accounting costs which are applicable to the Land and Building;

(iv) The cost of materials and supplies for cleaning and securing the Building, the grounds, windows, hallways, bathrooms, elevators, offices and food service areas, for services done by employees of Landlord in proportion to the services provided to the operation and maintenance of the Land and Building;

(v) The proportional share of the cost of all maintenance and service agreements for the Land and Building and the equipment therein, including security service, window cleaning, janitorial service, elevator maintenance, maintenance of HVAC equipment, plumbing, controls, locks, alarms, and landscaping of grounds and common areas;

(vi) Premiums for insurance against loss by fire, with extended coverage, general public liability and business interruption insurance;

(vii) Expenses for the repairing and reasonable and necessary redecorating of common areas of the Building, including gardening and landscaping; and

(viii) Amortization of the cost of installation of capital investment items which are for the purpose of reducing Building Operating Cost and have been previously approved in writing by Tenant, with interest at prime plus 2% per annum on the amount unamortized.

(b) Building Operating Cost shall include only reasonable, bona fide and verifiable expenses actually incurred by Landlord, but shall not include executive salaries above the level of building manager, leasing commissions and rental agents' fees, management fees (above those allowable expenses stated hereinabove), interest, amortization, depreciation, legal fees, repairs and maintenance to Building infrastructure or paid by proceeds of insurance or by Tenant or other third parties, and capital expenditures (including replacement of HVAC systems and the cost of upfit, décor, renovations or alterations attributable to tenants of the Building other than Tenant), except any capital expenditures that have been incurred with the intention of reducing Building Operating Cost and have been previously approved in writing by Tenant.

(c) When Landlord submits invoices for payment of Building Operating Cost, Landlord shall also submit corresponding documentation that verifies the expense is a covered Building Operating Cost (e.g. tax bill, utilities bill, or a copy of the service agreement with an independent contractor) under the terms of the Lease.

4.4. Landlord shall pay all Building Operating Cost when due. In the event Landlord has not paid any Building Operating Cost within the time required to be paid so that the interest, penalties or late charges accrue thereon, Tenant shall have no obligation to pay any portion of such interest, penalties or late charges.

4.5. Tenant shall have the right, upon demand, to inspect or audit the books, accounts and records of Landlord in order to determine Building Operating Cost and any increases or decreases thereto, or have Landlord's records audited by an independent auditor employed by Tenant. Such books, accounts and records shall be made available at the offices of Landlord's leasing or managing agent within thirty (30) days of Tenant's demand. In the event that such inspection or audit discloses an error by Landlord exceeding two percent (2%) of the amount of Building Operating Cost actually payable with respect to such lease year, or part thereof, Landlord shall pay the cost of Tenant's inspection or audit; otherwise, the cost of Tenant's inspection shall be paid by Tenant.

4.6. If Landlord shall receive a rebate, refund or abatement of any Building Operating Cost, Landlord shall give prompt notice thereof to Tenant. In the event such rebate, refund or abatement shall have been received by Landlord after the calculation of Building Operating Cost for the year to which such rebate, refund or abatement applies, Landlord shall recalculate Building Operating Cost for such year and refund or credit to Tenant, within thirty (30) days of Landlord's receipt of such rebate, refund or abatement, the difference between Tenant's Pro Rata Share of Building Operating Cost increases paid by Tenant for the rental year to which such rebate, refund or abatement applies and Tenant's actual Pro Rata Share of Building Operating Cost increases due for such year after taking into account the amount of such rebate, refund or abatement ("Tenant Refunds").

4.7. No losses or operating deficits sustained by Landlord in connection with the Building shall be charged or recaptured by Landlord from Tenant and such losses or deficits shall not constitute a part of Building Operating Cost.

4.8. Landlord's request for payment of Tenant's Pro Rata Share of Building Operating Cost increases shall be in writing and shall be given no later than sixty (60) days following the end of the lease year for which the calculation of such amount was made. Landlord shall furnish to Tenant a written statement certified by an independent auditor employed by Landlord covering such lease year having just expired, reasonably detailed and itemized and prepared in accordance with generally accepted accounting principles, showing the total Building Operating Cost for such lease year, the amount of Tenant's Pro Rata Share thereof, and the payments theretofore made by Tenant with respect thereto. If Tenant's Pro Rata Share of Building Operating Cost is less than Tenant's payments so made, Tenant shall be entitled to a refund or rent credit of such difference (except that if such overpayment is determined after the termination of the **Initial Term or Extended Term** of this Lease, Landlord shall reimburse such overpayment to Tenant, less any amounts then due from Tenant to Landlord), or if such share is greater than Tenant's said payments, Tenant shall pay the difference subject to limitation in the "PROVIDED, HOWEVER" clause contained in subparagraph 4.2. Tenant and Landlord shall adjust and make refunds, credit the overpayment or pay the deficiency, as the case may be, within thirty (30) days after the receipt of Landlord's statement (and further, if applicable, within thirty (30) days of the completion of any audit performed for or by Tenant as herein below provided. Landlord and Tenant shall have thirty (30) days from the date of such request to make payment thereon. Tenant Refunds shall be paid to Tenant by Landlord in accordance with subparagraph 4.6 hereof. In the event Landlord shall fail to pay any such Tenant Refund within the time required by subparagraph 4.6, Tenant shall have the right to deduct the amount of such Tenant Refund from the next due monthly installment or installments of Basic Rent until Tenant shall have fully deducted the amount of such Tenant Refund from Basic Rent otherwise due and payable.

4.9. The payment by Tenant of its Pro Rata Share of Building Operating Cost increases in accordance with subparagraph 4.8 shall not constitute a waiver or relinquishment of Tenant's right to challenge the amount of such payment and Tenant shall have four (4) calendar years from the date of such payment by Tenant to challenge or contest such amount. This provision shall survive the expiration or sooner termination of this Lease and any assignment of the leasehold interest.

#### ARTICLE 5 - USE

5.1. Tenant shall have the right to use the Demised Premises for any lawful purpose. At the commencement date of this Lease, Tenant plans to use the Demised Premises for **office** use relating to its \_\_\_\_\_ division.

5.2. If during the Initial Term or any Extended Term the application of any statute, code or ordinance of any government, authority, agency, official or officer applicable to the Building or the Demised Premises makes it impossible or not economical for Tenant to operate in the Demised Premises in accordance with subparagraph 5.1, then Tenant, at its option, may terminate this Lease, whereupon the Basic Rent and Additional Rent and all other charges payable hereunder by Tenant shall be apportioned as of such date of termination.

#### **ARTICLE 6 - ASSIGNMENT AND SUBLETTING**

6.1. Tenant shall have the absolute right to assign this Lease or sublet the Demised Premises to any State agency, institution, department, bureau, political subdivision or State-operated entity, and, with the prior written consent of Landlord, which shall not be unreasonably withheld, to any other person or party, provided that any such assignment or sublease shall be upon the same terms and conditions as this Lease.

6.2. Any act required to be performed by Tenant pursuant to the terms of this Lease may be performed by any assignee or sub-lessee of Tenant and the performance of such act shall be deemed to be performance by Tenant.

#### **ARTICLE 7 - SERVICES**

7.1. The services provided by the Landlord to Tenant as part of Basic Rent and Building Operating Cost shall include, but are not limited to, water and sewer, lighting, heating, ventilating, air conditioning, electricity, elevator service, janitorial service, security service, fire detection service, fire suppression, grounds maintenance, general building maintenance, building equipment maintenance, electrical systems maintenance, HVAC maintenance, plumbing maintenance and any other service necessary to maintain and operate all Building and site improvements. Services provided by the Landlord shall include all service charges, labor, materials and supplies.

7.2. Tenant shall have the option but not the obligation to separately meter all utilities servicing the Demised Premises and to make direct payment for such utility services to the suppliers thereof. If such option is exercised, Tenant shall notify the Landlord in writing and basic rent and "Building Operating Cost" shall be adjusted to exclude those services separately metered.

#### **ARTICLE 8 – LANDLORD'S REPRESENTATIONS AND WARRANTIES**

8.1. Landlord represents and warrants to Tenant that:

(a) Landlord is the owner of the Land and Building in fee simple, that title is marketable and not subject to any defects or encumbrances which could adversely affect the use of the Demised Premises as contemplated by this Lease; that Landlord has full right, power and authority to execute and deliver this Lease and to grant to Tenant the exclusive use and possession of the Demised Premises;

(b) The use of the Demised Premises contemplated by the Lease will be a permitted use under all applicable statutes, codes, rules, regulations and ordinances now in effect and, to the best of the Landlord's knowledge, there are no pending proceedings or plans to change such statutes, codes, rules, regulations and ordinances;

(c) Neither the Land, the Building nor the Demises Premises, nor any portion thereof, is being condemned or taken by eminent domain and, to the best of the Landlord's knowledge, no such proceedings are contemplated by any lawful authority;

(d) To the best of Landlord's knowledge and belief, there is available to the Building and the Demised Premises adequate public water, gravity fed storm and sanitary sewers, electricity and telephone service for Tenant's intended use of the Demised Premises as described in this Lease;

(e) Landlord will not discontinue any service required to be provided by Landlord pursuant to this Lease and, if any such discontinuance is contemplated, Landlord will provide Tenant with written notice at least thirty (30) days prior thereto together with a statement of the appropriate reduction in Basic Rent as compensation for such discontinuance;

(f) Landlord will keep the Land, the Building and the Demised Premises in good order and repair and make all reasonable improvements to maintain the Land, the Building and the Demised Premises in the same condition as at the commencement of this Lease;

(g) Landlord will keep the Building and the Demised Premises protected against flood, storm, water leakage through roofs and windows and against other hazards of nature and will repair or protect same from such hazards within ninety (90) days after Landlord has notice of damage or the need for repair;

(h) Landlord will repair and remediate any damage and environmental hazard (including mildew and mold) to the Building and/or the Demised Premises resulting from water damage within ninety (90) days after Landlord has notice of damage or the need for repair;

(i) Landlord will be responsible for any asbestos testing needed and asbestos abatement required as a result of Renovations or Improvements, as defined in Sections 11.1 and 11.2 hereinbelow, made by Landlord or Tenant;

(j) Landlord will provide peaceful and quiet enjoyment of the Demised Premises to Tenant and will not allow such peaceful and quiet enjoyment to be disrupted or interfered with by any other tenant in the Building, by Landlord, by anyone claiming under Landlord or any other person, party or entity;

(k) To the best of Landlord's knowledge, the common areas of the Building and the Land comply with the Americans with Disabilities Act of 1990 and the rules and regulations promulgated thereunder (the "ADA") together with any amendments thereto;

(l) Landlord represents and warrants that the rentable square footage for which Tenant is making payment has been measured and computed in accordance with BOMA standards; and

(m) Landlord shall provide a floor plan to scale of the Demised Premises as occupied by the agency at the commencement of the lease within thirty (30) days of tenants occupancy.

8.2. Landlord acknowledges that Tenant is relying upon each of the representations and warranties set forth in subparagraph 8.1 and that the matters represented and warranted by Landlord are substantial and material to Tenant. In the event such representations and warranties shall be breached by Landlord, Tenant, at its sole election, may terminate this Lease in accordance with subparagraph 14.1(d).

#### **ARTICLE 9 – TENANT'S COVENANTS**

9.1. Tenant covenants and agrees that it shall:

(a) Pay Basic Rent when due (provided a written invoice is submitted in advance to the Tenant by the Landlord) and pay Additional Rent in accordance with subparagraph 4.8 provided, however, that should any rent become more than fifteen (15) days past due, Landlord shall give Tenant notice in writing to pay the same within fifteen (15) days of receipt of such notice;

(b) Maintain the Demised Premises in a clean and good condition and return the Demised Premises to Landlord at the termination of this Lease in accordance with Article 18 hereof. Tenant shall not be obligated

to make any repairs arising out of or in any way caused by 1) settling, 2) defects in labor, workmanship, materials, fixtures or equipment employed, supplied or installed by or on behalf of Landlord, or 3) the negligence of Landlord, its agents or employees.

- (c) Comply with all statutes, codes, ordinances, rules and regulations applicable to the Demised Premises;
- (d) Give Landlord reasonable notice of any accident, damage, destruction or occurrence affecting the Demised Premises; and
- (e) Allow Landlord reasonable access to the Demised Premises for inspections.

#### **ARTICLE 10 - ARCHITECTURAL BARRIERS**

10.1. Landlord covenants and agrees that the Land, Building and Demised Premises, being open to the public, shall comply with any and all applicable State law, rules and regulations with respect to architectural barriers or design that would prohibit free and full access to and use of the Land, Building, Demised Premises or any part thereof by the aged, disabled or physically handicapped. In the event the Land, Building or Demised Premises do not so comply as of the Commencement Date of this Lease, Landlord shall, at Landlord's sole cost and expense and within ninety (90) days following the Commencement Date, alter, repair, renovate or otherwise provide at the Land, Building and Demised Premises all reasonable access and use thereof for the aged, disabled or physically handicapped as required by Law.

#### **ARTICLE 11 - ADDITIONS, IMPROVEMENTS AND ALTERATIONS**

11.1. Landlord shall make all renovations to the Demised Premises in accordance with Tenant's plans and specifications annexed hereto as Exhibit "B" (the "Renovations"). All Renovations shall be performed in a good and workmanlike manner and in accordance with all applicable statutes, codes, rules, regulations and ordinances. Tenant shall have the right to inspect the Demised Premises and the Renovations, from time to time as Tenant shall deem necessary or appropriate, to determine whether the Renovations, as made or being made by Landlord, are in accordance with the plans and specifications. Landlord shall complete the Renovations prior to the Commencement Date of this Lease. In the event the Renovations have not been completed by the Commencement Date, Tenant shall have the option to (a) extend the Commencement Date of this Lease to a date not later than ninety (90) days following the original Commencement Date, or (b) take possession of the Demised Premises, in which event Basic Rent and Additional Rent shall abate until completion of the Renovations by Landlord, such date to constitute the new Commencement Date of this Lease. In the event Tenant elects to extend the Commencement Date pursuant to subparagraph (a) above and, in the further event the Renovations are not completed by the new Commencement Date, Tenant shall have the right to terminate this Lease by written notice to Landlord in which event this Lease shall be rendered null and void, or Tenant shall have the right, but not the obligation, to undertake such renovations and, in such event, shall have the right to deduct the cost thereof from Basic Rent. Upon Landlord's completion of Renovations, Landlord shall provide Tenant with written notice thereof and shall obtain a permanent certificate of occupancy for the Demised Premises, if required by applicable law.

OR

Landlord shall make the renovations ("Renovations") to the Demised Premises in accordance with plans and specifications and a construction contract to be approved by Tenant; provided that the cost to Landlord of said Renovations shall not exceed \$\_\_\_\_\_. Tenant shall specify and approve the Renovations, including any change orders to be made and shall approve all contractors to be used. Landlord shall provide Tenant with all contractor itemized

estimates and receipts prior to and for all Renovations, including change orders. All Renovations shall be performed in a good and workmanlike manner and in accordance with all applicable statutes, codes, rules, regulations and ordinances. Tenant shall have the right to inspect the Demised Premises and the Renovations, from time to time as Tenant shall deem necessary or appropriate, to determine whether the Renovations, as made or being made by Landlord, are in accordance with the plans and specifications. Provided that Tenant has approved the construction contract in writing, as soon as practicable thereafter following the issuance of the construction permit, Landlord shall commence the Renovations and shall substantially complete the Renovations on or before the Commencement Date (the "Anticipated Substantial Completion Date"). In the event the Renovations have not been completed by the Anticipated Substantial Completion Date, either Landlord or Tenant shall have the option to extend the Anticipated Substantial Completion Date to a date not later than thirty (30) days following the original Anticipated Substantial Completion Date. In the event Landlord or Tenant elects to extend the original Anticipated Substantial Completion Date as set forth above and, in the further event the Renovations are not completed by the new Anticipated Substantial Completion Date, Tenant shall have the right to terminate this Lease by written notice to Landlord in which event this Lease shall be rendered null and void, or Tenant shall have the right, but not the obligation, to undertake such Renovations and, in such event, shall have the right to deduct the cost thereof up to the amount of \$\_\_\_\_\_ from Basic Rent. Following the Substantial Completion Date, Landlord shall provide Tenant with written notice thereof and shall obtain a permanent certificate of occupancy for the Demised Premises, if required by applicable law. If the Renovations are completed at a cost that is less than \$\_\_\_\_\_, Landlord shall provide Tenant with a credit for the difference between the actual cost of the Renovations and \$\_\_\_\_\_ to be used by Tenant at any time during the term of the lease towards future renovations. If the Renovations are completed at a cost that is more than \$\_\_\_\_\_, Tenant shall provide Landlord with a payment equal to the difference between the actual cost of the Renovations and \$\_\_\_\_\_ to reimburse Landlord for such excess cost. Landlord shall invoice Tenant for such excess cost, if any, and the invoiced amount shall be due from Tenant within thirty (30) days of Tenant's receipt of the invoice.

11.2. Tenant may, with the prior written consent of Landlord, which shall not be unreasonably withheld, make nonstructural additions, improvements or alterations to the Demised Premises ("Improvements") at its sole cost and expense. Each such improvement shall be completed in a good and workmanlike manner and in accordance with all applicable codes, rules and regulations. Tenant shall advise Landlord, when requesting consent to install Tenant Improvements, whether Tenant will remove the Improvements at the termination of this Lease. If Tenant elects not to remove the Improvements, the Improvements shall become part of the Demised Premises and subject to this Lease. If the Improvements will be removed by Tenant, Tenant shall restore the Demised Premises to its condition prior to such installation, reasonable wear and tear and damage by fire or other casualty excepted.

11.3. Landlord agrees that all trade fixtures, signs, equipment, furniture or other personal property of whatever kind or nature kept or installed at the Demised Premises by Tenant shall not become the property of Landlord or a part of the realty no matter how affixed to the Demised Premises and may be removed by Tenant at any time and from time to time during the term of this Lease.

#### ARTICLE 12 - CONDEMNATION AND CASUALTY

12.1. If there is any damage to or destruction of the Building, the Demised Premises or any portions thereof, or if any proceedings or negotiations are instituted which do or may result in a taking by condemnation or eminent domain ("Taking"), each party will promptly give notice thereof to the other, describing the nature and extent thereof.

12.2. If the restoration, replacement or rebuilding of the Building or the Demised Premises or any portion thereof as nearly as practicable to its value, condition and character immediately prior to any damage, destruction or Taking ("Restoration") can be completed within ninety (90) days after the occurrence, Tenant may elect to either (a) terminate the Lease immediately upon providing notice to Landlord or (b) allow Landlord to commence and complete Restoration of the Building and the Demised Premises.

12.3. If Tenant elects to allow Landlord to Commence and complete Restoration of the Building and the Demised Premises and Restoration cannot be completed within ninety (90) days after the occurrence, then Tenant may terminate this Lease by notice to Landlord given within ten (10) days following the earlier to occur of (a) the date the Restoration should have been completed, or (b) the date on which Landlord advises Tenant that the Restoration cannot be completed within ninety (90) days of the occurrence, whereupon Basic Rent, Building Operating Cost and all other payments by Tenant hereunder shall be apportioned as of the date of the damage, destruction or Taking.

12.4. Upon damage or destruction to the Building or the Demised Premises or upon a Taking thereof which does not result in termination, Basic Rent, Building Operating Cost and all other payments and charges payable by Tenant hereunder shall abate as of the date of the occurrence, or in the case of partial damage, destruction or Taking which does not cause Tenant to discontinue use of the Demised Premises as contemplated herein, the Basic Rent, Building Operating Cost and all other payments and charges shall be equitably apportioned.

12.5. Nothing contained herein shall be deemed or construed to prevent Tenant from asserting and prosecuting a claim for the value of its leasehold estate, its leasehold improvements or moving and related costs in the event of any Taking.

#### ARTICLE 13 - INSURANCE AND TAXES

13.1. Landlord shall at all times during the Initial Term and Extended Term, if any, of this Lease maintain, with insurers authorized to do business in the State of South Carolina, fire insurance with extended coverage for the Building of which the Demised Premises is a part in an amount not less than the actual replacement cost, including the cost of debris removal. The policy shall provide for 6 months loss rent coverage. Tenant shall reimburse the Landlord for the insurance premiums as additional rent within 30 days following demand thereof accompanied by reasonable evidence of the cost.

13.2. Landlord shall pay real estate taxes assessed against the Land and Building when due. Tenant shall reimburse the Landlord for the taxes as additional rent within 30 days following demand thereof accompanied by reasonable evidence of the cost. Taxes shall be prorated for any fractional lease years.

13.3. If Landlord shall receive a rebate, refund or abatement of any insurance premium or tax levy, Landlord shall give prompt notice thereof to Tenant and credit such rebate, refund or abatement to Tenant. In the event such rebate, refund or abatement shall have been received by Landlord after Tenant's reimbursement, Landlord shall submit such rebate, refund or abatement to Tenant within thirty (30) days following receipt.

13.4. Tenant shall have the right to inspect or audit the books, accounts and records of the Landlord in order to determine insurance premium or ad valorem taxes. Such books, accounts and records shall be made available at the offices of Landlord's leasing or managing agent within thirty (30) days of Tenant's demand.

#### **ARTICLE 13 – INSURANCE AND TAXES**

13.1. Landlord shall at all times during the Initial Term and Extended Term, if any, of this Lease maintain, with insurers authorized to do business in the State of South Carolina, fire insurance with extended coverage for the Building of which the Demised Premises is a part in an amount not less than the actual replacement cost, including the cost of debris removal.

13.2. If, as a result of Landlord's leasing of the remaining portions of the Building to parties other than Tenant, or as a result of any assignment or subletting by such parties, Landlord's insurance premium for the coverage required by subparagraph 13.1 shall be increased. Tenant shall not be liable for or obligated to pay any portion of such increase and such increase shall not constitute part of the Building Operating Cost.

13.3 Landlord shall pay, when due, real estate taxes assessed against the Land and Building during the Initial Term and Extended Term, if any, of this Lease.

#### **ARTICLE 14 - TENANT CANCELLATION PRIVILEGE**

14.1. Notwithstanding the Commencement Date and Termination Date set forth in subparagraph 2.1 of this Lease, Tenant shall have the right to cancel this Lease or to relinquish any portion of the Demised Premises upon giving Landlord thirty (30) days written notice of its cancellation hereof upon the occurrence of any one or more of the following:

(a) If appropriations, revenue, income, grants or other funding, from any source (including but not limited to Federal, State and/or County sources), are not provided to the Tenant in an amount sufficient to carry out the purposes and programs of Tenant, including the payment of Basic Rent, Additional Rent and all other payment obligations of Tenant pursuant to this Lease, the sufficiency of such funds to be determined solely by the South Carolina Budget and Control Board, Division of General Services; or

(b) If the Tenant is dissolved and no longer performs the functions and purposes ascribed to it; or

(c) If at any time during the Initial Term or the Extended Term, if any, the square footage in the Demised Premises is, in the sole opinion of the South Carolina Budget and Control Board, Division of General Services, inadequate, insufficient or unnecessary for the normal operations and maximum efficiency of Tenant; or

(d) If Landlord shall have breached any covenant, condition, representation or warranty made by Landlord in this Lease and such breach shall have continued uncured or uncorrected for a period of thirty (30) days after notice by Tenant to Landlord of such breach and request to cure or correct, or as otherwise stated herein; or

(e) If Landlord rejects Tenant's request for additional space in the Building upon the same terms and conditions as stated herein, including the annual rate per rentable square foot for rent.

14.2. In addition to the cancellation privileges set forth in subparagraph 14.1, Tenant shall also have the right to cancel this Lease or any portion of the Demised Premises at any time after the first six (6) months of the Initial Term by giving sixty (60) days' written notice to Landlord of Tenant's intention to vacate all or a portion of the Demised Premises, which notice may be provided within the first six (6) months of the Initial Term, to relocate to a building owned or otherwise controlled by the State of South Carolina or any County or City in the State of South Carolina.

14.3. Tenant shall have the right to reduce the size of the Demised Premises during the term of the lease with no continuing obligation under this Lease pertaining to such space by providing Landlord at least thirty (30) days prior written notice identifying the space to be vacated and the date on which Tenant intends to vacate such space. Should Tenant exercise its right to reduce space, Tenant shall relinquish space which is (i) contiguous with any previously relinquished or otherwise vacant space on the same floor; and/or (ii) is reasonably marketable to a third party. Tenant's rights under this section are separate and in addition to any space that may be relinquished under this Article 14. Rent shall be reduced by the amount of space relinquished multiplied by the applicable annual rate per square foot as stated in subparagraph 2.1 hereinabove.

#### **ARTICLE 15 - EXEMPTIONS**

15.1. Landlord and Tenant agree that Tenant shall be specifically exempt from the payment, furnishing or providing to Landlord of any of the following:

- (a) Security deposits for any rents or other charges to be paid by Tenant pursuant to this Lease or for any service or item supplied to Tenant by Landlord;
- (b) Liquidated or punitive damages for any cause or reason;
- (c) Landlord's attorneys' fees, court costs or costs of collection in connection with any action or inaction by Tenant under this Lease;
- (d) Any form of insurance coverage for Landlord or any person or entity other than Tenant or for any real or personal property of any party other than Tenant including, but not limited to, fire, comprehensive general public liability or contractual liability; provided, however, that this provision shall not apply to the payment by Tenant of its portion of the costs for the insurance required to be maintained by Landlord in accordance with Article 13 of this Lease;
- (e) Any indemnification, hold harmless, release or waiver agreement by Tenant to Landlord or any other person, party or entity; and
- (f) Payment of any late charges or penalties for failure by Tenant to make payment of Basic Rent, Additional Rent or any other charges payable to Landlord pursuant to this Lease.

#### **ARTICLE 16 - SUBORDINATION AND NON-DISTURBANCE**

16.1. Any mortgage which may now or hereafter affect the Land, the Building, the Demised Premises, or any part thereof, and any renewals, modifications, consolidations, replacements or extensions thereof shall provide that so long as there shall be no continuing event of default by Tenant hereunder, the leasehold estate of Tenant created hereby and Tenant's peaceful and quiet possession of the Demised Premises shall be undisturbed by any foreclosure of such mortgage. In the event that any such mortgage affects the Land, the Building or the Demised Premises as of the Commencement Date, Landlord shall furnish Tenant with an executed non-disturbance agreement from any such mortgagee.

#### **ARTICLE 17- MINOR REPAIRS**

17.1. If at any time during the **Initial Term or Extended Term, if any,** Tenant shall find in the Demised Premises items in need of repair or replacement, including, but not limited to, torn or damaged carpet, improper or inadequate lighting, faulty workmanship in construction, inoperative door locks or other similar deficiencies which affect Tenant's use and enjoyment of the Demised Premises, Tenant shall give written notice thereof to Landlord and Landlord

shall, at its sole cost and expense, repair, replace or otherwise cure the deficiencies described by Tenant within thirty (30) days of the date of Tenant's notice thereof. In the event Landlord shall fail or refuse to repair, replace or cure the deficiency within the time aforesaid and the cost of such repair, replacement or cure is less than \$3,000, Tenant shall have the right, but not the obligation, to undertake such repair, replacement or cure and, in such event, shall have the right to deduct the cost thereof from the next due monthly installment of Basic Rent. In the event Tenant does not undertake such repair, replacement or cure, irrespective of the cost thereof, and Landlord shall not have repaired, replaced or cured such deficiency within sixty (60) days of the date of Tenant's notice to Landlord of such deficiency, Tenant may, at its option, terminate this Lease, whereupon the Basic Rent and Additional Rent and all other charges payable hereunder by Tenant shall be apportioned as of such date of termination.

#### **ARTICLE 18 - SURRENDER**

18.1. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Demised Premises to Landlord in good order and condition, except for ordinary wear and tear, permitted additions, improvements or alterations made by Tenant and the results of any damage, destruction or Taking. Tenant shall remove from the Demised Premises on or prior to such expiration or earlier termination all of its property situated therein.

#### **ARTICLE 19 - NOTICES**

19.1. All notices, demands, requests, consents, approvals, offers, statements and other instruments or communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when either (i) personally delivered, or (ii) sent by first class mail, postage prepaid, or (iii) delivered, costs prepaid, by any reputable delivery service that provides written evidence of delivery, or (iv) sent during normal business hours by facsimile transmission or other electronic transmission, including e-mail, that is evidenced by written mechanical confirmation of delivery or written confirmation from the recipient that the transmission was received, in which case notice shall be deemed given on the date of facsimile or electronic transmission. Notice shall be given at the addresses appearing at the heading of this Lease.

#### **ARTICLE 20 - AMENDMENTS**

20.1. This Lease may not be amended, modified or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination or waiver shall be effective for any purposes unless it is in writing and signed by the party against whom enforcement thereof is sought.

#### **ARTICLE 21 - HOLDOVER**

21.1. In the event Tenant shall remain in the Demised Premises after the Initial Term or the Extended Term, as the case may be, has expired and Tenant shall have failed to give notice to Landlord of Tenant's intent to extend this Lease in accordance with subparagraph 2.1 hereof, Tenant shall be deemed to be a tenant from month to month and Tenant shall continue to pay the Basic Rent and Additional Rent last in effect under the Lease until either Landlord or Tenant, by thirty (30) days' written notice to the other, shall terminate this Lease, whereupon the Basic Rent, Additional Rent and all other charges payable by Tenant hereunder shall be apportioned as of such date of termination.

#### **ARTICLE 22 – PARKING**

22.1 Tenant shall have full access to and free use of the surface parking lot/parking garage surrounding the Building (as shown on Exhibit "C" attached hereto). Landlord shall be responsible for maintaining the surface parking lot/parking garage in good repair.

#### ARTICLE 23 - MISCELLANEOUS

- 23.1. If any provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such provision shall not be affected thereby.
- 23.2. This Lease shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.
- 23.3. This Lease may be executed in counterparts, each of which when so executed and delivered, shall constitute an original, fully executed counterpart for all purposes, but such counterparts shall constitute but one instrument.
- 23.4. The Article headings of this Lease are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.
- 23.5. This lease shall be governed by and construed in accordance with the laws of the State of South Carolina.
- 23.6. In the event Landlord is involved in any bankruptcy or insolvency proceedings and Landlord's trustee fails to perform or rejects any of the Landlord's obligations under this Lease, Tenant shall have the option to terminate this Lease.
- 23.7. Exhibit "A" (Floor Plans), Exhibit "B" (Renovations), Exhibit "C" (Building Rules and Regulations and Exhibit "D" (Janitorial Specifications) referred to in this Lease is incorporated herein and made a part hereof.
- 23.8. Any amendment, renewal, subordination, non-disturbance, attornment, estoppel or other agreement affecting a change to the terms and conditions herein and requiring the signature of Tenant requires the approval of the Division of General Services, Real Property Services.
- 23.9. Any invoice for increases in Building Operating Cost as defined in Article 4 herein requires the approval of the Division of General Services, Real Property Services.
- 23.10. This Lease is subject to and conditioned upon the approval of the Division of General Services, Real Property Services, and shall be of no force or effect until the consent of such office shall be endorsed herein.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year indicated under their signature.

**WITNESS:**

**LANDLORD:**

\_\_\_\_\_  
(witness signature)

\_\_\_\_\_  
(signature for landlord)

\_\_\_\_\_  
(printed name and title of signatory)

\_\_\_\_\_  
(date signed by landlord)

**WITNESS:**

**TENANT:**

\_\_\_\_\_  
(witness signature)

\_\_\_\_\_  
(signature for tenant)

\_\_\_\_\_  
(printed name and title of signatory)

\_\_\_\_\_  
(date signed by tenant)

This Lease is approved in accordance with the South Carolina Code of Regulations §19-447.1000 by the South Carolina Budget and Control Board, Division of General Services, Real Property Services, this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Ashlie Lancaster  
Program Manager

This Lease is approved in accordance with the South Carolina Code of Regulations §19-447.1000 by the South Carolina Budget and Control Board, Division of General Services, this \_\_\_\_ day of \_\_\_\_\_, 2013. This Lease was approved by the Joint Bond Review Committee at its \_\_\_\_\_, 2013 meeting and by the South Carolina Budget at Control Board at its \_\_\_\_\_, 2013 meeting.

\_\_\_\_\_  
Nolan L. Wiggins Jr.  
Director

**EXHIBIT "A"**

**FLOOR PLANS**

**EXHIBIT "B"**

**RENOVATIONS**

**EXHIBIT "C"**

**BUILDING RULES AND REGULATIONS**

**EXHIBIT "D"**

**JANITORIAL SPECIFICATIONS**