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JOINT BOND REVIEW COMMITTEE MEETING
Tuesday, November 14, 2023 – 1:00 p.m.
308 Gressette Building

AGENDA

Page

1. Report of the South Carolina Department of Administration
Pursuant to Proviso 118.22 of the Fiscal Year 2023-24 Appropriations Act
(SR: Bull Street Corridor Relocation).....1

AGENCY: South Carolina Department of Administration

SUBJECT: Report of the South Carolina Department of Administration
Pursuant to Proviso 117.22 of the Fiscal Year 2023-24
Appropriations Act (SR: Bull Street Corridor Relocation)

Proviso 118.22 of the Fiscal Year 2023-24 Appropriations Act provides as follows:

From funds appropriated or authorized in this act, the Department of Administration is directed to conduct a Request for Proposal (RFP) for the purposes of relocating one or all the state agencies or their successor agencies currently located on Bull Street in the City of Columbia. Properties to be considered must have space to accommodate all of one or more agency to be relocated in one building or campus, to include any additional Columbia area offices of the same agency or agencies, as practicable. For the purposes of this proviso, a campus is defined as multiple buildings located on the same or adjacent parcels or property that share a common main entrance. In conducting the RFP, the Department of Administration must prioritize the condition of the proposed properties and all amenities, to include, large group meeting space, other amenities to support agency mission, amenities and conditions conducive to employee health and recruitment, employee and visitor safety and security, ease of access from the interstate, ease of public access to include, but not limited to, surface parking and the number of employees to be relocated. The Department of Administration must present the results of the RFP to include a recommended lease to the Joint Bond Review Committee (JBRC) on or before November 1, 2023. After review and comment of the JBRC, the lease is deemed legislatively approved and, notwithstanding other provision of law, no further approvals are required.

Responsive to this requirement, the South Carolina Department of Administration made a timely report in accordance with the Proviso on November 1, 2023, which focuses on establishing a healthcare and behavioral health campus by co-locating the Departments of Public Health, Mental Health, Disabilities and Special Needs, and Alcohol and Other Drug Abuse Services at 400 Otarre Parkway in Cayce; and locating the Department of Environmental Services at 1200 Colonial Life Boulevard in Columbia.

The proposal emerged from a Request for Proposals issued pursuant to the Proviso on July 14, 2023, as amended on July 27 and August 2, 2023, in response to questions received. Lease offers were received for 8 locations, 4 of which were eliminated over such concerns as facility condition; questions of ADA compliance; insufficient parking; and the required relocation of existing state agency tenants. Of the remaining proposals, the Otarre Parkway and Colonial Life Boulevard locations are the most viable and best meet the criteria of the Proviso; and promote opportunities to further the intent of Act 60 of 2023, which provides for among other things the evaluation of structural changes needed for improvement in the delivery of health services in the state.

The Otarre Parkway proposal is a 20-year triple-net lease of 514,361 square feet offered at an initial rental rate of \$20.95 per square foot, with 3% annual increases thereafter. The state as tenant is responsible for all maintenance and operating expenses, except that the landlord is responsible for capital expenses exceeding \$100,000. The tenant is also responsible for insurance and property taxes. The property offers such amenities as a cafeteria and fitness center, but the tenant is responsible for their operation. The lease does not include a tenant improvement allowance. There is no option to purchase the property under the lease. The total cost of the lease over the term is estimated at \$389,934,396, comprised of \$289,551,473 in base rental payments; \$67,017,247 in estimated operating expenses; \$13,354,563 in tenant refresh expenses; capital expenses of \$7,500,000; and non-recurring expenses of \$12,511,113.

The Colonial Life Boulevard proposal is a 20-year gross lease of 191,730 square feet offered at an initial rental rate of \$17.77 per square foot, with 3% annual increases thereafter. The lease includes all maintenance and operating expenses, including insurance and taxes, as well as all capital repairs and replacements. The property offers such amenities as a cafeteria and fitness center. There is no option to purchase the property under the lease. The total cost of the lease over the term is estimated at \$103,814,845, comprised of \$95,483,012 in base rental payments; \$5,291,748 in tenant refresh expenses; and non-recurring expenses of \$3,040,085.

The proposed relocation has a total estimated cost of \$496 million over a 20-year term, with an effective cost of \$334 million, net of an estimated \$162 million avoided in capital and other costs of ownership of the existing properties. The proposal has a fiscal impact of approximately \$18.7 million in new recurring funding, and \$17.6 million in one-time non-recurring funding.

COMMITTEE ACTION:

1. Review and comment on the proposed leases in accordance with the Proviso.
2. If review of the leases is favorable, the Committee is requested, in addition to the foregoing, to make the following recommendations, directives, and expressions.
 - a. Recommend execution of leases by the Departments of Public Health, Mental Health, Disabilities and Special Needs, and Alcohol and Other Drug Abuse Services for rental space located at 400 Otarre Parkway in Cayce; and the Department of Environmental Services for rental space located at 1200 Colonial Life Boulevard in Columbia; all in accordance with the findings of the Department of Administration included in the Bull Street Corridor Relocation Report dated November 1, 2023, such leases to be effective no earlier than July 1, 2024; provided, however, that execution of the leases is authorized immediately following favorable review by the Committee; further provided, however, that, in accordance with general statutory law, such execution is dependent and contingent upon initial appropriations of recurring and non-recurring funds in the Fiscal Year 2024-25 Appropriations Act and, in the absence of sufficient Appropriations, execution of the lease will be void.
 - b. Direct the Department of Administration to proceed with a solicitation for the relocation of the Department of Social Services.

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- c. Direct the Department of Administration to conduct an appraisal of the buildings and property vacated by agencies relocated from the Bull Street Corridor, with a subsequent submission made by the Department for the Committee to consider disposition of the vacated properties.
3. Consider further actions in recognition of the co-location of multiple agencies and common plan for relocation and ongoing management of these leased properties.
 - a. Designate the Department of Administration, in consultation with and input from each of the relocated agencies, to procure, manage, and administer the relocation, ongoing operational services, tenant refresh, and capital expenditures for the facilities.
 - b. Direct the appropriation of any non-recurring funding designated for relocation expenses, and any recurring funding for operational services, tenant refresh, and capital expenditures, to the Department of Administration for the procurement, management, and administration of the relocation, ongoing operational services, tenant refresh, and capital expenditures for the facilities.
 - c. Direct the Department of Administration to develop, and direct agencies to conform to, a uniform process of budgeting, accounting, and segregation of funding for appropriated rental payments.

ATTACHMENT:

1. Report dated November 1, 2023, of the South Carolina Department of Administration, submitted pursuant to Proviso 118.22 of the Fiscal Year 2023-24 Appropriations Act (SR: Bull Street Corridor Relocation).

Proviso 118.22:
Bull Street Corridor Relocation



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I. REPORT OVERVIEW

Proviso 118.22 of the FY 2023-24 Appropriations Act directed the South Carolina Department of Administration (Admin) to “conduct a Request for Proposal (RFP) for the purposes of relocating one or all the state agencies or their successor agencies currently located on Bull Street in the City of Columbia. Properties to be considered must have space to accommodate all of one or more agenc[ies] to be relocated in one building or campus, to include any additional Columbia area offices of the same agency or agencies, as practicable. For the purposes of this proviso, a campus is defined as multiple buildings located on the same or adjacent parcels or property that share a common main entrance. In conducting the RFP, the Department of Administration must prioritize the condition of the proposed properties and all amenities, to include, large group meeting space, other amenities to support agency mission, amenities and conditions conducive to employee health and recruitment, employee and visitor safety and security, ease of access from the interstate, ease of public access to include, but not limited to, surface parking and the number of employees to be relocated. The Department of Administration must present the results of the RFP to include a recommended lease to the Joint Bond Review Committee (JBRC) on or before November 1, 2023. After review and comment of the JBRC, the lease is deemed legislatively approved and, notwithstanding other provision of law, no further approvals are required.”

The following report serves as an overview of actions taken by Admin in response to the proviso and the resulting lease options.

II. REQUEST FOR PROPOSALS

In response to Proviso 118.22, Admin took the following steps.

- ❖ Determined which agencies and facilities would be included in the RFP:
 - SC Department of Public Health (DPH)
 - SC Department of Environmental Services (DES)
 - SC Department of Social Services (DSS)
 - SC Department of Disabilities and Special Needs (DDSN)
 - SC Department of Mental Health (DMH)

DPH and DES are currently combined as the South Carolina Department of Health and Environmental Control (DHEC) but are being separated in accordance with Act 60 of 2023. They occupy space in four facilities operated and maintained by Admin: the Mills/Jarrett building at 2100 Bull Street, the Sims/Aycock building and Annex located at 2600 Bull Street, a portion of the Columbia Mills building at 301 Gervais Street and a portion of the South Carolina Department of Archives and History building located at 8301 Parklane Road. They also occupy commercially leased space at 1800 St. Julian Place and 630 Taylor Street in Columbia. The Mills building is 195 years old, the Jarrett building is 32 years old and the Sims/Aycock building is 58 years old.

DSS occupies space in two facilities operated and maintained by Admin: the North Tower building located at 1535 Confederate Avenue and the Columbia Regional Office located at 3150 Harden Street Extension. They also occupy commercially leased space at 1628 Browning Road, 2638 Two Notch Road and 267 Columbia Avenue in Chapin.

DDSN and DMH each operate and maintain their headquarters buildings at 3440 Harden Street Extension and 2414 Bull Street, respectively. The 3440 Harden Street Extension building is 34 years old and the 2414 Bull Street building is 55 years old.

Only office facilities in the Bull Street Corridor were included in the solicitation. For example, the SC Commission for the Blind and the Columbia Area Mental Health Center were not included because they are treatment and living facilities.

❖ Conducted a Request for Proposals:

- Collected space requirements from the impacted agencies.
- Created solicitation.
- Issued solicitation July 14, 2023, for space within the Greater Columbia Area, South Carolina.
- Amendment 1 issued July 27, 2023, in response to questions received.
- Amendment 2 issued August 2, 2023, in response to questions received.
- Initial proposals received August 14, 2023.
- Conducted site visits with agencies August 22-September 15, 2023.
- Best and final proposals received September 11, 2023.

III. LEASE OPTIONS

- ❖ Proposals were received from eight locations that met the mandatory requirement in the proviso to accommodate all of one or more agenc[ies] to be relocated in one building or campus.
 - 200 Arbor Lake Drive
 - 400 Arbor Lake Drive
 - 400 Otarre Parkway
 - 500 Taylor Street
 - 1200 Colonial Life Boulevard
 - 1501 Lady Street
 - 1628 Browning Road
 - 10301 Wilson Boulevard

- ❖ The following four proposals were eliminated due to a variety of factors such as environmental and Americans with Disabilities Act (ADA) compliance issues, insufficient parking, ongoing construction, availability of amenities, availability timeframe and the required relocation of existing state agency tenants.
 - 400 Arbor Lake Drive
 - 1501 Lady Street
 - 1628 Browning Road
 - 10301 Wilson Boulevard

❖ The four remaining locations included the amenities identified as priorities in the proviso as follows.

Proviso Priorities for Proposals	200 Arbor Lake Drive	400 Otarre Parkway	500 Taylor Street	1200 Colonial Life
Large Group Meeting Space	Board room.	Auditorium, multiple large conference and training spaces, and a board room all A/V equipped.	Board room.	Shared conference center with multiple large conference and training spaces, and a board room all A/V equipped.
Employee Health and Recruitment	Walking trail.	Cafeteria, fitness center, walking trails, collaborative workspaces.	N/A.	Cafeteria, fitness center, walking trail, Atrium with coffee bar, collaborative workspaces.
Employee and Visitor Safety and Security	Badge access to building.	Guard gate, main entrance security desk, badge access to employee spaces.	Badge access to building.	Guard gate, main entrance security desk, badge access to employee spaces.
Ease of Access from the Interstate	Ease of Access to I-20 and I-77 via SC 277.	Ease of access to I-77 and I-26.	Ease of access to I-26 and I-20.	Ease of access to I-20 and I-26 via I-126.
Ease of Public Access	Bus stop.	Planned bus stop.	Bus stop.	Bus stop.
Parking	Sufficient parking for visitors and employees.	Sufficient parking for visitors and employees.	Sufficient parking for visitors and employees.	Sufficient parking for visitors and employees.
Number of Employees to be Relocated	Can accommodate one small agency – approximately 300 employees.	Can accommodate multiple agencies – approximately 2,116 employees.	Can accommodate one small agency – approximately 219 employees.	Can accommodate multiple small agencies or one large agency – approximately 976 employees.

IV. RECOMMENDATION

Of the four remaining locations, two locations best meet the priority criteria of the proviso. 400 Otarre Parkway and 1200 Colonial Life Boulevard are the only locations with a cafeteria, fitness center, large training and conference space and multiple collaborative workspaces. In addition, these facilities can each accommodate over 900 employees, which is approximately the size of one large agency or a combination of agencies. Therefore, based on the available square footage at 400 Otarre Parkway and 1200 Colonial Life Boulevard, as well as the specific needs of the agencies, these two locations are the most viable options given the specifications identified in the proviso as set out in the RFP.

In making its recommendation, Admin also considered the legislative direction provided in Act 60 of 2023. Act 60 specifically divides the functions of the DHEC into separate health and environmental programs, such that each operates independently of one another in serving the citizens of South Carolina. As such, it would continue to follow the direction of the legislation to move the two agencies to different locations. 1200 Colonial Life Boulevard best accommodates the space needs of DES while meeting the requirements and priorities of Proviso 118.22.

Additionally, Act 60 requires Admin to conduct an analysis of the missions and delivery models of all state agencies concerned with the overall public health of the State and to consider whether structural changes are necessary to improve health services delivery in the State, recognize operational efficiencies and maximize resource utilization. Agencies located on Bull Street, specifically DPH, DMH and DDSN, are mentioned in the section dealing with the public health analysis. While this analysis is still in process, there is clear synergy between the respective missions of DPH, DMH and DDSN which could be enhanced through the creation of a health care campus, regardless of any changes in agencies' structures. The commercial space at Otarre Parkway aligns with the concept of a health care campus and will accommodate the space requirements of DPH, DMH and DDSN while meeting the requirements and priorities of Proviso 118.22.

Even though the Department of Alcohol and Other Drug Abuse Services (DAODAS) is not located in the Bull Street corridor, it closely works with DPH, DMH and DDSN. Locating all of these agencies together will create a synergy that will benefit constituents served by these organizations. The Otarre Parkway commercial space can accommodate the addition of DAODAS, and Admin recommends this agency be included in the health care campus.

The remaining Bull Street corridor agency, DSS, would stay in its current locations because their space requirements cannot be accommodated by the remaining lease options. However, Admin can conduct a future solicitation to relocate the agency should the Joint Bond Review Committee (JBRC) or the agency itself request it. The buildings and property vacated by the agencies moving from the Bull Street Corridor can be appraised and possibly sold should that be the recommendation of the JBRC.

If the JBRC determines it is in the best interest of the State to move agencies out of the Bull Street Corridor and the South Carolina General Assembly (General Assembly) appropriates the required funding to do so, it appears the most viable option is to create a health care campus by moving DPH, DMH, DDSN and DAODAS to Otarre Parkway and to move DES to Colonial Life Boulevard. However, in order to accomplish the move, the General Assembly must appropriate the required recurring and non-recurring funds in the 2024-25 Appropriations Act. Without such an appropriation, the agencies lack authority to consummate the lease, the funding to actually move and the ability to effectuate the necessary renovations to the Otarre Parkway campus as well as funding for the initial year’s rent.

The total square footage to be occupied by each agency is as follows.

Location	Agency	SF Requested	SF Amenities	Total SF
400 Otarre	DPH	235,945	109,119	345,064
400 Otarre	DMH	61,000	28,211	89,211
400 Otarre	DDSN	45,000	20,812	65,812
400 Otarre	DAODAS	9,760	4,514	14,274
Colonial Life - 2nd, 3rd & 4th Floors of the West Tower, the ISD building, Warehouse, Media Center	DES	203,000	N/A	191,730

V. LEASES

Otarre Parkway

The property at 400 Otarre Parkway is composed of five buildings totaling 514,361 square feet in a 95-acre campus setting. It is located just off Interstate 77 in Cayce, two miles from Interstate 26 and four miles from downtown Columbia. There are guard gates to the campus, a video surveillance system and card entry to the buildings and interior spaces. The facility is generally set up as an open work environment, but also includes huddle and quiet rooms as well as various size conference and training rooms. Amenities include two miles of walking trails surrounding the campus, a fitness center, a cafeteria with indoor and outdoor seating, an auditorium and a video production studio. The majority of the furniture, desks, workstations, conference room tables, as well as audio-visual equipment will be retained at the property for use by the tenants.

The proposed lease at 400 Otarre Parkway for DPH, DMH, DDSN and DAODAS is a triple net (NNN) lease which means the tenants are responsible for all maintenance and operating costs, including insurance and taxes. The tenants would also be responsible for any capital repairs or replacements costing less than \$100,000. Capital costs and repairs costing more than \$100,000 would be the responsibility of the landlord. The term of the lease would be 20 years beginning July 1, 2024. The rate for the first year of the term is \$20.95/SF, with 3% annual increases thereafter.

The following chart shows the responsibilities of the tenant(s) and landlord under the proposed lease.

Location	Expense	Responsible	
		Landlord	Tenant
400 Otarre Parkway			
20-yr NNN Lease			
	Building Maintenance		X
	Water		X
	Sewer		X
	Electricity		X
	Janitorial		X
	Groundskeeping		X
	Trash Removal		X
	Security Service		X
	Pest Control		X
	Parking		X
Lessor is responsible for Capital Expenses if the cost is more than \$100,000.	Capital Expenses	X	X
	Cafeteria		X
	Fitness Center		X
	Tenant Improvement Allowance		X

The RFP included the standard state lease. The standard lease includes certain terms in the generic sense without definition or refinement to tailor them to specific circumstances. Given the complexity of this lease, the landlord initially sought to remove or greatly limit certain statutorily required standard lease terms. Through negotiations, the landlord has agreed to the lease attached hereto as Appendix 1 with these terms being further defined such that they still comply with any statutory requirements, but also relate to the specific circumstances of this complex transaction. The definitions and refinements relate to the following terms:

- ❖ Non-appropriation - Appropriation is defined as an appropriation by the General Assembly, rather than an operational decision made by the specific agency once sufficient funds have been appropriated. The landlord can opt to defer any shortfall in tenant obligations created by a lack of appropriations until the next fiscal year and allow the tenant to remain in the demised premises during that fiscal year. The tenant would only be obligated to pay accrued rent without interest and only if there were/are sufficient appropriations made in the ensuing fiscal year. In no event will the tenant be responsible for any obligation for which there are insufficient appropriations.

- ❖ Dissolution - To be consistent with the proviso, the termination provision related to the dissolution of a tenant agency has been refined to consider successor agencies to the dissolved tenant agency. Any successor agency or department that assumes responsibility for state level leadership and support for the programs and functions currently performed by the dissolved agency shall be deemed to have assumed this lease and all further obligations under this lease. (While not specifically included in the standard lease, this is consistent with past state policy regarding agency dissolution; see Act 60 of 2023 [DHEC] and Act 121 of 2014 [B&CB].) If there is no successor agency, the lease requires that the remaining tenants use good faith best efforts to either (i) expand the occupancy of the demised premises currently occupied by remaining tenants in possession to replace with such expanded occupancy any space previously occupied by the dissolved agency; or (ii) replace the space occupied by the dissolved agency with a substitute state agency.
- ❖ Substitution of public space - What qualifies as substitute public space allowing for termination is generally not defined in Admin leases nor is it defined statutorily. The term allowing for cancellation of this lease when public space can be substituted has been refined through negotiation with the landlord consistent with the priorities in the proviso. To exercise the substitution clause to terminate this lease, all of the tenants must relocate to a substitute campus, as such term is defined in the lease and described in the proviso, which is owned or otherwise controlled by the State or any political subdivision thereof. Also, consistent with the terms of the solicitation, the substitute campus must be located within the Greater Columbia Metropolitan Area.
- ❖ Condemnation and Casualty - The right to terminate based on the time frame to repair any portion of the demised premises deemed untenable as a result of casualty lies solely with the landlord.
- ❖ Authority to Lease - The landlord does not currently own the premises to be leased. The landlord represents and warrants that the landlord is presently under contract to become the owner of the land and buildings 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 the landlord has full right, power and authority to execute and deliver this lease and to grant to tenants the exclusive use and possession of the demised premises. The landlord agrees to consummate its purchase of the land and buildings no later than the commencement date.
- ❖ Unimproved Acreage - The demised premises contains unimproved acreage. As such the following clause has been added to the lease, “Landlord represents and warrants that during the term of this

Lease, Landlord will not construct improvements upon any part of the Demised Premises for purposes other than the Tenants' authorized use without the Tenants' express consent and agreement."

Additionally, the lease requires that the landlord furnish tenants with an executed Subordination, Non-Disturbance and Attornment Agreement signed by the lender for any mortgage associated with the property to protect tenants' peaceful and quiet possession.

The proposed lease would commence July 1, 2024; however, the landlord requests that the lease be signed upon approval by JBRC to secure the space. While an agency may execute the lease prior to commencement, as is established by the general law of South Carolina applicable to any proposed contract such as this lease, the agency signatory's authority to bind the agency would be dependent and contingent upon an initial appropriation of recurring and non-recurring funds in the 2024-25 Appropriations Act. Admin sought to specifically incorporate the general law by adding a contingency clause addressing the agency's authority; the landlord has not agreed to this clause and indicated that such a clause would interfere with the financing of its transaction. This lack of agreement is apparently tied to landlord's representation that its purchase of the demised premises has yet to be consummated. Without the landlord's agreement, the clause is not included in the lease. Therefore, in the event that a dispute related to an agency's authority to bind arose, the State would be left to rely on the general law that an agency head has no authority to incur financial obligations for which the agency lacks appropriations, and the non-appropriations clause set forth in the lease. Non-recurring funds are required to move each agency, as well as to effectuate renovations at Otarre Parkway to densify the facility to accommodate the number of employees, to create a space for DPH's Vital Records Division with a dry fire suppression system and to create a reinforced security room and two service counters for DMH. Recurring funds are required to support the rent payments, operating costs, potential capital costs less than \$100,000 and tenant refresh. To make clear that the general law applies to this lease, Admin requests that JBRC's review include a recognition that an agency's authority to bind the agency to the contractual requirements of the lease is dependent and contingent upon sufficient appropriations of both recurring and non-recurring funds in the 2024-25 Appropriations Act and that without sufficient appropriations the execution of the lease would be void.

Admin inquired with landlord as to including a provision in the lease that allowed the State an option to purchase the demised premises at the end of the 20-year term with some credit for rent paid. There has been, however, no indication that the landlord is agreeable to such an option.

Colonial Life Boulevard

The property at 1200 Colonial Life Boulevard is composed of four buildings, totaling 496,000 square feet in a 50-acre campus like setting. DES would be leasing 191,730 square feet. It is located near Interstate 126, south of Bush River Road. The main entrance is secured by a guard, and there is card entry to the buildings and interior spaces. The facility is generally set up as an open work environment, but also includes huddle and quiet rooms as well as various size conference and training rooms. Amenities include a walking trail surrounding the campus, a fitness center, a cafeteria, a fully equipped conference center with audio-visual equipment, and a common atrium with seating and a coffee bar. The amenities are available for use by the tenants but, for cost purposes, are not included in the rentable square feet. The majority of the furniture, desks, workstations and conference room tables will be retained at the property for use by the tenants.

The proposed lease (see Appendix 2) at 1200 Colonial Life Boulevard for DES is a gross lease which means the rent includes all maintenance and operating costs, including insurance and taxes, as well as all capital repairs and replacements. The term of the lease would be 20 years beginning July 1, 2024, or upon completion of the renovations as defined in the lease, which is anticipated to be no later than October 1, 2024, contingent upon the appropriation of funding from the General Assembly. The rate for the first year of the term is \$17.77/SF, with 3% annual increases thereafter.

The following chart shows the responsibilities of the tenant and landlord under the proposed lease.

Location	Expense	Responsible	
		Landlord	Tenant
1200 Colonial Life			
20-yr Gross Lease			
	Building Maintenance	X	
	Water	X	
	Sewer	X	
	Electricity	X	
	Janitorial	X	
	Groundskeeping	X	
	Trash Removal	X	
	Security Service	X	
	Pest Control	X	
	Parking	X	
	Capital Expenses	X	
	Cafeteria	X	
	Fitness Center	X	
\$10/SF	Tenant Improvement Allowance	X	

The RFP included the standard state lease. The standard lease includes certain terms in the generic sense without definition or refinement to tailor them to specific circumstances. Given the nature of this lease, negotiations with the landlord resulted in further definition and refinement of those certain lease terms such that they still comply with any statutory requirements, but also relate to the specific circumstances of this complex transaction. The definitions and refinements relate to the following terms:

- ❖ Non-appropriation - Appropriation is defined as an appropriation by the General Assembly, rather than an operational decision made by the specific agency once sufficient funds have been appropriated. The landlord can opt to defer any shortfall in tenant obligations created by a lack of appropriations until the next fiscal year and allow the tenant to remain in the demised premises during that fiscal year. The tenant would only be obligated to pay accrued rent without interest and only if there were/are sufficient appropriations made in the ensuing fiscal year. In no event will tenant be responsible for any obligation for which there are insufficient appropriations.

- ❖ Dissolution - To be consistent with the proviso, the termination provision related to the dissolution of a tenant agency has been refined to consider successor agencies to the dissolved tenant agency. Any successor agency or department that assumes responsibility for state level leadership and support for the programs and functions currently performed by the dissolved agency shall be deemed to have assumed this lease and all further obligations under this lease. (While not specifically included in the standard lease, this is consistent with past state policy regarding agency dissolution; see Act 60 of 2023 [DHEC] and Act 121 of 2014 [B&CB].)
- ❖ Substitution of public space - What qualifies as substitute public space allowing for termination is generally not defined in Admin’s leases nor is it defined statutorily. The term allowing for cancellation of this lease when public space can be substituted has been refined through negotiation with the landlord consistent with the priorities in the proviso. To exercise the substitution clause to terminate this lease, all of the agency must relocate to another premises satisfying the requirements of Proviso 118.22 of Act 84 of 2023, which premises is owned or otherwise controlled by the State of South Carolina or any political subdivision thereof and located within the Greater Columbia Metropolitan Area, as that term is commonly understood.

Additionally, the lease requires that the landlord furnish the tenant with an executed Subordination, Non-Disturbance and Attornment Agreement signed by the lender for any mortgage associated with the property to protect tenant’s peaceful and quiet possession.

The proposed lease would commence July 1, 2024, or the date upon which the landlord completes the necessary tenant renovations, which is anticipated to be no later than October 1, 2024; however, the landlord requests the lease be signed upon approval by JBRC to secure the space. The agency would need additional appropriations for the proposed lease. As such, the lease contains a provision that execution is contingent upon the agency receiving sufficient appropriations from the General Assembly of both recurring and non-recurring funds in the 2024-25 Appropriations Act. Non-recurring funds are required to move the agency. Recurring funds are required to support the rent payments and tenant refresh.

VI. FINANCIAL SUMMARY

To determine the total financial impact of all transactions involved in the State vacating affected buildings on Bull Street and moving to commercial lease space, Admin considered three components: the costs that could be avoided by the State over the 20-year period if the State no longer maintained and owned the affected buildings on the Bull Street property; the total costs of the two proposed leases over the 20-year lease periods; and the recurring and non-recurring appropriations needed by each agency that are proposed to move to the new commercial lease sites. An explanation of each of the three components follows.

1. Cost Avoidance

Admin first analyzed the costs to the State of the affected buildings on the Bull Street property over a period of 20 years. If the agencies move to new locations and the property is sold, the State will not incur those expenses, and the costs will be avoided. The total 20-year cost avoidance, or the projected decrease in expenditures to the State over 20 years, is shown in the chart below and is calculated as follows:

Cost Avoidance:							
	Sq.	Lease	Operating	Tenant		Non-Recurring	Grand
Building & Lot	FT	Payments	Costs	Refresh	Capital	Costs	Total
3440 Harden St (DDSN)	51,000		4,831,389	3,307,350	6,952,440		15,091,179
Sims/Aycock	220,229		25,017,761	14,281,851	32,070,531		71,370,143
Sims/Aycock Annex	4,913		2,029,264	318,608			2,347,872
Mills/Jarrett	89,619		11,340,565	5,811,792	21,832,243		38,984,600
Dept of Mental Health (2414 Bull St)	81,053		12,380,381	5,256,287	16,028,951		33,665,619
Subtotal Cost	446,814	-	55,599,360	28,975,888	76,884,165	-	161,459,413

❖ Operating Costs:

- Based on the current costs to operate the building (utilities, janitorial, minor repairs, etc.) plus a 3% inflation factor year over year for the 20-year period. The total estimated operating costs avoided are **\$55,599,360**.

- ❖ Tenant Refresh:
 - Tenant refresh represents the esthetic improvements to a building such as paint and flooring. The costs for tenant refresh for the affected buildings on the Bull Street property is calculated by assuming one refresh in the first 10 years at \$37.25 per square foot and one refresh in years 11-20 at \$27.60 per square foot. The first refresh is calculated at a higher per square footage rate because of abatement remediation that will need to be done before the improvements can be made. The abatement remediation will not have to be repeated in years 11-20. The total tenant refresh estimated cost avoided is **\$28,975,888**.
- ❖ Capital:
 - Admin hired firms to conduct facility condition assessments on the affected buildings on the Bull Street property to determine the capital costs of those buildings over the next 20 years. The costs in the chart reflect those firms' estimates of capital costs for the affected buildings. The total estimated capital costs avoided are **\$76,884,165**.

Admin has calculated the total estimated **cost avoidance** to the State if the affected buildings on the Bull Street property are vacated to be **\$161,459,413** over the 20-year period.

[2. Proposed Commercial Lease Costs](#)

Admin calculated the costs of the two proposed leases: Otarre Parkway and Colonial Life Boulevard. The chart below reflects the costs of the proposed leases.

Proposed Leased Costs:							
	Sq.	Lease/Vendor	Operating	Tenant		Non-Recurring	Grand
Commercial Lease	FT	Payments	Costs	Refresh	Capital	Costs	Total
DPH - 400 Otarre	345,064	194,248,377	44,959,162	9,109,766	5,031,447	8,262,997	261,611,749
DMH - 400 Otarre	89,211	50,219,936	11,623,501	2,255,224	1,300,803	2,338,822	67,738,286
DDSN - 400 Otarre	65,812	37,047,835	8,574,793	1,609,411	959,618	1,503,271	49,694,928
DAODAS-400 Otarre	14,274	8,035,325	1,859,791	380,162	208,132	406,023	10,889,433
SubTotals for Otarre	514,361	289,551,473	67,017,247	13,354,563	7,500,000	12,511,113	389,934,396
DES-Colonial Life	191,730	95,483,012		5,291,748		3,040,085	103,814,845
Admin-OTIS move Hub						2,000,000	2,000,000
Total Proposed Lease Cost	706,091	385,034,485	67,017,247	18,646,311	7,500,000	17,551,198	495,749,241

The total cost for the two proposed leases, including non-recurring expenses, is **\$495,749,241** over the 20-year lease periods. The total expenses are described below.

Otarre Parkway:

- ❖ The proposal moves the DPH, DMH, DDSN and DAODAS to the Otarre Parkway property to occupy 514,361 square feet.
- ❖ The lease is a 20-year triple net (NNN) lease which means the tenants are responsible for all maintenance and operating costs, including insurance and taxes.
- ❖ The tenants are also responsible for capital repairs and replacements less than \$100,000.
- ❖ The landlord is responsible for capital repairs and replacements greater than or equal to \$100,000 per incident.
- ❖ The estimated cost of the Otarre Parkway lease is calculated as follows:
 - Lease payments – The rate for the first year is \$20.95/square foot, with 3% annual increases thereafter. The total lease payments over the 20-year period are **\$289,551,473**.
 - Operating costs – The costs are based on the current occupant’s reported costs to operate the property (utilities, janitorial, minor repairs, etc.) plus a 3% inflation factor year over year for the 20-year period. The costs also include an estimate for property taxes which must be paid by the tenants. The total estimated operating costs over the 20-year period are **\$67,017,247**.
 - Tenant refresh – Tenant refresh represents the esthetic improvements to a building such as paint and flooring. The cost for tenant refresh is calculated by assuming one refresh in years 11-20 at \$27.60 per square foot. Due to the age of the campus, only one refresh is anticipated during years 11-20. The total estimated cost for tenant refresh is **\$13,354,563** over the 20-year period.
 - Capital – The capital costs are estimated to be \$2.5 million for the first 10 years and \$5 million for years 11-20. The costs are based on the market accepted rate for capital expenses, discounted by the amount for which the landlord is responsible. The total estimated capital costs are **\$7,500,000** over the 20-year period.
 - Non-recurring costs – The non-recurring costs are comprised of moving costs, the renovation costs to accommodate the agencies into the new campus and the information technology costs associated with moving the networks. Also, Admin estimates that it could take up to a year to move the agencies to their new campuses. Therefore, the non-recurring costs include one year of current lease payments for those agencies that lease state and commercial space and one year of operating expenses for those agencies that maintain their current facilities. The breakdown of estimated non-recurring costs is as follows:

Detail of Non-recurring Cost	Otarre
Moving Expense	1,543,083
Reno/Set-up	5,486,750
IT Moving Cost	2,118,789
Dual Rent/Excess Energy	3,362,491
Total	12,511,113

- ❖ The total estimated cost for the Otarre Parkway lease, including lease payments, operating costs, tenant refresh and capital expenses, and one-time expenses is **\$389,934,396**.

Colonial Life Boulevard:

- ❖ The proposal moves the DES to the Colonial Life Boulevard property to occupy 191,730 square feet.
- ❖ The lease is a 20-year gross lease which means the rent includes all maintenance and operating costs, including insurance and taxes.
- ❖ The landlord is also responsible for all capital repairs and replacements which are, as such, included in the rental rate.
- ❖ The cost of the Colonial Life Boulevard lease is calculated as follows:
 - Lease payments – The rate for the first year is \$17.75/square foot, with 3% annual increases thereafter. The total lease payments over the 20-year period are **\$95,483,012**.
 - Operating costs – There are no additional operating costs as they are included in the rental rate.
 - Tenant refresh – Tenant refresh represents the esthetic improvements to a building such as paint and flooring. The cost for tenant refresh is calculated by assuming one refresh in years 11-20 at \$27.60 per square foot. Due to the age of the campus, only one refresh is anticipated during years 11-20. The total estimated cost for tenant refresh is **\$5,291,748** over the 20-year period.
 - Capital – There are no additional capital costs as they are included in the rental rate.
 - Non-recurring costs – The non-recurring costs are comprised of moving costs and the information technology costs associated with moving the networks. There are no renovation costs to accommodate the agency as the lease provides for a \$10/square foot tenant improvement allowance. Also, Admin estimates that it could take up to a year to move the agencies to their new campuses. Therefore, the non-recurring costs include one year of their

current lease payments for state and commercial space. The breakdown of estimated non-recurring costs is as follows:

Detail of Non-recurring Cost	Colonial
Moving Expense	575,190
Reno/Set-up	-
IT Moving Cost	600,043
Dual Rent/Excess Energy	1,864,852
Total	3,040,085

- ❖ The total estimated cost for the Colonial Life Boulevard lease, including one-time expenses, is **\$103,814,845**.

Additional Admin Technology Costs:

- ❖ As part of moving agencies and vacating buildings on the Bull Street property, Admin will have to relocate an IT hub that is currently housed in the Mills/Jarrett Building.
- ❖ The hub connects 16 different government organizations to the State’s network, allowing them access to the internet. Additionally, it completes part of the State’s fiber ring downtown, providing redundancy and resiliency to the State’s network.
- ❖ The cost to relocate the hub is **\$2,000,000** and is a non-recurring expense.

The chart below shows a summary of the total estimated cost avoidance for the State as well as the total estimated costs for the two proposed commercial leases.

Cost Avoidance:							
	Sq.	Lease	Operating	Tenant		Non-Recurring	Grand
Building & Lot	FT	Payments	Costs	Refresh	Capital	Costs	Total
3440 Harden St (DDSN)	51,000		4,831,389	3,307,350	6,952,440		15,091,179
Sims/Aycock	220,229		25,017,761	14,281,851	32,070,531		71,370,143
Sims/Aycock Annex	4,913		2,029,264	318,608			2,347,872
Mills/Jarrett	89,619		11,340,565	5,811,792	21,832,243		38,984,600
Dept of Mental Health (2414 Bull St)	81,053		12,380,381	5,256,287	16,028,951		33,665,619
Subtotal Cost	446,814	-	55,599,360	28,975,888	76,884,165	-	161,459,413
Proposed Leased Costs:							
	Sq.	Lease/Vendor	Operating	Tenant		Non-Recurring	Grand
Commercial Lease	FT	Payments	Costs	Refresh	Capital	Costs	Total
DPH - 400 Otarre	345,064	194,248,377	44,959,162	9,109,766	5,031,447	8,262,997	261,611,749
DMH - 400 Otarre	89,211	50,219,936	11,623,501	2,255,224	1,300,803	2,338,822	67,738,286
DDSN - 400 Otarre	65,812	37,047,835	8,574,793	1,609,411	959,618	1,503,271	49,694,928
DAODAS-400 Otarre	14,274	8,035,325	1,859,791	380,162	208,132	406,023	10,889,433
SubTotals for Otarre	514,361	289,551,473	67,017,247	13,354,563	7,500,000	12,511,113	389,934,396
DES-Colonial Life	191,730	95,483,012		5,291,748		3,040,085	103,814,845
Admin-OTIS move Hub						2,000,000	2,000,000
Total Proposed Lease Cost	706,091	385,034,485	67,017,247	18,646,311	7,500,000	17,551,198	495,749,241
Difference							334,289,828

3. Recurring and Non-recurring Appropriations Required

Lastly, Admin calculated the total estimated appropriations needed by each agency to move from existing space to the commercial lease space. The appropriation required is calculated by using the annual rent paid by each agency that leases state and commercial space or the annual building operating expenses for those agencies that maintain their current facilities, less the total cost of the commercial lease for each agency. In total, the affected agencies will require an estimated additional **\$18,682,559** in recurring appropriations and **\$17,551,198** in non-recurring appropriations. The detail by agency is shown in the chart below.

Agency	DDSN	DHEC		DMH	DAODAS	Admin	Total
		DPH	DES				
Current Recurring Lease Cost							
Current Locations Sq. Ft	51,000	247,967	194,899	81,053	9,760		584,679
<i>DDSN-3440 Harden St EXT</i>	179,789						
<i>DHEC-Sims/Aycock</i>		535,669	1,576,034				
<i>DHEC-Sims/Aycock Annex</i>			28,164				
<i>DHEC-Mills/Jarrett</i>		1,087,216	22,534				
<i>DHEC-Columbia Mills</i>		748,643	188,326				
<i>DHEC-SCDAH/Parklane</i>		99,585	49,793				
<i>DHEC-1800 St. Julian Place, Suite 304</i>		69,822					
<i>DHEC-1800 St. Julian Place, Suite 206</i>		54,457					
<i>DHEC-630 Taylor Street</i>		88,000					
<i>DMH-2414 Bull Street</i>				460,781			
<i>DAODAS-1801 Main St.</i>					38,528		
Total Lease Cost By Bldg.	179,789	2,683,393	1,864,852	460,781	38,528		5,227,343
Current Rent Expense/Operating	179,789	2,683,393	1,864,852	460,781	38,528		5,227,343
State Funding % Used	0.00%	36.49%	36.49%	97.00%	14.50%		
Commercial Lease Cost							
Total Proposed Sq. Ft	65,812	345,064	191,730	89,211	14,274		706,091
Recurring	2,409,583	12,667,438	5,038,738	3,269,973	524,171		23,909,902
Non-Recurring	1,503,271	8,262,997	3,040,085	2,338,822	406,023	2,000,000	17,551,198
Additional Appropriations Needed:							
Recurring	2,229,794	9,984,045	3,173,886	2,809,192	485,643		18,682,559
Non-Recurring	1,503,271	8,262,997	3,040,085	2,338,822	406,023	2,000,000	17,551,198

Fiscal Impact Summary:

The chart below presents a summary of the difference between the State’s total estimated cost avoidance and proposed estimated commercial leases costs as well as a summary of the estimated appropriations needed should the State proceed with the commercial leases. Note that the summary does not include any estimate of sales proceeds should the State decide to sell the vacated buildings and land on the Bull Street property. The estimate would require an appraisal of the property.

Proviso 118.22 (SR: Bull Street Corridor Relocation)			
Financial Summary			
	Grand Total		
Cost Avoidance:	\$161,459,413	Est. over 20yrs	
Lease Option Cost	\$495,749,241	Est. over 20yrs	
Difference	\$334,289,828	Fiscal Impact Est. over 20yrs	
Additional Appropriations Required:			
New Recurring:	\$18,682,559		
Non-Recurring One-Time:	\$17,551,198		

VII. CONCLUSION

Admin has conducted the required RFP for the purposes of relocating one or all the state agencies or their successor agencies currently located on Bull Street in the City of Columbia and has presented the results of the RFP to include the proposed leases pursuant to Proviso 118.22. As the proviso states that “[a]fter review and comment of the JBRC, the lease is deemed legislatively approved and, not withstanding other provision of law, no further approvals are required,” Admin requests that:

1. If the JBRC determines it is in the best interest of the State to execute the Otarre Parkway and Colonial Life Boulevard leases, JBRC’s determination include a recognition that the tenant agencies are authorized to execute the leases, but the authority to bind the tenant agencies to the contractual requirements of the leases is dependent and contingent upon receipt by the agencies of sufficient appropriations of both recurring and non-recurring funds in the 2024-25 Appropriations Act and that without sufficient appropriations the executions of the leases would be void.
2. If the JBRC determines it is in the best interest of the State for DSS to be relocated from the Bull Street Corridor in addition to DHEC (DPH & DES,) DMH and DDSN, the JBRC instruct Admin to conduct a Request for Proposal (RFP) for the purposes of relocating DSS, to include any of its additional Columbia area offices as may be practicable.
3. If the JBRC determines it is in the best interest of the State to relocate any of the agencies from the Bull Street Corridor, the JBRC instruct Admin, DMH and DDSN, as applicable, to procure an appraisal through and under the authority and direction of Admin of those Bull Street properties which will eventually be vacated upon relocation of the agencies.

VIII. APPENDICES

[Appendix 1 – 400 Otarre Parkway Lease](#)

GOVERNMENTAL REAL ESTATE LEASE

THIS LEASE AGREEMENT (the “Lease”) is made as of the Effective Date (which is the date on which the Department of Administration, Real Property Services, approves this Lease as set forth on the signature page) by and between: **[SOC PROPERTIES LLC]** (the “Landlord”) having an address at 8910 Two Notch Road, 5th Floor, Columbia, SC 29223, and the entities identified on Schedule I (collectively “Tenants” and individually “Occupying Agency”), all agencies, institutions, departments (including any division or bureau thereof) of the State of South Carolina.

Preliminary Statement

The South Carolina General Assembly (the “General Assembly”) adopted Proviso 118.22 (the “Proviso”) during its 2023 legislative session. The Proviso directs the Department of Administration (the “ADMIN”) to conduct a Request for Proposals “for the purposes of relocating one or all of the state agencies or their successor agencies currently located on Bull Street in the City of Columbia.” In order to be considered by the ADMIN, “properties...must have space to accommodate all of one or more agenc[ies] to be relocated in one building or campus.” The Proviso defined a “campus” as “multiple buildings located on the same or adjacent parcels or property that share a common main entrance (“Campus”).” For ease of reference, a complete copy of the Proviso is attached hereto as Exhibit “E”, and the actual terms and provisions of the Proviso are incorporated herein as if set forth herein verbatim. Because of the size and complexity of leasing the State Office Campus, multiple state agencies will be designated as the Tenants for the State Office Campus, as such term is hereinafter defined and specific agencies will actually occupy portions of the Demised Premises (as hereinafter defined). Each State agency designated as a Tenant will be specifically responsible for payment of its share of the Rent (as hereinafter defined) and other financial obligations to be paid out of its appropriations.

ARTICLE 1 - DEMISE OF PREMISES

1.1. Landlord hereby leases and lets to Tenants and Tenants hereby take and hire from Landlord, upon and subject to the terms, covenants and provisions hereof, the premises (the “Demised Premises”) consisting of approximately 106 acres together with approximately 514,361 rentable square feet in five (5) buildings (the “Buildings”) located 400 Otarre Parkway, City of Cayce, in the County of Lexington, State of South Carolina (the “Land”), together with the benefit of any and all easements, appurtenances, rights and privileges now or hereafter belonging thereto. Floor plans of the Demised Premises are attached hereto as Exhibit “A”, together with a general description of the amenities contained within the Buildings. A legal description of the Land is attached hereto as Exhibit “A-1”. The Buildings, with all amenities contained therein, and the Land are herein collectively called the “State Office Campus”. Schedule I, attached hereto, sets forth each agency that will occupy a portion of the Demised Premises and specifies such agency’s pro rata share of the Rent and other financial obligations due and owing in connection with such occupancy. Landlord acknowledges and agrees that the State of South Carolina may substitute agencies to occupy portions of the Demised Premises at any time, from time to time, without Landlord’s consent or approval. Landlord acknowledges and agrees that the substitution of an agency will be reflected in an amendment to Schedule I and that any agency substituted will occupy the portions of the Demised Premises and become an Occupying Agency subject to the terms and conditions of this lease as if the substitution had not occurred. Any substitution of agencies will be administered by ADMIN (or its successor agency) pursuant to its authority to serve as central broker for the leasing of real property for state agencies pursuant to S.C. Code Ann. Section 1-11-55.

ARTICLE 2 - TERM

2.1. The term of this Lease shall be twenty (20) years (the “Term”). The Term of this Lease shall begin on July 1, 2024 (the “Commencement Date”) and, unless terminated or extended, shall end on June 30, 2044 (the “Termination Date”). Notwithstanding the foregoing and provided there is no continuing event of default hereunder by Tenants, subject to all applicable state law and all required state approvals, Tenants shall have the right to extend the Term of this Lease for two (2) consecutive terms of ten (10) years (collectively, the “Extended Term”, or separately, the “First Extended Term” and “Second Extended Term”, as described below), upon the same terms and conditions contained herein, except the amount of Basic Rent, by giving written notice to Landlord of Tenants’ intent to extend the then existing Term or Extended

Term as provided in Article 3 below. It is acknowledged and agreed that the options to extend the Term hereof as set forth below shall require all Occupying Agencies to simultaneously exercise such options. In the event, all Occupying Agencies do not desire to exercise the options to extend the Term hereof, Landlord, at its option, may accept the exercise of the options to extend the Term hereof by some but not all of the Occupying Agencies.

ARTICLE 3 - RENT

3.1. Tenants shall pay rent (the "Rent") to Landlord during the first year of the initial Term at the rate of \$20.95 per rentable square foot (rounded), in advance on or before the tenth (10th) day of each consecutive calendar month. The Rental Rate shall escalate three percent (3%) annually after the first year. Rent for the Term shall be payable by each state agency occupying a portion of the Demised Premises in the amounts set forth on Schedule II attached hereto. Any agency occupying a portion of the Demised Premises shall be responsible only for its portion of rent payments and other financial obligations under this lease and in no event shall one agency be responsible for the rent payments and other financial obligations under this lease of another Occupying Agency.

3.2. Subject to all applicable state law and required state approvals, Tenant shall have the options to extend the initial Term as follows:

OPTION #1: Tenants will have the right to extend the initial Term by providing written notice to Landlord no later than the first day of the last year of the initial Term. In the event all Tenants exercise this option by timely providing the required notice, annual Basic Rent for the First Extended Term shall escalate three percent (3%) annually for each year of the First Extended Term.

OPTION #2: Tenants will have the right to extend the First Extended Term by providing written notice to Landlord no later than the first day of the last year of the First Extended Term. In the event all Tenants exercise this option by timely providing the required notice, annual Basic Rent for the Second Extended Term shall escalate three percent (3%) annually for each year of the Second Extended Term.

3.3. Schedule I, as may be amended, shall reflect which state agencies shall occupy portions of the Demised Premises and be responsible, out of their agency budgets, for payment of the Rent as set forth on Schedule II attached hereto and incorporated herein. Each state agency occupying a portion of the Demised Premises shall be responsible for their pro rata share of Rent and all other costs and expenses to

be borne by Tenants hereunder. Each state agency occupying a portion of the Demised Premises shall be identified on Schedule I with such agency's obligations properly segregated and delineated on such Schedule I and Schedule II.

3.4. 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.

3.5. All rental payments to be made by Occupying Agencies 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. Any Occupying Agency shall be responsible only for its portion of rent payments and other financial obligations under this lease and in no event shall one agency be responsible for the rent payments and other financial obligations under this lease of another Occupying Agency.

3.6. Unless notified otherwise in writing, all payments of Rent shall be made payable via ACH to Landlord.

ARTICLE 4 - TENANTS' MAINTENANCE OBLIGATIONS AND BUILDING SERVICES OPERATING COST

Tenants shall have ongoing obligations regarding the Land and Buildings as provided herein.

4.1. Tenants shall directly contract for and shall directly pay all Building Services Operating Cost.

4.2. (a) "Building Services Operating Cost" shall mean the following specified expenditures made in the operation, management, insuring, securing and protecting, cleaning, repairing and maintaining of the Land and Buildings:

(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 Buildings;

(ii) All charges for utilities, of any kind or nature, including, without limitation, water and sewer use, electricity, gas, oil, communications and internet services, and other public utilities supplied to the Buildings;

(iii) The cost of materials and supplies for cleaning and securing the Buildings, windows, hallways, bathrooms, elevators, offices and food service areas;

(iv) All maintenance and service agreements for the Buildings and the equipment therein, including security service, window cleaning, janitorial service, elevator maintenance, maintenance of HVAC equipment, plumbing, controls, locks, and alarms; and

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

(vi) the costs of purchasing, installing and maintaining all landscaping and landscaped areas, including (without limitation) purchasing the landscaping plants, materials, mulch and related items, all required irrigation pipes, valves, heads and meter boxes;

(vii) mowing, weed removal, trimming, fertilizing, irrigating and maintaining all landscaped and grassy areas;

(viii) the costs of regularly sweeping, stripping, top dressing, patching, repairing the asphalt and resurfacing the parking areas located on the Land, the use of which is reserved for the Buildings;

(ix) the costs of maintaining any and all common areas, now or hereafter existing, located on the State Office Campus; and

(b) Building Services Operating Cost shall not include leasing commissions and rental agents' fees, interest, amortization, depreciation, debt service and capital expenditures (including but not limited to replacement of HVAC systems, roofs, windows, and building envelope).

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

ARTICLE 5 - USE

5.1. Tenants shall have the right to use the Demised Premises for any lawful purpose.

5.2. If during the Term the application of any statute, code or ordinance of Lexington County, South Carolina, applicable to the Buildings or the Demised Premises makes it impossible for an Occupying Agency to operate in the Demised Premises in accordance with subparagraph 5.1, then the Occupying Agency, at its option, may terminate its portion of this Lease, whereupon the Rent and all other charges payable hereunder by the Occupying Agency shall be apportioned as of such date of termination.

5.3 If an Occupying Agency elects to terminate this Lease pursuant to Section 5.2 hereinabove, the Occupying Agency must first provide Landlord a minimum of one hundred and eighty (180) days prior written notice of such intention (the "Notice"). Upon receipt of the Notice, Landlord shall be entitled to rectify and/or cure the condition which has occurred giving rise to the giving of such Notice. In the event Landlord is able to cure or rectify such condition, the Notice shall be deemed null and void.

ARTICLE 6 - ASSIGNMENT AND SUBLETTING

6.1. Tenants 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 pursuant to Article 1.1 hereinabove.

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

ARTICLE 7 - SERVICES

7.1. INTENTIONALLY OMITTED.

7.2. INTENTIONALLY OMITTED.

ARTICLE 8 – LANDLORD’S REPRESENTATIONS AND WARRANTIES

8.1. Landlord represents and warrants to Tenants that:

(a) Landlord is presently under contract to become the owner of the Land and Buildings 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 Tenants the exclusive use and possession of the Demised Premises. Landlord agrees to consummate its purchase of the Land and Buildings no later than the Commencement Date;

(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 Buildings nor the Demised 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 Buildings and the Demised Premises adequate public water, gravity fed storm and sanitary sewers, electricity and telephone service for Tenants' intended use of the Demised Premises as described in this Lease;

(e) INTENTIONALLY OMITTED;

(f) INTENTIONALLY OMITTED;

(g) INTENTIONALLY OMITTED;

(h) Landlord will provide peaceful and quiet enjoyment of the Demised Premises to Tenants and will not allow such peaceful and quiet enjoyment to be disrupted or interfered with by Landlord, by anyone claiming under Landlord or any other person, party or entity. Landlord represents and warrants that during the term of this Lease Landlord will not construct improvements upon any part of the Demised Premises for purposes other than the Tenants' authorized use without the Tenants' express consent and agreement;

(i) The Buildings 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;

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

(k) Landlord will provide all applicable building system warranties to Tenants and will cooperate with Tenants in requiring repairs under such warranties by contractor or manufacturer as applicable; and

(l) Tenants acknowledge that Landlord has provided a floor plan to scale of the Demised Premises as occupied by the Tenants at the Commencement Date.

8.2. Landlord acknowledges that Tenants are 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 Tenants. In the event such representations and warranties shall be breached by Landlord, affected Occupying

Agency, after written notice thereof to Landlord and adequate time to cure as specified in subparagraph 14.1(d) may

effect the cancellation of the Lease as specified in subparagraph 14.1(d).

ARTICLE 9 – TENANTS’ COVENANTS

9.1. Tenants covenant and agree that they shall:

(a) Pay Rent when due (provided a written invoice annually for all Rent due broken down monthly is submitted thirty (30) days in advance to each Occupying Agency by the Landlord); provided, however, that should any rent become more than fifteen (15) days past due, Landlord shall give the Occupying Agency notice in writing to pay the same within fifteen (15) days of receipt of such notice;

(b) Subject to Article 8 of this Lease, maintain the Demised Premises in a clean and good, first class, Class A condition and return the Demised Premises to Landlord at the termination of this Lease in accordance with Article 18 hereof. Tenants shall not be obligated to make any repairs arising out of or in any way caused by the negligence of Landlord, its agents or employees.

(c) Comply with all statutes, codes, ordinances, rules and regulations applicable to the Demised Premises;

(d) Upon request by Landlord and receipt of an executed Subordination, Non-Disturbance Agreement and Attornment Agreement in substantially the same form as Exhibit “B”, provide an executed Occupying Agency Estoppel as set forth in Exhibit “C.”

(e) Give Landlord reasonable notice of any accident, damage, destruction or occurrence affecting the Demised Premises; and

(f) Allow Landlord reasonable access to the Demised Premises for inspections.

ARTICLE 10 - ARCHITECTURAL BARRIERS

10.1. Landlord covenants and agrees that the Land, Buildings and Demised Premises, being open to the public, shall comply with any and all applicable State statutes, codes, rules, regulations and ordinances (any of which is hereinafter referred to as “Law” or collectively as “Laws”) with respect to architectural barriers or design that would prohibit free and full access to and use of the improved portions of the Land (to include sidewalks and surface parking areas), Buildings, Demised Premises or any part thereof by the aged, disabled or physically handicapped. In the event the improved portions of the Land (to include

sidewalks and surface parking areas), Buildings 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, Buildings 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. INTENTIONALLY OMITTED.

11.2. Tenants 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 their 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. Tenants shall advise Landlord, when requesting consent to install Improvements, whether Tenants will remove the Improvements at the termination of this Lease. If Tenants elect 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 Tenants, Tenants 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 Tenants 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 Tenants at any time and from time to time during the term of this Lease.

11.4 Tenants agree that all equipment, furniture or other personal property located in the Buildings as of the Commencement Date shall remain the property of Landlord and shall remain on the Demised Premises at all times during the term of this Lease.

ARTICLE 12 - CONDEMNATION AND CASUALTY

12.1. DAMAGE OR DESTRUCTION OF DEMISED PREMISES. If the Demised Premises are damaged by fire or other casualty but are not rendered untenable for any Occupying Agency's use, either in whole or in part, Landlord shall cause such damage to be repaired without delay and the Rent shall not abate. If by reason of such casualty the Demised Premises are rendered untenable for an Occupying Agency's use, either in whole or in part, Landlord shall cause the damage to the physical structure of the Buildings

(excluding any Tenants Alterations therein) to be repaired or replaced without delay, and, in the interim, the Rent shall be proportionately reduced as to such portion of the Demised Premises as is rendered untenable; provided, however, the affected Occupying Agency must vacate the portion of the Demised Premises deemed untenable during the period of Landlord's repairs for such abatement of Rent to be effective. Any such abatement of Rent shall not, however create an extension of the Term. Provided, however, if by reason of such casualty, the Demised Premises are rendered untenable in some material portion, and Landlord, in its reasonable estimation, determines that the amount of time required to repair the damage using due diligence is unreasonably excessive, as determined by Landlord, then Landlord shall have the right to terminate this Lease, as to the portion of the Demised Premises only so damaged, by giving written notice of termination within thirty (30) days after the date of casualty, and the Rent shall (i) abate as of the date of such casualty in proportion to the part of the Demised Premises rendered untenable and (ii) abate entirely as of the effective date of the termination of this Lease, as to the part of the Demised Premises rendered untenable, so long as and subject to the Landlord ultimately receiving the casualty insurance proceeds contemplated under Section 13.1. Provided, however, should the Landlord terminate a portion of this lease, the affected Occupying Agency shall have the right to terminate the lease for the entirety of the portion of the Demised Premises it occupies if, in the Occupying Agency's determination, the remaining premises no longer suits its needs, Notwithstanding the foregoing, in the event the casualty giving rise to an election to terminate is caused by the negligence, misconduct or acts or omissions of Tenants or Tenants' Invitees, Tenants shall have no right to terminate this Lease under this subparagraph 12.1. Notwithstanding the other provisions of this Section, in the event there should be a casualty loss to the Demised Premises during the last two (2) Lease Years of the Initial Term that renders a material portion of the Demised Premises untenable, Landlord may, at its option, terminate this Lease, as to the portion of Demised Premises that have become untenable, by giving written notice to affected Occupying Agency within thirty (30) days after the date of the casualty and the Rent shall abate as of the date of such casualty. Except as provided herein, Landlord shall have no obligation to rebuild or repair in case of fire or other casualty, and no termination under this Section shall affect any rights of Landlord or Tenants hereunder arising from the prior defaults of the other party. Tenants shall give Landlord immediate notice of any fire or other casualty in the Demised Premises. Notwithstanding anything contained in this Section to the contrary, Landlord shall only be obligated to restore the Demised Premises to a building standard condition unless, subject to the prior written consent of Landlord, Tenants make available to Landlord proceeds from Tenants' insurance sufficient to repair and restore the Demised Premises to the condition in which it existed

immediately prior to such casualty, including those items in excess of building standard. In any event, Landlord shall not be required to expend more funds than the amount received by Landlord from the proceeds of any insurance and any amounts received from Tenants.

12.2. EMINENT DOMAIN. If any substantial portion of the Demised Premises is taken under the power of eminent domain (including any conveyance made in lieu thereof) or if such taking shall materially impair the normal operation of an Occupying Agency's' business, then either the Landlord or the Occupying Agency shall have the right to terminate this Lease by giving written notice of such termination. If neither party elects to terminate this Lease prior to Landlord commencing repair and restoration, Landlord shall repair and restore the Demised Premises to the best possible tenantable condition (but only to the extent of any condemnation proceeds made available to Landlord).

12.3. INTENTIONALLY OMITTED.

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

ARTICLE 13 – INSURANCE AND TAXES

13.1. Tenants shall at all times during the Term of this Lease maintain, with insurers authorized to do business in the State of South Carolina, all risk insurance with extended coverage for the Buildings of which the Demised Premises is a part in an amount not less than the actual replacement cost, including the cost of debris removal. Landlord shall be the sole "loss payee" under any such insurance.

13.2 Tenants shall maintain general liability insurance for premises operation in form content and amounts acceptable to Landlord.

13.3 Tenants shall maintain rental interruption insurance for at least a twenty-four (24) month period.

13.4. Tenants shall directly pay, when due and upon timely receipt of the invoice from the Landlord, real estate taxes assessed against the Land and Buildings during the Term of this Lease.

ARTICLE 14 - TENANTS CANCELLATION PRIVILEGE

14.1. Notwithstanding the Commencement Date and Termination Date set forth in subparagraph 2.1 of this Lease and in addition to any right of termination as set forth in Article 12 of this Lease, any

Occupying Agency shall have the right, subject to the provisions below, 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, subject to the cure right provided in subparagraph (d) herein below, 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) (collectively, "Appropriations"), are not available to an Occupying Agency in an amount sufficient for the payment of Rent and all other payment obligations of the Occupying Agency pursuant to this Lease (the "Occupying Agency's Rent Obligations"). For purposes of subparagraph 14.1(a), Appropriations sufficient to carry out an Occupying Agency's Rent Obligations means an appropriation of state funds by the South Carolina General Assembly, revenue, income, grants or other funding, from any source (including but not limited to Federal, State and/or County sources) to the Occupying Agency in an amount sufficient to satisfy the Rent amount set forth in Article 3 and all other payment obligations with corresponding authority to use such Appropriations for Rent. An Occupying Agency may not exercise the cancellation or relinquishment provisions of this subparagraph 14.1(a) if the South Carolina General Assembly has provided Appropriations, or authority for the Occupying Agency to expend revenue, income, grants or other funding from any source sufficient to carry out Occupying Agency's Rent Obligations; or

(b) If the an Occupying Agency is dissolved or no longer performs the functions and purposes ascribed to it (the "Dissolved Agency"); provided, however, that if a successor agency or department (the "Successor Agency") assumes responsibility for state level leadership and support for the programs and functions currently performed by Dissolved Agency within the State of South Carolina, such Successor Agency shall be deemed to have assumed this Lease and all further obligations under this Lease;

(c) In the event a Successor Agency is not created, Tenants shall use good faith best efforts to either (i) expand the occupancy of the Demised Premises currently occupied by remaining Tenants in possession to replace with such expanded occupancy any space previously occupied by the Dissolved Agency; or (ii) replace the space occupied by the Dissolved Agency with a substitute state agency which will assume the obligations under this Lease for the Dissolved Agency. It is specifically acknowledged and agreed that Tenants and Landlord will endeavor at all times to have the State Office Campus occupied exclusively by agencies, institutions, or departments (including any division or bureau thereof) of the state of South Carolina; 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 one hundred and eighty (180) days after notice by an affected Occupying Agency to Landlord of such breach and request to cure or correct, or as otherwise stated herein; provided, however, if any such Landlord breach can be cured with the expenditure of money, Tenant's sole remedy shall be to self-help the cure and deduct the cost thereof from the next due monthly installments of Rent.

Notwithstanding anything in this Article 14 to the contrary, in the event an Occupying Agency determines the Appropriations are insufficient to pay the Occupying Agency's Rent Obligations, in full, prior to giving written notice of cancellation required hereinabove, Occupying Agency shall first notify Landlord, in writing, of such determination and the shortfall in Appropriations versus the Occupying Agency's Rent Obligations (the "Occupying Agency's Rent Obligations Shortfall"). The Landlord shall have the option of deferring the Occupying Agency's Rent Obligations Shortfall to succeeding calendar year(s) of the Lease ("Ensuing Years") and adding the same, without interest, to the Occupying Agency's Rent Obligations for such calendar year. In the event Landlord elects to defer the Occupying Agency's Rent Obligations Shortfall in this manner, Occupying Agency shall not have a right to cancel this Lease as provided in Article 14.1(a) hereinabove for such calendar year. Should the Appropriations as defined in subparagraph 14.1(a) for the Ensuing Year be insufficient to satisfy the Occupying Agency's Rent Obligations, and should Landlord **NOT** elect to defer as outlined herein, the Occupying Agency shall have the right to cancel this Lease in accordance with subparagraph 14.1(a). Under no circumstances will any Occupying Agency be responsible for any Occupying Agency's Rent Obligations for which there were/are insufficient Appropriations.

14.2. Landlord and Tenants recognize that the terms of this Lease are to be interpreted in such as manner as to satisfy the General Assembly's intent under the Proviso that Tenants enter into lease arrangements for relocation of certain activities conducted by Tenants from Bull Street, Columbia, South Carolina, to the State Office Campus. However, notwithstanding the foregoing recognition and in addition to the cancellation privileges set forth in subparagraph 14.1 and the Tenants' termination option set forth in subparagraph 5.2, Tenants shall also have the right to terminate this Lease at any time after the first six (6) months of the initial Term by giving one hundred and eighty (180) days' written notice to Landlord of Tenants' intention to relocate the entire Demised Premises to another Campus as such term is defined herein above and described in the Proviso owned or otherwise controlled by the State of South Carolina or

any political subdivision thereof, located within the Greater Columbia Metropolitan Area, as that term is commonly understood.

ARTICLE 15 - EXEMPTIONS

15.1. Landlord and Tenants agree that Tenants 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 Tenants pursuant to this Lease or for any service or item supplied to Tenants 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 Tenants under this Lease;

(d) Any form of insurance coverage for Landlord or any person or entity other than Tenants or for any real or personal property of any party other than Tenants 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 Tenants of their portion of the costs for the insurance required to be maintained by Tenants in accordance with Article 13 of this Lease;

(e) Any indemnification, hold harmless, release or waiver agreement by Tenants to Landlord or any other person, party or entity; and

(f) Payment of any late charges or penalties for failure by Tenants to make payment of 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 Buildings, 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 Tenants hereunder, the leasehold estate of Tenants created hereby and Tenants' 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 Buildings or the Demised Premises as of the Commencement Date, Landlord shall furnish Tenants with an executed Subordination, Non-Disturbance Agreement and Attornment Agreement in substantially the same form as Exhibit "B".

ARTICLE 17- CAPITAL REPAIRS

17.1. If at any time during the Term, or any Extended Term, if any, Tenants shall find in the Demised Premises items in need of capital repair or replacement, except those items covered under Article 12, having a cost of repair or replacement greater than \$100,000.00, which affect Tenants' use and enjoyment of the Demised Premises, Tenants shall give written notice thereof to Landlord and Landlord shall, at its sole cost and expense, commence the repair, replacement or otherwise to cure the deficiencies described by Tenants within sixty (60) days of the date of Tenants' notice thereof. In the event Landlord shall fail or refuse to repair, replace or cure the deficiency within the time aforesaid, Tenants shall undertake such repair, replacement or cure and, in such event, shall have the right to deduct the cost thereof from the next due monthly installments of Rent. For the sake of clarity, the foregoing provision is intended to mean that if the entire cost or replacement is less than \$100,000.00, Tenants shall be solely responsible therefore; and, if the cost or replacement is greater than \$100,000.00, the Landlord shall be responsible for the entire cost thereof.

ARTICLE 18 - SURRENDER

18.1. Upon the expiration or earlier termination of this Lease, Tenants 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 Tenants and the results of any damage, destruction or Taking. Tenants 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 below:

Landlord:

[SOC Properties LLC]

8910 Two Notch Road, 5th Floor

Columbia, SC 29223

Email: bill@sternproperties.biz

Tenants:

See Schedule I

Copy to:

Department of Administration

Real Property Services

1200 Senate Street, 6th Floor

Columbia, South Carolina 29201

Email: rps@admin.sc.gov

Either party may, from time to time, by notice as herein provided, designate a different address to which notice to it shall be sent.

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 an Occupying Agency shall remain in the Demised Premises after the Term, as the case may be, has expired, the Occupying Agency shall be deemed to be a tenant from month to month and the Occupying Agency shall continue to pay the Rent last in effect under the Lease until either Landlord or Occupying Agency, by thirty (30) days' written notice to the other, shall terminate this Lease, whereupon

the Rent and all other charges payable by the Occupying Agency hereunder shall be apportioned as of such date of termination.

ARTICLE 22 – PARKING

22.1. Tenants shall have full access to and free use of the surface parking lot/parking garage surrounding the Buildings. Tenants shall be responsible for all required maintenance of the surface parking lot/parking garage and shall keep and maintain the same 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, Tenants shall have the option to terminate this Lease.

23.7. Exhibit "A" (Floor Plans), Exhibit "B" (Subordination, Non-Disturbance and Attornment Agreement), Exhibit C (Occupying Agency Estoppel Certificate), and Exhibit "D" (Building Rules and Regulations referred to in this Lease are 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 Tenants requires the approval of Department of Administration, Real Property Services.

23.9. This Lease is subject to and conditioned upon the approval of Department of Administration, Real Property Services and shall be of no force or effect until the consent of such office shall be endorsed herein.

23.10 The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, an electronic or telefaxed signature (hereinafter, an “Electronic Signature”) of any party or approver on this Lease shall be deemed valid and binding and admissible by any party against any other party as if same were an original ink signature. The parties further acknowledge and agree that they (a) intend to be bound by any Electronic Signatures affixed to this Lease, (b) are aware that the other party or parties will rely on any such Electronic Signatures, (c) such an electronically signed Lease may not be denied legal effect or enforceability solely because it is in electronic form or signed with an Electronic Signature, and (d) the foregoing provisions regarding Electronic Signature apply solely to the execution of this Lease, and shall in no event be deemed to amend any other written obligations of any party (including, but not limited to, any notice provisions) set forth in this Lease.

ARTICLE 24 – FORCE MAJEURE

24.1. In the event Landlord or Tenants shall be delayed, hindered or prevented from the performance of any act required hereunder, by reason of governmental restrictions, scarcity of labor or materials, strikes, fire, or any other reasons beyond its reasonable control, the performance of such act shall be excused for the period of delay, and the period for performance of any such act shall be extended as necessary to complete performance after the delay period. However, except as provided in Articles 5 & 12, the provisions of this Section shall in no way be applicable to Tenants’ obligations to pay Rent or any other sums, monies, costs, charges or expenses required by this Lease.

[Signature pages to follow.]

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:

(witness signature)

(witness signature)

TENANTS:

(signature for Occupying Agency)

(printed name and title of signatory)

(date signed by Occupying Agency)

(signature for Occupying Agency)

(printed name and title of signatory)

(date signed by Occupying Agency)

(witness signature)

(signature for Occupying Agency)

(printed name and title of signatory)

(date signed by Occupying Agency)

[Signature pages to follow.]

(witness signature)

(signature for Occupying Agency)

(printed name and title of signatory)

(date signed by Occupying Agency)

This Lease was solicited and is authorized in accordance with legislative approval pursuant to Proviso 118.22 in Part 1B of the 2023-2024 Appropriations Act (Act No. 84) by the Department of Administration, Real Property Services, this ____ day of _____, 20___. This Lease was reviewed by the Joint Bond Review Committee at its _____, 20__ meeting.

SCHEDULE I

<u>State Agency and Address</u>	<u>Rentable Square Feet In Demised Premises to be Directly Occupied</u>	<u>Pro Rata Share of Common Areas and Amenities¹</u>	<u>Total Rentable Square Feet</u>
SC Department of Public Health 2600 Bull Street Columbia, SC 29201	235,945	109,119	345,064
SC Department of Mental Health 2414 Bull Street Columbia, SC 29201	61,000	28,211	89,211
SC Department of Disabilities and Special Needs 3440 Harden Street Extension Columbia, SC 29203	45,000	20,812	65,812
SC Department of Alcohol and Other Drug Abuse Services 1800 Main Street, 12 th Floor Columbia, SC 29201	9,760	4,514	14,274

¹ In the event any Occupying Agency cancels its obligations under this Lease pursuant to Article 14.1(a) or (b) or 14.2, so long as such space remains unoccupied, then the remaining state agencies constituting the Tenants shall assume responsibility for the pro rata share of common areas and amenities which shall be recalculated on the basis of those state agencies constituting the Tenants then occupying the Demised Premises, as follows: A. the denominator shall be the sum of all rentable square feet in the Demised Premises being directly occupied by state agencies constituting the Tenants and the numerator shall be the rentable square feet being directly occupied by the each Occupying Agency; B. the calculation from A. multiplied by the total common areas and amenities square footage not to exceed XXX SF.

SCHEDULE II

RENT

STATE AGENCY: SC Department of Public Health

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	July 1,2024-June 30, 2025	\$7,229,090.80	\$602,424.23	\$20.95
YEAR 2	July 1,2025-June 30, 2026	\$7,445,963.52	\$620,496.96	\$21.58
YEAR 3	July 1,2026-June 30, 2027	\$7,669,342.43	\$639,111.87	\$22.23
YEAR 4	July 1,2027-June 30, 2028	\$7,899,422.70	\$658,285.23	\$22.89
YEAR 5	July 1,2028-June 30, 2029	\$8,136,405.38	\$678,033.78	\$23.58
YEAR 6	July 1,2029-June 30, 2030	\$8,380,497.55	\$698,374.80	\$24.29
YEAR 7	July 1,2030-June 30, 2031	\$8,631,912.47	\$719,326.04	\$25.02
YEAR 8	July 1,2031-June 30, 2032	\$8,890,869.85	\$740,905.82	\$25.77
YEAR 9	July 1,2032-June 30, 2033	\$9,157,595.94	\$763,133.00	\$26.54
YEAR 10	July 1,2033-June 30, 2034	\$9,432,323.82	\$786,026.98	\$27.33
YEAR 11	July 1,2034-June 30, 2035	\$9,715,293.53	\$809,607.79	\$28.16
YEAR 12	July 1,2035-June 30, 2036	\$10,006,752.34	\$833,896.03	\$29.00
YEAR 13	July 1,2036-June 30, 2037	\$10,306,954.91	\$858,912.91	\$29.87
YEAR 14	July 1,2037-June 30, 2038	\$10,616,163.56	\$884,680.30	\$30.77

YEAR 15	July 1,2038-June 30, 2039	\$10,934,648.46	\$911,220.71	\$31.69
YEAR 16	July 1,2039-June 30, 2040	\$11,262,687.92	\$938,557.33	\$32.64
YEAR 17	July 1,2040-June 30, 2041	\$11,600,568.56	\$966,714.05	\$33.62
YEAR 18	July 1,2041-June 30, 2042	\$11,948,585.61	\$995,715.47	\$34.63
YEAR 19	July 1,2042-June 30, 2043	\$12,307,043.18	\$1,025,586.93	\$35.67
YEAR 20	July 1,2043-June 30, 2044	\$12,676,254.48	\$1,056,354.54	\$36.74

STATE AGENCY: SC Department of Mental Health

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	July 1,2024-June 30, 2025	\$1,868,970.45	\$155,747.54	\$20.95
YEAR 2	July 1,2025-June 30, 2026	\$1,925,039.56	\$160,419.96	\$21.58
YEAR 3	July 1,2026-June 30, 2027	\$1,982,790.75	\$165,232.56	\$22.23
YEAR 4	July 1,2027-June 30, 2028	\$2,042,274.47	\$170,189.54	\$22.89
YEAR 5	July 1,2028-June 30, 2029	\$2,103,542.71	\$175,295.23	\$23.58
YEAR 6	July 1,2029-June 30, 2030	\$2,166,648.99	\$180,554.08	\$24.29
YEAR 7	July 1,2030-June 30, 2031	\$2,231,648.46	\$185,970.70	\$25.02
YEAR 8	July 1,2031-June 30, 2032	\$2,298,597.91	\$191,549.83	\$25.77
YEAR 9	July 1,2032-June 30, 2033	\$2,367,555.85	\$197,296.32	\$26.54
YEAR 10	July 1,2033-June 30, 2034	\$2,438,582.52	\$203,215.21	\$27.33

YEAR 11	July 1,2034-June 30, 2035	\$2,511,740.00	\$209,311.67	\$28.16
YEAR 12	July 1,2035-June 30, 2036	\$2,587,092.20	\$215,591.02	\$29.00
YEAR 13	July 1,2036-June 30, 2037	\$2,664,704.97	\$222,058.75	\$29.87
YEAR 14	July 1,2037-June 30, 2038	\$2,744,646.12	\$228,720.51	\$30.77
YEAR 15	July 1,2038-June 30, 2039	\$2,826,985.50	\$235,582.12	\$31.69
YEAR 16	July 1,2039-June 30, 2040	\$2,911,795.06	\$242,649.59	\$32.64
YEAR 17	July 1,2040-June 30, 2041	\$2,999,148.92	\$249,929.08	\$33.62
YEAR 18	July 1,2041-June 30, 2042	\$3,089,123.38	\$257,426.95	\$34.63
YEAR 19	July 1,2042-June 30, 2043	\$3,181,797.08	\$265,149.76	\$35.67
YEAR 20	July 1,2043-June 30, 2044	\$3,277,251.00	\$273,104.25	\$36.74

STATE AGENCY: SC Department of Disabilities and Special Needs

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	July 1,2024-June 30, 2025	\$1,378,761.40	\$114,896.78	\$20.95
YEAR 2	July 1,2025-June 30, 2026	\$1,420,124.24	\$118,343.69	\$21.58
YEAR 3	July 1,2026-June 30, 2027	\$1,462,727.97	\$121,894.00	\$22.23
YEAR 4	July 1,2027-June 30, 2028	\$1,506,609.81	\$125,550.82	\$22.89
YEAR 5	July 1,2028-June 30, 2029	\$1,551,808.10	\$129,317.34	\$23.58
YEAR 6	July 1,2029-June 30, 2030	\$1,598,362.35	\$133,196.86	\$24.29
YEAR 7	July 1,2030-June 30, 2031	\$1,646,313.22	\$137,192.77	\$25.02
YEAR 8	July 1,2031-June 30, 2032	\$1,695,702.61	\$141,308.55	\$25.77
YEAR 9	July 1,2032-June 30, 2033	\$1,746,573.69	\$145,547.81	\$26.54
YEAR 10	July 1,2033-June 30, 2034	\$1,798,970.90	\$149,914.24	\$27.33
YEAR 11	July 1,2034-June 30, 2035	\$1,852,940.03	\$154,411.67	\$28.16
YEAR 12	July 1,2035-June 30, 2036	\$1,908,528.23	\$159,044.02	\$29.00
YEAR 13	July 1,2036-June 30, 2037	\$1,965,784.08	\$163,815.34	\$29.87
YEAR 14	July 1,2037-June 30, 2038	\$2,024,757.60	\$168,729.80	\$30.77
YEAR 15	July 1,2038-June 30, 2039	\$2,085,500.33	\$173,791.69	\$31.69
YEAR 16	July 1,2039-June 30, 2040	\$2,148,065.34	\$179,005.44	\$32.64

YEAR 17	July 1,2040-June 30, 2041	\$2,212,507.30	\$184,375.61	\$33.62
YEAR 18	July 1,2041-June 30, 2042	\$2,278,882.52	\$189,906.88	\$34.63
YEAR 19	July 1,2042-June 30, 2043	\$2,347,248.99	\$195,604.08	\$35.67
YEAR 20	July 1,2043-June 30, 2044	\$2,417,666.46	\$201,472.21	\$36.74

STATE AGENCY: SC Department of Alcohol and Other Drug Abuse Services

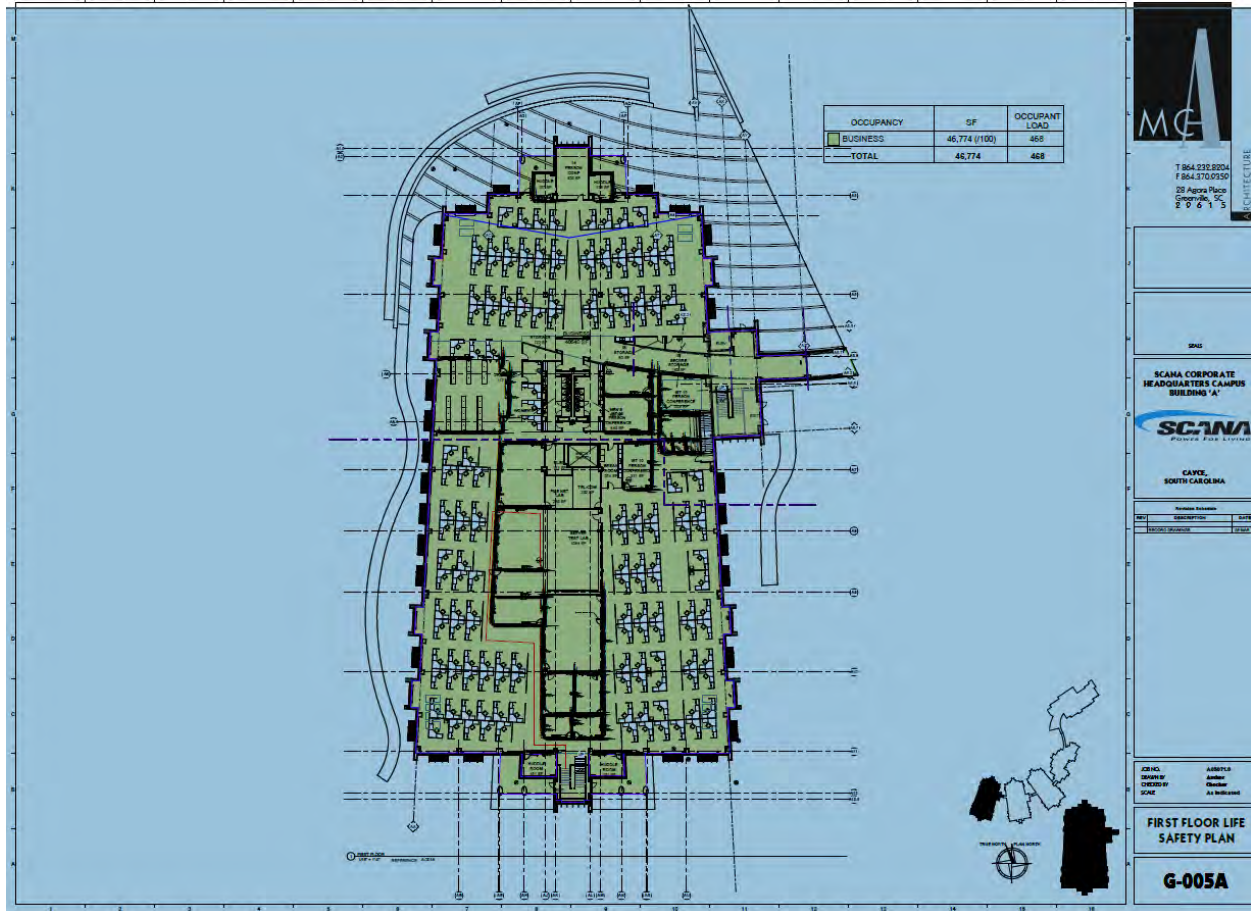
<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	July 1,2024-June 30, 2025	\$299,040.30	\$24,920.03	\$20.95
YEAR 2	July 1,2025-June 30, 2026	\$308,011.51	\$25,667.63	\$21.58
YEAR 3	July 1,2026-June 30, 2027	\$317,251.85	\$26,437.65	\$22.23
YEAR 4	July 1,2027-June 30, 2028	\$326,769.41	\$27,230.78	\$22.89
YEAR 5	July 1,2028-June 30, 2029	\$336,572.49	\$28,047.71	\$23.58
YEAR 6	July 1,2029-June 30, 2030	\$346,669.67	\$28,889.14	\$24.29
YEAR 7	July 1,2030-June 30, 2031	\$357,069.76	\$29,755.81	\$25.02
YEAR 8	July 1,2031-June 30, 2032	\$367,781.85	\$30,648.49	\$25.77
YEAR 9	July 1,2032-June 30, 2033	\$378,815.31	\$31,567.94	\$26.54
YEAR 10	July 1,2033-June 30, 2034	\$390,179.76	\$32,514.98	\$27.33
YEAR 11	July 1,2034-June 30, 2035	\$401,885.16	\$33,490.43	\$28.16

YEAR 12	July 1,2035-June 30, 2036	\$413,941.71	\$34,495.14	\$29.00
YEAR 13	July 1,2036-June 30, 2037	\$426,359.96	\$35,530.00	\$29.87
YEAR 14	July 1,2037-June 30, 2038	\$439,150.76	\$36,595.90	\$30.77
YEAR 15	July 1,2038-June 30, 2039	\$452,325.29	\$37,693.77	\$31.69
YEAR 16	July 1,2039-June 30, 2040	\$465,895.04	\$38,824.59	\$32.64
YEAR 17	July 1,2040-June 30, 2041	\$479,871.89	\$39,989.32	\$33.62
YEAR 18	July 1,2041-June 30, 2042	\$494,268.05	\$41,189.00	\$34.63
YEAR 19	July 1,2042-June 30, 2043	\$509,096.09	\$42,424.67	\$35.67
YEAR 20	July 1,2043-June 30, 2044	\$524,368.98	\$43,697.41	\$36.74

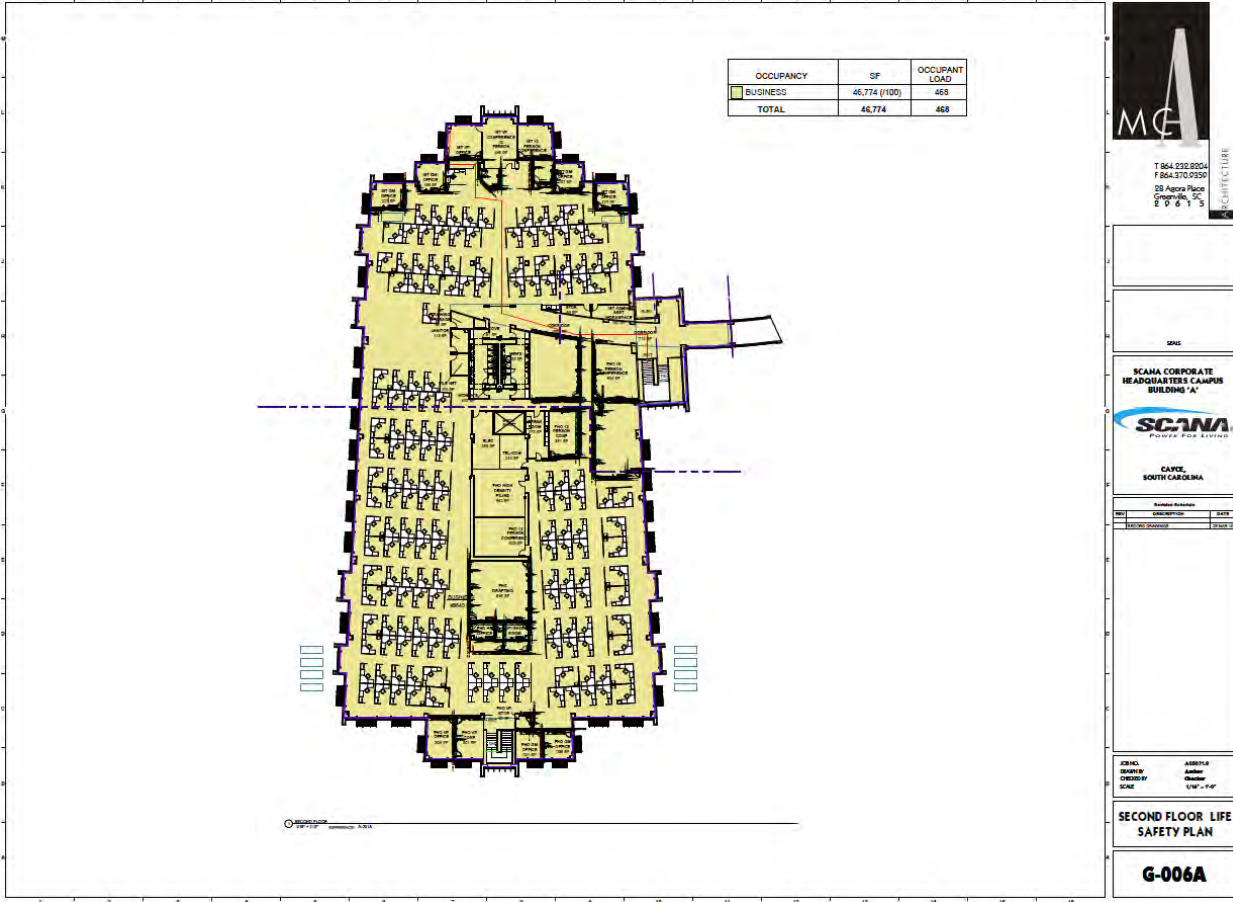
EXHIBIT "A"

FLOOR PLANS

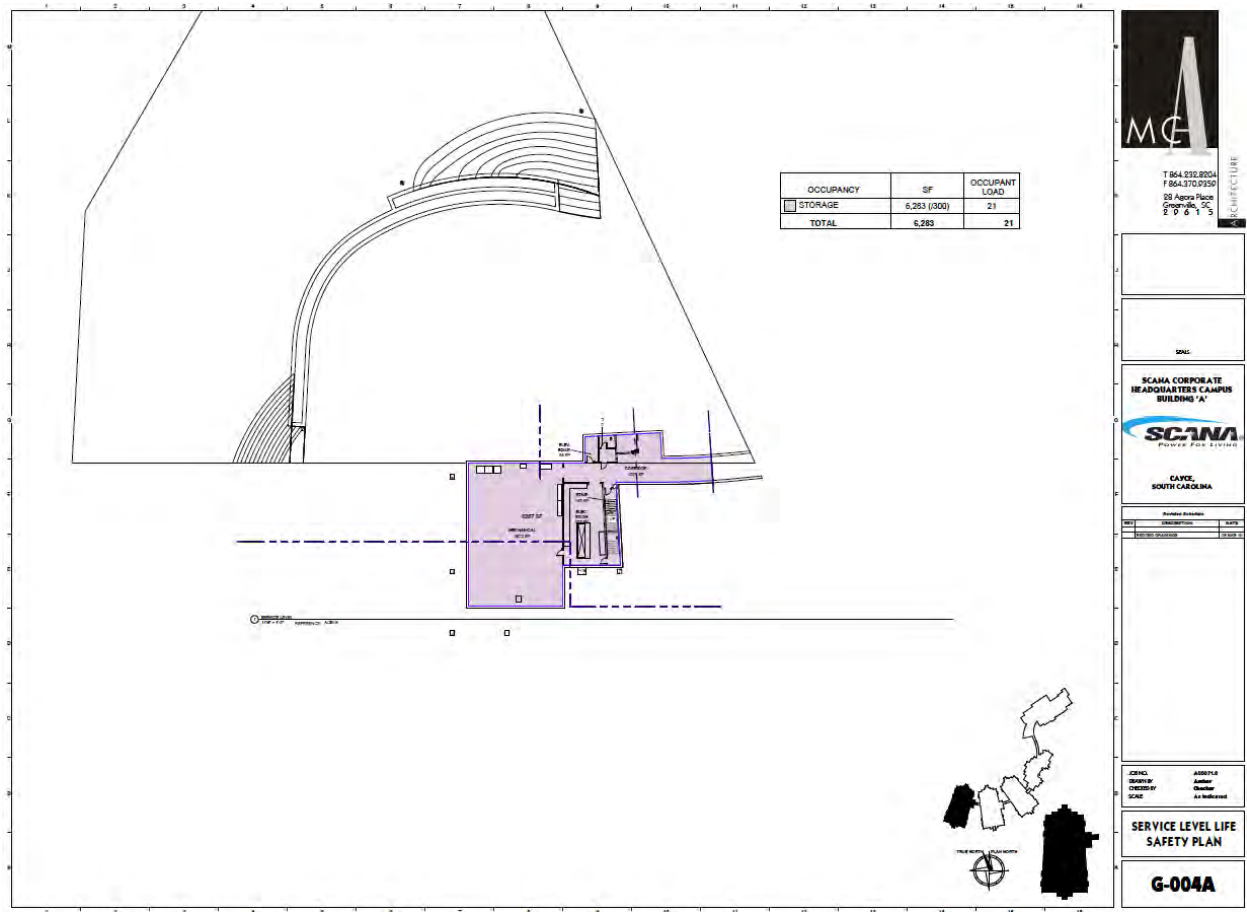
Building A First Floor



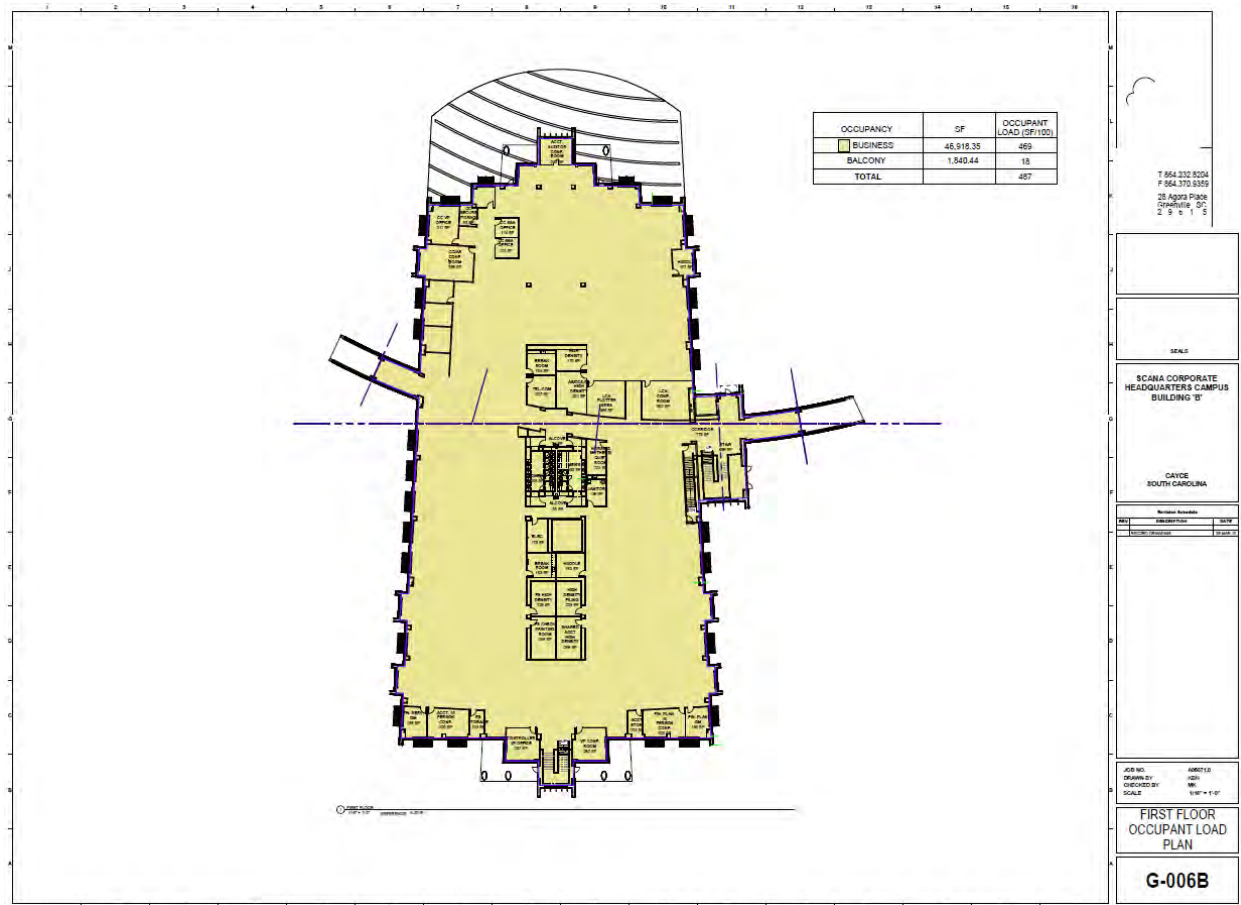
Building A Second Floor



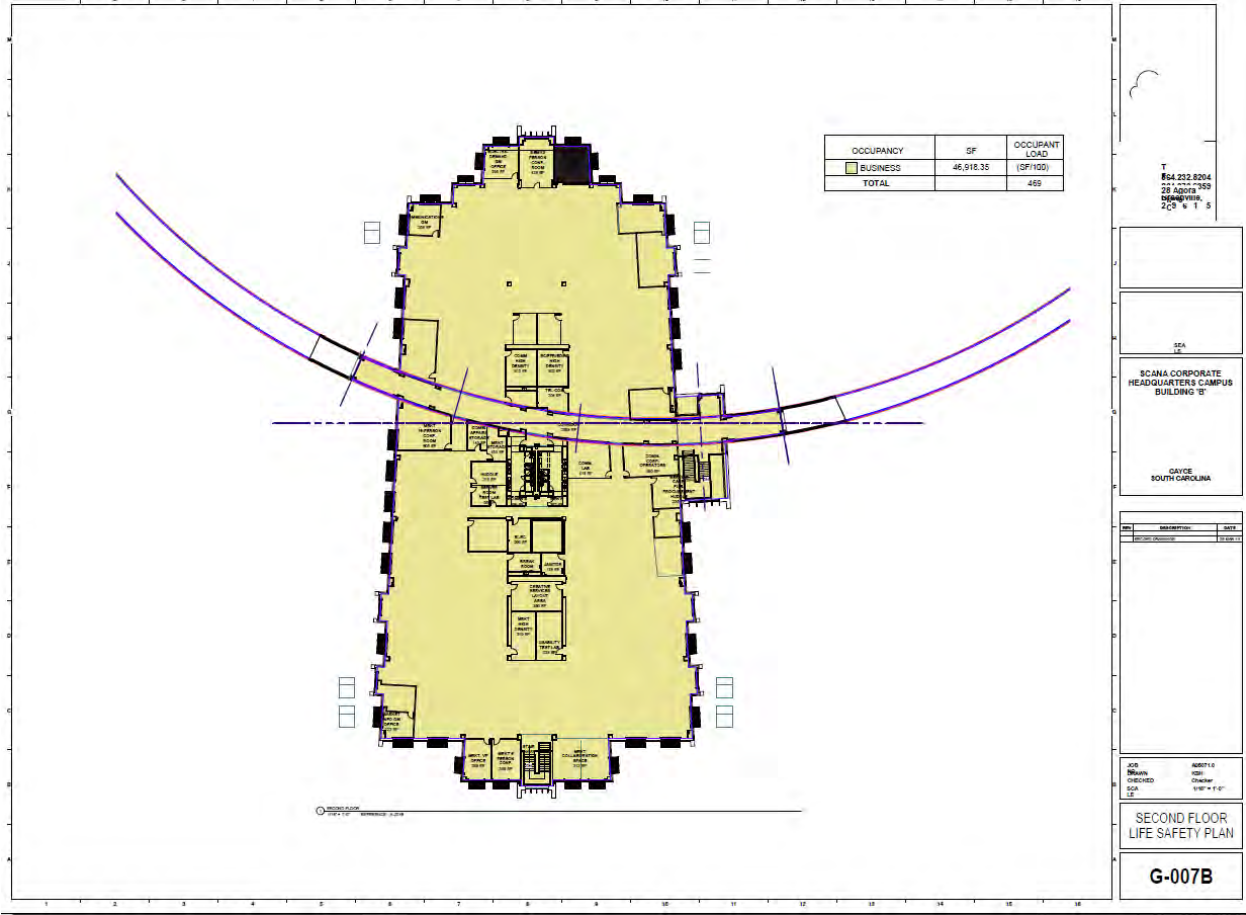
Building A Service Level



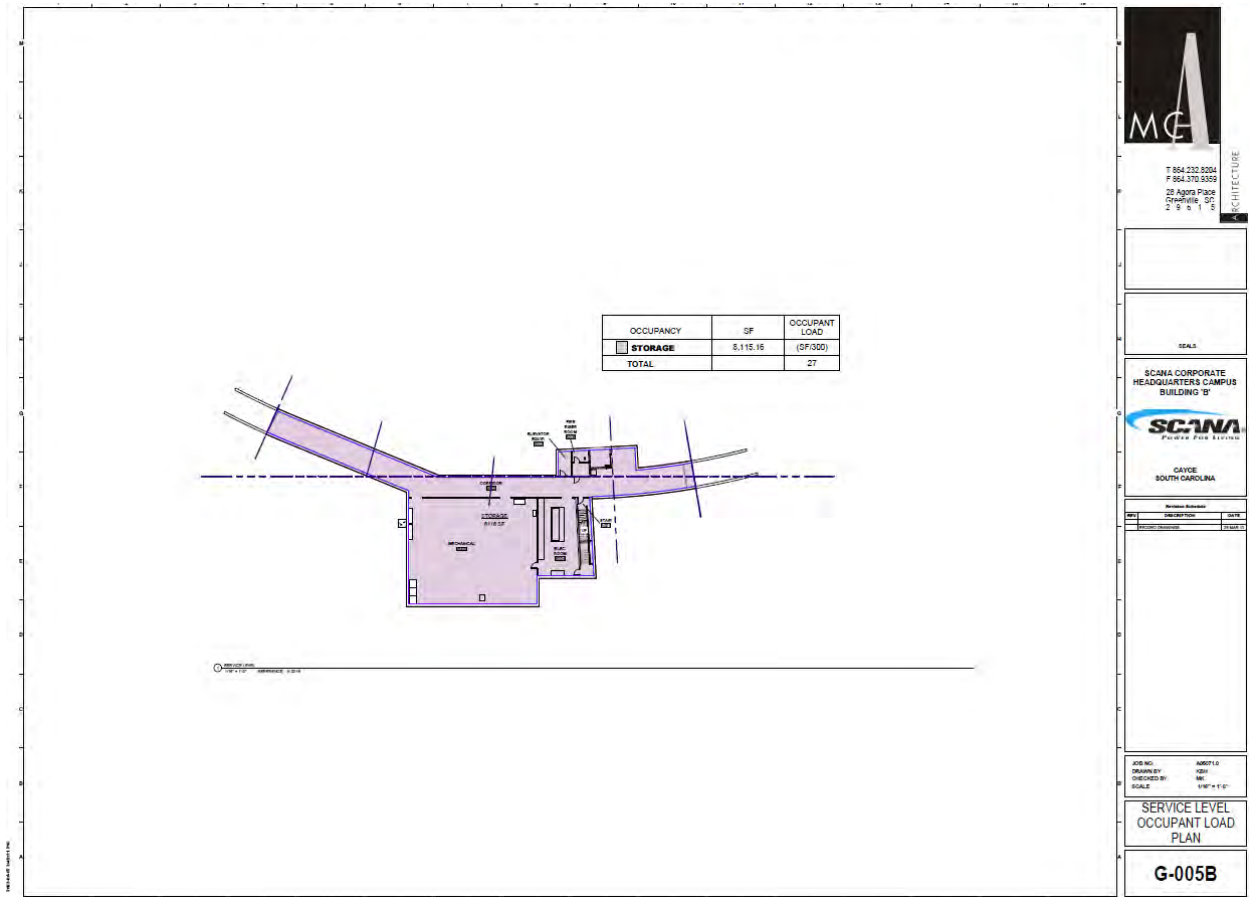
Building B First Floor



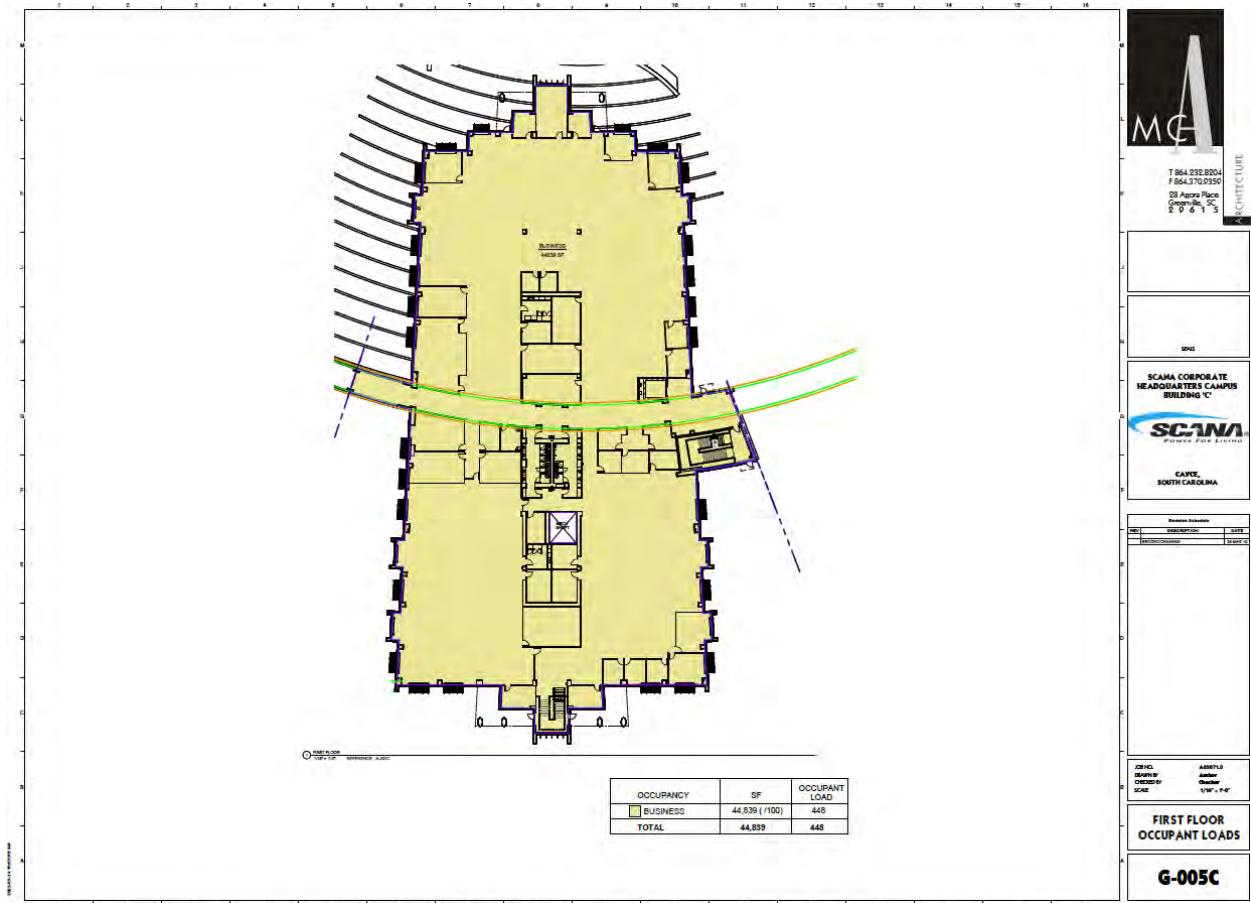
Building B Second Floor



Building B Service Level



Building C First Floor



MC ARCHITECTURE

T 864.232.8204
F 864.270.2350
28 Arena Place
Clemson, SC
29634-1113

SCANA CORPORATE HEADQUARTERS CAMPUS BUILDING "C"
SCANA
POWER FOR LIFE™
CAYCE, SOUTH CAROLINA

Project Information

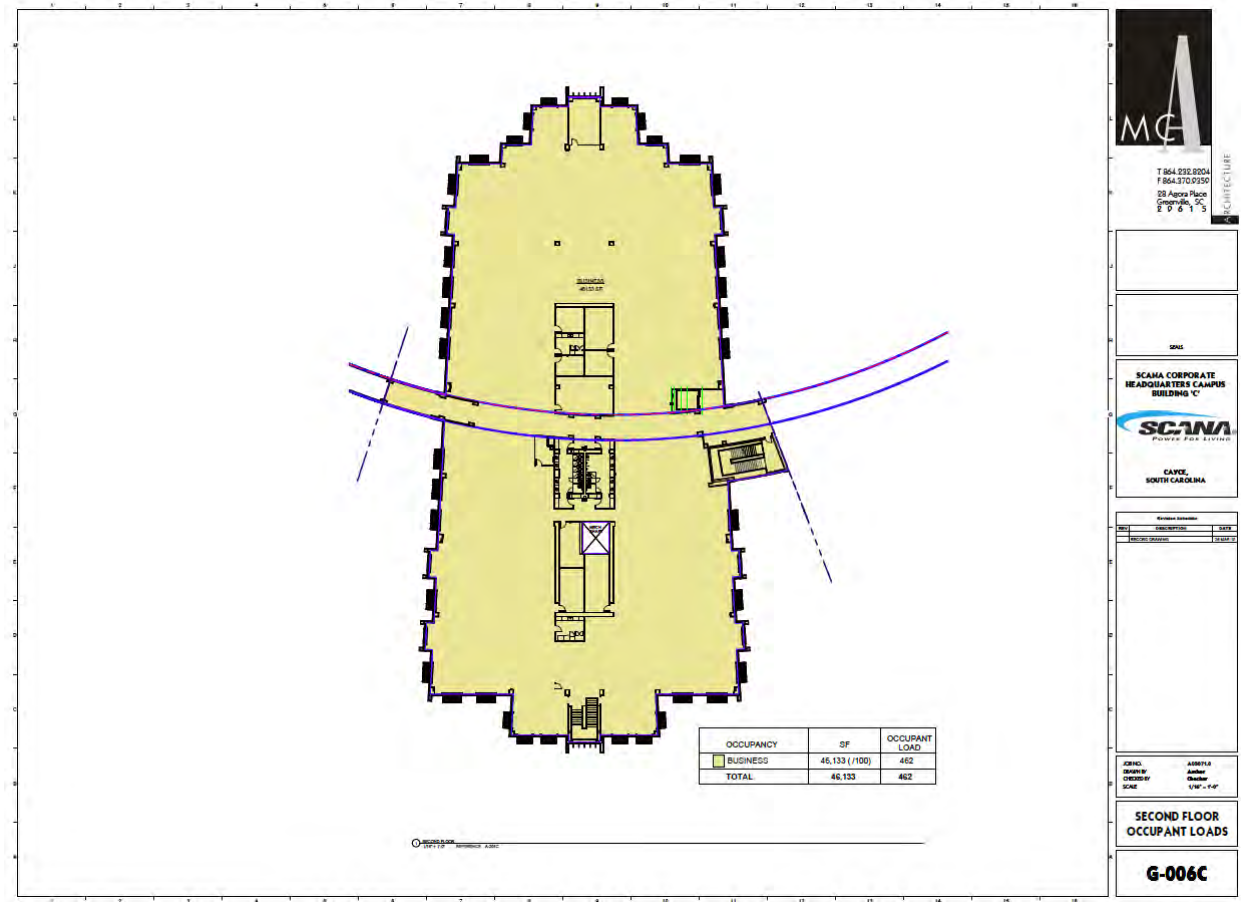
NO.	DESCRIPTION	DATE

DATE: 08/10/11
DRAWN BY: ASHLEY
CHECKED BY: QUINN
SCALE: 1/8" = 1'-0"

FIRST FLOOR OCCUPANT LOADS

G-005C

Building C Second Floor



MC
 T 864.232.8504
 F 864.232.9250
 22 Agora Place
 Columbia, SC
 29201-3103

SCANA CORPORATE HEADQUARTERS CAMPUS BUILDING 'C'
SCANA
 POWER FOR LIFE™
 COLUMBIA, SOUTH CAROLINA

REVISIONS

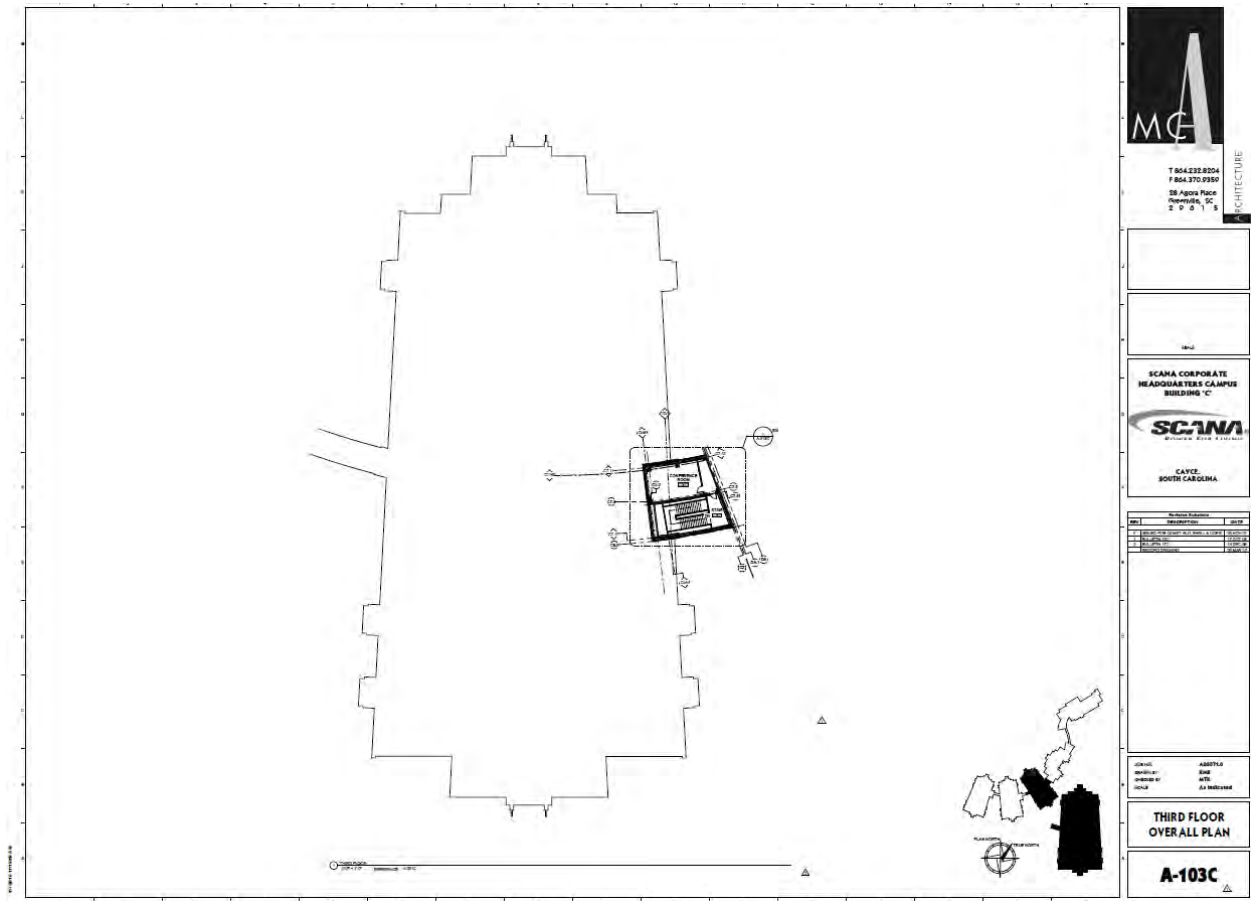
NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMIT	11/20/17

DESIGNED BY: [blank] DRAWN BY: [blank]
 CHECKED BY: [blank] DATE: [blank]

SECOND FLOOR OCCUPANT LOADS

G-006C

Building C Third Floor



MC
 T 864.332.8204
 F 864.370.0380
 20 Agnes Place
 Marietta, GA
 30067

ARCHITECTURE

SCANA CORPORATE
 HEADQUARTERS CAMPUS
 BUILDING C

SCANA
 SCANA CORPORATION

CAYCE,
 SOUTH CAROLINA

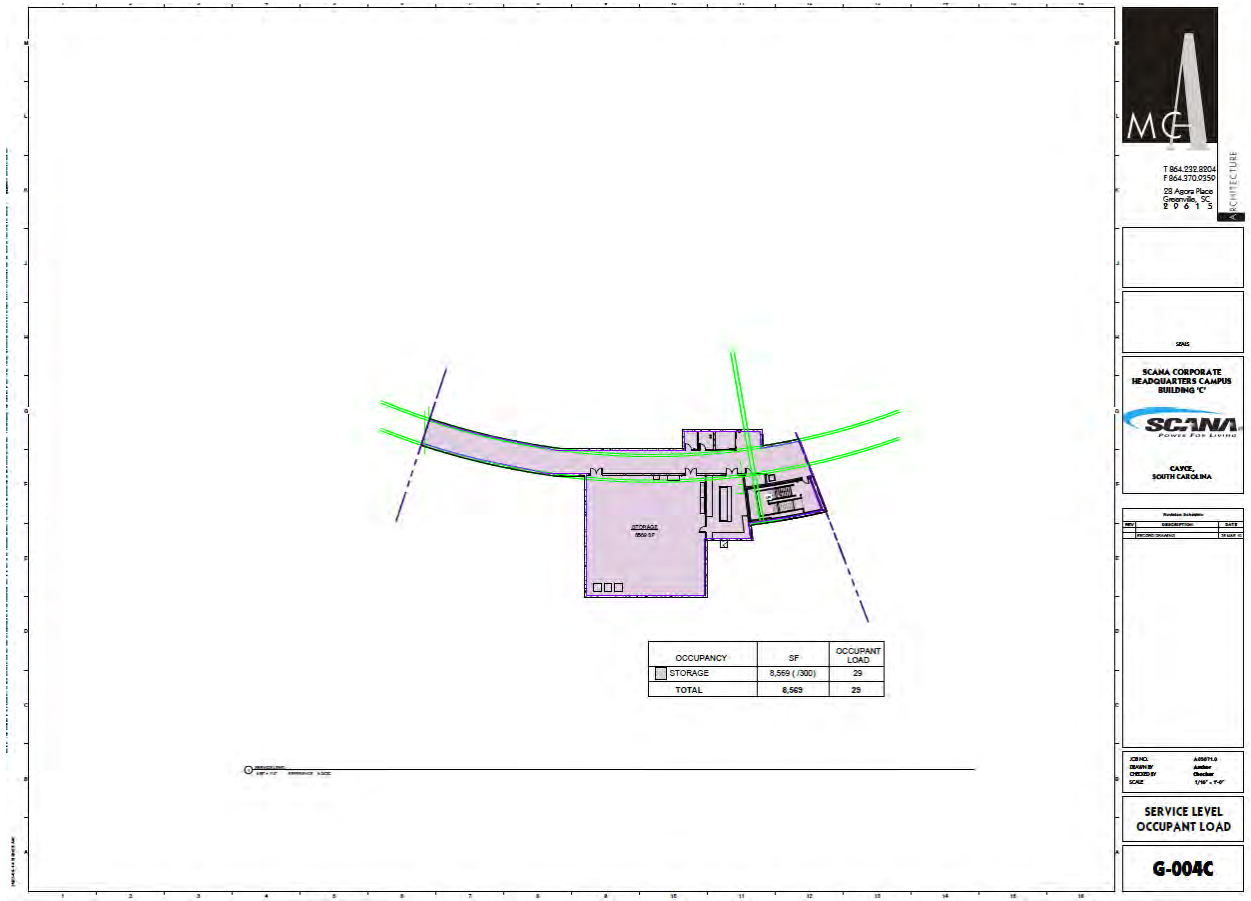
NO.	REVISION	DATE

DESIGNED BY: JEFFREY
 DRAWN BY: KIM
 CHECKED BY: JIM
 SCALE: AS SHOWN

**THIRD FLOOR
 OVERALL PLAN**

A-103C

Building C Service Level



MC
 T 864.232.8804
 F 864.370.0250
 23 Agric Place
 Greenville, SC
 27206-1135

SCANA CORPORATE HEADQUARTERS CAMPUS BUILDING C

SCANA
 POWER FOR LIFE

CAMPUS SOUTH CAROLINA

PROJECT NO: 118.22
 SHEET NO: G-004C

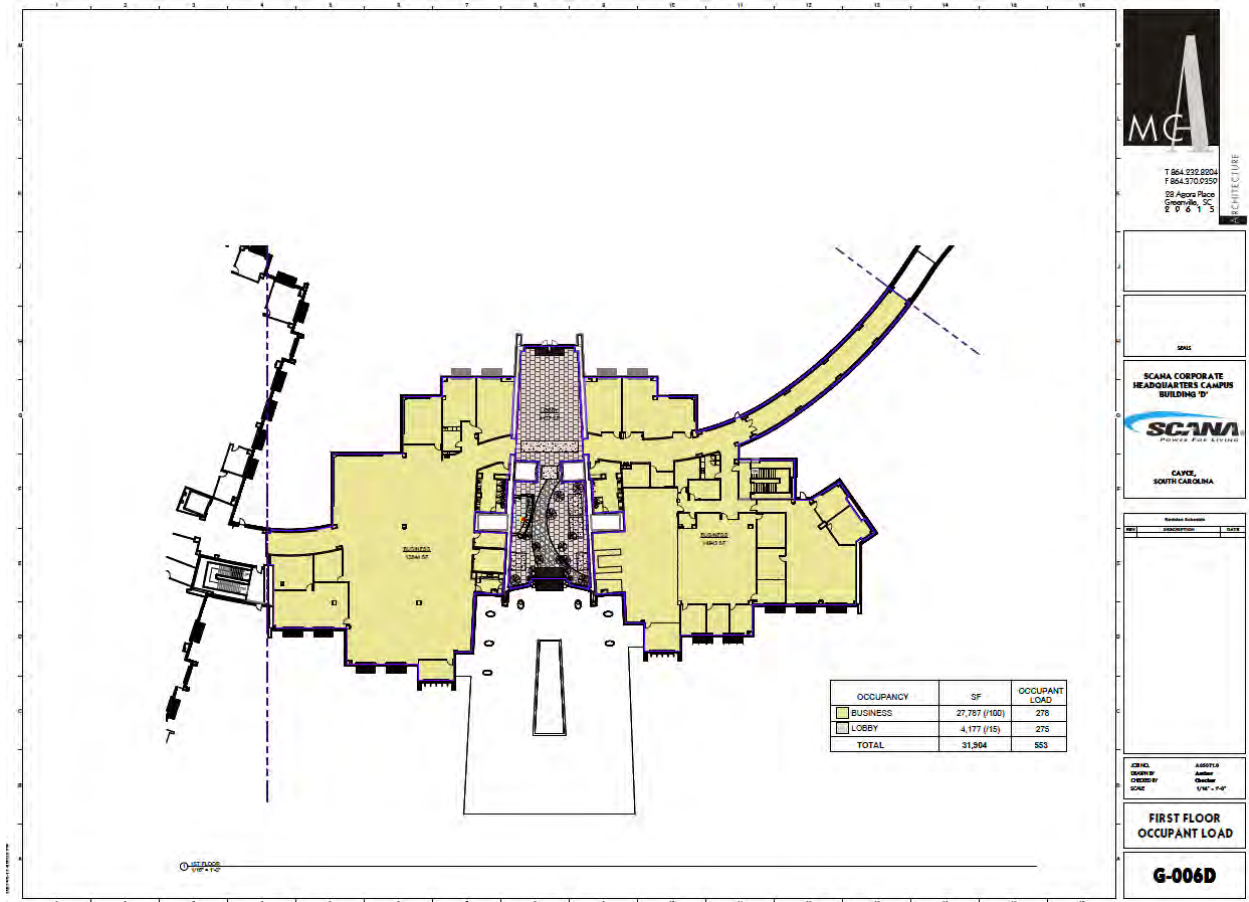
DATE: 11/15/11

DESIGNED BY: ADAMTA
 CHECKED BY: ADAMTA
 SCALE: 1/8" = 1'-0"

SERVICE LEVEL
 OCCUPANT LOAD

G-004C

Building D First Floor



MCE
 T 864.222.8204
 F 864.270.0550
 88 Agora Place
 Greenville, SC
 29615-1175

ARCHITECTURE

SCANA CORPORATE HEADQUARTERS CAMPUS BUILDING 'D'

SCANA
 POWER FOR AMERICA

CAYCE, SOUTH CAROLINA

Revision Schedule

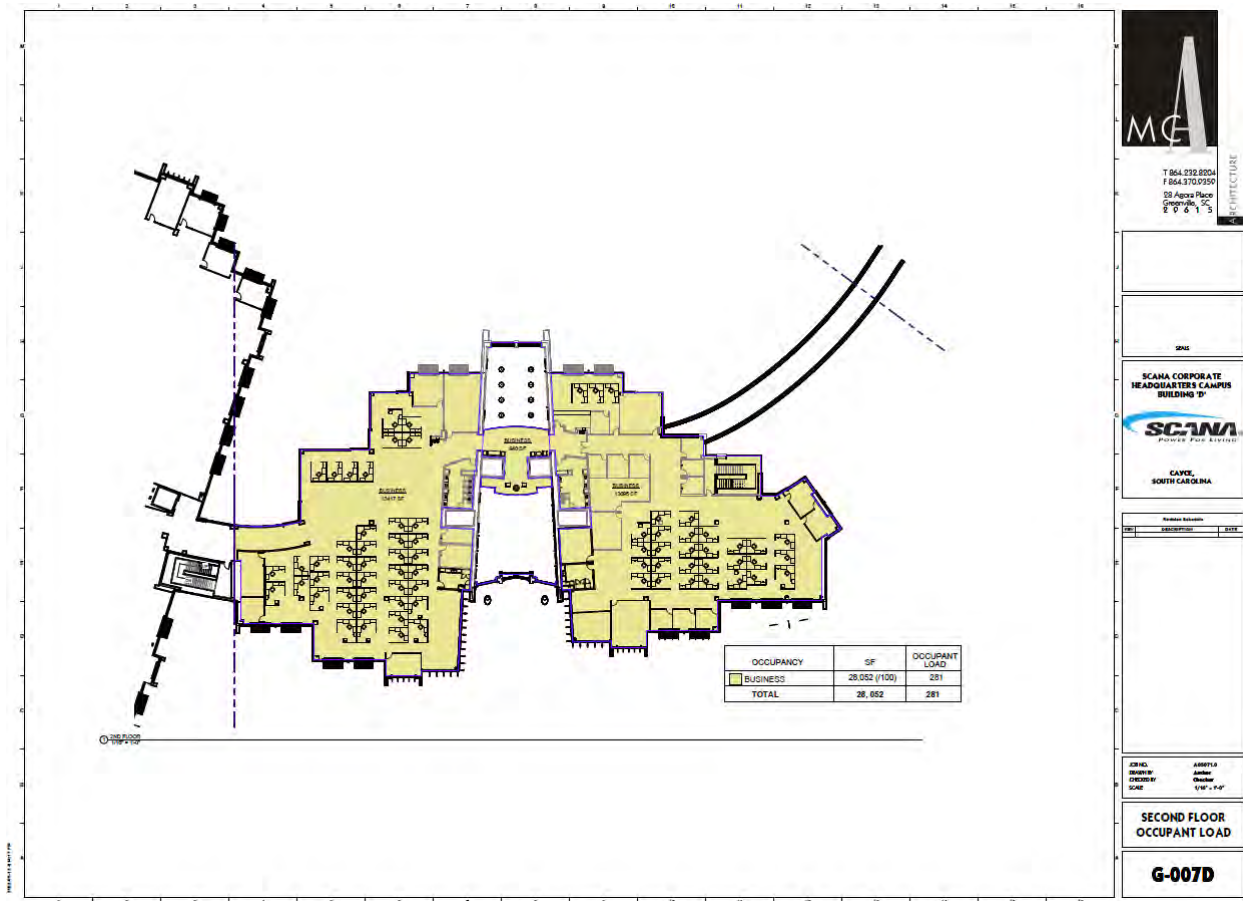
NO.	DESCRIPTION	DATE

DATE: 08/11/10
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 SCALE: 1/8" = 1'-0"

FIRST FLOOR OCCUPANT LOAD

G-006D

Building D Second Floor



MC
 T 864.332.2824
 F 864.370.0200
 29 Agric Place
 Greenville, SC
 29615

SCANA CORPORATE HEADQUARTERS CAMPUS BUILDING 1D
SCANA
 POWER FUEL SERVICE
 CAYLE, SOUTH CAROLINA

REVISIONS

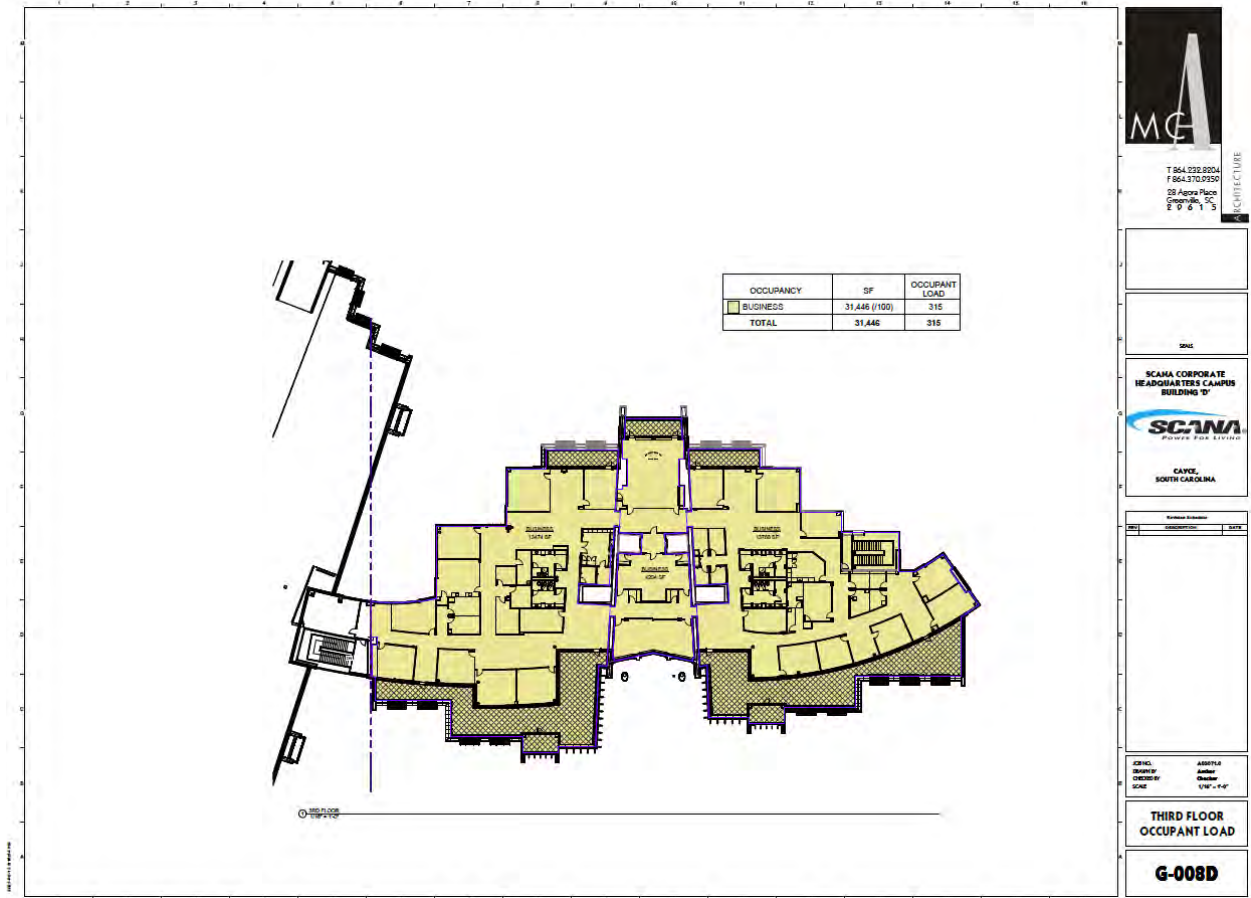
NO.	DESCRIPTION	DATE

DATE: 08/11/11
 DRAWN BY: JMM
 CHECKED BY: JMM
 SCALE: 1/8" = 1'-0"

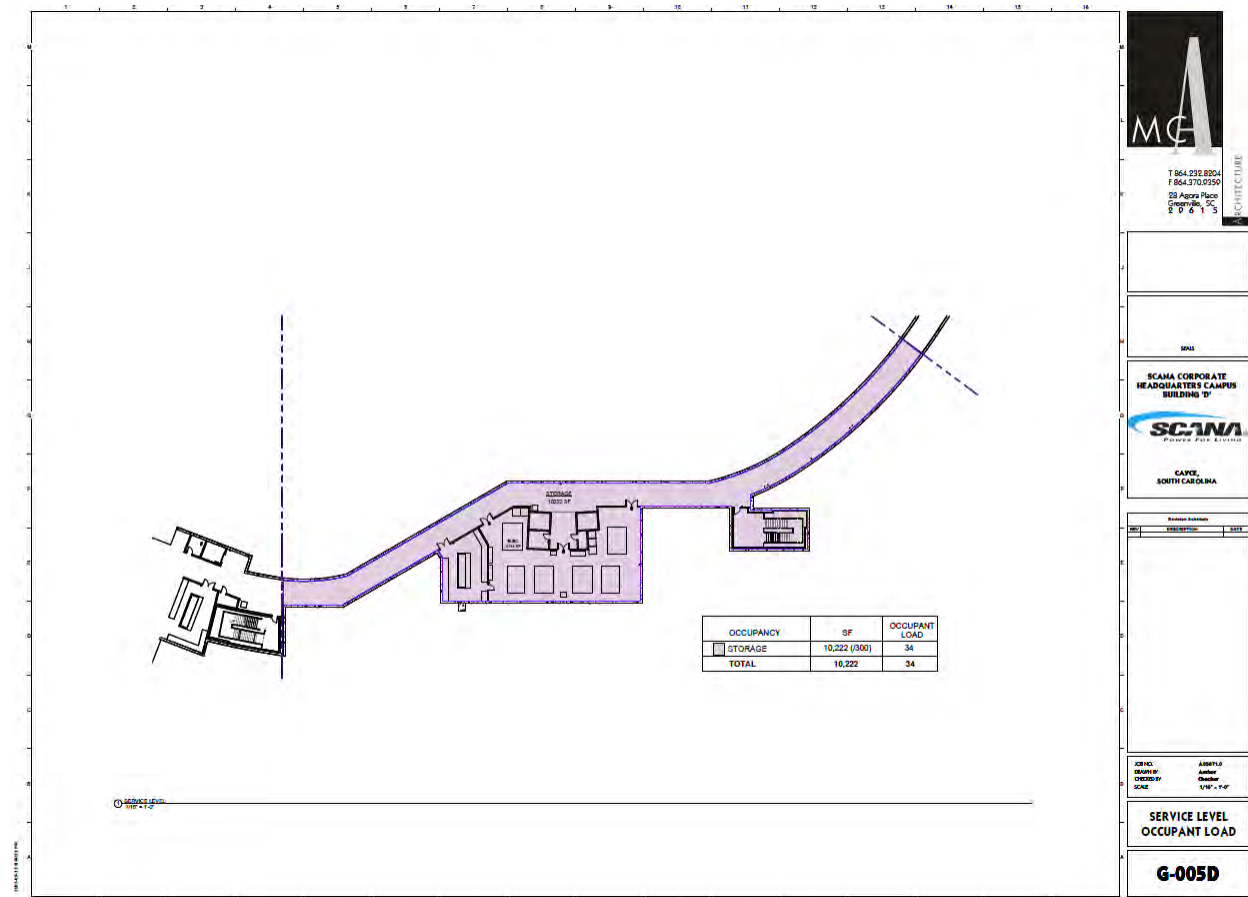
SECOND FLOOR OCCUPANT LOAD

G-007D

Building D Third Floor



Building D Service Level



MC
 T 864-232-8204
 F 864-370-0250
 23 Agnes Place
 Columbia, SC
 29206-1103

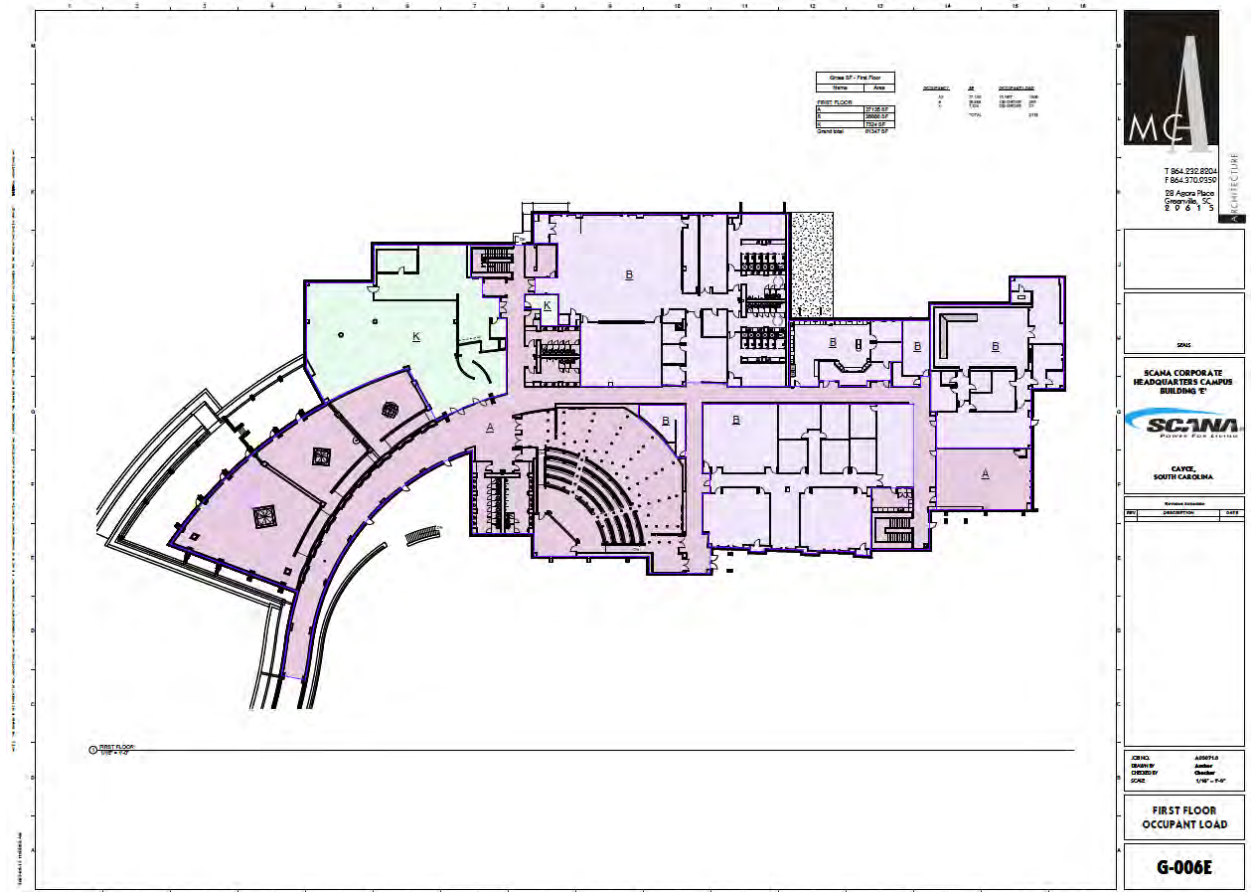
SCANA CORPORATE HEADQUARTERS CAMPUS BUILDING 10
SCANA
 POWER FOR PROGRESS
 CAYCE, SOUTH CAROLINA

Author: [Redacted]
 Designer: [Redacted]
 Checker: [Redacted]
 Scale: 1/8" = 1'-0"

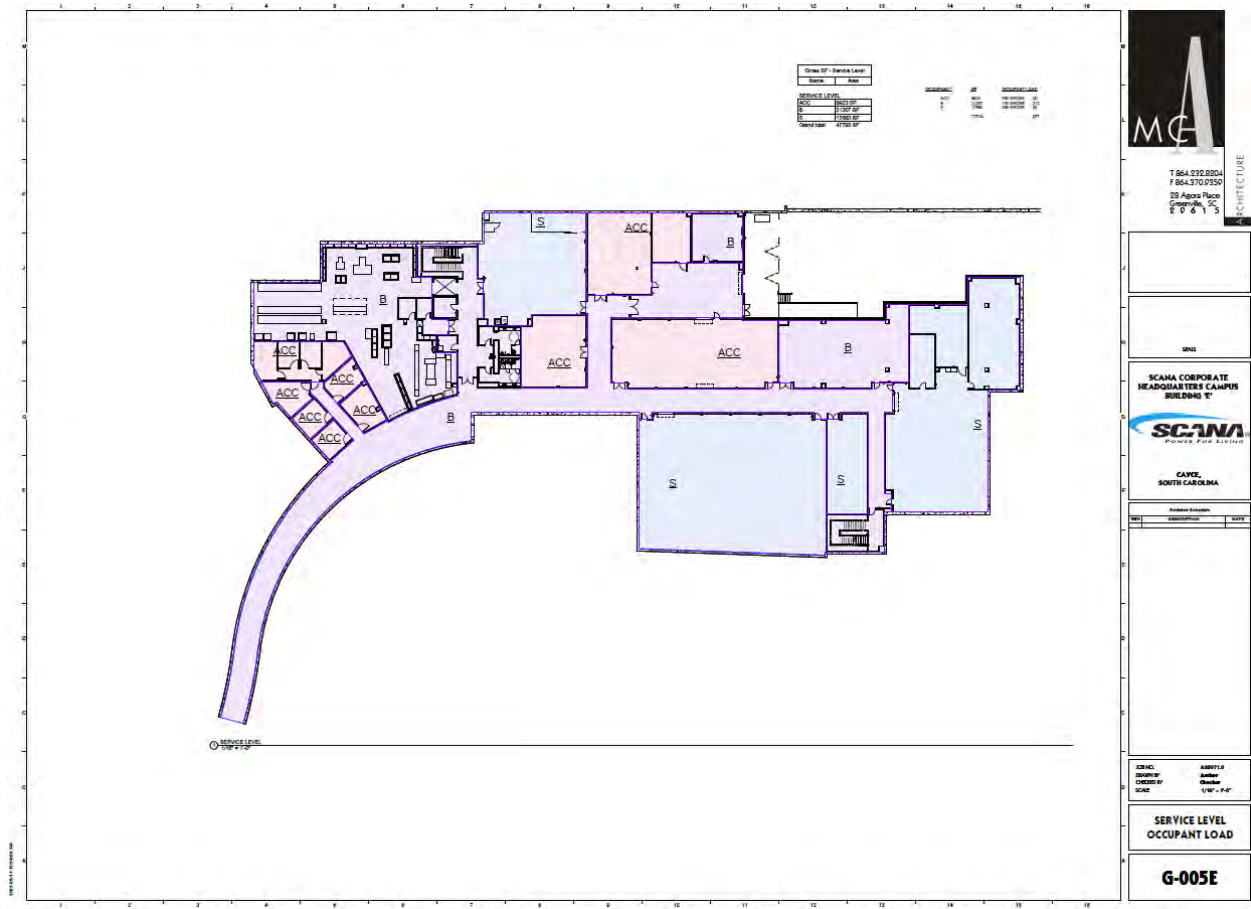
SERVICE LEVEL OCCUPANT LOAD

G-005D

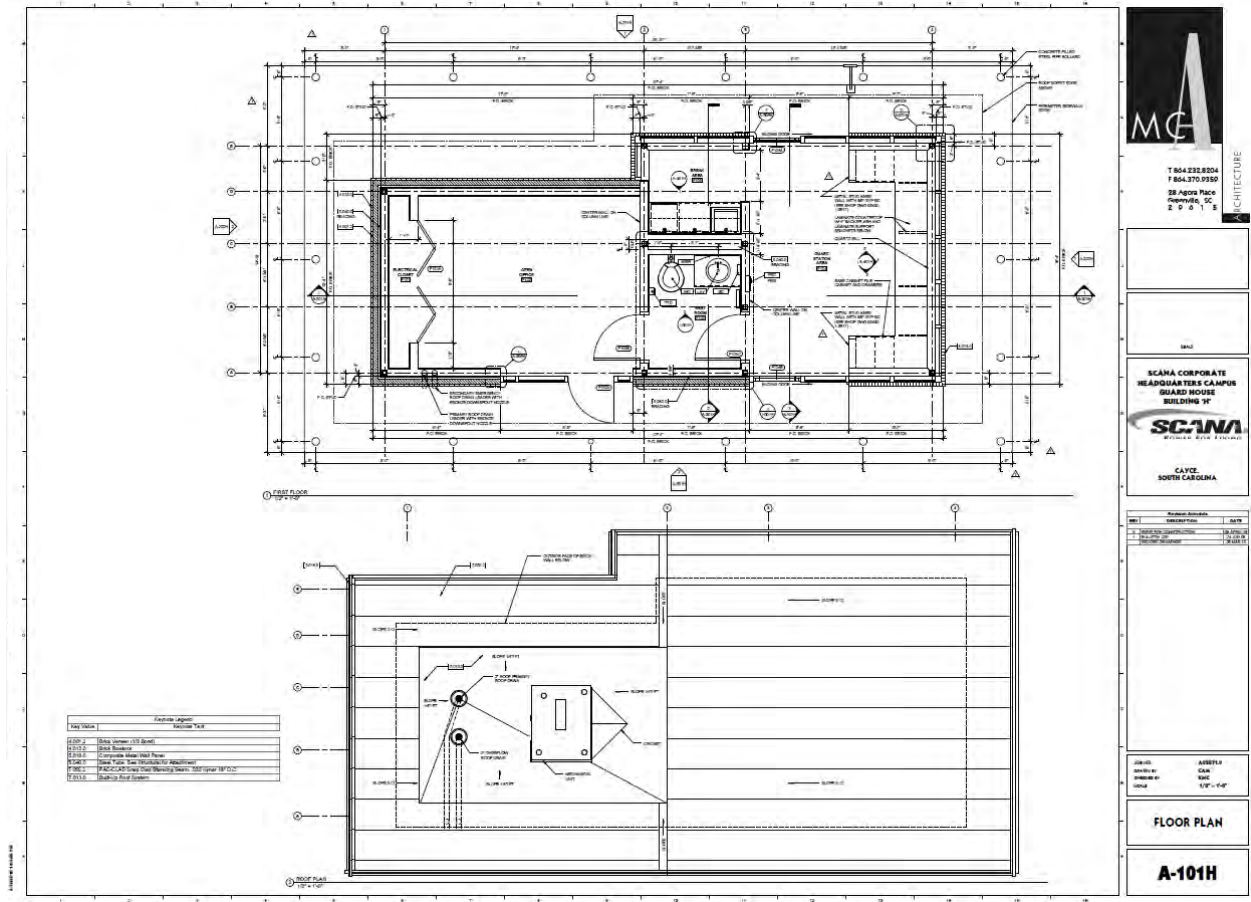
Building E First Floor



Building E Service Level



12th Street Guard Gate



MC
 T 804.332.8204
 F 804.370.9390
 28 Agave Place
 Greenville, SC
 29615

SCANA CORPORATE HEADQUARTERS CAMPUS GUARD HOUSE BUILDING 12

SCANA
 ENERGY AND SERVICES

CAYCE SOUTH CAROLINA

FLOOR PLAN

A-101H

Saxe Gotha Guard Gate

The architectural drawing set includes:

- Floor Plan:** A detailed plan view of the guard gate showing its rectangular footprint, internal layout, and dimensions. It features a central opening and is flanked by brick walls. Dimensions include a width of 12'-0" and a depth of 12'-0".
- Elevation:** A side elevation showing the vertical profile of the gate, including the brick wall, the gate mechanism, and the roof structure.
- Perspective Views:** Two perspective drawings showing the gate from different angles, highlighting the brickwork, the roof, and the surrounding environment.

Project Information:

MC ARCHITECTURE
 704.370.0300
 28 Pigeon Place
 Greenville, SC
 29615

SCANA CORPORATE HEADQUARTERS CAMPUS Saxe Gotha Board House Building 17

SCANA
 POWER AND ENERGY

CAYCE SOUTH CAROLINA

NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMITTING	11/11/11
2	ISSUED FOR CONSTRUCTION	11/11/11

DESIGNED BY: JMM/MS
 DRAWN BY: JMM/MS
 CHECKED BY: JMM/MS
 SCALE: 1/8" = 1'-0"

FLOOR PLAN

A-101J

EXHIBIT "A-1"

LEGAL DESCRIPTION

To be inserted upon approval.

EXHIBIT "B"

ACCEPTANCE AGREEMENT

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (the "Agreement") is made as of this ___ day of _____, 20__ between, _____, an agency, institution, department (including any division or bureau thereof) or political subdivision of the State of South Carolina having an address at _____ ("Occupying Agency"); _____ having an address at _____ ("Landlord") and _____, having an address at _____ ("Lender"). (Occupying Agency, Landlord and Lender are hereinafter collectively referred to as the "Parties").

Reference is made to the following facts:

A. Under a Governmental Real Estate Lease Agreement (the "Lease") dated _____, by and between _____, predecessor in interest to Landlord, and Tenants, Occupying Agency will occupy certain premises (the "Leased Premises") located in _____ County, South Carolina and more particularly described in Exhibit "A" attached hereto and made a part hereof (such property being hereinafter referred to as the "Property").

B. Lender has made or has been requested to make a loan (the "Loan") to Landlord secured by a Deed to Secure Debt and Security Agreement, Mortgage and Security Agreement or Deed of Trust and Security Agreement (the "Security Agreement") encumbering the Property.

C. The Security Agreement and all other documents and instruments evidencing, securing or relating to the Loan shall be hereinafter collectively referred to as the "Loan Documents".

D. Occupying Agency has agreed that Occupying Agency will agree to attorn to Lender, provided Tenants are assured of continued and undisturbed occupancy of the Leased Premises under the terms of the Lease.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements set forth below, the Parties hereto agree as follows:

1. Lender agrees with Occupying Agency that, in the event the interest of Landlord in the Property and the Lease shall be acquired by Lender by reason of foreclosure of the Security Agreement or other proceeding brought to enforce the rights of the holder thereof, by deed in lieu of foreclosure or by any other method, or in the event of any other action pursuant to the Loan Documents, then in any such event:

(a) Occupying Agency shall not be joined as a party defendant in any such foreclosure proceeding which may be instituted by Lender; and

(b) The Lease shall not be terminated or affected by any such action and Lender will recognize Occupying Agency's rights under the Lease, and Occupying Agency shall peaceably hold and enjoy the Leased Premises for the remainder of the unexpired term of the Lease and any extensions thereof upon the same provisions that are set forth in the Lease and without any hindrance or interruption by Lender so long as Occupying Agency shall not be in default in the performance of its obligations under the Lease, or if such an event of default shall exist, so long as Occupying Agency's time to cure the default has not expired.

2. In consideration of the foregoing covenants by Lender, Occupying Agency agrees with Lender that in the event the interest of Landlord in the Property and the Lease shall be acquired by Lender by reason of foreclosure of the Security Agreement or other proceeding brought to enforce the rights of the holder thereof, by deed in lieu of foreclosure or any other method, Occupying Agency shall attorn to and recognize Lender as its landlord for the remainder of the unexpired term of the Lease and Lender will recognize and accept Occupying Agency as its Occupying Agency thereunder. Upon any such attornment, the Lender shall thereafter assume and perform all of Landlord's obligations as the landlord under the Lease with the same force and effect as if Lender were originally named therein as Landlord and the Lease shall continue in full force and effect as a direct lease between Occupying Agency and Lender and upon all terms, covenants and conditions contained therein. Nothing herein shall be construed as a waiver of any contractual claim that Tenants may have against Landlord, or as a release of Landlord from liability to Occupying Agency, on account of the nonperformance of any obligation of Landlord under the Lease.

3. The provisions of Paragraphs 1 and 2 above shall be effective and self-operative immediately upon Lender's succeeding, as provided above, to the interest of Landlord under the Lease without the execution of any further instruments on the part of any of the parties hereto.

4. Subject to the foregoing, Occupying Agency agrees that the Lease shall be, and shall at all times remain, subordinate to the lien imposed by the Security Agreement.

5. Tenants hereby certify to Lender that the Lease has been duly executed by Occupying Agency and is in full force and Occupying Agency further affirms that, except as disclosed to Lender, the Lease has not been modified or amended.

6. After receiving written notice from Lender that the Property is subject to the ownership or control of the Lender or that Lender has become entitled to collect rents pursuant to rights granted to Lender in the Loan Documents, Occupying Agency shall pay to Lender, or to such other person or entity as may be designated by Lender in writing, all rent, additional rent or other monies and payments due

and to become due to the Landlord under the Lease.

7. 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 set forth below:

<u>If to Lender:</u>	<hr/> <hr/> <hr/> <hr/>
<u>If to Occupying Agency:</u>	<hr/> <hr/> <hr/> <hr/> With a copy to: SC Department of Administration Attn: Real Property Services 1200 Senate Street, 6 th Floor Columbia, SC 29201 <u>Email Address: rps@admin.sc.gov</u>

<u>If to Landlord:</u>	<hr/> <hr/> <hr/> <hr/>
------------------------	-------------------------

8. As used in paragraphs 2, 3 and 4 herein, the word “Lender” includes any persons claiming by, through or under Lender or the Security Agreement, (including but not limited to any purchaser at foreclosure sale or other proceeding brought to enforce the rights of the holder of the Security Agreement or by any other method), and the words “Occupying Agency” and “Landlord” shall include their respective successors and assigns.

9. Landlord consents and agrees to the terms of this Agreement.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

11. The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, an electronic or telefaxed signature (hereinafter, an “Electronic Signature”) of any party or approver on this Agreement shall be deemed valid and binding and admissible by any party against any other party as if same were an original ink signature. The parties further acknowledge and agree that they (a) intend to be bound by any Electronic Signatures affixed to this Agreement, (b) are aware that the other party or parties will rely on any such Electronic Signatures, (c) such an electronically signed Agreement may not be denied legal effect or enforceability solely because it is in electronic form or signed with an Electronic Signature, and (d) the foregoing provisions regarding Electronic Signature apply solely to the execution of this Agreement, and shall in no event be deemed to amend any other written obligations of any party set forth in this Agreement.

[SIGNATURE PAGE OF LENDER FOLLOWS]

(Official Signature of Notary)

Notary Public for _____ County, South Carolina

My Commission Expires: _____

(Official Seal)

[SIGNATURE PAGE OF LANDLORD FOLLOWS]

(Official Seal)

[SIGNATURE PAGE OF OCCUPYING AGENCY FOLLOWS]

(Official Seal)

This Agreement is approved in accordance with the South Carolina Code of Regulations §19-447.1000 by the South Carolina Department of Administration, Real Property Services, this ____ day of _____, 20__.

Name: _____

Title: _____

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT EXHIBIT "A"**

LEGAL DESCRIPTION

EXHIBIT "C"
OCCUPYING AGENCY ESTOPPEL CERTIFICATE

Landlord: _____

Occupying Agency: _____

Lease dated: _____

Amendments dated: _____

This is to certify that as of this date of execution and to the best of Occupying Agency's actual knowledge:

1. The undersigned is lessee ("Occupying Agency") under that certain lease dated _____ ("Lease") by and between _____, as landlord ("Landlord") and _____, as Occupying Agency ("Occupying Agency"), relating to _____ (the "Premises").
2. The current term of the Lease commenced on _____ and will expire on _____, excluding any unexercised renewals.
3. The current monthly rent paid under the Lease is \$_____.
4. To the best of Occupying Agency's knowledge, the use, maintenance or operation of the Premises complies with the terms of the Lease, except as otherwise set forth in Exhibit "A" (attached and incorporated herein by reference).
5. Except as otherwise set forth in Exhibit "B" (attached and incorporated herein by reference), no default has occurred under the terms of the Lease.

6. The Lease has not been modified, changed, altered, assigned, supplemented or amended in any respect except to the extent specified above. The Lease is not in default and is valid except to the extent specified above. The Lease represents the entire agreement between the Landlord and the Occupying Agency with respect to the Premises. The terms of this Lease are in full force and effect as of the date of this document.

7. To the best of Occupying Agency's knowledge, the Occupying Agency has not received any notices, written or oral, of violation of any environmental or zoning law relating to the use, maintenance or operation of the Premises.

8. To the extent there is any conflict between a provision in this Certificate and a provision of the Lease, the provision in the Lease shall control.

[] OCCUPYING AGENCY [] LANDLORD INITIALS

An inspection of the Premises has not been conducted for the purpose of this Certificate. This document shall not be construed as a waiver of any rights, benefits, or interest the Occupying Agency has under the above-referenced Lease.

The undersigned is authorized to execute this Occupying Agency Estoppel Certificate on behalf of the Occupying Agency.

Dated this _____ day of _____, 20_____.

The undersigned hereby certifies that the certifications set forth above are true as of the execution date.

“LANDLORD”

By: _____ Dated: _____

Its: _____

“OCCUPYING AGENCY”

By: _____ Dated: _____

Its: _____

Title

The form of this Certificate is approved by the South Carolina Department of Administration, Real Property Services, this ___ day of _____, 20__.

Name:

Title:

[_____] OCCUPYING AGENCY [_____] LANDLORD INITIALS

EXHIBIT A

As of the date of this Certificate and to the best of Occupying Agency' knowledge, the following issues and/or items regarding the use, maintenance or operation of the Premises need to be addressed pursuant to the terms and conditions of the Lease:

If not applicable, initial here: _____ [Occupying Agency]

[_____] OCCUPYING AGENCY [_____] LANDLORD INITIALS

EXHIBIT B

As of the date of this Certificate and to the best of Occupying Agency' knowledge, the following constitute a default pursuant to the terms and conditions of the Lease:

If not applicable, initial here: _____ [Occupying Agency]

[_____] OCCUPYING AGENCY [_____] LANDLORD INITIALS

EXHIBIT "D"
BUILDING RULES AND REGULATIONS

To be inserted upon approval.

EXHIBIT “E”

Proviso 118.22, Part 1B of the 2023-2024 Appropriations Act (Act No. 84)

118.22. (SR: Bull Street Corridor Relocation) From funds appropriated or authorized in this act, the Department of Administration is directed to conduct a Request for Proposals (RFP) for the purposes of relocating one or all the state agencies or their successor agencies currently located on Bull Street in the City of Columbia. Properties to be considered must have space to accommodate all of one or more agenc[ies] to be relocated in one building or campus. For the purposes of this proviso, a campus is defined as multiple buildings located on the same or adjacent parcels or property that share a common main entrance. In conducting the RFP, the Department of Administration must prioritize the condition of the proposed properties and all amenities, to include, large group meeting space, other amenities to support agency mission, amenities and conditions conducive to employee health and recruitment, employee and visitor safety and security, ease of access from the interstate, ease of public access to include, but not limited to, surface parking and the number of employees to be relocated. The Department of Administration must present the results of the RFP to include a recommended lease to the Joint Bond Review Committee (JBRC) on or before November 1, 2023. After review and comment of the JBRC, the lease is deemed legislatively approved and, notwithstanding other provision of law, no further approvals are required.

GOVERNMENTAL REAL ESTATE LEASE

THIS LEASE AGREEMENT (the “Lease”) is made as of the Effective Date (which is the date on which the Department of Administration, Real Property Services, approves this Lease as set forth on the signature page) by and between: Colonial Life & Accident Insurance Company (the “Landlord”) having an address at 1 Fountain Square, Chattanooga, TN 37402, and the SC Department of Environmental Services (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 2600 Bull Street, Columbia, SC 29201.

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 191,730 rentable square feet, 111,405 rentable square feet on floors two, three, and four of the West Tower, 46,244 rentable square feet consisting of the entire 2nd floor and a portion of the 1st floor in the ISD building, 4,081 rentable square feet consisting of the entire Media building, and 30,000 square feet of warehouse space in the PND building (collectively, the “Buildings”) located at 1200 Colonial Life Boulevard, in the County of Richland, 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 twenty (20) years (the “Term”). The Term of this Lease shall begin on July 1, 2024 (the “Commencement Date”) or the date agreed upon within the Acceptance Agreement (Exhibit “B”) wherein the Landlord has completed the Renovations as defined in Exhibit “C” as evidenced by a certificate of occupancy and, unless terminated or extended, shall end twenty years thereafter, (the “Termination Date”).

2.2 The Landlord and Tenant acknowledge and agree that, notwithstanding the aforementioned, the authority of the authorized signatory on behalf of the Tenant is contingent upon the Tenant receiving sufficient Appropriations in the Appropriations Act for the Fiscal Year 2024-2025 to make

payment of Rent and all other payment obligations for the first year of the initial Term of this Lease. Should the Tenant fail to receive Appropriations in the Appropriations Act for the Fiscal Year 2024-2025 sufficient to make payment of Rent and all other payment obligations for the first year of the initial Term, this Lease of no force or effect and is void ab initio.

ARTICLE 3 – RENT

3.1. Tenant shall pay rent (the “Rent”) to Landlord during the first year of the Initial Term at the rate of \$17.77 (“Rental Rate”) per rentable square foot (rounded), which, with one month of Rent abated would equate to an annual aggregate amount of \$3,407,314.63, payable in equal monthly installments of \$309,755.88 in advance on or before the tenth (10th) day of each consecutive calendar month and subject to Rent abatement referenced below. The Rental Rate shall escalate three (3)% annually after the first year. The first month of Rent in years 1-12 will be abated. Rent for the Term shall be payable monthly in the amounts set forth on the Rent Schedule in this subparagraph.

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$3,407,314.63	\$309,755.88*	\$17.77
YEAR 2	\$3,509,534.06	\$319,048.55*	\$18.30
YEAR 3	\$3,614,820.09	\$328,620.01*	\$18.85
YEAR 4	\$3,723,264.69	\$338,478.61*	\$19.42
YEAR 5	\$3,834,962.63	\$348,632.97*	\$20.00
YEAR 6	\$3,950,011.51	\$359,091.96*	\$20.60
YEAR 7	\$4,068,511.85	\$369,864.71*	\$21.22
YEAR 8	\$4,190,567.21	\$380,960.66*	\$21.86
YEAR 9	\$4,316,284.22	\$392,389.47*	\$22.51
YEAR 10	\$4,445,772.75	\$404,161.16*	\$23.19
YEAR 11	\$4,579,145.93	\$416,285.99*	\$23.88

YEAR 12	\$4,716,520.31	\$428,774.57*	\$24.60
YEAR 13	\$5,299,653.73	\$441,637.81	\$27.64
YEAR 14	\$5,458,643.34	\$454,886.95	\$28.47
YEAR 15	\$5,622,402.64	\$468,533.55	\$29.32
YEAR 16	\$5,791,074.72	\$482,589.56	\$30.20
YEAR 17	\$5,964,806.97	\$497,067.25	\$31.11
YEAR 18	\$6,143,751.17	\$511,979.26	\$32.04
YEAR 19	\$6,328,063.71	\$527,338.64	\$33.01
YEAR 20	\$6,517,905.62	\$543,158.80	\$34.00

* Rent is a blended rate of office and warehouse components of the Demised Premises and reflects the first month of each lease year being abated 100% during the first twelve (12) years of the Term provided the Lease remains in full force and effect and no event of default by Tenant remains uncured.

3.2. Reserved.

3.3. 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.

3.4. Unless notified otherwise in writing, all payments of Rent shall be made payable via ACH to Landlord.

ARTICLE 4 – USE

4.1. Tenant shall have the right to use the Demised Premises for office use only; provided, however, that Tenant shall have the right to use the PND building for any lawful purpose that is consistent with Tenant’s business.

4.2. If during the Term the application of any statute, code or ordinance of any government, authority, agency, official or officer applicable to the Buildings or the Demised Premises makes it impossible or not economical for Tenant to operate in the Demised Premises in accordance with subparagraph 4.1, then

Tenant, at its option, may terminate this Lease, whereupon the Rent and all other charges payable hereunder by Tenant shall be apportioned as of such date of termination.

ARTICLE 5 - ASSIGNMENT AND SUBLETTING

5.1. 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.

5.2. 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 6 - SERVICES

6.1. The services provided by the Landlord to Tenant as part of Rent shall include, but are not limited to, water (hot and cold 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 Buildings and site improvements. Services provided by the Landlord shall include all service charges, labor, materials and supplies.

6.2. 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 Rent shall be adjusted to exclude those services separately metered.

ARTICLE 7 - INTENTIONALLY OMITTED

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 Buildings 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) Except as otherwise provided in writing to Tenant, neither the Land, the Buildings nor the Demised 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 Buildings 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 Rent as compensation for such discontinuance;

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

(g) Landlord will keep the Buildings 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 Buildings 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 Article 11 herein below, 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 Buildings, by Landlord, by anyone claiming under Landlord or any other person, party or entity. Tenant shall have access to the Demised Premises twenty-four hours a day, seven days per week, 365 days per year;

(k) To the best of Landlord's knowledge, the common areas of the Buildings 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; and

(l) Within thirty (30) days of Tenant's occupancy, Landlord shall provide a floor plan to scale of the Demised Premises as occupied by the Tenant at the Commencement Date.

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(e).

ARTICLE 9 – TENANT'S COVENANTS

9.1. Tenant covenants and agrees that it shall:

(a) Pay Rent when due (provided a written invoice is submitted thirty (30) days in advance to the Tenant by the Landlord) 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, Buildings and Demised Premises, being open to the public, shall comply with any and all applicable State statutes, codes, rules, regulations and ordinances (any of which is hereinafter referred to as "Law" or collectively as "Laws") with respect to architectural barriers or design that would prohibit free and full access to and use of the Land, Buildings, Demised Premises or any part thereof by the aged, disabled or physically handicapped. In the event the Land, Buildings 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, Buildings 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. (a) Landlord shall make all renovations to the Demised Premises in accordance with Tenant's plans and specifications which will be agreed by the parties and generally as described in Exhibit "C" (the "Renovations") up to a total cost of \$1,917,300.00 (the "Tenant Improvement Allowance"). The Landlord shall make improvements to the Demised Premises in accordance with Exhibit C. In the event the cost of the Renovations exceeds the Tenant Improvement Allowance, Tenant shall be solely responsible for the payment of all costs that exceed the Tenant Improvement Allowance. All Renovations shall be performed in a good and workmanlike manner and in accordance with all applicable Laws. 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 July 1, 2024 ("Renovation Completion Date") subject to delays caused by Tenant or Force Majeure. Upon Landlord's completion of the 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.

(b) In the event the Renovations have not been completed by the Renovation Completion Date, except in the event caused by Tenant or Force Majeure, Tenant shall have the option to (a) extend the Renovation Completion Date of this Lease to a date not later than ninety (90) days following the original Renovation Completion Date (the extended Renovation Date shall be the “New Renovation Date”), or (b) take possession of the Demised Premises, in which event Rent and additional rent shall abate until completion of the Renovations by Landlord, such date to constitute the new Commencement Date of this Lease.

(c) In the event Tenant elects to extend the Renovation Completion Date pursuant to subparagraph (a) above and, in the further event the Renovations are not completed by the New Renovation 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. 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.

(d) In the event the Renovations cost less than the Tenant Improvement Allowance, Tenant shall have the right to use any remaining balance for additional Renovations as mutually agreed upon by Landlord and Tenant over the remaining Lease Term but in no event after one year prior to the Termination Date.

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 Buildings, 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 Buildings 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 Buildings and the Demised Premises.

12.3. If Tenant elects to allow Landlord to Commence and complete Restoration of the Buildings 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 Rent 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 Buildings or the Demised Premises or upon a Taking thereof which does not result in termination, Rent 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 Rent 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 Term of this Lease maintain, with insurers authorized to do business in the State of South Carolina, fire insurance with extended coverage for the Buildings 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 Buildings 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.

13.3. Landlord shall pay, when due, real estate taxes assessed against the Land and Buildings during the Term of this Lease.

13.4 During the Term and at such other times as Tenant occupies the Demised Premises, Tenant shall keep in force at its expense a tort liability policy through the State of South Carolina's Insurance Reserve Fund. The terms of the policy to be consistent with the South Carolina Tort Claims Act (S.C. Code Ann. Sections 15-78-10 et. seq.)

13.5 Tenant will also maintain a contents policy provided by and through the State of South Carolina's Insurance Reserve Fund and subject to the terms and conditions established by the State of South Carolina's Insurance Reserve Fund .

13.6 Tenant shall, at all times during the Term hereof, maintain in effect, workers' compensation insurance as required by applicable law.

13.7 Tenant shall deliver to Landlord copies of the insurance policies or certificates required under Article 13 prior to Tenant's entering the Demised Premises and in any event within fifteen (15) days prior to the Commencement Date 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 (the "Appropriations") (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 Rent and all other payment obligations of Tenant pursuant to this Lease, the sufficiency of such funds to be determined solely by the Department of Administration, Real Property Services, For purposes of subparagraph 14.1(a), Appropriations sufficient to carry out the purposes and programs of Tenant, including the payment of Rent means an appropriation of state funds by the South Carolina General Assembly, revenue, income, grants or other funding, from any source (including but not limited to Federal, State and/or County sources) to the Tenant in an amount sufficient to satisfy the Tenant's purposes and programs, including Rent with corresponding authority to use such Appropriations for Rent. A Tenant may not exercise the cancellation or relinquishment provisions of this subparagraph 14.1(a) if the South Carolina General Assembly has provided Appropriations, or authority for the Tenant to expend revenue, income, grants or other funding from any source sufficient to carry out Tenant's purposes and programs, including its Rent obligations. Notwithstanding the foregoing, in the event Tenant determines the Appropriations are insufficient to pay the Tenant obligations pursuant to this Lease, in full, prior to giving written notice of cancellation required hereinabove, Tenant shall first notify Landlord, in writing, of such determination and the shortfall in Appropriations versus the Tenant obligations (the "Tenant Obligations Shortfall") and the Landlord shall have the option of deferring the Tenant Obligations Shortfall to the next calendar year of the Lease ("Ensuing Year") and adding the same, without interest, to the Tenant Obligations for such calendar year. In the event Landlord elects to defer the Tenant Obligations Shortfall in this manner, Tenant shall not have a right to cancel this Lease as provided for such calendar year. Should the Appropriations for the Ensuing Year be insufficient to satisfy Tenant Obligations, Tenant shall have the right to cancel this Lease. Under no circumstances will Tenant be responsible for any Tenant Obligations for which there were/are insufficient Appropriations; or

(b) If the Tenant is dissolved and no longer performs the functions and purposes ascribed to it provided, however, that if a successor agency or department (the "Successor Agency") assumes responsibility for state level leadership and support for the programs and functions currently performed by Tenant within the State of South Carolina, such Successor Agency shall be deemed to have assumed this Lease and all further obligations under this Lease; or

(c) Tenant shall also have the right to terminate this Lease at any time after the first six (6) months of the initial Term by giving one hundred and eighty (180) days' written notice to Landlord of Tenants' intention to relocate all of the agency to another premises satisfying the requirements of proviso 118.22 of Act 84 of 2023 which premises is owned or otherwise controlled by the State of South Carolina or

any political subdivision thereof, located within the Greater Columbia Metropolitan Area, as that term is commonly understood; or

(d) Intentionally omitted.

(e) 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, however, that if the nature of Landlord's nonperformance is such that more than thirty (30) days are reasonably required for its cure, then Landlord shall not be deemed to be in breach if Landlord commences such cure within said thirty (30) day period and thereafter diligently pursues such cure to completion; or

(f) Intentionally omitted.

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 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 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.

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;

(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 Rent, or any other charges payable to Landlord pursuant to this Lease.

15.2 For the avoidance of doubt, and notwithstanding anything to the contrary in this Lease, Tenant shall, to the extent authorized by the South Carolina Tort Claims Act (S.C. Code Ann. Sections 15-78-10 et seq.) at all times be responsible for costs and expenses resulting from the negligence or willful misconduct of Tenant, its employees, agents, contractors, or invitees in or about the Demised Premises.

ARTICLE 16 - SUBORDINATION AND NON-DISTURBANCE

16.1. Any mortgage which may now or hereafter affect the Land, the Buildings, 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 Buildings or the Demised Premises as of the Commencement Date, Landlord shall furnish Tenant with an executed Subordination, Non-Disturbance and Attornment Agreement in substantially the same form as Exhibit "D".

16.2 After written request by Landlord or any mortgagee, Tenant shall, from time to time, execute and deliver estoppel certificates in the form of Exhibit "E" attached hereto.

ARTICLE 17- MINOR REPAIRS

17.1. If at any time during the Term 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. If in Landlord's reasonable determination, the repair, replacement or cure takes longer than thirty (30) days, then Landlord will use reasonable efforts to fix the issue and will communicate with Tenant on progress. 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, provided such repair, replacement or cure does not affect Landlord's Buildings systems, structure or critical environments within the Buildings, and, in such event, shall have the right to deduct the cost thereof from the next due monthly installment of 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 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 personal 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 below:

Landlord:

Colonial Life & Accident Insurance Company

1 Fountain Square

Chattanooga, TN 37402

Email: kpatterson@unum.com

Copy to:

Colonial Life & Accident Insurance Company

c/o Unum Legal Department

2211 Congress Street, B268

Portland, ME 04122-0590

Email: tross@unum.com

Tenant:

SC Department of Environmental Services

2600 Bull Street

Columbia, SC 29201

Email: reecemc@dhec.sc.gov

Copy to:

Department of Administration

Real Property Services

1200 Senate Street, 6th Floor

Columbia, South Carolina 29201

Email: rps@admin.sc.gov

Either party may, from time to time, by notice as herein provided, designate a different address to which notice to it shall be sent.

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 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 hereof, Tenant shall be deemed to be a tenant from month to month and Tenant shall continue to pay the 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 Rent and all other charges payable by Tenant hereunder shall be apportioned as of such date of termination.

ARTICLE 21 – PARKING

21.1. Tenant shall have full access to and free use of the surface parking lot surrounding the Buildings. Landlord shall be responsible for maintaining the surface parking lot in good repair.

ARTICLE 22 - DEFAULT; REMEDIES

22.1 Landlord and Tenant hereby agree that the occurrence of any one or more of the following events is a material default by Tenant under this Lease and that said default shall give Landlord the rights described in Section 22.2. Landlord or Landlord's authorized agent shall have the right to serve any notice of default, notice to pay rent or quit or similar notice.

(a) Tenant's failure to make any payment of Rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of fifteen (15) days after written notice thereof from Landlord to Tenant, provided that Landlord will not be required to provide such notice more than twice in any twelve (12) month period. In the event that Landlord serves Tenant with a notice to pay Rent or quit pursuant to applicable unlawful detainer statutes, such notice shall also constitute any notice required by this Lease or by law. Landlord agrees that Tenant shall not be considered to be in default under section 22.1(a) if Tenant has delivered the invoice for payment of rent to the South Carolina Comptroller General's office in accordance with South Carolina Code Ann. Section 11-35-

45. Landlord agrees and understands that this Section 22.1(a) is subject to the provisions of Article 14 of this Lease.

(b) The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant (other than those referenced in Section 22.1(a) above), where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's nonperformance is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently pursues such cure to completion. In the event that Landlord serves Tenant with a notice to quit pursuant to applicable unlawful detainer statutes, said notice shall also constitute the notice required by this Section 22.1(b) and by law.

(c) Failure by Tenant to cure forthwith any hazardous condition in violation of law or of this Lease which Tenant has created or permitted and such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant.

22.2. Remedies:

(a) Upon the occurrence of an event of default, Landlord shall have the option to do and perform any one or more of the following in addition to, and not in limitation of, any other remedy or right permitted it by law or in equity or by this Lease:

(i) Landlord, with or without terminating this Lease, may immediately or at any time thereafter re-enter the Demised Premises and correct or repair any condition which shall constitute an event of material default after notice has been given Tenant by Landlord pursuant to the terms of this Lease, and Tenant shall fully reimburse and compensate Landlord on demand. Landlord understands and agrees that any obligation on Tenant's part to reimburse and compensate Landlord is subject to the S.C. Tort Claims Act (S.C. Code Ann. Sections 15-78-10 et. seq.,) the provisions of S.C. Code Ann. Section 11-35-2050 (Void Terms and Conditions) and Section 14.1(a) of this Lease.

(ii) Landlord may immediately or at any time thereafter demand in writing that Tenant vacate the Demised Premises and thereupon Tenant shall vacate the Demised Premises and remove therefrom all property thereon belonging to or placed on the Demised Premises by, at the direction of, or with consent of Tenant within ten (60) days of receipt by Tenant of such notice from Landlord, whereupon

Landlord shall have the right to re-enter and take possession of the Demised Premises. The Lease shall be terminated upon Tenant vacating the Demised Premises and any obligation on Tenant's part to reimburse and compensate Landlord under the Lease as a result of an event of material default is subject to the S.C. Tort Claims Act (S.C. Code Ann. Sections 15-78-10 et. seq.,) the provisions of S.C. Code Ann. Section 11-35-2050 (Void Terms and Conditions) and Section 14.1(a) of this Lease.

(iv) Upon Tenant vacating the Demised Premises and corresponding termination of the Lease, Landlord shall make all reasonable efforts to immediately relet the Demised Premises or any part thereof for such time or times, at such rent and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, and Landlord may make any alterations or repairs to the Demised Premises which it may deem necessary or proper to facilitate such reletting. Any obligation on Tenant's part to reimburse and compensate Landlord under the Lease as a result of an event of material default is subject to the S.C. Tort Claims Act (S.C. Code Ann. Sections 15-78-10 et. seq.,) the provisions of S.C. Code Ann. Section 11-35-2050 (Void Terms and Conditions) and Section 14.1(a) of this Lease.

(v) Upon an event of material default, Landlord may terminate this Lease and this Lease shall be deemed to have been terminated upon receipt by Tenant of written notice of such termination; upon such termination Landlord shall recover from Tenant all damages Landlord may suffer by reason of such Event of material default. Any obligation on Tenant's part to reimburse and compensate Landlord under the Lease as a result of an event of material default is subject to the S.C. Tort Claims Act (S.C. Code Ann. Sections 15-78-10 et. seq.,) the provisions of S.C. Code Ann. Section 11-35-2050 (Void Terms and Conditions) and Section 14.1(a) of this Lease.

(b) No remedy or election hereunder shall be deemed exclusive, but shall, wherever possible, be cumulative with all other remedies at law or in equity.

(c) If Tenant abandons or vacates the Demised Premises, Landlord may re-enter the Demised Premises and such re-entry shall not be deemed to constitute Landlord's election to accept a surrender of the Demised Premises or to otherwise relieve Tenant from liability for its breach of this Lease. No surrender of the Demised Premises shall be effective against Landlord unless Landlord has entered into a written agreement with Tenant in which Landlord expressly agrees to (i) accept a surrender of the Demised

Premises and (ii) relieve Tenant of liability under the Lease. The delivery of keys to Landlord or any employee or agent of Landlord shall not constitute the termination of the Lease or the surrender of the Demised Premises. Landlord agrees and understands that this section is subject to the provisions of Article 14 of this Lease.

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" (Acceptance Agreement), Exhibit "C" (Renovations), Exhibit "D" (Subordination, Non-Disturbance and Attornment Agreement), Exhibit E (Tenant Estoppel Certificate), Exhibit "F" (Building Rules and Regulations and Exhibit "G" (Janitorial Specifications) referred to in this Lease are 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 Department of Administration, Real Property Services.

23.9. This Lease is subject to and conditioned upon the approval of Department of Administration, Real Property Services and shall be of no force or effect until the consent of such office shall be endorsed herein.

23.10 The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, an electronic or telefaxed signature (hereinafter, an “Electronic Signature”) of any party or approver on this Lease shall be deemed valid and binding and admissible by any party against any other party as if same were an original ink signature. The parties further acknowledge and agree that they (a) intend to be bound by any Electronic Signatures affixed to this Lease, (b) are aware that the other party or parties will rely on any such Electronic Signatures, (c) such an electronically signed Lease may not be denied legal effect or enforceability solely because it is in electronic form or signed with an Electronic Signature, and (d) the foregoing provisions regarding Electronic Signature apply solely to the execution of this Lease, and shall in no event be deemed to amend any other written obligations of any party (including, but not limited to, any notice provisions) set forth in this Lease.

ARTICLE 24 – FORCE MAJEURE

24.1. In the event Landlord or Tenant shall be delayed, hindered or prevented from the performance of any act required hereunder, by reason of governmental restrictions, scarcity of labor or materials, strikes, fire, or any other reasons beyond its reasonable control, the performance of such act shall be excused for the period of delay, and the period for performance of any such act shall be extended as necessary to complete performance after the delay period (collectively, “Force Majeure”). However, except as provided in Articles 4,12 and 14, the provision of the Section shall in no way be applicable to Tenant’s obligations to pay Rent or any other sums, monies, costs, charges or expenses required by this Lease.

[Remainder of page intentionally left blank; signature page to follow.]

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)

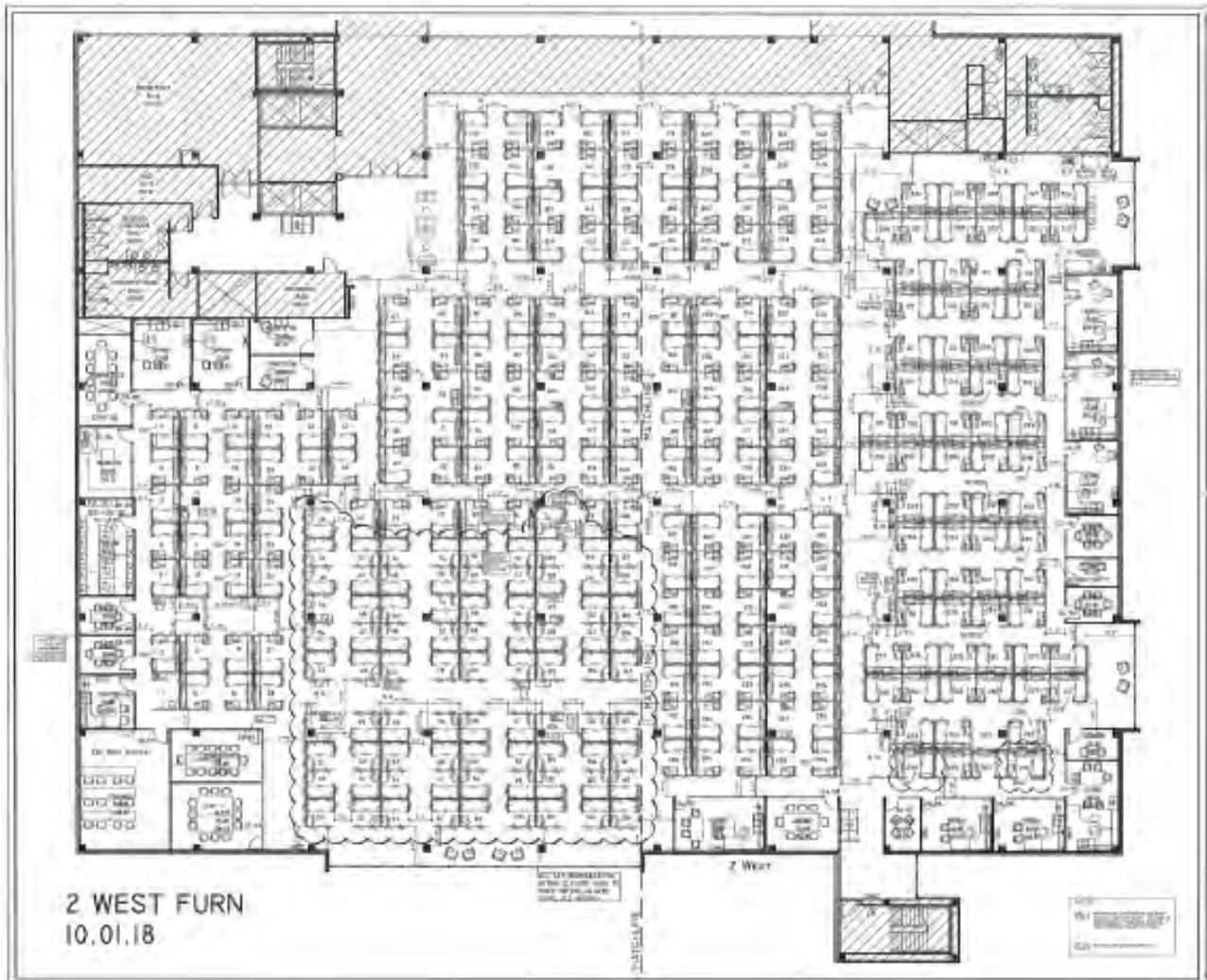
This Lease was solicited and is authorized in accordance with legislative approval pursuant to Proviso 118.22 in Part 1B of the 2023-2024 Appropriations Act (Act No. 84) by the Department of Administration, Real Property Services, this ____ day of _____, 20___. This Lease was reviewed by the Joint Bond Review Committee at its _____, 20__ meeting.

EXHIBIT "A"

FLOOR PLANS

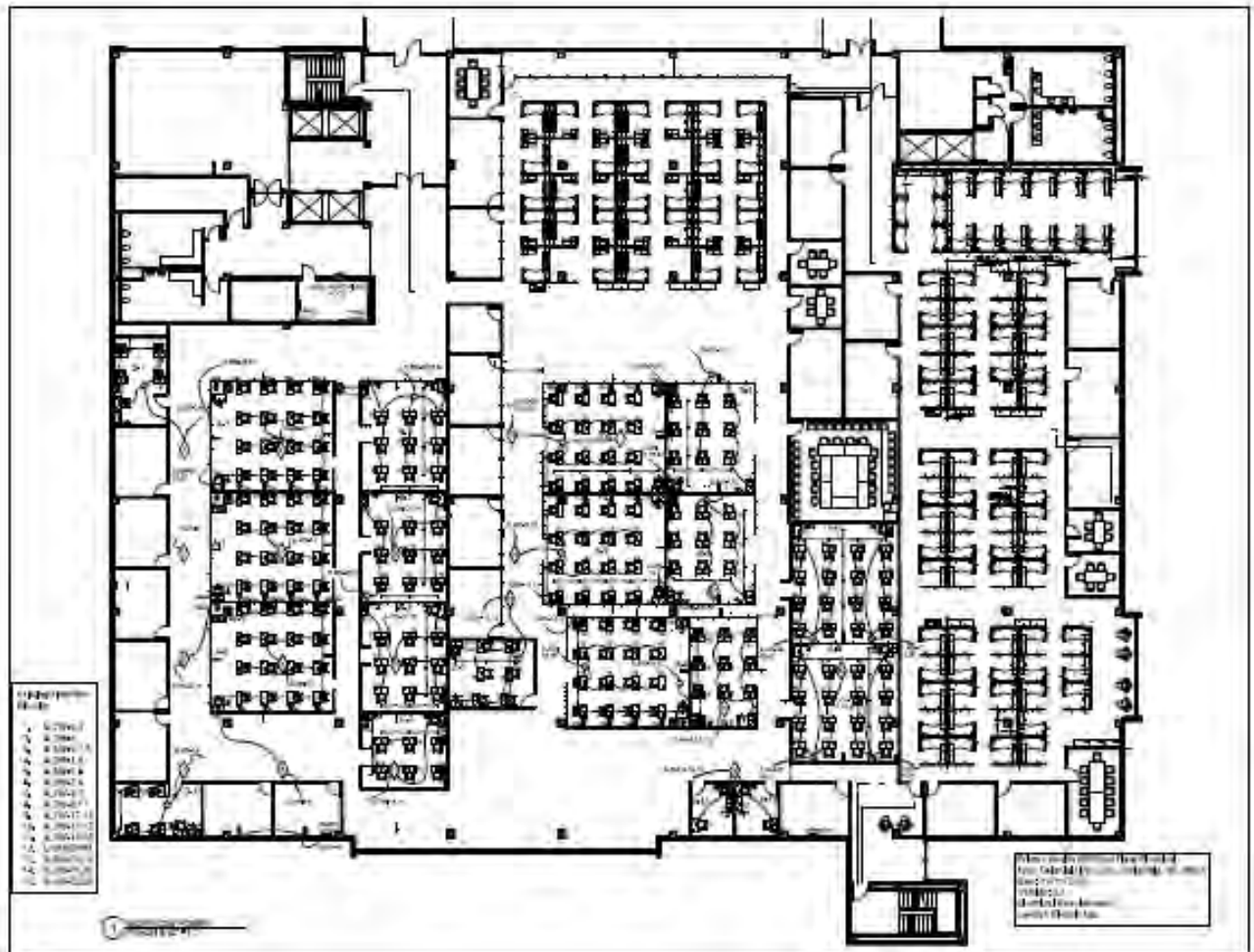
WEST BUILDING LEVEL TWO

- 315 Workstations
- 10 Offices
- 1 Workroom
- 1 Large file room
- 1 Large training/conference room
- 2 Large conference rooms
- 8 Huddle
- 1 Breakroom



WEST BUILDING LEVEL THREE

- 197 Small workstations
- 96 Regular workstations
- 33 Private rooms
- 1 Large training/conference room
- 1 Large conference room
- 1 Breakroom



WEST BUILDING LEVEL FOUR

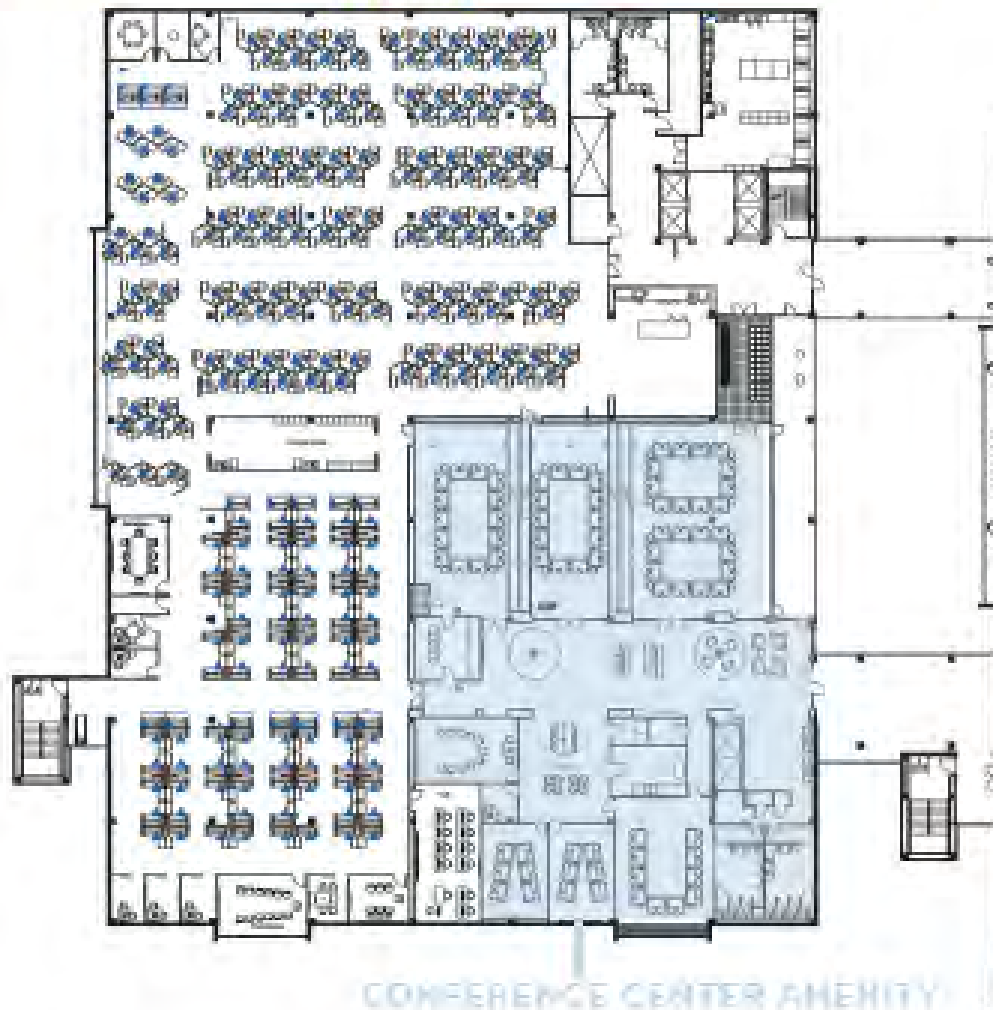
WEST

- 158 Small workstations
- 49 Regular workstations
- 10 Small offices
- 2 Conference rooms
- 2 Large training rooms
- 1 Large breakroom

Serraview

WEST

UNUM - Columbia East West Tower



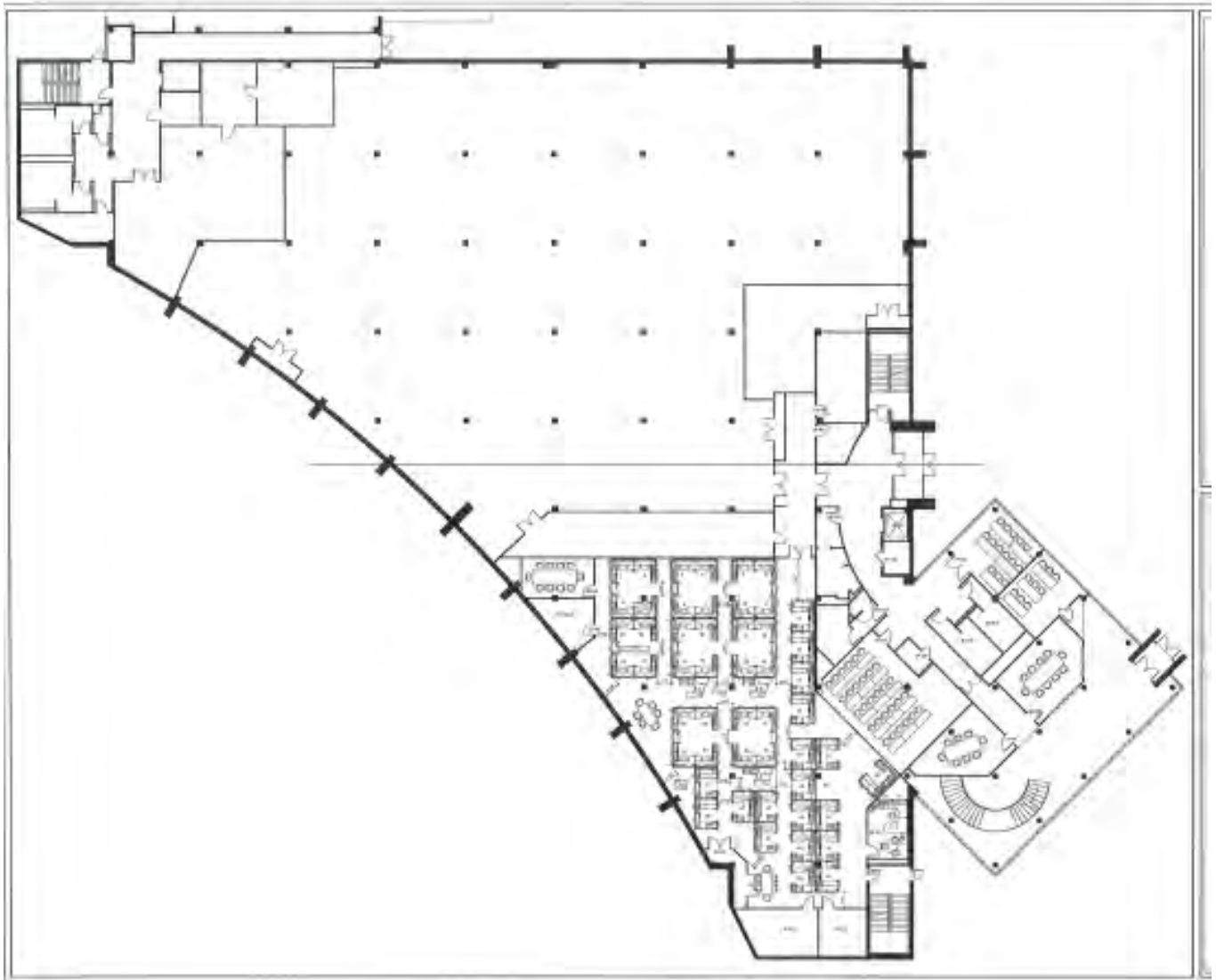
ISD BUILDING LEVEL ONE

52 Workstations

1 Private office

6 Large training/conference rooms

2 Small huddle rooms



ISD BUILDING LEVEL TWO

- 228 Workstations
- 20 Small offices
- 6 Small huddle/conference rooms
- 6 Large training/conference rooms



MEDIA CENTER

To be inserted upon approval

PND Building Warehouse

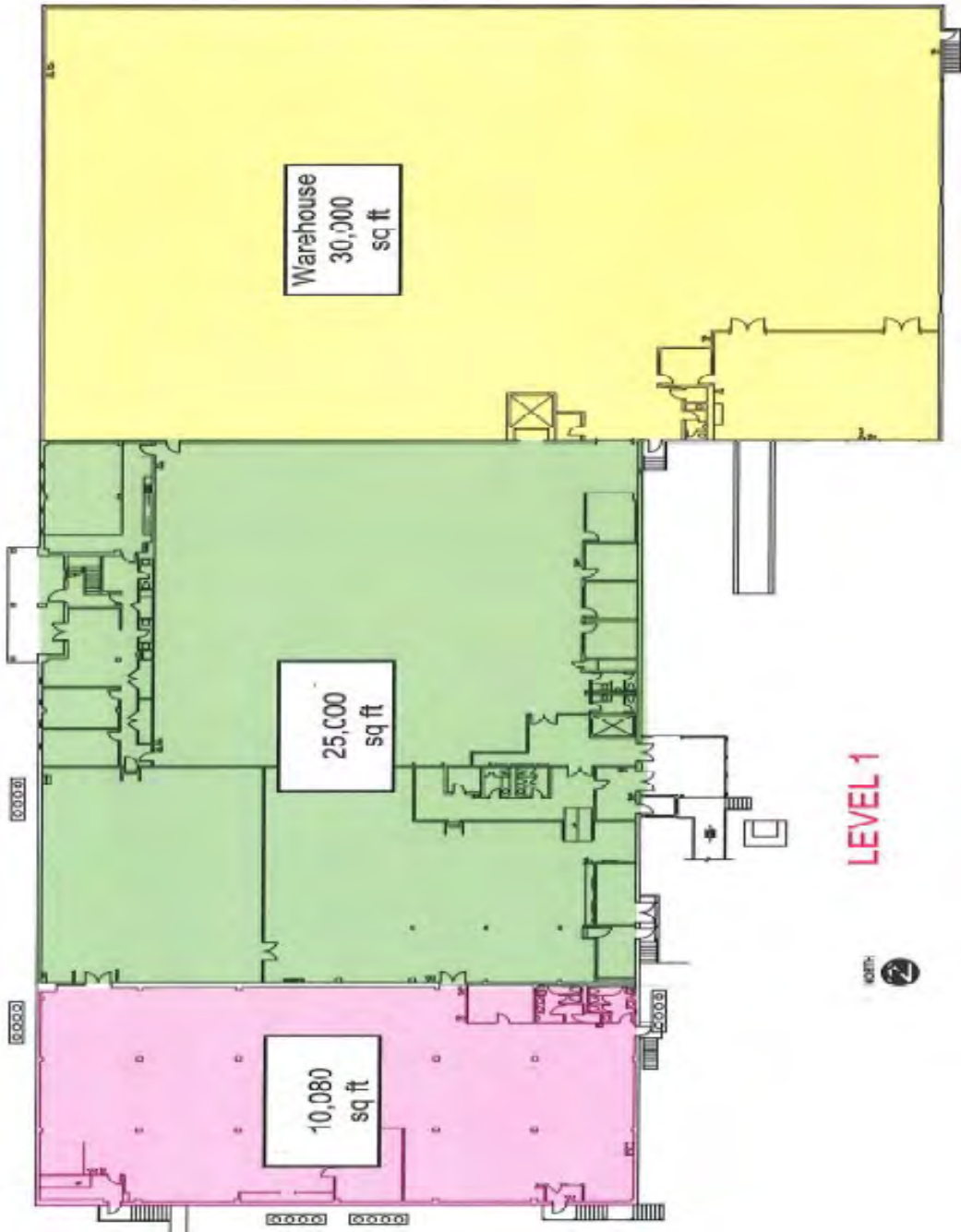


EXHIBIT "B"

ACCEPTANCE AGREEMENT

THIS ACCEPTANCE AGREEMENT (this "Agreement") is made as of the date set forth below between _____ (the "Landlord") and _____ as (the "Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into a Government Real Estate Lease dated _____, 20__ (the "Lease") for certain premises in the building known as _____ (the "Premises"); and

WHEREAS, Landlord and Tenant desire to execute this Agreement pursuant to and as required by the Lease.

NOW THEREFORE, for good and valuable consideration, Landlord and Tenant agree as follows:

1. Landlord has provided notice and hereby represents that it has completed the Renovations as described in the Lease.
2. Tenant hereby acknowledges receipt of Landlord's notice of completion of Renovations, including receipt of a permanent certificate of occupancy for the Demised Premises, to the extent required by applicable Law.
3. Tenant hereby accepts the Renovations as described in the Lease as complete except as otherwise described in Attachment 1 hereto.
4. The Commencement Date of the Term of the Lease is: _____, _____.
5. The expiration date of the Term of the Lease is: _____, subject, however, to earlier termination in accordance with the terms of the Lease.
6. The rentable square footage of the Demised Premises is _____.
7. The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, an electronic or telefaxed signature (hereinafter, an "Electronic Signature") of any party or approver on this Agreement shall be deemed valid and binding and admissible by any party against any other party as if same were an original ink signature. The parties further acknowledge and agree that they (a) intend to be bound by any Electronic Signatures affixed to

this Agreement, (b) are aware that the other party or parties will rely on any such Electronic Signatures, (c) such an electronically signed Agreement may not be denied legal effect or enforceability solely because it is in electronic form or signed with an Electronic Signature, and (d) the foregoing provisions regarding Electronic Signature apply solely to the execution of this Agreement, and shall in no event be deemed to amend any other written obligations of any party set forth in this Agreement.

WHEREFORE, the parties hereto have signed and sealed this Agreement, as of the ____ day of _____, _____.

	<p>LANDLORD:</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>
	<p>TENANT:</p> <p>_____</p> <p>(signature for tenant)</p> <p>_____</p> <p>(printed name and title of signatory)</p> <p>_____</p> <p>(date signed by tenant)</p>

This Agreement is approved in accordance with the South Carolina Code Section 1-11-65 by the South Carolina Department of Administration, Real Property Services, this ____ day of _____, 20__.

 Name: _____
 Title:

Attachment 1

As of the date of this Acceptance Agreement, the following issues and/or items regarding the Renovations are incomplete pursuant to the terms and conditions of the Lease:

If not applicable, initial here: _____ [Tenant]

EXHIBIT "C"

RENOVATIONS

To be inserted upon approval.

EXHIBIT "D"
SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (the "Agreement") is made as of this ___ day of _____, 20__ between, _____, an agency, institution, department (including any division or bureau thereof) or political subdivision of the State of South Carolina having an address at _____ ("Tenant"); _____ having an address at _____ ("Landlord") and _____, having an address at _____ ("Lender"). (Tenant, Landlord and Lender are hereinafter collectively referred to as the "Parties").

Reference is made to the following facts:

A. Under a Governmental Real Estate Lease Agreement (the "Lease") dated _____, by and between _____, predecessor in interest to Landlord, and Tenant, Tenant will occupy certain premises (the "Demised Premises") located in _____ County, South Carolina and more particularly described in Exhibit "A" attached hereto and made a part hereof (such property being hereinafter referred to as the "Property").

B. Lender has made or has been requested to make a loan (the "Loan") to Landlord secured by a Deed to Secure Debt and Security Agreement, Mortgage and Security Agreement or Deed of Trust and Security Agreement (the "Security Agreement") encumbering the Property.

C. The Security Agreement and all other documents and instruments evidencing, securing or relating to the Loan shall be hereinafter collectively referred to as the "Loan Documents".

D. Tenant has agreed that Tenant will agree to attorn to Lender, provided Tenant is assured of continued and undisturbed occupancy of the Demised Premises under the terms of the Lease.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements set forth below, the Parties hereto agree as follows:

1. Lender agrees with Tenant that, in the event the interest of Landlord in the Property and the Lease shall be acquired by Lender by reason of foreclosure of the Security Agreement or other proceeding brought to enforce the rights of the holder thereof, by deed in lieu of foreclosure or by any other method, or in the event of any other action pursuant to the Loan Documents, then in any such event:

(a) Tenant shall not be joined as a party defendant in any such foreclosure proceeding which may be instituted by Lender; and

(b) The Lease shall not be terminated or affected by any such action and Lender will recognize Tenant's rights under the Lease, and Tenant shall peaceably hold and enjoy the Demised Premises for the remainder of the unexpired term of the Lease and any extensions thereof upon the same provisions that are set forth in the Lease and without any hindrance or interruption by Lender so long as Tenant shall not be in default in the performance of its obligations under the Lease, or if such an event of default shall exist, so long as Tenant's time to cure the default has not expired.

2. In consideration of the foregoing covenants by Lender, Tenant agrees with Lender that in the event the interest of Landlord in the Property and the Lease shall be acquired by Lender by reason of foreclosure of the Security Agreement or other proceeding brought to enforce the rights of the holder thereof, by deed in lieu of foreclosure or any other method, Tenant shall attorn to and recognize Lender as its landlord for the remainder of the unexpired term of the Lease and Lender will recognize and accept Tenant as its tenant thereunder. Upon any such attornment, the Lender shall thereafter assume and perform all of Landlord's obligations as the landlord under the Lease with the same force and effect as if Lender were originally named therein as Landlord and the Lease shall continue in full force and effect as a direct lease between Tenant and Lender and upon all terms, covenants and conditions contained therein. Nothing herein shall be construed as a waiver of any contractual claim that Tenant may have against Landlord, or as a release of Landlord from liability to Tenant, on account of the nonperformance of any obligation of Landlord under the Lease.

3. The provisions of Paragraphs 1 and 2 above shall be effective and self-operative immediately upon Lender's succeeding, as provided above, to the interest of Landlord under the Lease without the execution of any further instruments on the part of any of the parties hereto.

4. Subject to the foregoing, Tenant agrees that the Lease shall be, and shall at all times remain, subordinate to the lien imposed by the Security Agreement.

5. Tenant hereby certifies to Lender that the Lease has been duly executed by Tenant and is in full force and Tenant further affirms that, except as disclosed to Lender, the Lease has not been modified or amended.

6. After receiving written notice from Lender that the Property is subject to the ownership or control of the Lender or that Lender has become entitled to collect rents pursuant to rights granted to Lender in the Loan Documents, Tenant shall pay to Lender, or to such other person or entity as may be designated by Lender in writing, all rent, additional rent or other monies and payments due and to become due to the Landlord under the Lease.

7. 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 set forth below:

<u>If to Lender:</u>	<hr/> <hr/> <hr/> <hr/>
<u>If to Tenant:</u>	<hr/> <hr/> <hr/> <hr/> <p>With a copy to:</p> <p>SC Department of Administration Attn: Real Property Services 1200 Senate Street, 6th Floor Columbia, SC 29201 <u>Email Address: rps@admin.sc.gov</u></p>
<u>If to Landlord:</u>	<hr/> <hr/> <hr/> <hr/>

8. As used in paragraphs 2, 3 and 4 herein, the word “Lender” includes any persons claiming

by, through or under Lender or the Security Agreement, (including but not limited to any purchaser at foreclosure sale or other proceeding brought to enforce the rights of the holder of the Security Agreement or by any other method), and the words "Tenant" and "Landlord" shall include their respective successors and assigns.

9. Landlord consents and agrees to the terms of this Agreement.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

11. The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, an electronic or telefaxed signature (hereinafter, an "Electronic Signature") of any party or approver on this Agreement shall be deemed valid and binding and admissible by any party against any other party as if same were an original ink signature. The parties further acknowledge and agree that they (a) intend to be bound by any Electronic Signatures affixed to this Agreement, (b) are aware that the other party or parties will rely on any such Electronic Signatures, (c) such an electronically signed Agreement may not be denied legal effect or enforceability solely because it is in electronic form or signed with an Electronic Signature, and (d) the foregoing provisions regarding Electronic Signature apply solely to the execution of this Agreement, and shall in no event be deemed to amend any other written obligations of any party set forth in this Agreement.

[SIGNATURE PAGE OF LENDER FOLLOWS]

[SIGNATURE PAGE OF LENDER]

My Commission Expires: _____
(Official Seal)

[SIGNATURE PAGE OF LANDLORD FOLLOWS]

(Official Seal)

[SIGNATURE PAGE OF TENANT FOLLOWS]

(Official Seal)

This Agreement is approved in accordance with the South Carolina Code of Regulations §19-447.1000 by the South Carolina Department of Administration, Real Property Services, this ____ day of _____, 20__.

Name: _____

Title: _____

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT EXHIBIT "A"**

LEGAL DESCRIPTION

EXHIBIT "E"
TENANT ESTOPPEL CERTIFICATE

Tenant: _____

Landlord: _____

Lease dated: _____

Amendments dated: _____

This is to certify that as of this date of execution and to the best of Tenant's actual knowledge:

7. The undersigned is lessee ("Tenant") under that certain lease dated _____
_____ ("Lease") by and between _____, as landlord ("Landlord") and _____
_____, as tenant ("Tenant"), relating to _____
_____ (the "Premises").
8. The current term of the Lease commenced on _____ and will expire
on _____, excluding any unexercised renewals.
9. The current monthly rent paid under the Lease is \$_____.

- 10. To the best of Tenant’s knowledge, the use, maintenance or operation of the Premises complies with the terms of the Lease, except as otherwise set forth in Exhibit “A” (attached and incorporated herein by reference).
- 11. Except as otherwise set forth in Exhibit “B” (attached and incorporated herein by reference), no default has occurred under the terms of the Lease.
- 12. The Lease has not been modified, changed, altered, assigned, supplemented or amended in any respect except to the extent specified above. The Lease is not in default and is valid except to the extent specified above. The Lease represents the entire agreement between the Landlord and the Tenant with respect to the Premises. The terms of this Lease are in full force and effect as of the date of this document.
- 7. To the best of Tenant’s knowledge, the Tenant has not received any notices, written or oral, of violation of any environmental or zoning law relating to the use, maintenance or operation of the Premises.
- 8. To the extent there is any conflict between a provision in this Certificate and a provision of the Lease, the provision in the Lease shall control.

[] TENANT [] LANDLORD INITIALS

An inspection of the Premises has not been conducted for the purpose of this Certificate. This document shall not be construed as a waiver of any rights, benefits, or interest the Tenant has under the above-referenced Lease.

The undersigned is authorized to execute this Tenant Estoppel Certificate on behalf of the Tenant.

Dated this _____ day of _____, 20_____.

The undersigned hereby certifies that the certifications set forth above are true as of the execution date.

“TENANT”

By: _____ Dated: _____

Its: _____

“LANDLORD”

By: _____ Dated: _____

Its: _____

Title

The form of this Certificate is approved by the South Carolina Department of Administration, Real Property Services, this ___ day of _____, 20__.

Name:

Title:

[] TENANT [] LANDLORD INITIALS

EXHIBIT A

As of the date of this Certificate and to the best of Tenant's knowledge, the following issues and/or items regarding the use, maintenance or operation of the Premises need to be addressed pursuant to the terms and conditions of the Lease:

If not applicable, initial here: _____ [Tenant]

[] TENANT [] LANDLORD INITIALS

EXHIBIT B

As of the date of this Certificate and to the best of Tenant’s knowledge, the following constitute a default pursuant to the terms and conditions of the Lease:

If not applicable, initial here: _____ [Tenant]

_____ TENANT _____ LANDLORD INITIALS

EXHIBIT “F”

BUILDING RULES AND REGULATIONS

1. Tenant shall not make any room-to-room canvas to solicit business from other tenants in the Buildings and shall not exhibit, sell or offer to sell, use, rent or exchange any item or services in or from the Demised Premises unless ordinarily included within Tenant’s use of the Demised Premises.

2. Tenant shall not make any use of the Demised Premises which may be dangerous to person or property or which shall materially increase the cost of insurance or require additional insurance coverage.

3. Tenant shall not paint, display, inscribe or affix any sign, picture, advertisement, notice, lettering or direction or install any lights on any part of the outside or inside of the Buildings, other than

the Demised Premises, and then not on any part of the inside of the Demised Premises which can be seen from outside the Demised Premises, except as approved by Landlord in writing.

4. Tenant shall not use the name of the Buildings in advertising or other publicity, except as the address of its business, and shall not use pictures of the Buildings in advertising or publicity.

5. Tenant shall not obstruct or place objects on or in sidewalks, entrances, passages, courts, corridors, vestibules, halls, elevators and stairways in and about the Buildings. Tenant shall not place objects against glass partitions or doors or windows or adjacent to any open common space which would be unsightly from the Buildings corridors or from the exterior of the Buildings.

6. Bicycles shall not be permitted in the Buildings.

7. Tenant shall not allow any animals, other than Seeing Eye dogs and service animals, in the Demised Premises or the Buildings.

8. Tenant shall not disturb other tenants or make excessive noises, cause disturbances, create excessive vibrations, odors or noxious fumes or use or operate any devices that play loud or offensive music or emit excessive sound waves or are dangerous to other tenants of the Buildings or that would interfere with the operation of any device or equipment or radio or television broadcasting or reception from or within the Buildings or elsewhere, and shall not place or install any projections, antennae, aerials or similar devices outside of the Buildings or the Demised Premises.

9. Tenant shall not waste electricity or water and shall cooperate fully with Landlord to assure the most effective operation of the Buildings' heating and air conditioning systems, and shall refrain from attempting to adjust any controls except for the thermostats within the Demised Premises. Tenant shall keep all doors to the Demised Premises closed when not in use.

10. Landlord shall furnish an access card for the main entrance and Common Areas to the Buildings for each of Tenant's employees which shall be free of charge as to the initial access cards for each existing employee identified by Tenant; any replacement access cards or new access cards shall require payment of Landlord's reasonable cost in providing the access cards. Tenant and Tenant's employees shall not give their building access cards to any other individual. Tenant and Tenant's employees shall not piggyback or allow other individuals to piggyback through access-controlled building entrances. When a Tenant's employee ceases to work at the Demised Premises, Tenant shall require such employee to return the access card, and Tenant shall notify Landlord of such in order to allow Landlord to deactivate such access card. When the Lease is terminated, Tenant shall deliver all access cards to Landlord, will deactivate the access key or other security system for the doors to the Demised Premises, and will provide to Landlord the means of opening any safes, cabinets or vaults left in the Demised Premises.

11. Tenant shall not install any signal, communication, alarm or other utility or service system or equipment without the prior written consent of Landlord.

12. Tenant shall not use any draperies or other window coverings instead of or in addition to the Buildings standard window coverings designated and approved by Landlord for exclusive use throughout each of the Buildings.

13. Landlord may require that all persons who enter or leave the Buildings identify themselves to building management/Landlord personnel by registration or otherwise. Landlord, however, shall have no responsibility or liability for any theft, robbery or other crime in the Buildings. Tenant shall assume full responsibility for protecting the Demised Premises, including keeping all doors to the Demised Premises locked after the close of business. Tenant shall comply with any and all written security procedures promulgated by Landlord from time to time.

14. Tenant shall not overload floors; and Tenant shall obtain Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed (provided that Tenant shall be responsible for the cost of any changes to the Buildings or Demised Premises required because of the installation of any such objects), as to size, maximum weight, routing and location of business machines, safes, and heavy objects. Tenant shall not install or operate machinery or any mechanical devices of a nature not directly related to Tenant's ordinary use of the Demised Premises.

15. In no event shall Tenant bring into the Buildings flammables such as gasoline, kerosene, naphtha and benzene, or explosives or firearms or any other articles of an intrinsically dangerous nature. Provided, however, Tenant shall have the right to bring any required chemicals for its aquatics lab into the PND building for any lawful purpose that is consistent with Tenant's business.

16. Furniture, equipment and other large articles may be brought into the Buildings only at the time and in the manner designated by Landlord. At no time, furniture equipment and other large articles shall be brought through the revolving doors at the building entrances. Tenant shall furnish Landlord with a list of furniture, equipment and other large articles which are to be removed from the Buildings. Movements of Tenant's property into or out of the Buildings and within the Buildings are entirely at the risk and responsibility of Tenant. Tenant shall be responsible for damage to the Buildings arising from such movement activity.

17. No person or contractor, unless approved in advance by Landlord, shall be employed to do janitorial work, interior window washing, cleaning, decorating or similar services in the Demised Premises.

18. Tenant shall not use the Demised Premises for lodging, cooking (except for microwave reheating and coffee makers) or manufacturing or selling any alcoholic beverages or for any illegal purposes.

19. Tenant shall cooperate and participate in all security, health, safety and well-being programs affecting the Buildings.

20. Tenant shall not loiter, or lie in the lobby or other public areas in the Buildings. Tenant shall not go onto the roof of the Buildings or any other non-public areas of the Buildings (except the Demised Premises), and Landlord reserves all rights to control the public and non-public areas of the Buildings. In no event shall Tenant have access to any electrical, telephone, plumbing or other mechanical closets without Landlord's prior written consent.

21. Tenant shall not use the freight or passenger elevators, loading docks or receiving areas of the Buildings except in accordance with regulations for their use established in writing by Landlord.

22. Tenant shall not dispose of any foreign substances in the toilets, urinals, sinks or other washroom facilities, nor shall Tenant permit such items to be used other than for their intended purposes; and Tenant shall be liable for all damage as a result of a violation of this rule.

23. Tenant acknowledges that the Real Property is a non-smoking campus.

24. Consumption of alcohol is strictly forbidden in all Common Areas and the parking garage.

25. Tenant and Tenant's employees shall dress appropriately for the setting.

26. Tenant and Tenant's employees shall follow all posted speed limits in parking lots, access roads and parking garages. Tenant and Tenant's employees shall obey all directional signage posted in parking lots, access roads and parking garages.

27. Tenant and Tenant's employees shall not bring any illegal or illicit drugs, or drug paraphernalia onto the Landlord's property.

EXHIBIT "G"

JANITORIAL SPECIFICATIONS

To be inserted upon approval.