

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

2013 Legislative Session

Legislative Day No. 07

Resolution No. 35-2013

Introduced by: The President of the Council at the request of the County Executive

A RESOLUTION TO AUTHORIZE THE COUNTY EXECUTIVE TO EXECUTE, ON BEHALF OF WICOMICO COUNTY, A LEASE AGREEMENT WITH G PLUS PROPERTIES, LLC.

WHEREAS, the County would like to lease property, including the building, located at 309 East Main Street, Salisbury, Maryland; and

WHEREAS, the County Executive proposes that Wicomico County, Maryland enter into a lease agreement with G Plus Properties, LLC for an initial term of fifteen (15) years, commencing on the lease commencement date as defined in the Lease Agreement, with three (3) additional five (5) year renewal terms, with the option to purchase the property at a later date, and be given the authority to execute such agreement on behalf of Wicomico County, Maryland; and

WHEREAS, the County shall pay rent at a monthly rental rate of \$24,781.25 to be adjusted annually by 2% on the anniversary of the initial and renewal terms; and

WHEREAS, the leased premises shall be used by the County for the day-to-day operations of the Wicomico County State's Attorney's Office.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Wicomico County, Maryland that the County Executive be, and is hereby, authorized to execute, on behalf of the County, a Lease Agreement, in substantially the form attached hereto as Exhibit A and made a part hereof, with G Plus Properties, LLC for a term of fifteen (15) years, commencing on the Lease Commencement Date as defined in the Lease Agreement, with three (3) additional five (5) year renewal terms, at a monthly rental rate of \$24,781.25, which shall be adjusted annually by 2% on the anniversary of the initial and renewal terms, with the option to purchase the property at a later date.

Done at Salisbury, Maryland, this 2nd day of April, 2013.

ATTEST:

Matthew E. Creamer, Council Administrator

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND Matt Holloway, Council President

CERTIFICATION

This Resolution was Adopted [checked], Adopted with Amendments ____, Failed ____, Withdraw [checked] by the County Council on April 2, 2013.

Certified by Matthew E. Creamer, Council Administrator

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made as of the _____ day of _____, 2013 ("Effective Date"), by and between G Plus Properties, LLC ("Landlord"), and Wicomico County, Maryland, a body corporate and politic ("Tenant").

RECITALS

Landlord is the owner of the Property located in City of Salisbury, County of Wicomico, State of Maryland, known locally as the 309 East Main Street Salisbury, Maryland 21801 and more particularly described in Exhibit A attached.

Landlord desires to renovate the Building on the Property and to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord, all under the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. LEASE OF LEASED PREMISES.

Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the Leased Premises from Landlord, all under the terms and conditions more fully set forth herein.

2. LEASED PREMISES.

The Leased Premises shall consist of the Property and one building containing approximately 18,300 Gross Square feet renovated in accordance with a Construction Agreement attached as Exhibit B (the "Building"). The Property and the Building are collectively called the "Leased Premises." A preliminary site plan of the Leased Premises and a depiction of the footprint of the Building to be renovated on the Property are attached as Exhibit C, and are subject to modification by mutual agreement of the parties.

3. TERM.

- A. Initial Term. The initial Lease term (the "Initial Term") shall be fifteen (15) full Lease Years (as hereinafter defined) commencing on the Lease Commencement Date (as herein defined).
- B. Renewal Options. Provided that this Lease is then in full force and effect (and no Event of Default has occurred and is continuing on the date Tenant delivers its Renewal Notice to Landlord), Tenant shall have the right to renew this Lease, by written notice no later than ninety (90) days prior to the completion of the current lease term, for three (3) additional five (5) year terms, on the same terms, conditions, and provisions as are set forth in this Lease, provided that the following lease rates shall apply during the renewal term.
Lease Rates: The Lease rate shall increase at 2% for each year of the initial and renewal terms.

4. LEASE COMMENCEMENT DATE

- A. Commencement. The "Lease Commencement Date" shall be the date which is five (5) calendar days following Substantial Completion of Landlord's Work (as defined in Work Letter attached).
- B. Lease Commencement Agreement. After the Lease Commencement Date the Landlord and Tenant shall promptly enter into a supplementary written agreement specifying the Lease Commencement Date.

5. RENT AND FINANCIAL MATTERS.

- A. Annual Rent. Commencing on the Lease Commencement Date, Tenant agrees to pay the Landlord the Annual Rent as specified below, payable in equal monthly installments:

1. Base Rent at 16.25 per square foot - per month: \$24,781.25

payable per month

The Annual rent shall be adjusted on each annual anniversary by an additional 2% for the Initial and Renewal terms.

- B. Payment Procedure. Each installment of the Annual Rent is due in advance on the first (1st) day of each and every month for which payment is due.
- C. Partial Month Proration. If the Lease Commencement Date occurs on a day other than the first day of a month, then Tenant will pay a prorated monthly installment of the Annual Rent for the fractional part of such month.

6. UTILITIES AND TAXES.

Tenant agrees that it will pay all charges for electricity, water, sewer, gas, telephone, internet, cable, annual elevator and sprinkler inspections and other utility service used on the Leased Premises. Tenant further agrees to pay all real property taxes assessed on the Leased Premises which are payable during the original lease term or any renewal thereof. Tenant further agrees to reimburse Landlord for fire and extended coverage insurance on the Premises. Landlord hereby releases and holds Tenant, its Officers and Employees, free and harmless from any and all loss or expense resulting from damage to the Premises cause by fire, explosion or act of God.

7. USE OF PREMISES.

Tenant will not use the Premises for any illegal purpose nor in such manner as to violate any law, rule or regulation of any governmental body.

8. MAINTENANCE.

- A. Commencing on the Lease Commencement Date Tenant shall be responsible for normal maintenance of the heat, ventilation and air conditioning equipment (interior and exterior units/systems), including, but not limited to, filters, freon, cleaning, etc. Tenant will maintain and be responsible for all landscaping, snow removal, salting, parking lot maintenance, glass windows and doors and is responsible for replacing light bulbs and ballast. Tenant will regularly check roof drains to make sure proper roof drainage is achieved. At the expiration or earlier termination of the Lease, Tenant will deliver the Premises to Landlord, insofar as Tenant is required to maintain the same, in as good condition as received, except for ordinary wear and tear and damage by fire or other casualty. Tenant is responsible for the maintenance of its leasehold improvements.
- B. Landlord covenants and warrants that the Premises are (or will be) well built, properly constructed, structurally safe and sound. Landlord further covenants to keep in repair the exterior and structural portions of the Premises, including the roof and exterior walls. In the event of a roof leak, caused by negligent roof drain inspections by Tenant, the Landlord shall not be responsible for any damage. All repairs necessary to comply with the terms of this paragraph shall be completed by Landlord within a reasonable time (60 days or less) after being advised by Tenant of the need for same. If, after notice and lapse of such reasonable time, Landlord has failed to make the necessary repairs, Tenant may make the repairs, and recover the costs thereof from Landlord.
- C. Tenant will not commit or suffer any waste of the Leased Premises. Landlord or Landlord's representatives may enter the Leased Premises during normal business hours with at least two (2) Business Days' prior written notice (except in the event of emergency) to Tenant and in the presence of a designated representative of Tenant to verify Tenant's compliance with this Lease.
- D. Tenant shall promptly comply with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state, municipal or other governmental or quasi-governmental authorities or bodies having jurisdiction over the Leased Premises.

9. REMODELING.

Tenant shall have the right to make, from time to time, any non-structural alterations, changes and improvements inside the Premises, at its own expense, but only with the written consent of Landlord, which shall not be unreasonably withheld.

10. FIXTURES AND EQUIPMENT.

Tenant may install in, and remove from the Premises, such trade fixtures, furniture, equipment, machinery and appliances as may be necessary to the conduct of its business on the Premises. If the Tenant shall remove such property from the Premises, it shall repair any damage done by the installations and removal.

11. CONDUCT ON LEASED PREMISES.

Tenant will neither do, nor permit anyone else to do, anything on the Leased Premises which might or would: (i) increase any insurance rates charged Landlord with respect to the Leased Premises or the Building; or (ii) conflict with or invalidate any insurance policy maintained by Landlord for the Leased Premises or the Project and of which Tenant is made aware, in writing.

12. INSURANCE.

- A. Tenant's Insurance. Tenant will purchase at its sole cost a policy of commercial general liability insurance covering the Leased Premises and the business conducted by Tenant there. The policy will be kept in force during the entire Term. The policy will (a) have minimum limits of liability of (1) \$2,000,000 for bodily injury and property damage with respect to any one occurrence and (2) \$2,000,000 with respect to the aggregate.
- B. Landlord's Insurance. Landlord shall be obligated to obtain Landlord's Insurance. Tenant to reimburse for expense annually. The term "Landlord's Insurance" includes all insurance and all required endorsements which Landlord's lender requires Landlord to maintain, in connection with Landlord's ownership of the Leased Premises or any part thereof. Property insurance with respect to the Building shall be carried by Landlord in an amount at least equal to the actual replacement costs of the Building.

13. LIENS.

Except for any liens or deeds of trust, mortgages, assignments of rents and leases, and security agreements granted as part of the financing of the Leased Premises or the Project from time to time, Landlord will not do anything, or permit anything to be done, which subjects all or any part of the Leased Premises to any lien or encumbrance including but not limited to, mechanics' or materialmen's liens.

14. ENVIRONMENTAL ASSURANCES.

- A. Landlord represents and warrants to its current actual knowledge as of the Effective Date that, except as disclosed in third party environmental reports in Landlord's possession (copies of which have been delivered to Tenant) no Hazardous Substances exist at the Leased Premises in excess of reportable standards, or which violate site closure conditions as required by applicable governmental authorities.
- B. Landlord shall provide Tenant, prior to occupancy, with a report from a certified Industrial Hygienist confirming that the Premises are free from environmental factors or stresses which may cause sickness, impaired health and well being, or significant discomfort among those who will work in the Premises.
- C. Landlord agrees to defend with legal counsel reasonably acceptable to Tenant, indemnify and hold Tenant (and its authorized agents) harmless from and against any claims, demands, actions, suits, proceedings, judgments, damages, losses, costs, fees or expenses (including, without limitation, environmental assessment, investigation and environmental remediation expenses, third party claims and environmental impairment

expenses and reasonable attorneys' fees and expenses) incurred by the indemnitee in connection with Landlord's Generation of Hazardous Substances at, to or from the Leased Premises or the Project or in connection with Landlord's failure to comply with its representations, warranties and covenants set forth in this Paragraph. This indemnification by Landlord will remain in effect after the termination or expiration of this Lease.

15. ACCEPTANCE OF LEASED PREMISES.

The taking of possession of the Leased Premises by Tenant on the Lease Commencement Date shall constitute an acknowledgment by Tenant that, other than with respect to latent defects and completion of punchlist items, (i) the Leased Premises are in good condition, that Landlord has provided or constructed all improvements to be provided or constructed by Landlord in the Leased Premises in accordance with Exhibit B, attached hereto, and (ii) all materials and labor provided by Landlord are satisfactory. Upon Landlord's request, Tenant shall provide written confirmation of the foregoing.

16. CONSTRUCTION WARRANTY.

Landlord warrants that Landlord's Work shall be free from defects in materials or workmanship for a period of one year following Substantial Completion. Landlord shall promptly repair or replace any defective portion of Landlord's Work as to which Landlord receives written notice of such defect prior to the one year anniversary of Substantial Completion.

17. CONDEMNATION.

In the event that the Premises leased or any part thereof are taken or condemned for public or quasi-public use, this lease shall, as to the part so taken, terminate as of the date title shall vest in the condemnor, and the rent reserved shall be adjusted so that the Tenant shall be required to pay for the remainder of the term that portion of the rent reserved which the value of the part remaining after condemnation bears to the value of the entire Premises at the date of condemnation, or shall cease of the entire Premises leased be so taken; in the event of the taking or condemnation of a portion of the Premises, the rental shall be apportioned, as aforesaid, by agreement between the parties or by legal proceedings, but pending such determination or adjudication, the Tenant shall not be required to pay rent until such determination or legal adjudication is accomplished at which time the same shall become due and payable. Notwithstanding anything to the contrary herein provided, it is agreed that in the event the remainder of the Premises after such condemnation is not fit or suitable for the maintenance and operation of Tenant's business in substantially the manner in which Tenant is operating at the time of such condemnation, the Tenant, at its' option, may terminate this Lease.

18. DAMAGE AND DESTRUCTION

If during the term of this lease the Premises are damaged or destroyed by fire or other casualty Landlord agrees, at its own expense, to promptly repair and restore the Premises, and during such period of repair or restoration, rent shall abate or be reduced to the extent that Tenant is deprived of the full use of the premises. Notwithstanding the foregoing, however, if the damage to the premises cannot be repaired or restored within ninety (90) days following the occurrence of the fire or other casualty, then either Landlord or Tenant may terminate this Lease, effective as of the date of the occurrence of the fire or other casualty by giving written notice to the other party within thirty (30) days following the occurrence of the fire or other casualty.

19. DEFAULT

A. Should default be made in the payment of any of the rent to be paid hereunder and such default continue for a period of twenty (20) days after written notice from Landlord to Tenant, or should default be made in the performance or observance of any other covenant or condition herein required to a period of thirty (30) days after written notice from Landlord to Tenant specifying such default, then in any such events and in addition to any and all other rights or remedies of Landlord hereunder and/or by law provided, it shall be lawful for Landlord, at its sole option, to declare the term hereof ended and to re-enter the Premises and take possession thereof and remove all persons therefrom and Tenant shall have no further claim hereon or

hereunder; provided, however, that if the default complained of (money payments excepted) is of such a nature that the same cannot be rectified within the period allowed for curing such default, then such default shall be deemed to be rectified if Tenant shall have commenced with such period to comply with the provision hereof which have been breached by it, and if Tenant shall, with all diligence, proceed to rectify such default.

- B. If Landlord, in any respect, fails to perform any covenant and agreement in this Lease contained on the part of Landlord to be performed, then in any such event or events, Tenant, after the continuance of any such failure or default for thirty (30) days after notice in writing thereof is given by Tenant to Landlord, may (but this shall not be deemed to impose an obligation to Tenant so to do) cure such defaults all on behalf of and at the expense of Landlord and do the necessary work and make the necessary payments in connection therewith, and Landlord agrees to pay to Tenant, forthwith, the amount so paid by Tenant, and agree that Tenant may withhold such amount from rental payments and other payments thereafter becoming due to Landlord pursuant to the provisions of this lease, or any extension thereof, and may apply the same to the payment of such indebtedness of Tenant to the Landlord until such indebtedness of Landlord to Tenant is fully paid; provided, however, that if the default complained of is of such a nature that the same cannot be rectified within the period allowed for curing such default then such default shall be deemed to be rectified if Landlord shall have commenced within such period to complete the work or provision necessary to eliminate the breach, and if Landlord shall use all diligence to proceed to rectify such default.

20. ASSIGNMENT.

Tenant shall have the right to assign or transfer this lease or to under lease or sublet the whole or any part of said leased premises. Should Tenant assign this lease it shall nevertheless remain liable to Landlord for full payment of the rent and Tenant's other obligations under this lease.

21. NOTICES

Except as otherwise provided in this Lease, any requirement for a notice, demand or request under this Lease will be satisfied by a written document: (a) hand-delivered with receipt; (b) mailed by United States registered or certified mail, return receipt requested, postage prepaid; (c) sent by Federal Express, Express Mail or any other nationally recognized overnight courier service, and addressed:

if to Landlord: G Plus Properties, LLC
P.O. Box 4322
Salisbury, MD 21803

if to Tenant: Wayne Strausburg
Director of Administration
P.O. Box 870
Salisbury, MD 21801

and

Matthew Maciarelo
State's Attorney
Post Office Box 1006
Salisbury, MD 21803-1006

22. OPTION TO PURCHASE.

Landlord grants Tenant the exclusive and irrevocable option to purchase ("Option") the Premises subject to the terms and conditions stated in this paragraph. This Option shall continue in full force and effect commencing on the first day of the thirteenth month of the initial term and terminating on the last day of the thirty-sixth month of this Lease. The Option to purchase shall be exercised by Tenant's notice of election in writing and shall be delivered or mailed, by certified mail, postage prepaid to Landlord. If mailed, notice shall be deemed to have been given on the day following the day shown on the postmark of the envelope in which the notice is mailed. If this option is exercised, in accordance with its terms, Landlord shall sell and convey the Premises to the Tenant and the Tenant shall purchase

and accept the property from Landlord, on and subject to the terms and conditions contained in this agreement. The consideration for the purchase for said real estate and improvements shall be the amount of \$3,934,500.00. At the closing of said purchase, the Tenant shall pay the purchase price to the Landlord in cash, and the Landlord shall convey the Premises to the Tenant by fee simple deed, containing covenants against encumbrances, special warranty and further assurances, at the Tenant's expense. The Premises shall be conveyed subject only to easements and restrictions of record. Title to be good and merchantable, free of liens and encumbrances except as specified herein and except: Use and occupancy restrictions of public record which are generally applicable to properties in the immediate neighborhood or the subdivision in which the Premises is located, and publicly recorded easements for public utilities and any other easements which may be observed by inspection of the property. All title papers, revenue stamps and transfer taxes will be at the expense of the Tenant.

23. SURRENDER OF POSSESSION AND HOLDING OVER.

Tenant will surrender possession of the Premises to Landlord at the expiration or any prior termination of this Lease. Failure by Tenant to surrender the Premises and any holding over by Tenant shall not operate except by express written agreement between parties to extend or renew this Lease, and in the absence of such agreement either party may thereafter terminate such occupancy at the end of any calendar month by giving to the other party thirty (30) days notice in writing of intention so to terminate.

24. TAX DEFERRED EXCHANGE.

The parties hereto agree to cooperate with one another with respect to any tax deferred exchange contemplated at the time of the exercise of the option to purchase provision provided herein. With respect to any such tax deferred exchange, each party shall be responsible for all costs and/or fees which may be necessitated by that party choosing to undertake a tax deferred exchange.

25. MISCELLANEOUS

A. Severability, Enforceability. If any provision of this Lease, or its application to any person, is found invalid or unenforceable, the remainder of this Lease or its application will not be affected. Each term and provision of this Lease will be valid and enforceable to the fullest extent permitted by law. Notwithstanding any language in this Lease to the contrary, if the Term does not commence on or before that date which is five (5) years after the full and final execution and delivery hereof, this Lease will automatically terminate, and neither party will have any further liability to the other.

B. Captions. All headings contained in this Lease are for convenience only. They are not to be treated as a summary construction of the provisions to which they pertain.

C. Recordation. If at any time, any lienholder or other party which has a right to require Landlord to do so requires the recordation of a memorandum of this Lease, Tenant will execute such acknowledgements as may be necessary to effect such recordation. If Landlord requires, or is required, to record a memorandum of this Lease, it will pay all recording fees, transfer taxes and/or documentary stamp taxes payable in connection with the recordation. If Tenant records this Lease, it will make all such payments. Tenant will not record this Lease or any memorandum thereof without Landlord's prior consent, which consent may be withheld in Landlord's sole and absolute discretion.

D. Successors and Assigns. Subject to the restrictions on the transfer of Tenant's interest hereunder as set forth herein, this Lease and all of its provisions, individually and collectively, will bind and inure to the benefit of Landlord and Tenant, and their respective heirs, distributees, executors, administrators, successors, personal and legal representatives and their permitted assigns.

E. Quiet Enjoyment. Landlord covenants that it has good title to the Premises, and that the Tenant, paying the rent herein provided and on keeping observing and performing all of the other terms, covenants and agreements herein contained, shall, during the term herein granted, peaceable and quietly have, hold and enjoy the Premises..

F. Force Majeure. In the event that either party to this Lease is delayed, hindered or prevented, by reason of strikes, lock-outs, inability to procure materials, delays in transportation, failure of power, restrictive governmental laws or

regulations that prevent, delay or prohibit the ability to perform, riots, insurrection, war, fire or other casualties, acts of God, extreme rain or other weather conditions beyond normal conditions for the season, or any other reason not reasonably within the control of the party so delayed, hindered or prevented, from performing work or doing any act required under the terms of this Lease, then performance of such act will be excused for the period of the delay, and the period of the performance of any such act will be extended for a period equal to the period of such delay. Notwithstanding the foregoing, lack of funds is not an excuse delaying, hindering or preventing a party from performing under this Lease and the occurrence of any event described in this Paragraph will not operate to excuse Tenant from prompt payments of Rent required by this Lease.

G. Governing Law. This Lease is made in the State of Maryland and will be governed in all respects by the laws of the Maryland without regard to principles of conflicts of laws.

I. Exhibits Incorporated. All plats, exhibits, riders or other attachments to this Lease are a part of this Lease and are incorporated by reference into this Lease.

J. Entire Agreement. This lease contains the entire agreement between landlord and tenant regarding the subject matter of this lease. There are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them, relating to this subject matter, other than as set forth in this lease. This lease is intended by landlord and tenant to be an integration of all prior or contemporaneous promises, agreements, conditions, negotiations and undertakings between them.

K. Amendments. This lease may not be modified orally or in any manner other than by an agreement in writing signed by landlord and tenant or their respective successors in interest.

L. Counterparts. This lease may be executed in counterparts, each of which will be an original, but all of which will constitute one and the same lease.

N. Time of Essence. Time is of the essence with respect to all provisions of this Lease.

IN WITNESS WHEREOF, Landlord and Tenant, intending to be legally bound hereby, have signed this Lease under seal as of the date first above written.

WORK LETTER
Tenant Improvements Rider to Lease

Terms and Definitions

"Final Plans" shall mean the final plans and specifications for the construction of improvements mutually agreed upon by Landlord and Tenant.

"Leasehold Improvements" shall mean the leasehold improvements to be constructed on the Premises in accordance with the Final Plans for use as offices, together with all appurtenances.

"Substantial Completion" shall occur upon (i) the Tenant's receipt of a certificate of occupancy or equivalent for the Premises which permits Tenant to open for business, and (ii) the delivery of a duly executed certificate from the Project Architect certifying that the construction of the Leasehold Improvements has been completed in accordance with the Final Plans, subject to minor punch list items, which punch list shall be established as provided below. Tenant, however, reserves the right to make an additional punch list within thirty (30) days after occupancy which shall be submitted to Landlord and Landlord agrees to make repairs required by such punch list as soon as possible, at no additional cost to Tenant, within reason.

General Description of Work: See Attached Scope Proposal dated _____, 2013

Agreements

A. Preparation of Plans.

Within 10 days from the execution of this lease, Landlord will retain the architect to prepare the Plans, specifications, and other material required for completing performance of the Work (the "Plans"). The Plans will be delivered immediately to Tenant, who has 15 days to approve the Plans or to indicate any objections to the Plans. If Tenant has objections to the Plans, it will communicate them to Landlord within that time. This process will be repeated until the Plans are approved by both Landlord and Tenant. The cost of preparation of the Plans will be borne by Landlord.

B. Performance of Work.

Landlord shall cause the Leasehold Improvements to be constructed in accordance with the Final Plans. Landlord shall be responsible for contracting with the Project Architect and Project Contractor and for administering and supervising construction of the Leasehold Improvements. Tenant shall cooperate at all stages to promote the efficient and expeditious completion of the Leasehold Improvements. Landlord shall construct the Improvements in a good and workmanlike manner and shall cause all construction work to comply, with all applicable laws, orders, and regulations of governmental authorities and the terms and provisions of any restrictive covenants or deed restrictions. The cost of performance of the Work will be borne by Landlord.

C. Schedules

Landlord shall deliver the Premises to Tenant Ready for Occupancy on or before _____, 200_ ("Delivery Date"). Landlord shall notify Tenant sixty (60) days prior to the date of delivery of the Premises Ready for Occupancy. Such notification is important to Tenant to enable Tenant to coordinate the relocation of its current offices. The Tenant is responsible for the cost of relocation.

Should the Premises not be Substantially Completed on or before _____, 200_ for any reason, without exception or extension for Excusable Delays, then Tenant, in its sole discretion, may terminate this Lease upon written notice to Landlord delivered at any time thereafter and prior to completion and, in such event, this Lease shall become null and void and Tenant shall have no further liability or obligations hereunder. Time is of the essence with respect to the time

periods set forth in this Work Letter.

D. Changes in the Work.

Any changes in the Plans or the Work after initial approval of the Plans will require approval of Landlord and Tenant. As part of such approval, the parties must agree on any required changes to the construction schedule and who will bear any increase in cost.

E. Contractor's Insurance.

Contractor must maintain insurance reasonably satisfactory to Landlord in the amounts specified in the Request for Proposal - RFP#SA12-01.

G. Close-Out Documentation.

Landlord shall deliver to Tenant all of the following as soon as possible following substantial completion of the Leasehold Improvements, but not later than thirty (30) days thereafter:

(a) Operation and maintenance manuals for the HVAC and all other equipment installed by Landlord in the Premises or that serves the Premises.

(b) The originals or copies of all guarantees and warranties obtained by Landlord in connection with the construction of the Building Shell Improvements and the Leasehold Improvements.

(c) A set of as-built plans and specifications for the Premises.

(d) Copies of Air Balance Reports for the HVAC serving the Premises

(e) A list of the name, address and telephone number of all contractors and subcontractors that have supplied labor or furnished a major component of materials or equipment to the Premises on behalf of Landlord.