

**CITY COUNCIL AGENDA ITEM COVER MEMO**

Agenda Item Number: \_\_\_\_\_

Meeting Type: Regular

Meeting Date: Oct 27, 2016

Action Requested By: General Services

Agenda Type: Resolution

Subject Matter:

Lease 6,623 square feet of space on the 7th floor of 200 West Side Square.

Exact Wording for the Agenda:

Agreement between the City of Huntsville and Square Properties 200, LLC for lease space at 200 West Side Square.

**Note: If amendment, Please state title and number of the original**

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

To provide room for the GIS Department

Associated Cost: \$ 114,246.72

Budgeted Item: \_\_\_\_\_

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head:  \_\_\_\_\_

Date: 10/19/16

## ROUTING SLIP CONTRACTS AND AGREEMENTS

Originating Department: General Services Council Meeting Date: 10/27/2016

Department Contact: Barry Crumrine Phone # 256-427-5670

Contract or Agreement: Lease Agreement with the City of Huntsville and Square Properties 200, LLC

Document Name: Lease Agreement with the City of Huntsville and Square Properties 200, LLC

City Obligation Amount: \$ 114,246.72

Total Project Budget:

Uncommitted Account Balance:

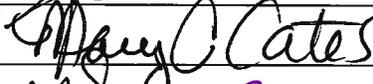
Account Number: 1000-14-14300-515610-00000000

### Procurement Agreements

<b>Not Applicable</b>	<b>Not Applicable</b>
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### Grant-Funded Agreements

<b>Not Applicable</b>	Grant Name: <input type="text"/>
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Department	Signature	Date
1) Originating		10/19/16
2) Legal		10/24/16
3) Finance		10-25-16
4) Originating		
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		

**RESOLUTION NO. 16-\_\_\_\_\_**

**BE IT RESOLVED** by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to enter into a Lease Agreement between the City of Huntsville and Square Properties 200, LLC an Alabama limited company, by and through Anne O'Shea, operations manager of the limited liability company, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as "Lease Agreement between the City of Huntsville and Square Properties 200, LLC," consisting of Seventeen (17) pages, including Exhibits A, B, & C, and the date of October 27, 2016, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

**ADOPTED** this the 27th day of October, 2016.

\_\_\_\_\_  
President of the City Council of  
the City of Huntsville, Alabama

**APPROVED** this the 27th day of October, 2016.

\_\_\_\_\_  
Mayor of the City of  
Huntsville, Alabama



SUITE 700

STATE OF ALABAMA)  
MADISON COUNTY)

**200 WEST SIDE SQUARE OFFICE BUILDING  
LEASE AGREEMENT**

**PARTIES**

**THIS AGREEMENT**, made and entered into on the 27 day of October 20 16, between **SQUARE PROPERTIES 200, LLC** an Alabama limited liability company, by and through Anne O'Shea, operations manager of the limited liability company (hereinafter called the "Landlord") and CITY OF HUNTSVILLE, ALABAMA, a(n) Municipal corporation (hereinafter called "Tenant") is to witness that: Landlord does this day lease unto Tenant and Tenant does lease from Landlord the following described real property (hereinafter called "Premises"):

**PREMISES**

General office space in an office building known as **200 WEST SIDE SQUARE OFFICE BUILDING** at 200 West Side Square, Suite 700, Huntsville, Alabama 35801, containing approximately 6,623 rentable square feet, as shown on attached Exhibit "B".

The terms "Net Rentable Area" as used herein, shall refer to all area measured from the outside surface of the outer glass or finished walls of the building to the outside surface of the opposite outer wall, glass, or to the mid-point of the walls separating the Demised Premises of adjacent tenants, excluding only the areas (Service Areas") within the outside walls used for stair wells and first floor transformer vault-mechanical rooms. The term "Net Rentable Area" includes a pro rata share of all common facilities located on tenants floor such as, but not limited to, bathrooms, hallways and service facilities, the rent and expenses of which are to be shared by Lessee proportionately. No deductions from Net Rentable Area are made for columns or projections necessary to the building.

**TERM**

The TERM of this Lease shall be for Five ( 5 ) year(s) , commencing on the 1<sup>st</sup> day of December , 20 16, and ending the 30th day of November , 20 21 . Landlord shall use commercially reasonable efforts to allow Tenant access to the Premises prior to the Commencement Date (and in any event not later than Friday, November 25, 2016) to install FF&E and otherwise ready the Premises for occupancy. Despite such early access, Tenant shall not be charged Rent prior to the Commencement Date.

**IT IS FURTHER AGREED AND COVENANTED BY AND BETWEEN THE PARTIES AS FOLLOWS:**

**RENT**

Tenant agrees to pay Landlord at such place as Landlord may designate without deduction, offset, prior notice or demand, and the Landlord agrees to accept, as rent for the Leased Premises, to **CHASE COMMERCIAL REAL ESTATE SERVICES, INC.**, agents for the Landlord, at P.O. Box 18153, Huntsville, Alabama 35804-8153 or at such other place as

Landlord may designate in writing, the sum of \$9,520.56 (base monthly rental) in lawful money of the United States (payable each month) during the term of this Lease, the first such monthly rental being due on December 1, 2016, and a like amount being due on the first day of each month thereafter during the term of this Lease or sooner accelerated under the subsequent provisions hereof. In the event the rental to be paid hereunder is not paid by the tenth (10) day of the month in which it is due, the Landlord shall the right to impose a late penalty of two percent (2%) of the amount past due. Said two percent (2 %) late rent penalty shall be payable by Tenant immediately.

The amount of \$ 9,520.56 is paid herewith to Landlord upon the execution of this Lease, receipt of which is hereby acknowledged, which shall represent the first month's payment for Suite 700 for base rent.

**ANNUAL  
ESCALATION**

The monthly payment specified aboves shall not be subject to escalation at any time.

**SECURITY DEPOSIT**

Tenant has deposited with Landlord upon the execution of the Lease, the sum of \$9,520.56 (as security) for the full performance of all the provisions of this Lease. If at any time during the term hereof, or the terms as it may be extended, Tenant shall be in default in payment of rent or any other sum due Landlord as additional rent Landlord may apply all or a part of the deposit to pay for the monetary default or to pay for repair damages to the Leased Premises during or upon termination of the tenancy created by this Lease. In such event, Tenant shall on demand pay to Landlord a like sum as additional security. If Tenant is not in default at the termination of this Lease, Landlord shall return the deposit to Tenant. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit.

**FINANCIAL  
STATEMENT**

Intentionally omitted.

**GUARANTY**

Intentionally omitted.

**QUIET USE**

1. Tenant will use and occupy the Leased Premises for general office space and for no other use or purpose. The Tenant agrees that it will safely and quietly occupy the Premises and will in no way allow or commit any noxious or offensive activity to occur as a result of the Tenant's occupancy and business. Furthermore, nothing shall be done on the Premises which may be or may become an annoyance or nuisance to adjoining tenants, their employees or customers. A violation of this covenant will be deemed an item of default and be grounds for termination pursuant to the Default Provisions of this Lease.

**ASSIGNMENT**

2. Tenant may not, without the prior written consent of Landlord, assign this Lease or any interests hereunder, pledge the leasehold interest for any reason, or sublet the Leased Premises or any part thereof, or permit the use of the Leased Premises by any party other than Tenant. Any such consent shall require, as a condition thereto (i) that the original Tenant shall remain fully liable hereunder for the full term of this Lease; (ii) that if the said assignment or subletting involves a higher total rent than is provided for hereunder, the excess rent shall go to the Landlord; and (iii) that the Landlord shall retain the right of consent or non-consent as to any further such assignments, subletting, and pledges. Any decision by Landlord withholding consent shall not be based on any standards of reasonableness.

**POSSESSION  
DELIVERED**

3. The Landlord agrees to deliver and Tenant agrees to take possession of the Premises upon substantial completion thereof (subject to completion of any punch list items or delivery on any non-building standard finishes), and it is agreed that the Tenant's act of taking possession of the Premises shall be regarded as conclusive proof that the same are substantially complete, in good repair, and in satisfactory condition. The Landlord makes no representation or warranty that the Premises are suitable for the purposes for which the same are rented other than as general office space.

**DELAY OF  
POSSESSION**

4. Intentionally Omitted.

**SUPPLEMENTARY  
LETTER  
AGREEMENT**

5. Intentionally Omitted.

**ALTERATIONS**

6. Tenant will make no alterations, additions, or improvements in or to the Premises without the written consent of Landlord. All alterations, additions, and improvements, except only office furniture and equipment, which shall be readily removable without injury to the Premises, shall be and remain a part of the Premises at the expiration of this Lease, unless Landlord demands their removal, in which case Tenant shall immediately cause the removal thereof and shall be responsible for the cost thereof and also for any damage to the Leased Premises caused by such removal.

**DESTRUCTION  
OR DAMAGE**

7. In case the Leased Premises are damaged by fire or other cause as to be rendered un-tenantable, Landlord shall have the right, at its option, within one hundred eighty (180) days to either terminate this Lease or to repair and restore the Premises to a tenantable condition, and the rent shall abate during the period said Premises are un-tenantable. Should said Premises not be restored within one hundred eighty (180) days from the date of the fire or other cause rendering them un-tenantable, the Tenant shall have the option to terminate this Lease by giving fifteen (15) days written notice of his intent to do so (with the notice period beginning on the one hundred eightieth [180th] day) and this Lease shall be terminated on the one hundred ninety-fifth (195th) day unless the Landlord makes the Premises tenantable in the interim. Where the use of the Leased Premises is affected by any damages thereto, there shall be an abatement or an equitable reduction in rent depending on the period for which and the extent to which the Leased Premises are not usable for the purposes for which they are leased hereunder.

**REGULATIONS,  
AND INCREASE IN  
PREMIUMS**

8. Tenant shall promptly execute and comply with all LAWS, statues, ordinances, rules, orders, regulations and requirements of the federal, state, county and city governments, and of any and all their departments and bureaus, applicable to said Premises.

**DEFAULTS AND  
REMEDIES**

9.

This Lease is made upon the condition that Tenant shall punctually and faithfully perform all of the covenants and agreements by it to be performed as herein set forth, and if any of the following events of default shall occur, to-wit:

- (a) There be any default on the part of Tenant in the observance or performance of any of the covenants, agreements, or conditions of the Lease on the part of Tenant to be kept and performed, and said default shall continue for a period of thirty (30) days after receipt of written notice thereof from Landlord to Tenant (unless such default cannot reasonably be cured within thirty (30) days and Tenant shall have commenced to cure said default within said thirty (30) days and continues diligently to pursue the curing of the same); or,
- (b) Tenant shall vacate or abandon the Premises.

Then, and in any of said cases, Landlord, at its option, may terminate this Lease and re-enter upon the Premises and take possession thereof with full right to sue for and collect all sums or amounts with respect to which Tenant may then be in default and has accrued up to the time of such entry, including damages to Landlord by reason of any breach or default on the part of Tenant; or, Landlord may elect to bring suit for collection of such rents and damages without entering into possession of the Premises or voiding this Lease.

In addition to, but not in limitation of, any of the remedies set forth in this Lease or given to Landlord by law or in equity, Landlord shall also have the right and option, in the event of any default by Tenant under this Lease and the continuance of such default after the period of notice above provided, to retake possession of the Premises from Tenant by summary proceedings or otherwise. It is agreed that the commencement and prosecution of any action by Landlord in forcible entry and detainer, ejectment, or otherwise, or any execution of any judgment or decree obtained in any action to recover possession of the Premises, shall not be construed as an election to terminate this Lease unless Landlord expressly exercises its option heretofore provided to declare the term hereof ended, whether or not such entry or re-entry be had or taken under summary proceedings or otherwise, and shall not be deemed to have absolved or discharged Tenant from any of its obligations and liabilities for the remainder of the term of this Lease.

**ATTORNEY'S  
FEES**

10. Intentionally Omitted.

**WAIVER**

11. No waiver of any condition or covenant of this Lease by either party shall be deemed to imply or constitute a further waiver of any other condition or covenant of this Lease. The rights and remedies created by this Lease are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

**RIGHT OF ENTRY**

12. Landlord, or any of its agents, shall have the right to enter said Premises during all reasonable hours upon providing 24 hour advance notice to Tenant to examine the same or to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort or preservation thereof, or of said Building, or to exhibit said Premises at any time for the purpose of reletting. Said right of entry shall likewise exist for the purpose of removing plaques, signs, fixtures, alterations or additions which do not conform to this Agreement.

**PERSONAL**





**PROPERTY  
INSURANCE**

13. All personal property in the Leased Premises shall be and remain Tenant's risk, and Landlord shall not be liable for any damages to nor loss of such personal property arising from acts of negligence of any other persons.

**INDEMNITY OF  
LANDLORD**

14. Intentionally Omitted.

**GOOD ORDER  
AND REPAIR**

15. The Leased Premises shall be in broom clean condition upon the Tenant's taking possession on the Commencement Date. Tenant will keep said the Leased Premises in good order, repair and condition and surrender same at the expiration of the term herein or the renewal date hereof in broom clean condition and in the same condition in which they were received at the commencement of this Lease, usual wear and tear only excepted. Landlord shall not be obligated or required to make any repairs or to do any work on or about said Premises, or any part thereof, or on or about any Premises connected therewith but not hereby leased, except to the extent herein specifically agreed. Should Tenant fail to make repairs agreed to by him under this Lease, the Landlord may enter the Premises and make such repairs and collect the cost thereof, plus reasonable overhead costs, from the Tenant as additional rent, such rent being due and payable at the next ensuing regularly monthly rental payment date.

**RULES AND  
REGULATIONS**

16. The present rules and regulations in regard to the Building are attached hereto and made a part hereof as though fully set out herein. Landlord reserves the right to change these rules and regulations. The Tenant shall faithfully observe and perform such rules and regulations, as modified or supplemented from time to time by the Landlord, and the Tenant shall further be responsible for the compliance with such rules and regulations by the Tenant's employees, its invitees, agents, servants or visitors. The Tenant shall conform to and observe all of the laws, ordinances, and government regulations and orders applicable to the Premises covered by this instrument during the term of this Lease. Without limiting the foregoing, Tenant will not cause any unsightly or unsanitary accumulation of debris or refuse or trash upon any of the walkways, or in the interior or exterior of the Building, and will not place or cause to be placed or permit to be placed any items in the halls or walkways of the Building, or in any place other than in the Demised Premises.

**WRITTEN  
AGREEMENT**

17. This Lease, and attachments hereto, if any, constitute the entire agreement between the parties hereto and all previous negotiations leading thereto, and it may be modified only by an agreement in writing, signed and sealed by Landlord and Tenant. No surrender of the Leased Premises or of the remainder of the term of this Lease shall be valid unless expressly accepted, in writing, by the Landlord.

**TIME**

18. It is understood and agreed between the parties hereto that time is of the essence in all of the terms and provisions of this Lease

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**CONDEMNATIONS,  
ETC**

19. In the event Landlord, during the term of this Lease shall be required by any governmental authority, the order or decree of any court, to repair, alter, remove, condemn, reconstruct or improve any part of the Demised Premises, then such repairing, alterations, removal, reconstruction or improvement may be made by and at the expense of the Landlord, and shall not in any way affect the obligations or covenants of the Tenant herein contained, and the Tenant hereby waives all claims for damages or abatement of rent because of such repairing, alteration, removal, reconstruction or improvement; provided, if the repairs, alterations, removal, reconstruction or improvements required, ordered or decreed shall render said Premises, or the Building wherein they are located, un-tenantable thereby, then unless said repairs, alterations, removal, reconstruction or improvements be made within ninety (90) days after the date of the notice of requirements, order or decree, then either party hereto upon written notice to the other party, given not later than one hundred (100) days after the date of said notice of requirement, order or decree, may terminate this Lease, in which case rent shall be apportioned and paid to the date said Premises or Building were rendered un-tenantable. The Landlord shall be entitled to receive all of the proceeds of any total or partial taking of the Demised Premises by eminent domain or condemnation, including any part of such award as may be attributable to the un-expired leasehold interest or other rights of the Tenant in the Premises, and the Tenant hereby assigns, and transfers to the Landlord all the Tenant's rights to receive any part of such proceeds.

**SURRENDER OF  
PREMISES**

20. Tenant agrees to surrender to Landlord, at the end of the term of this Lease and/or upon any cancellation or termination of this Lease, said Leased Premises in broom clean condition, and in as good condition as said Leased Premises were at the beginning of the term of this Lease, ordinary wear and tear excepted. Tenant agrees that, if Tenant does not surrender to Landlord said Leased Premises at the end of the term of this Lease, or upon any cancellation or termination of the term of this Lease, then Tenant will pay to Landlord all damages the Landlord may suffer on account of Tenant's failure to so surrender to Landlord possession of said Leased Premises, and will indemnify Landlord for all damages (of whatever type and nature) it might suffer on account of delay of Landlord in delivering possession of said Premises to any succeeding Tenant so far as such delay is occasioned by failure of Tenant to so surrender said Premises.

**TERMINATION  
OF LEASE**

21. If the Tenant shall remain or continue to be in possession of the Leased Premises or any part thereof after the termination of this Lease, Tenant shall pay to Landlord, as liquidated damages for each month or portion thereof that such possession is withheld, a sum equal to twice the monthly rental during the final month of this Lease for the Premises, as determined by the provisions of this Lease.

**SIGNS**

22. Except as set forth in 36 Below, no sign, advertisement or notice of Tenant's shall be painted or fixed or placed on any part of the inside or outside of the Building in which the Demised Premises are located.

**UTILITIES**

23. (a) Landlord agrees that it shall maintain and operate the heating and air conditioning systems for all parts of the Premises except storage space; the heating and air conditioning system shall be operated and maintained between the hours of 7 a.m. and 6 p.m. Monday

through Friday (Sundays and holidays excepted). In addition to providing heating and air conditioning during the hours of 7 a.m. and 6 p.m Monday through Friday, Landlord shall also operate the heating and air conditioning system an additional four (4) hours per week on a day and time determined by Tenant (the "on-demand hours"). All on-demand hours not used by Tenant during a given week shall accumulate, and Tenant may use the accumulated on-demand hours at any time during the Lease Term. Heating and air conditioning systems shall be activated for the on-demand hours by a method mutually agreeable to Landlord and Tenant. In the event Tenant shall require heating or air conditioning beyond the hours set out hereinabove (including the on-demand hours), Tenant shall pay unto Landlord \$50.00 per hour for each hour of extra use. Landlord shall not be obligated to furnish additional heating or air conditioning for server rooms or special equipment but shall provide the standard heating and air conditioning as for a normal office environment. Landlord reserves the right to specify what items are to be considered special equipment.

(b) Landlord agrees that it shall supply electric current as may be reasonably necessary for the use and enjoyment of the Demised Premises as hereinbefore specified during the hours and on the days as specified in Paragraph 23 (a) above, and shall replace defective lights as needed, and shall furnish a reasonable amount of water to lavatories and toilets in or appurtenant to the leased space, and shall keep all plumbing in good repair. It is specifically agreed that Landlord undertakes to furnish only a reasonable amount of electrical current and water, and that Landlord reserves the right to adjust the monthly rental to reflect the additional cost of any extraordinary, excessive or wasteful consumption of water or current.

#### ROOF REPAIRS

24. Should the roof of the Building leak at any time during said term, due to no fault on the part of Tenant, the Landlord will repair the same within a reasonable time after being requested in writing by the Tenant to do so.

25. Tenant will replace all keys or key cards lost or broken. Tenant will comply, at all times and in all respects, with all the applicable laws and ordinances relating to nuisance, insofar as the Building and the Premises hereby let, and the Tenant will not, by any act or omission, render the Landlord liable for any violation thereof. Tenant shall give to Landlord, or his agents, prompt written notice of any accidents to or defects in water pipes, windows, gas pipes, air conditioning and heating systems. Tenant shall, upon discovery of any other substantial defect in or injury to said Premises, or any need of other substantial repairs, promptly report the same to the Landlord in writing, or Landlord's agent in writing.

#### NOTICES

26. All notices herein authorized or required to be given to the Landlord shall be sent by Registered or Certified Mail, addressed to Chase Commercial Real Estate Services, Inc., Executive Park South, 2705 Artie Street Building 500 Suite 40, (P. O. Box 18153), Huntsville, Alabama 35805 (35804-8153), or to such other place as the Landlord may from time to time designate in writing to the Tenant. All notices herein authorized or required to be given to the Tenant shall be addressed to the Tenant City of Huntsville, Alabama Facilities Department Post Office Box 308 Huntsville, Alabama 35804 attention: Mr. Jeff Easter or to such other place as the Tenant may from time to time designate in writing to the Landlord. Written notice from the Landlord mailed or delivered to the Premises leased hereunder, after delivery of the Premises hereunder to



Tenant, shall constitute sufficient notice to Tenant to comply with the terms of this Agreement.

**PARKING AND  
COMMON AREAS:**

27. Tenant will provide its own offsite parking. Tenant shall have no parking spaces located in the attached parking deck.

**PARTICIPATION IN  
INCREASED COSTS  
OF OPERATION**

28. Landlord and Tenant agree that the rental set out on Page One hereof is a minimum rental to be paid by Tenant. Landlord will charge Tenant, and Tenant agrees to pay, as additional rental ("Additional Rent"), Tenant's Pro-Rata Share (as defined at the end of this section) of the difference between Basic Operating Costs (as defined below) and the amount set out at the end of this section ("Established Base Amount"), as determined by comparison of said costs for any period during the term of this Lease commencing on January 1 and ending the next following December 31 ("Calendar Year") with the Established Base Amount.

Said "Basic Operating Costs" shall include all costs of operating the entire 200 West Side Square Office Building (the "Building(s)"), including, without limitation, the cost of each of the following items:

**A. CLEANING**

1. Wages (including social security, unemployment compensation, fringe benefits, etc.)
2. Supplies/Materials (including ordinary repairs and replacement of equipment)
3. Outside Service (includes window cleaning, contract cleaning, drapery or venetian blind cleaning, etc.)
4. Miscellaneous

**B. HEATING, VENTILATING, AND AIR CONDITIONING**

1. Wages (including social security, unemployment compensation, fringe benefits, etc.)
2. Supplies/Materials
3. Outside Contract Services
4. Repairs (includes ordinary repairs and minor replacements required to keep the equipment in good operating condition)
5. Miscellaneous

**C. ELEVATORS**

1. Wages (including social security, unemployment compensation, fringe benefits, etc.)
2. Supplies/Materials
3. Outside Services
4. Repairs (includes ordinary repairs and minor replacements required to keep the equipment in good operating condition)
5. Miscellaneous

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**D. GENERAL EXPENSES - BUILDING**

1. Wages security guards, matrons, store keeper and other direct building wages not included elsewhere; including social security, unemployment compensation, insurance, fringe benefits, etc.)
2. Supplies/Materials (includes toilet supplies, keys, signs, and other miscellaneous supplies not included elsewhere)
3. Contract Services (includes rubbish handling, exterminating, directory services, fire extinguisher services, etc.)
4. Re-decorating Public Areas
5. Plumbing Repairs
6. Sewer Charges
7. Water Charges
8. Landscape Expenses

General Repairs (those repairs necessary to keep the Building and walkways, etc., in good condition including required code upgrades)

**E. ADMINISTRATIVE EXPENSES**

1. Salaries (building manager, if any, and his staff, including social security, unemployment compensation, fringe benefits, etc.)
2. Building Office Expenses (including telephone, stationery, supplies, stamps, equipment repairs, dues, subscriptions, etc.)
3. Legal (except litigation, bad debts, or leasing expenses)
4. Professional Fees (including accounting and engineering connected with building operations, but not including leasing costs or commissions)
5. Management Fees
6. Advertising

**F. ENERGY**

1. Electricity (after deduction for electricity paid by other tenants for extra services)
2. Gas (net of gas charged to tenants)
3. Oil (net of oil charged to tenants)
4. Steam (net of steam charged to tenants)
5. Chilled Water (net of chilled water charged to tenants)

**G. INSURANCE**

1. Fire and extended coverage premium
2. Earthquake and extended coverage premium
3. Liability and extended coverage premium
4. Other broad form coverages

**H. TAXES**

1. Real estate taxes and assessments
2. Personal property taxes (for the building's personal property, including license expenses)

**I. EXTRAORDINARY REPAIRS** Large non-recurring major repairs or replacements spread over the normal life of the component

J. Capital investments made in an attempt to reduce operating costs spread over the life of the equipment or leasing of equipment to attempt to effect said reduction

The following are the only costs to be excluded from calculation of "Basic Operating Cost":

- A. Work performed by the Landlord or Tenant, including redecorating, refurbishing or remodeling, or work performed within a Tenant space in excess of the normal services required under a Lease;
- B. Repairs or other work occasioned by fire, windstorm or other insured casualty, but only to the extent that the cost is recovered from insurance; and
- C. Leasing costs or commissions paid in addition to management fees.

The actual amount of Additional Rent payable shall be an amount equal to the product obtained by multiplying the Pro-rata Share times the remainder obtained by subtracting the Established Base Amount from the Basic Operating Costs for the calendar year in question (provided, however, in no event shall the amount so determined be less than zero).

On or before December 31 of each Calendar Year during the term, or as soon thereafter as practicable, Landlord shall give Tenant written notice of its estimate of the Additional Rent for the next ensuing Calendar Year. Commencing January 1 of the next year, Tenant shall pay to Landlord one-twelfth (1/12) of such estimated Additional Rent. If notice of Landlord's estimate of Additional Rent is not given prior to December 31 during the next Calendar Year, Tenant shall continue to pay the monthly payment based on the Additional Rent computed for the previous Calendar Year until the month after such notice is given.

As soon as practicable after the close of each Calendar Year, Landlord shall deliver to Tenant a final statement of the Additional Rent for the immediately preceding Calendar Year and such statement shall be final and binding upon Landlord and Tenant. If such statement shows an amount owing by Tenant that is less than the payments actually made by the Tenant for the immediately preceding Calendar Year, Tenant shall be credited for such excess against the next monthly payment(s) of additional rent. If such statement shows an amount owing by the Tenant that is more than the payment actually made by the Tenant for the immediately preceding Calendar Year, Tenant shall pay the deficiency to Landlord within ten (10) days after delivery of the statement.

LANDLORD'S FAILURE to make the charges for increased operating costs as set forth in this section shall not constitute a waiver on Landlord's right to make such charges and Landlord shall have the right at any time during the term hereof or within six (6) months thereafter to collect charges not previously invoiced to Tenant.

For the purpose of this Lease Agreement, the Established Base Amount shall be defined as Basic Operating Costs as set forth above, incurred during calendar year 2017. The Building has 144,413 rentable square feet. Tenant's "Pro-rata Share", as that term is used in this Section 27, shall be 4.58 %.

"Notwithstanding the above, Landlord agrees that year- to- year increases on controllable operating expenses shall not exceed 5%. Controllable operating expenses shall exclude utility costs, property taxes, and insurance costs."

**SUBORDINATION**

29. The Tenant agrees that this Lease shall remain subject to and subordinate to all present and future mortgages affecting the Premises of which the Leased Premises are a part, and the Tenant shall promptly execute and deliver to the Landlord such certificate or certificates in writing as the Landlord may request, showing the subordination of this Lease to such mortgage or mortgages, and in default of the Tenant's so doing, the Landlord shall be and is hereby authorized and empowered to execute such certificate in the name of and as the act and deed of the Tenant, this authority being hereby declared to be coupled with an interest and to be irrevocable. Notwithstanding such subordination, Tenant's Right to Quiet Possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms and further Tenant agrees to attorn to any new Landlord. This subordination, attornment and non-disturbance provision is to be effective and self-operative without the execution of any further provision instruments on the part of any of the parties hereto, immediately upon the mortgagee or other successor to Landlord's estate succeeding to the interest of the Landlord in the Leased Premises.

**ESTOPPEL**

30. Tenant shall from time to time, upon not less than ten (10) day's prior written request by Landlord, execute, acknowledge and deliver to Landlord a written statement certifying that this Lease is unmodified and in full force and effect (or that the same is in full force and effect as modified, attaching the instruments of modification), the dates to which the rent and other charges have been paid and whether or not, to the best of Tenant's knowledge, Landlord is in default hereunder (and, if so, specifying the nature of the default), it being intended that any such statement delivered pursuant to the paragraph may be relied upon by a prospective purchaser of Landlord's interest or by any mortgagee pursuant to any mortgage of Landlord's interest or assignee of any mortgage upon Landlord's interest in the Building. In the event Landlord does not receive the requested Tenant Estoppel, Tenant hereby appoints Landlord his attorney in fact for such purposes.

**TRANSFER  
OF TENANT**

31. Intentionally Omitted.

**EXCULPATION  
CLAUSE**

32. Notwithstanding anything to the contrary provided in this Lease or by law, it is specifically agreed and understood between the parties hereto that there shall be absolutely no personal liability on the part of the Landlord or any of its employees or any of its respective heirs, executors, administrators, personal representatives, successors, assignees, nominees or designees, with respect to any of the terms, covenants, and conditions of this Lease, and Tenant or any other party claiming by, through or under the Tenant shall look solely to the interests of the Landlord in the building development, as its respective interest may appear, for the collection of any claim, demand, cost, expense, judgment or other judicial process requiring the payment of money for any default or breach by Landlord or any of its employees shall be subject to levy, execution or other judicial process for the satisfaction of any claim of Tenant.

**ENTIRE  
AGREEMENT**

33. This Agreement and all covenants, obligations, and conditions hereof shall inure to the benefit of and shall be binding upon Landlord, and Landlord's successors and assigns.

This Agreement and all its covenants, obligations, and conditions shall also inure to the benefit and be binding upon Tenant and Tenant's heirs, executors, administrators, successors, and assigns.

**FURTHER TERMS AND CONDITIONS OF THIS LEASE NUMBER 34 THROUGH 37 ARE ATTACHED AND MADE A PART HEREOF.**

**34. REAL ESTATE COMMISSIONS AND BROKERS:**

It is understood and acknowledged between the parties hereto that Chase Commercial Realty, Inc., a real estate company licensed in the state of Alabama is agent for the Landlord. No other real estate company was involved in this transaction. All parties agree to indemnify each other against any other claims for commissions. Landlord shall pay all commissions due to Brokers stated herein by separate agreement with Chase Commercial Realty, Inc. Half of the commission shall be paid at Lease execution and after receipt of the Security Deposit and the First Monthly Payment. The remaining half of the Leasing Commissions shall be paid upon Tenant acceptance and occupancy of suite and payment of First Months rent.

**35. TENANT IMPROVEMENTS:**

Landlord will provide an Improvement Allowance to improve the space based on the attached exhibit 'B' using building standard finishes. This includes all space planning, design engineering, permit and other related fees. The allowance based on the attached layout from the City of Huntsville Architect will be \$20.00 per square foot or \$132,460. City shall provide final working drawings and any required stamped drawings at their expense as well as pay for all required building permits or have same waived.

All Work will be performed by Landlord's General Contractor (Lee Builders) based on the attached Exhibit "B". Any excess Tenant Improvement allowance costs not paid by Tenant when incurred will be amortized over the lease term with interest at 7% and Tenant shall be responsible for payment of same on a monthly basis.

After receipt of a fully executed lease agreement and the payment of the First Monthly Payment and Security Deposit, Landlord shall perform the work necessary to install the Tenant Improvements to Suite 700 All Tenant Improvements will be performed by Landlord's General Contractor and shall be improved as depicted in (Exhibit "B").

Landlord agrees to improve the Leased Premises using Building Standard finishes based on the improvements listed below; Tenant Representative shall confer with Landlord and City architect to review and confirm the attached space plan and list within 5 days of lease execution. Construction drawings will be provided by Tenant subject to Landlord's review and written confirmation.

- Building Standard roll carpet - color selections to be mutually agreed to.
- Building standard VCT tile in break room- color to be mutually agreed to
- Paint throughout- color selections to be mutually agreed to
- All windows finished in wood frame, painted white
- All outlet plugs, switches and plate covers changed to base white
- Electrical layout per Tenants plans
- All lighting provided in good working order; relocated to conform to new layout; existing ceiling grid/tile to remain; damaged ceiling tiles replaced.
- HVAC duct work realigned to meet configuration in revised offices.
- Existing layout revised to conform to Exhibit "B".

Any Tenant changes, alterations or additions to the plans and specifications shall be subject to the prior written approval of Landlord and all costs of said changes, including additional architectural and other professional costs and fees related to the changes shall be borne by Tenant as additional Overages.

**36. EARLY TERMINATION:**

Provided Tenant is not in default under any of the terms and conditions of the lease and after thirty-six (36) months of continuous occupancy Tenant shall have a "one-time option to terminate the Lease effective on the first day of the thirty-seventh (37) month of the lease by providing one hundred eighty (180) days advanced written notice to Landlord of Tenant's intent to vacate early.

In the event the Option to Terminate is exercised by Tenant, Tenant shall pay Landlord, upon Tenant's notice of vacating the Demised Premises, a Termination Fee equal to the un-amortized costs of the tenant improvements (without charge for interest) and brokerage commissions paid for the last two years of the lease.

**36. IDENTIFICATION:**

Landlord, at its sole cost and expense, will place signage (based on the buildings standard signage program), of which the design, size and quality shall be determined by Landlord, in the common areas of the floor(s) occupied by Tenant on or near the suite entries of Tenant, subject to Landlord's approval. Landlord shall also, at its sole cost and expense, supply Tenant with building standard suite entry door signage and Building Directory strips, as defined by building standard in the Building's main lobby directories.

Presentation of this instrument by Landlord or its Agent does not constitute an offer to lease. This instrument is not a binding agreement until executed by both Landlord and Tenant and delivered to all parties.

IN WITNESS WHEREOF, Landlord and Tenant have signed and sealed these presents as of the day and year first above written.

Witness:

*Thomas O Shea*

Witness:

\_\_\_\_\_

**LANDLORD:  
SQUARE PROPERTIES 200, LLC**

BY: 

ITS: MANAGER

DATE: 10-19-2016

**TENANT:  
CITY OF HUNTSVILLE, ALABAMA**

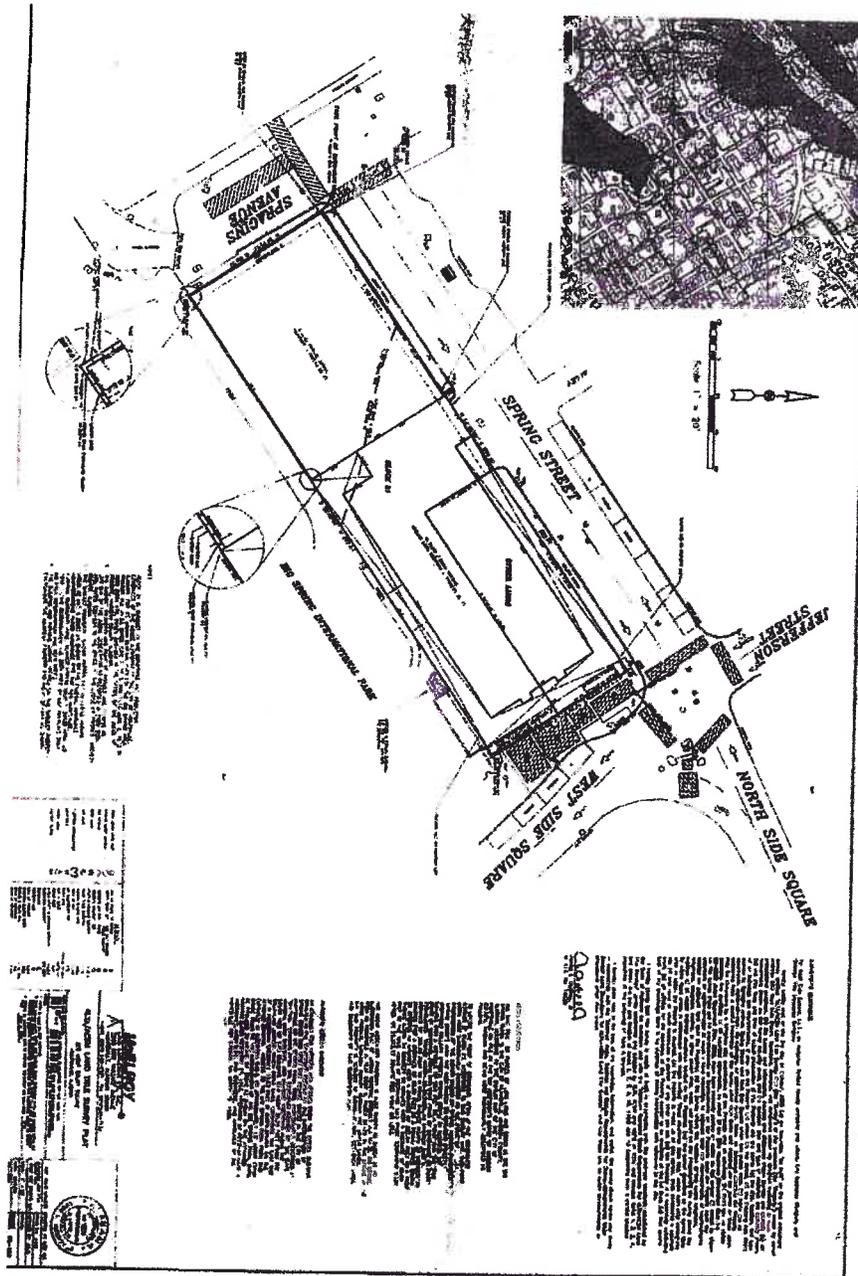
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ITS: \_\_\_\_\_

DATE: \_\_\_\_\_

WEST  
200  
SIDE

**EXHIBIT A  
SITE PLAN**



LANDLORD  
TENANT

**EXHIBIT B**  
**PLANS AND SPECIFICATIONS**  
**SUITE 700**

**PLAN - 7TH FLOOR  
INCREASED RENOVATIONS**

NOT IN SCOPE OF WORK

**REVISION 03 05/04/2015**

NO.	DATE	DESCRIPTION
1	05/04/2015	ISSUED FOR PERMIT
2	05/04/2015	ISSUED FOR PERMIT
3	05/04/2015	ISSUED FOR PERMIT
4	05/04/2015	ISSUED FOR PERMIT
5	05/04/2015	ISSUED FOR PERMIT
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99	05/04/2015	ISSUED FOR PERMIT
100	05/04/2015	ISSUED FOR PERMIT

**RELOCATION OF G.I.S.  
200 WEST SIDE SQUARE - 7TH FLOOR  
CITY OF HUNTSVILLE  
HUNTSVILLE, ALABAMA 35804**

**CITY OF HUNTSVILLE**

**A100**



**EXHIBIT C**  
**RULES AND REGULATIONS**

1. The use of space heaters is prohibited.
2. No Tenant shall employ any person or persons other than the janitor of the Landlord (who will be provided with passkeys to offices) for the purpose of cleaning or taking charge of the Premises leased, without the written consent of the Landlord, it being understood and agreed that the Landlord shall in no way be responsible to any Tenant for any loss of property from the Leased Premises, however occurring, or for any damage done to the furniture by the janitor or any of his employees, or by any other person or persons whomsoever. Any person or persons so employed by the Tenant with the written consent of the Landlord must be subject to and under the control and direction of the janitor of the Building and all things in the Building and outside of said Leased Premises.
3. The water closets, wash basins, sinks, and other apparatus shall not be used for any other purpose than those for which they were constructed, and no sweeping, rubbish or other substance shall be thrown therein nor shall anything be thrown by the tenants, their agents or employees out of the windows, doors or other openings.
4. If any Tenant desires telegraphic, telephonic or other electronic connections the Landlord or its agents will direct the electricians or others as to where and how the wires may be introduced and without such directions, no boring or cutting for wires will be permitted. All thermostats shall be mounted in locations approved by the mechanical engineer, employed by Landlord, and no thermostats shall be moved unless approved by Landlord and/or aforesaid engineer. Nothing contained herein shall give Tenant the right to have a thermostat located within the Leased Premises and in the event a thermostat is located within the Leased Premises Tenant shall not have the right to adjust same.
5. No shade or awning shall be put up, no painting done, or any alterations made in any part of the Building by putting or changing any partitions, doors or windows, nor shall there be any nailing, boring, screwing into woodwork or walls or plastering, nor shall there be upon the Premises any engine, boiler or other machinery without the written consent of the Landlord in each and every instance. No signs, advertisements or notices shall be inscribed, painted or affixed to any windows without the prior written consent of Landlord, and said consent shall not be unreasonably withheld.
6. Night Watch: The Landlord may establish a night watch, and if established, after 6:00 p.m. the night watchman is in charge of the Building, and every person entering or leaving the Building is expected to be questioned by him as to his business in the Building, if unknown to the watchman.
7. All glass, locks, or trimmings in or about the doors and windows, and all electric globes and shades, belonging to the building, shall be kept whole, and whenever broken (except where broken solely by Landlord), shall be immediately replaced or repaired and put in order by such Tenant under the direction and to the satisfaction of the Landlord, and, on removal, shall be left whole and in good repair.
8. All safes or other heavy articles shall be carried up or into the Premises only at such times and in such manner as shall be prescribed by the Landlord; and the Landlord shall in all cases have the right to specify the proper weight and position of any such safe or other heavy article. Any damage done to the Building by taking in or removing any safe or from overloading any floor in any way shall be paid by the Tenant. Defacing or injuring in any way any part of the Building by the Tenant, his agent or servant shall be paid by the Tenant.
9. Landlord reserves the right to make and enforce such other reasonable rules and regulations as in its judgment may be deemed necessary or advisable from time to time to promote the safety, care, and cleanliness of the Premises and for the preservation of good order therein.

A handwritten signature in blue ink, appearing to be a stylized name, is written over a horizontal line.



10. Tenant shall not change any locks to or in the Premises unless the Landlord gives its written consent to such change. At the termination of this Lease, Tenant shall give to Landlord all Tenant's keys to locks in the Premises.

11. It is agreed between the parties hereto that upon termination of this Lease, for any cause whatsoever, any personal property left remaining in the Leased Premises by the Tenant shall be considered abandoned and may be disposed of by Landlord as Landlord sees fit. Tenant does hereby release and discharge Landlord from any and all liability in connection with the disposition of said personal property.

12. In order to protect the interests of other tenants, any parties moving in or out of the Building shall do so only after 6:00 p.m. during the week or on Saturday or Sunday at times agreed to by the Landlord.

All deliveries shall be arranged to be made during the following times on Monday through Friday, 9:30 a.m. to 11:30 a.m. and/or 1:30 p.m. to 4:00 p.m.

13. Sidewalks, entries, passages, courts, corridors, stairways, etc. shall not be obstructed by Tenant or its employees or invitees or used by them for other purposes than ingress and egress.

14. No animals or birds, bicycles or other vehicles shall be allowed in halls, corridors, elevators or elsewhere in the Building.

15. The floors, skylights, and windows that reflect or admit light into the corridors or passageways or to any place in said Building shall not be covered or obstructed by any of the tenants.

16. No room or rooms shall be occupied or used for sleeping or lodging apartments or for any other purpose than the purpose for which the same is leased at any time.

Approved:

TENANT:  
CITY OF HUNTSVILLE, ALABAMA

BY: \_\_\_\_\_

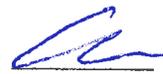
ITS: \_\_\_\_\_

LANDLORD:  
SQUARE PROPERTIES 200, LLC

BY:  \_\_\_\_\_

ITS: MANAGER

Pages 18-20   
Intentionally Omitted  


  
\_\_\_\_\_