

ORIGINAL
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RESOLUTION NO.: R-2023-054

Authorizing the City Manager to execute a Lease Agreement containing an option to purchase between the City of Columbia and 400 Laurel, LLC (Baker Commercial Properties, LLC) for the lease of 400 Laurel Street, Richland County TMS# 09010-14-01 as well as the acceptance of a future donation of furniture, fixtures and equipment should they become available before lease term

BE IT RESOLVED by the Mayor and City Council this 20th day of June, 2023, that the City Manager is hereby authorized to execute the attached Lease Agreement containing an option to purchase and donation agreement, and any documents necessary and approved by the City Attorney, between the City of Columbia and 400 Laurel, LLC for the lease of 400 Laurel Street, Richland County TMS #09010-14-01, donation of furniture, fixtures and equipment and purchase of the property by mutual agreement between the landlord and tenant pursuant to the option to purchase contained therein.

Requested by:

ACM Gentry




Mayor

Approved by:



City Manager

Approved as to form:



City Attorney

ATTEST:



City Clerk

Introduced: 6/20/2023

Final Reading: 6/20/2023

Lease Agreement (With Option to Purchase)

By and Between

400 Laurel, LLC, as Landlord

and

City of Columbia, South Carolina, as Tenant

Dated as of June 21, 2023

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LEASE AGREEMENT (WITH OPTION TO PURCHASE)

THIS LEASE AGREEMENT ("Lease") is made and entered into at Columbia, South Carolina as of the 21st day of June, 2023 ("Effective Date"), by and between **400 Laurel, LLC**, a South Carolina limited liability company ("Landlord"), and **City of Columbia, South Carolina** ("Tenant").

FOR AND IN CONSIDERATION OF the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. BASIC LEASE PROVISIONS.

Each reference in this Lease to this Section 1 or any portion hereof shall mean and refer to the following terms, the application of which shall be governed by the provisions in the remaining Sections of this Lease:

1.1 Landlord: 400 Laurel, LLC

1.2 Landlord's Address:

1400 Pickens Street, 5th Floor
Columbia, SC 29201
Attention: Manager

1.3 Tenant: City of Columbia, South Carolina

1.4 Tenant's Address:

City of Columbia
1737 Main Street
Columbia, SC 29201
Attention: City Manager and CFO

1.5 Premises Address: 400 Laurel Street, Columbia, South Carolina 29201.

1.6 Premises Square Footage: 161,371 rentable square feet, which is the entire multi-story office building consisting of approximately 163,523 rentable square feet, less and excluding approximately 2,152 square feet in the basement leased to AT&T pursuant to lease dated December 18, 1987, as amended from time to time ("AT&T Lease").

1.7 Initial Term: Twenty (20) years from the Commencement Date.

1.8 Option Terms: Four (4) consecutive option terms of five (5) years each.

1.9 Commencement Date: The date Landlord delivers possession of the Premises to Tenant, provided however, (a) the Commencement Date shall not be earlier than the Anticipated Delivery Date unless all leases of the Property other than the AT&T Lease have been terminated and all tenants have vacated the Property and the Tenant agrees to take possession of the Premises on such earlier date, and (b) the Commencement Date shall not be later than March 1, 2026. Within ten (10) days after the

Commencement Date, Landlord and Tenant shall execute the Declaration of Commencement Date attached hereto as Exhibit C.

1.10 Anticipated Delivery Date: February 2, 2026

1.11 Base Rent Start Date: 30 days after the Commencement Date..

1.12 Base Rent: Base Rent shall be as set forth below for the Initial Term:

Lease Year (Period of Time)	Annual Base Rent	Monthly Base Rent
1	\$1,718,626.73	\$143,218.89
2	1,752,999.26	146,083.27
3	1,788,059.25	149,004.94
4	1,823,820.43	151,985.04
5	1,860,296.84	155,024.74
6	1,897,502.78	158,125.23
7	1,935,452.84	161,287.74
8	1,974,161.89	164,513.49
9	2,013,645.13	167,803.76
10	2,053,918.03	171,159.84
11	2,094,996.39	174,583.03
12	2,136,896.32	178,074.69
13	2,179,634.25	181,636.19
14	2,223,226.93	185,268.91
15	2,267,691.47	188,974.29
16	2,313,045.30	192,753.78
17	2,359,306.21	196,608.85
18	2,406,492.33	200,541.03
19	2,454,622.18	204,551.85
20	2,503,714.62	208,642.89

Base Rent for the Option Terms, if any, shall be as set forth in Section 4.2 hereinbelow.

1.13 Security Deposit: None.

1.14 Permitted Use: Police, public safety and related uses; judicial, courts and related uses; general office space; and all other uses permitted by law, as further set forth and described in Section 5.1 hereof.

1.15 Broker: Colliers International, representing Landlord.

2. DEFINITIONS.

2.1 Definitions. The capitalized terms set forth below, unless the context clearly requires otherwise, shall have the following meanings in this Lease:

“Agents” means a party’s authorized agents, representatives, consultants, contractors, partners, members, shareholders, subsidiaries, affiliates, directors, officers and employees, including without limitation, any additional insureds Landlord designates and any property manager, in the case of Landlord, and including Tenant’s customers, subtenants, licensees, invitees and concessionaires (and their respective Agents) in the case of Tenant.

“Alterations” means any alterations, decorations, modifications, additions or improvements made in, on, about, under or contiguous to the Premises after the Commencement Date, including but not limited to, HVAC and electrical fixtures, pipes and conduits, transfer, storage and disposal facilities, carpeting and other floor coverings, ceiling tiles, fixtures and carpentry installations.

“Anticipated Delivery Date” shall mean the date set forth in Section 1.10 above.

“Applicable Laws” means any and all laws, rules, regulations, guidelines, ordinances, statutes and restrictions or requirements of any governmental authority, board of insurance underwriters, utility companies or other similar bodies now or hereafter in effect.

“Building” means the building located on the Property and in which the Premises are located.

“Casualty” is defined in Section 17.1.

“Claims” shall mean claims, liabilities, demands, causes of action, damages, judgments and expenses of any nature, including reasonable attorneys’ fees.

“Common Areas” shall mean all areas, improvements, space, equipment and special services in or at the Property provided by Landlord from time to time for the common or joint use and benefit of tenants, customers, and other invitees, including without limitation garage access roads, driveways, parking areas and entrances and exits, retaining walls, landscaped areas, truck serviceways or tunnels, loading docks, pedestrian walkways, atriums, walls courtyards, concourses, stairs (including exterior stairs), ramps, sidewalks, washrooms, signs identifying or advertising the Property, utility chases, maintenance and utility rooms and closets, hallways, lobbies, elevators and their housing and rooms, common window areas, walls and ceilings in Common Areas, and trash or rubbish areas outside of individual premises. Common Areas shall also include the exterior parking areas, landscaped areas and parking lot lighting located on the Property. The Common Areas are more particularly shown and described on Exhibit H attached hereto and incorporated by reference, and the parties acknowledge and agree that the Common Areas shown on such Exhibit H are the sole Common Areas of the Property.

“Expiration Date” means the date the Initial Term or any Option Term, as applicable, expires.

“HVAC” means the heating, ventilating and air conditioning system serving the Premises and/or the Property.

“Landlord Work” shall mean the removal of all furniture, fixtures and equipment owned by the Prior Tenant from the Premises, except as provided in this Lease; the removal of all trash and debris

from the Premises; and the “broom cleaning” of the Premises. Landlord’s responsibility with respect to the foregoing Landlord Work shall be limited to ensuring Prior Tenant’s compliance with the existing lease with respect to Prior Tenant’s surrender of the Premises and to restoring any damage to the Premises caused by the Prior Tenant’s removal of its furniture, fixtures, equipment and other property.

“**Lease Year**” shall mean the first (1st) twelve (12) full calendar months from and after the Commencement Date, and each twelve (12) month period thereafter during the Term. If the Commencement Date occurs on a date other than the first (1st) day of a calendar month, then such partial calendar month from and after the Commencement Date shall be included in the first (1st) Lease Year.

“**Mortgage**” means any mortgage or other security interest having a lien on or covering the Property or any part thereof.

“**Mortgagee**” means any mortgagee, beneficiary or lender of a Mortgage.

“**Notice**” means each and every notice, communication, request, demand, reply or advice, or duplicate thereof, in this Lease provided or permitted to be given, made or accepted by either party to any other party in connection with this Lease, which shall be in writing and given in accordance with the provisions of Section 20.

“**Premises**” means the premises shown and cross-hatched on Exhibit A-1 attached hereto.

“**Prior Tenant**” means **Continental American Insurance Company**.

“**Prior Tenant Lease**” means that certain Amended and Restated Office Lease dated September 24, 2014, and all amendments thereto.

“**Property**” means that certain real property and all improvements thereon (including the Building), located within the boundaries of such property, as shown on the Property Site Plan.

“**Property Site Plan**” means Exhibit A-2 attached hereto.

“**Tenant’s Personal Property**” means Tenant’s removable trade fixtures, furniture, equipment, inventory and other personal property located in or on the Premises.

“**Term**” means the Initial Term and any exercised Option Terms.

“**Unavoidable Delay**” means any delay, interruption or prevention beyond the reasonable control of Landlord or Tenant, as the case may be, including, but not limited to, delay, interruption or prevention due to flood, earthquake, hurricane or other natural disaster, casualty, labor strikes or disputes, shortage of materials, the environmental condition of the Property, labor or utility services (and at reasonable prices), national emergency, delays in governmental approvals, acts of God, governmental restrictions, fire, explosion, war, invasion, insurrection, rebellion or riots, pandemic or acts of terrorism.

2.2 Other Definitions. Terms defined in the Basic Lease Provisions in Section 1 or elsewhere in this Lease or the exhibits, riders, schedules and attachments, unless the context clearly require otherwise, shall have the meanings as there given.

3. PREMISES; TENANT'S RIGHT TO TERMINATE; FF&E; UNUTILIZED SPACE; PRIOR LEASE AND AT&T LEASE; AS IS.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Property excluding the space leased pursuant to the AT&T Lease upon the terms, covenants, and conditions set forth in this Lease. If Landlord or an entity related to or affiliated with the Landlord acquires the parcel identified as Richland County tax map number 09005-02-44 at any time during the Lease Term, such parcel shall be included in this Lease and added as part of the "Property" leased hereby; Landlord and Tenant shall enter into an amendment to this Lease to evidence same.

(b) Notwithstanding anything to the contrary set forth in this Lease, if Landlord has not delivered to Tenant on or before December 29, 2023, written evidence (the "Existing Lease Waiver") reasonably satisfactory to Tenant indicating that (i) all tenants of the Property have waived all rights and options to extend their lease(s) of the Property beyond December 31, 2025, (ii) all leases of the Property terminate, and the Property will be free of all rights of possession by any party other than the Landlord no later than December 31, 2025, and (iii) all tenants of the Property have waived all rights of first refusal, other rights and options to purchase the Property or any part thereof, then Tenant shall have the right, at Tenant's sole option, to terminate this Lease by written notice to Landlord and thereafter have no further obligations or liabilities hereunder. The AT&T Lease shall be excluded from subsections (i) and (ii) of this section.

(c) The Landlord and Tenant shall enter into a separate agreement with regard to the furniture, fixture and equipment of the Prior Tenant.

(d) If the Prior Tenant is not utilizing a portion of the Premises or desires to vacate a portion of the Premises prior to the end of its lease term, Landlord shall notify Tenant in writing and Tenant, at its option, may occupy such vacant portion of the Premises for the purpose of beginning its upfit and/or occupancy thereof.

(e) Landlord represents and warrants to Tenant that Landlord shall not amend the Prior Lease to extend, or provide any rights to extend, beyond December 31, 2025, and that Landlord shall not amend the AT&T Lease to extend, or provide any rights to extend, beyond December 31, 2027.

(f) Except as specifically stated or represented by Landlord in this Lease, the Building will be delivered in "AS IS, WHERE IS" condition.

4. TERM; OPTION TERMS; DELIVERY OF PREMISES.

4.1 Initial Term. The initial term of this Lease ("Initial Term") is the period set forth in Section 1.7, plus any initial partial calendar month, commencing on the Commencement Date (as defined in Section 1.9), subject to Tenant's exercise of any Option Term(s).

4.2 Option Terms.

(a) **Option to Extend.** Landlord hereby grants to Tenant four (4) options to extend the Term (each, an "Option to Extend") for a period of five (5) years each (the "Option Terms") on the same terms as this Lease, provided (i) there is no uncured Event of Default on the date Tenant delivers an Option Notice and (ii) Tenant exercises the Option to Extend as set forth below. The Option Terms, if exercised, shall commence on the day following the Expiration Date of the then-current Term, with no gap. Tenant may exercise an Option to Extend only by delivering written notice of exercise ("Option Notice") to Landlord no later than six (6) months prior to the Expiration

Date of the then-current Term (the "Exercise Deadline"). Time is of the essence with respect to delivery of the Option Notice. The Option Term shall be for the entire Premises only.

(b) **Base Rent.** The Annual Base Rent (and Monthly Base Rent) for the Premises during the first year of each Option Term shall be one hundred two percent (102%) of the Base Rent in effect immediately prior to such Option Term, and shall escalate by two percent (2%) annually thereafter.

(c) **Generally.** All other terms and provisions of this Lease shall remain in full force and effect during the Option Term.

4.3 Delivery. Landlord shall complete the Landlord Work and deliver possession of the Property to Tenant on the Anticipated Delivery Date. If Landlord fails to complete the Landlord Work and deliver possession of the Property to Tenant by the Anticipated Delivery Date for any reason other than a Prior Tenant Lease Violation (as hereinafter defined), then Tenant shall receive a credit against Base Rent to become due in an amount equal to twice the amount of Base Rent owed per day for each day of delay beyond the Anticipated Delivery Date. If no Prior Tenant Lease Violation exists and the Landlord has not completed the Landlord Work and delivered possession of the Property to Tenant by March 1, 2026, then a Landlord Event of Default (as hereinafter defined) shall have occurred and Tenant, at its option, may exercise the remedies set forth in Section 15.6 hereof. Notwithstanding anything to the contrary herein, if Landlord has not completed the Landlord Work and delivered possession of the Property to Tenant by July 1, 2026, then Tenant, at its option, may terminate this Lease. "Prior Tenant Lease Violation" means that the Prior Tenant remains in possession of the Property or any portion thereof in violation of the Prior Lease and Landlord is diligently and in good faith pursuing eviction and removal of the Prior Tenant from the Property.

5. OPERATION OF TENANT'S BUSINESS.

5.1 Use. Tenant shall only use the Premises as set forth in Section 1.14 and in so using shall comply with the terms of this Lease and all Applicable Laws.

5.2 Signage. Tenant may place, affix, or display any sign, advertisement, or notice (including without limitation those of a temporary nature) within or on the exterior of the Premises in accordance with all Applicable Laws. Tenant may place its signage on the Property in locations desired by Tenant.

5.3 Signage Removal. Upon expiration or termination of the Term, Tenant shall remove any exterior sign and fully repair and restore in a good and workmanlike manner any portion of the Premises, the Building, or its façade damaged by installation and removal of the exterior sign, and return the Premises or Building façade to a uniform appearance and the same condition (waterproofing, structure and otherwise) as existed prior to installation of the exterior sign, reasonable wear and tear excepted.

5.4 Hours of Access. Tenant will have 24 hours a day, seven days a week, 52 weeks a year access to the Property, subject to the terms and conditions of this Lease.

6. BASE RENT AND BASE RENT PAYMENT.

6.1 Base Rent. Subject to Section 4.3, Tenant's obligation to pay Base Rent shall begin on the thirtieth (30th) day after the Commencement Date. Subject to Section 6.5 hereof, Tenant shall pay Base Rent in monthly installments, payable on the first (1st) day of each calendar month, in the amount set forth in Section 1.12, except that the first (1st) installment of monthly Base Rent payable by Tenant

hereunder shall be paid on the first (1st) day of the next succeeding month. Should the Term begin or end on other than the first or last day of a calendar month, the amount of Base Rent for such partial month shall be prorated.

6.2 Payment of Base Rent. Tenant shall pay all Base Rent to Landlord at the Base Rent Payment Address specified in Section 1.2, or at such other address as Landlord may designate from time to time in writing. Without prejudice to Landlord's rights to declare Tenant in default for failure to make timely payments, Landlord may, at its option, accept Base Rent after the due date. The acceptance of Base Rent by Landlord at any time shall not constitute a waiver of any right of Landlord.

6.3 Late Payment Charge. Tenant hereby acknowledges that late payment by Tenant to Landlord of Base Rent will cause Landlord to incur administrative and other costs. A payment by Tenant of a \$750 late charge shall be due for any Base Rent not paid within ten (10) days after the due date, provided that Landlord shall waive the late charge with respect to the first (1st) late payment in any twelve (12) month period. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any other rights and remedies.

6.4 Personal Property Taxes. Tenant shall pay before delinquency to the appropriate governmental authority any and all taxes, assessments, license fees and public charges levied, assessed or imposed at any time and which become payable during the Term upon Tenant's Personal Property whether or not such assessment is made against Tenant or against Landlord, either separately or as a part of the assessment of the Property, and whether any such item was installed by Landlord or Tenant.

6.5 Limitations. Tenant is obligated only to pay such Base Rent and any other payments under this Lease as may be lawfully be made during Tenant's then current fiscal year from funds budgeted and appropriated for that purpose. Should Tenant fail to budget, appropriate or otherwise make available funds to pay Base Rent under this Lease, this Lease shall be deemed terminated at such time. Landlord and Tenant understand and intend that the obligation of Tenant to pay Base Rent and any other payments under this Lease shall constitute a current expense of Tenant payable solely from its general fund or other funds that are legally available for that purpose and shall not in any way be construed to be a general obligation or indebtedness of Tenant in contravention of any applicable constitutional provision or statutory limitation or requirement concerning the creation of indebtedness by Tenant, nor shall anything in this Lease constitute a pledge of the general tax revenues, funds or moneys of Tenant or the full faith and credit or taxing power of Tenant.

7. REAL ESTATE TAXES.

7.1 Commencing on the Commencement Date, Tenant shall also pay all Real Estate Taxes directly to the assessing authority. Landlord shall deliver bills for Real Estate Taxes to the Tenant at least forty five (45) days prior to the due date of such Real Estate Taxes; Tenant shall not be responsible for payment of any charges or additional amounts due if such bill is not timely delivered by Landlord to Tenant for payment. During the first and last Lease Years, the Real Estate Tax bill shall be prorated between Landlord and Tenant so that Tenant is responsible for such taxes only during the Term of the Lease; such payments shall be made by Tenant to Landlord, with Landlord responsible for making the total payment to the assessing authority. Tenant shall provide evidence satisfactory to Landlord that Real Estate Taxes have been paid.

7.2 Tenant shall have the right to request from the assessing authority that Real Estate Taxes be abated during Tenant's occupancy of the Property due to Tenant's status as a local government. If such abatement is granted, Tenant shall not be responsible for payment of any Real Estate Taxes during the Lease Term.

7.3 “Real Estate Taxes” shall mean all real estate taxes, including general and special assessments (including any business improvement district assessments), if any, which are imposed upon Landlord in connection with its ownership of the Building or assessed against the Building and/or the Property. Real Estate Taxes shall not include (i) capital stock, net income, franchise, documentary stamp, state transfer or gift taxes imposed upon Landlord, or (ii) interest (other than in connection with allowed installment payments) or penalties imposed for late payment by Landlord.

7.4 If Landlord receives a refund of any portion of Real Estate Taxes that were included in the Real Estate Taxes paid by Tenant, then Landlord shall reimburse Tenant such refunded taxes, less any expenses that Landlord reasonably incurred to obtain the refund

8. UTILITIES.

Landlord shall insure that the following services are available to the Property and sufficient to serve Tenant: (i) electricity, (ii) potable water and sewage disposal, (iii) Building HVAC, and (iv) telephone and data service (collectively, the “Utilities”) to the Premises. Unless due to the negligence of Landlord or its employees, agents or contractors, Landlord shall not be liable for the failure of operation of any utility services, provided that if any interruption or cessation of any of the Utilities occurs and is within Landlord’s reasonable control, extends for five (5) consecutive business days, renders the Premises untenable, and as a result thereof Tenant ceases business operations in the Premises, then Base Rent and the Tenant’s obligation to pay Real Estate Taxes shall abate thereafter until such Utilities are restored (or Tenant recommences business operations in the Premises, if earlier).

9. MAINTENANCE AND REPAIR OF PROPERTY; AT&T SPACE

(a) Tenant Maintenance and Operating Costs. Except as otherwise provided in this Lease, Tenant shall, at its expense, at all times keep the Property (other than the space leased pursuant to the AT&T Lease), and all improvements, fixtures, equipment and appurtenances therein, clean and in good order, condition and repair. Tenant shall pay all costs of Utilities to the Property (other than the space leased pursuant to the AT&T Lease) and Tenant shall, at its expense, provide janitorial, cleaning and trash removal services to the Property (other than the space leased pursuant to the AT&T Lease).

Landlord shall have the right, upon five (5) business days’ notice to Tenant, to inspect the Property and the building systems to confirm that Tenant is maintaining such items in good condition and to determine if replacements are needed.

(b) Landlord shall maintain, repair and replace the structural components of the Building and all exterior windows (but not exterior doors) of the Building, and replace the roof. Landlord shall not be responsible for any maintenance, repair, or replacement of structural, exterior glass windows, or roof components of the Building in the event that the need for such maintenance, repair, or replacement is caused by the gross negligence, recklessness, or intentional conduct of Tenant and/or Tenant’s Construction Professionals, as defined in Section 12.3, employees, agents, vendors, contractors, licensees, and invitees.

(c) Notwithstanding anything in this Lease to the contrary, the Tenant shall not be responsible for any maintenance or repair of the provision of Utilities to the portion of the Building leased pursuant to the AT&T Lease. Landlord shall pay to Tenant the amount to be paid by tenant to Landlord pursuant to the AT&T Lease for common area expenses and any other expenses paid by Tenant or, at Tenant’s option, such amount may be offset from Base Rent.

(d) Landlord represents and warrants that, as of the Commencement Date or other such time as Landlord delivers the Premises to Tenant:

(i) all air conditioning, plumbing, heating, electrical and elevator installations and systems serving the Premises shall be in good repair and working order, reasonable wear and tear excepted;

(ii) there is no deferred maintenance outstanding on the Property;

(iii) there is and has been no flooding or water damage to the Property;

(iv) there is no damage to the Property due to casualty that has not been fully repaired, restored and paid for in full.

Landlord shall provide all manufacturer and third-party warranties, to the extent such warranties are in effect as of the Commencement Date, related to HVAC, mechanical, plumbing, and other systems and assign such warranties, at Landlord's expense, to the Tenant.

10. PARKING.

Landlord shall provide at least 576 parking spaces on the Property dedicated to Tenant, its customers and visitors on a non-assigned, non-exclusive first-come first-served basis, at no cost to Tenant, such parking to comply at all times with local zoning requirements. Landlord hereby acknowledges and agrees that adequate and convenient parking in the immediate vicinity of the Building is critical to the success of Tenant's operations on the Property.

11. SUBORDINATION, SNDA, CURE RIGHTS AND ESTOPPEL CERTIFICATES.

(a) **Subordination and SNDA.** This Lease and all of Tenant's rights thereunder are and shall be subordinate to any Mortgages that Landlord may place upon the Premises. However, Landlord agrees to obtain from all Mortgagees within (10) days after (i) the Effective Date as to Mortgages existing on the Effective Date or (ii) such Mortgages are placed of record against the Property, a subordination, non-disturbance and attornment agreement ("SNDA") in the form attached hereto as Exhibit E, which Tenant hereby agrees to execute and return to Landlord.

(b) **Terms.** All Mortgagees shall agree that, if it becomes the owner of the Property by foreclosure, deed in lieu of foreclosure or otherwise, it will recognize the rights and interests of Tenant under this Lease and not disturb Tenant's rights, interests, use and occupancy of the Property so long as no Event of Default is continuing. Such SNDA may provide that the rights and interests of Tenant under this Lease shall be subject and subordinate to that first mortgage and to advances to be made under it, and to the interest payable under it, and all renewals, replacements and extensions of it and shall provide that so long as there is no continuing Event of Default under this Lease, this Lease will not be terminated and Tenant's rights hereunder will be recognized by the Mortgagees irrespective of foreclosure and succession of such holder to title to the Property resulting therefrom or acceptance of a deed in lieu of foreclosure, as the case may be. The Mortgagees shall agree to (i) provide written notices of all defaults under such Mortgages to Tenant, (ii) allow Tenant thirty (30) days beyond the time allowed Landlord to cure such default, and (iii) accept payments or other methods of curing such defaults from the Tenant. Landlord agrees that any payments made by Tenant to Landlord to cure such defaults and any costs and expenses incurred by Tenant in curing such defaults shall be, at Tenant's option, credited against Base Rent as it becomes due and/or credited against the Purchase Price at closing.

(c) **Estoppel Certificates.** Within thirty (30) days after written request by Landlord or any Mortgagee, Tenant shall, from time to time, execute and deliver estoppel certificates in the form and certifying such matters with respect to this Lease, as Landlord or any such Mortgagee may reasonably request.

12. ALTERATIONS, CHANGES, AND ADDITIONS.

12.1 Consent Required. Subject to the terms of this Section 12, Tenant shall not make any Alterations to the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed so long as such Alterations will not be visible from the exterior of the Premises or affect the Building systems or structure. Any Alterations to or on the Premises shall, at the option of Landlord, remain for the benefit of and become the property of Landlord upon the expiration or termination of this Lease or be removed (at Tenant's cost and expense) with any damage resulting from such removal to be repaired by Tenant and at Tenant's cost and expense. Tenant shall not remove any Alterations without Landlord's prior written permission.

12.2 Permitted Alterations. Notwithstanding Section 12.1, and subject to the following provisions of this Section 12, Tenant may make or install, at its expense and without Landlord's consent, Alterations that (a) do not require a construction or building permit, including, without limitation, trade fixtures, movable partitions, furniture, equipment, installation of information technology or audio visual equipment and wiring/cabling, draperies, wall treatment, other personal property, or (b) may be necessary or desirable for Tenant's Permitted Use (including without limitation courtroom upfit such as the bench, partitions, railings and seating, holding cells, counters, partitions and office space) and may remove the same at any time prior to the expiration or termination of this Lease, provided Tenant always maintains the Premises fully equipped and fixtured and professional in appearance. If any damage is caused to the Premises by Tenant's removal of any property, Tenant shall bear the cost of repair of such damage.

12.3 Requirements. All work performed by or on behalf of Tenant in or about the Premises shall be done in compliance with all Applicable Laws, in a good and workmanlike manner and, once started, diligently prosecuted to completion. Copies of required building permits or authorizations shall be obtained by Tenant at its expense and copies thereof shall be provided to Landlord prior to commencement of construction. Tenant shall have the right to select architects, engineers, general contractors, and other professionals ("Construction Professionals") in Tenant's discretion, and control the process of any work performed pursuant to this Section 12 on the condition that any such Construction Professionals possess all necessary licenses and agree to comply with the insurance requirements set forth in Section 16.

12.4 Liens. Tenant shall not permit any mechanics', materialmen's or other liens to be filed against the Premises, any portion of the Property, nor against Tenant's leasehold interest for work done by or on behalf of Tenant. If any such lien is filed against the Premises, the Building or the Property for work claimed to have been done for Tenant or materials claimed to have been furnished to Tenant, Tenant, at its sole cost and expense, within thirty (30) days, shall discharge the same (either by payment or by "bonding off" in accordance with SC Code Section 29-5-110, as amended).

12.5 Floor Loads. Landlord shall have the right to prescribe the maximum weight and position of safes and other heavy equipment or fixtures that Tenant desires to install in the Premises

13. ENTRY BY LANDLORD.

Landlord, Landlord's Agents and any Mortgagee shall have the right, but not the duty, to enter the Premises at reasonable times upon 48 hours prior written notice (except in the case of emergency) to Tenant

to inspect the Premises, to take samples and conduct environmental investigations, to post notices of non-responsibility and similar notices and signs indicating the availability of Premises for sale, to show the Premises to interested parties such as prospective lenders and purchasers, to make Alterations, perform maintenance, replacement and repairs, or to perform Tenant's obligations as permitted herein when Tenant has failed to do so, all without liability to Tenant provided that such entry by Landlord (or Landlord's Agents or Mortgagee) shall be conducted in a manner such as to minimize disturbance to Tenant's operations. Notwithstanding the foregoing, Landlord acknowledges that the areas of the Premises utilized by Tenant for its police and judicial operations shall not be accessible to Landlord for any reason unless accompanied by Tenant and that some portion of such areas may not be accessible to Landlord. Within one hundred eighty (180) days before the expiration of the Term, Landlord (or Landlord's Agents or Mortgagee) may place upon the Property reasonable signs indicating the availability of Premises for lease and may show the Premises to prospective tenants provided that such showings do not unreasonably interfere with Tenant's operations. Landlord, Landlord's Agents and any Mortgagee shall at all times have the right to retain a key which unlocks all of the doors in the Premises, excluding Tenant's vaults and safes and areas utilized for Tenant's police and judicial operations.

14. ASSIGNMENT AND SUBLETTING.

14.1 Consent Required.

(a) Except as provided in Section 14.3 of this Lease, Tenant shall not, without the prior written consent of Landlord in each instance, (i) assign or otherwise transfer, mortgage or otherwise encumber this Lease or any of its rights hereunder (any of the foregoing in this clause (i) shall be deemed to be, and shall hereinafter be referred to as, an "Assignment," and the respective third party an "Assignee"), (ii) sublet the Premises or any part thereof, or permit the occupancy or use of the Premises or any part thereof (whether by sublease, license, concession or otherwise) by any persons other than Tenant, its agents or employees (any of the foregoing in this clause (ii) shall be deemed to be, and shall hereinafter be referred to as, a "Subletting," and the respective third party a "Subtenant"), or (iii) permit an Assignment by operation of law. Subject to the following provisions of this Section 14.1(a), and so long as there is no uncured Event of Default, Landlord's consent to a proposed Assignment or Subletting shall not be unreasonably withheld, conditioned or delayed. In determining whether to grant or withhold its consent, Landlord shall be entitled to consider, without limitation as to the generality of the foregoing, factors such as the compatibility and synergy of the proposed subtenant or assignee with other uses and users of the Building, the aims and goals of the Building and its marketability to prospective tenants for space in the Building which might be adversely affected by such Subtenant or Assignee, whether such Subtenant or Assignee will harm existing financing of the Building or the prospects for future financing of it, and the creditworthiness and financial capabilities of such Subtenant or Assignee. Except as set forth in Section 14.3, any Assignment or Subletting of this Lease or the Premises or any portion thereof, either voluntarily or involuntarily, whether by operation of law or otherwise without the prior, written consent of Landlord shall be null and void and shall, at Landlord's election, constitute an Event of Default under this Lease. Landlord's acceptance or collection of Base Rent from any Assignee or Subtenant shall not be construed as a consent to or acceptance of such Assignee or Subtenant.

(b) If at any time Tenant wants to Assign this Lease or Sublet all or part of the Premises, then Tenant shall deliver to Landlord written notice thereof (the "Transfer Request Notice"). Each Transfer Request Notice shall identify (i) the name of the proposed Assignee or Subtenant, (ii) the area proposed to be Sublet (the "Proposed Sublet Space") for a proposed subletting of a portion of the Premises, (iii) the term and economic provisions of the proposed transaction, (iv) a description of the relevant experience of the proposed Assignee or Subtenant, and (v) current financial statements of the proposed Assignee or Subtenant including without limitation income statement, balance sheet and cash flow statement.

14.2 Generally. If Landlord consents to any Assignment or Subletting, such consent shall only be effective upon execution and delivery by Landlord of a formal "Consent and Acknowledgement" on a form and containing terms acceptable to Landlord. Such consent shall not constitute a waiver of any of the restrictions of this Section 14, which shall apply to each successive Assignment of this Lease or Subletting of the Premises (or portion of the Premises), if any. Upon delivery to Landlord of such "Consent and Acknowledgement" of an assignment of this Lease (but not a sublet of this Lease), Tenant shall be released from all obligations and liabilities pursuant to this Lease. In no event shall Landlord's consent to an Assignment or Subletting or collection of Base Rent from an Assignee or Subtenant relieve Tenant or any Assignee or Subtenant from the obligation of obtaining Landlord's prior written consent to any further Assignment or Subletting. If Landlord consents to an Assignment under this Section 14, such Assignment shall not be effective until the Assignee executes and delivers to Landlord an agreement, in form and substance reasonably satisfactory to Landlord, whereby the Assignee assumes all of Tenant's obligations pursuant to this Lease, and whereby the Assignee agrees that the provisions contained in this Lease shall, notwithstanding such Assignment, continue to be binding upon it with respect to all future Assignments. If Landlord consents to a Subletting under this Section 14, such Subletting shall not be effective until the Subtenant executes and delivers to Landlord a sublease consent agreement in form and substance satisfactory to Landlord.

14.3 Permitted Subleases. Notwithstanding the foregoing Tenant shall be permitted to sublease any portion of the Premises to individuals or entities related to or affiliated with the Tenant without the consent of the Landlord.

15. DEFAULT AND REMEDIES.

15.1 Tenant's Default. At the option of Landlord, a default under this Lease by Tenant shall exist if any of the following events occur (each is called an "Event of Default"):

(a) Tenant fails to pay Base Rent, or any payment required by this Lease, within ten (10) days after same is due; provided, however, that Landlord shall not exercise its remedies with respect to the first (1st) late payment in any twelve (12) month period, unless such failure continues for five (5) days after Landlord delivers to Tenant written notice of such non-payment;

(b) Tenant files a voluntary petition or institutes any proceedings in bankruptcy or under any insolvency laws seeking to effect a reorganization or a composition with its creditors;

(c) any bankruptcy or insolvency proceedings are commenced against Tenant, a receiver or trustee is appointed for the assets of Tenant; or Tenant's leasehold estate is taken on execution or by any process of law and such actions are not stayed or dismissed within one hundred twenty (120) days of the filing thereof;

(d) Tenant is dissolved or liquidated; or

(e) Tenant fails to observe or perform any other provision under this Lease and such failure is not cured within thirty (30) days after delivery of written notice thereof to Tenant, provided, however, if the nature of Tenant's obligation is such that more than thirty (30) days are required for its performance, then Tenant shall not be deemed in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion.

15.2 Landlord's Remedies. Upon the occurrence of an Event of Default, then Landlord may, at its option, exercise the following remedies:

(a) Landlord may terminate this Lease or terminate Tenant's right to possession of the Premises, in which case this Lease (or Tenant's right to possession of the Premises, as applicable) shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. No act by Landlord other than giving written notice to Tenant of Landlord's election to terminate this Lease or Tenant's right to possession of the Premises shall terminate this Lease (or Tenant's right to possession of the Premises, as applicable). Termination of this Lease or Tenant's right to possession of the Premises shall not relieve Tenant of any obligation under this Lease that has accrued prior to the date of such termination, but shall relive the Tenant from all obligations, including without limitation payment of Base Rent, arising subsequent to the date of such termination.

(b) Landlord may elect not to terminate this Lease or Tenant's right to possession of the Premises, in which event this Lease will continue in full force and effect as long as Landlord does not terminate this Lease or Tenant's right to possession, and Landlord may continue to enforce all of its rights and remedies under this Lease, including the right to collect Base Rent as it becomes due subject to Section 6.5 hereof. In addition, if Tenant has entered into a Subletting and Tenant defaults hereunder, Tenant hereby assigns to Landlord the Base Rent due from any Subtenant and hereby authorizes each such Subtenant to pay said Base Rent directly to Landlord.

15.3 No Surrender. No act or thing done by Landlord or Landlord's Agents during the Term shall be deemed an acceptance of a surrender of the Premises and no agreement to accept a surrender shall be valid unless in writing and signed by Landlord.

15.4 Landlord's Right to Perform. If an Event of Default occurs, Landlord may (but shall not be obligated to), after fifteen (15) days prior written notice to Tenant, at Tenant's expense and without waiving or releasing Tenant from any obligation of Tenant under this Lease, make such payment or perform such other act to the extent Landlord may deem desirable, and in connection therewith, pay the reasonable expenses thereof. All reasonable sums paid by Landlord shall be due and payable by Tenant to Landlord, as an item of Base Rent, on demand by Landlord.

15.5 Landlord Default. At the option of Tenant, a default under this Lease by Landlord shall exist if any of the following events occur (each is called a "Landlord Event of Default"):

(a) Landlord files a voluntary petition or institutes any proceedings in bankruptcy or under any insolvency laws seeking to effect a reorganization or a composition with its creditors;

(b) any bankruptcy or insolvency proceedings are commenced against Landlord, a receiver or trustee is appointed for the agents of Landlord; or Landlord's estate is taken on execution or by any process of law and such actions are not stayed or dismissed within one hundred twenty (120) days of the filing thereof;

(c) Landlord is dissolved or liquidated;

(d) The occurrence of a default under the Prior Tenant Lease which is not cured within any applicable cure period, in which event Tenant's sole remedies shall be pursuant to Section 15.6(a) or (b);

(e) The occurrence of a default under any Mortgage of the any portion of the Property which is not cured within any applicable cure period;

(f) The failure of Landlord to timely perform its obligations as set forth in Section 4.3 hereof;

(g) There is a breach of any of Landlord's representations and warranties set forth in Section 3 (e) or Section 9 (d) hereof;

(h) Landlord fails to observe or perform any other provision under this Lease and such failure is not cured within sixty (60) days after delivery of written notice thereof to Landlord, provided, however, if the nature of Landlord's obligation is such that more than sixty (60) days are required for its performance, then Landlord shall not be deemed in default if it shall commence such performance within such sixty (60) day period and thereafter diligently prosecutes the same to completion but in no event longer than one hundred twenty (120) days after delivery of such notice to Landlord.

15.6 Tenant's Remedies for Landlord Event of Default. Upon the occurrence of a Landlord Event of Default, then Tenant may, at its option, exercise the following remedies:

(a) Tenant may, at its option, without waiving or releasing the Landlord from any obligation, non-performance or default and without waiving the Tenant's right to take such action as this Lease may permit as a result of such default, may (but need not) make such payment or take such action as may be necessary to cure such Landlord Event of Default. All reasonable costs and expenses paid by the Tenant in connection with such cure, including reasonable attorneys' fees, shall be due and payable on demand from the Landlord and may be withheld by Tenant from next succeeding payment(s) of Base Rent;

(b) Tenant may, at its option, terminate the Lease by written notice to Landlord and thereafter shall have no further obligations or liabilities hereunder; and

(c) Intentionally deleted; and

(d) If a Landlord Event of Default occurs due to Section 15.5 (a), (b), (c), (e), (f) or (g) hereof or due to Landlord's failure to comply with Section 23 (a) hereof, beyond all applicable cure periods then Tenant shall have the right, at Tenant's option,

(i) to exercise the Purchase Option, if not already exercised, by providing the Exercise Notice at any time subsequent to such Landlord Event of Default, but not if the Option Period has terminated pursuant to Section 25.8; and

(ii) subsequent to the provision of the Exercise Notice by Tenant, to close on the acquisition of the Property at any time after such Landlord Event of Default but in no event later than one hundred eighty (180) days after the date of the Exercise Notice or after the date of such Landlord Event of Default, whichever is later. If the acquisition of the Property by the Tenant occurs at any time other than during the seventh (7th) Lease Year or the eighth (8th) Lease Year, the Purchase Price shall be adjusted as provided on Exhibit D attached hereto.

The provisions of this Section 15.6 (d) control over any inconsistent provisions set forth in Section 25, except for Section 25.8.

16. LANDLORD INDEMNITY AND INSURANCE.

16.1 Indemnification.

(a) Except to the extent caused by the negligence or willful misconduct of Tenant, its employees or agents, Landlord agrees to defend (with attorneys acceptable to Tenant), protect, indemnify, and hold harmless Tenant and Tenant's Agents from any and all Claims arising from or related to (i) Landlord's ownership of the Property or Common Areas; (ii) any negligent act of Landlord or any of

Landlord's Agents; (iii) any breach or default by Landlord under this Lease; and (iv) any liens or encumbrances arising out of any work performed or materials furnished by or for Landlord.

16.2 Tenant's Insurance. Tenant shall at all times during the Term, and at its sole expense, obtain and keep in effect the following insurance:

(a) Property and casualty insurance for fire, destruction of or other damages to any fixtures and improvements added or made by Tenant to the Premises in an amount equal to the full value of such fixtures and improvements thereon.

(b) Commercial general liability insurance against any and all claims for bodily injury and property damage occurring in or about the Premises. Such insurance shall have a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence and a Two Million Dollar (\$2,000,000) aggregate limit. Such liability insurance shall be primary and non-contributory to any insurance available to Landlord and Landlord's insurance shall be excess thereto. Notwithstanding anything to the contrary in this Lease, the Tenant may self-insure.

(c) Property Insurance insuring all equipment, trade fixtures, inventory, furniture, fixtures, plate glass and personal property owned by Tenant and located within the Premises for perils covered by the causes of loss – special form (all risk) and in addition, coverage for flood, earthquake and boiler & machinery (if applicable). Such insurance shall be written on a replacement cost basis in an amount equal to one hundred percent (100%) of the full replacement value of the foregoing; and

(d) Business interruption and/or loss of income insurance in an amount equal to or at least twelve (12) months' Monthly Base Rent payable by Tenant hereunder;

16.3 Insurance Requirements. Any policy of Tenant's and Landlord's insurance: (i) shall be issued by insurance companies licensed and authorized to do business in the State of South Carolina which are rated "A/VIII" or better in Best's Key Rating Guide; (ii) shall provide that such policies shall not be subject to material alteration or cancellation except after at least thirty (30) days prior written notice to the other party hereto; and (iii) shall be primary, and any insurance carried by the other party shall be noncontributing. All of Tenant's policies under this Lease, and the policies of Tenant's Construction Professionals, agents, employees, vendors, contractors, suppliers, licensees, and invitees shall name Landlord, the managing agent of the Building, any Mortgagee and any other entity designated by Landlord as additional insureds. All of Landlord's policies under this Lease shall name the Tenant as additional insured. All such policies, or duly certified copies of such policies, together with satisfactory evidence of payment of premiums, shall be deposited by each party hereto with the other party hereto prior to the Commencement Date, and at least thirty (30) days prior to each renewal of such policies. Notwithstanding anything herein to the contrary, each party shall remain responsible and liable to the other party hereto for any and all damage to the Property and Premises, as provided in this Lease, whether or not insurance coverage is obtained and maintained by such party with respect to the Property and Premises as required hereunder.

Tenant's Construction Professionals, agents, employees, vendors, contractors, suppliers, licensees, and invitees performing work on the Premises to carry and maintain, at no expense to Landlord, a non-deductible:

(i) commercial (comprehensive) liability insurance policy, including (but not limited to) contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractors protective liability coverage, to afford protection, with respect to personal injury, death or property damage of not less than One Million Dollars (\$1,000,000) per

occurrence combined single limit/Two Million Dollars (\$2,000,000) general aggregate (but not less than \$2,000,000 per location aggregate) shall provide for claims on an occurrence basis;

(ii) comprehensive automobile liability insurance policy with limits for each occurrence of not less than One Million Dollars (\$1,000,000) with respect to personal injury or death and Five Hundred Thousand Dollars (\$500,000) with respect to property damage.

(ii) worker's compensation insurance policy or similar insurance in form and amounts required by law.

16.4 Waiver of Subrogation. Notwithstanding any provision of this Lease to the contrary, Landlord and Tenant each hereby releases the other, and the other's respective employees, agents, licensees, contractors or invitees from any claims for damage or loss to the Premises, the Building, any property contained therein, or any other property, including business interruption, to the extent insurable under a full replacement cost Special Form-Causes of Loss insurance policy, and such waiver shall be effective regardless of the cause of the damage or loss (including the negligence of Landlord or Tenant or their respective employees, agents, licensees, contractors or invitees).

16.5 Landlord's Insurance. Landlord shall at all times during the Term, and at Tenant's sole expense and which shall be included in Tenant's operating expenses for the Property, obtain and keep in effect the following insurance:

(a) Property insurance insuring the Property against loss or damage by fire, lightning, wind storm, hail storm, aircraft, vehicles, smoke, explosion, riot or civil commotion as provided by the Standard Fire and Extended Coverage Policy and all other risks of direct physical loss as insured against under Special Form ("**all risk**" coverage). The insurance coverage shall be for not less than 100% of the full replacement cost.

(b) Business income, providing funds for the payment of Base Rents and other charges during the period while the Premises are untenable due to fire or other casualty for a period of at least twelve (12) months.

(c) Flood and/or earthquake insurance in the amount of \$1,000,000 for each peril if Landlord and Tenant mutually agree that such should be obtained.

(d) Commercial general liability insurance, with amounts not less than \$10,000,000 combined single limit for each occurrence and \$10,000,000 for the aggregate of all occurrences within each policy year covering Landlord as owner.

17. DAMAGE AND DESTRUCTION BY FIRE OR OTHER CASUALTY.

17.1 Landlord's Obligation to Rebuild. Subject to Landlord's right to terminate this Lease as provided below, if the Premises are damaged or destroyed by fire, wind storm, or other casualty (a "Casualty"), Landlord shall repair all such damage and restore the Premises within a reasonable time but in no event later than twelve (12) months after such Casualty, subject to delays due to adjustment of insurance claims and other causes beyond Landlord's reasonable control. Landlord's obligation, should it elect or be obligated to repair the Premises following a Casualty, shall be limited to the basic building shell, and all upfits to the Premises previously provided by Landlord to Tenant. Tenant shall at its expense, replace or fully repair all Tenant's Personal Property and any Alterations or other leasehold improvements installed by Tenant.

17.2 Right to Terminate. Landlord shall have the right to terminate this Lease following a Casualty that renders 75% or more of the Building, on a Base Rentable square foot basis, unable to be used for Tenant's Permitted Use, if any of the following occurs: (i) the Premises and/or any other damaged portions of the Property cannot, with reasonable diligence, be fully repaired by Landlord within twelve (12) months after such Casualty; or (ii) the Premises are destroyed or damaged during the last twelve (12) months of the Term and Tenant is not willing to extend the Term by an additional twelve (12) months after completion of restoration. If Landlord elects to terminate this Lease following a Casualty pursuant to this Section 17.2, Landlord shall give Tenant written notice of its election to terminate within thirty (30) days after such Casualty, and this Lease shall terminate fifteen (15) days after the date of such notice; provided, however, the Purchase Option set forth in Section 25 hereof shall survive such termination and remain in full force and effect..

Tenant shall have the right to terminate this Lease following a Casualty if the Premises and/or any other damaged portions of the Property cannot, with reasonable diligence, be fully repaired by Landlord within a reasonable time but in no event later than twelve (12) months after such Casualty, or (ii) the Premises are destroyed or damaged during the last twelve (12) months of the Term. If Tenant elects to terminate this Lease following a Casualty pursuant to this Section 17.2, Tenant shall give Landlord written notice of its election to terminate within thirty (30) days after such Casualty, and this Lease shall terminate fifteen (15) days after the date of such notice.

17.3 Base Rent Abatement. Upon the occurrence of a Casualty and throughout the period of restoration of the Property to the condition existing prior to such Casualty, the Base Rent payable hereunder shall abate in proportion to the portion of the Building so damaged.

18. CONDEMNATION.

18.1 Effect of Taking. If any material portion of the Property (but excluding only in a condemnation brought by the City of Columbia, parking spaces on the Property) shall be permanently taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose or sold under threat of such a taking or condemnation (collectively, "condemned") and Tenant determines (in Tenant's commercially reasonable discretion) that the remaining portion of the Premises is not suitable or adequate for its Permitted Use, then this Lease shall terminate on the date title thereto vests in such authority and Base Rent shall be apportioned as of such date. If Tenant determines (in Tenant's commercially reasonable discretion) the remaining portion of the Property and the remaining parking spaces located on the Property are suitable and adequate for its Permitted Use, then this Lease shall continue in full force and effect as to the part of the Property not condemned, except that as of the date title vests in such authority Tenant shall not be required to pay the Base Rent with respect to the part of the Property condemned.

18.2 Apportionment of Award. The entire damage award of the condemnation proceedings shall be paid to Landlord but Landlord shall, and hereby does, assign to Tenant out of any award paid to Landlord the following amounts: (i) if Tenant shall have made improvements or alterations in or to the Property after the Commencement Date and shall have not yet fully amortized its expenditure for such improvements or alterations, a sum equal to the unamortized portion of any such expenditures; and (ii) a sum equal to any cost or loss to which Tenant may be put in removing Tenant's furniture and equipment from the Property.

19. QUIET ENJOYMENT.

Tenant shall during the Term have the peaceable and quiet enjoyment of the Premises without interference from Landlord or any person lawfully claiming through Landlord; subject, however, to the terms of this Lease.

20. NOTICES.

Any notice, demand, or communication called for hereunder shall be in writing and be given, served, or delivered either in person, by first-class, certified mail, return receipt requested, by hand delivery or courier, or by FedEx (or other nationally recognized overnight courier), with postage or delivery charge prepaid, and (A) if to Tenant, addressed to Tenant at the Tenant's mailing address set forth in Section 1.4, with a copy to Burr & Forman LLP, 1221 Main Street, Suite 1800, Columbia SC 29201, Attn: Judith McInnis and Michael Seezen, and (B) if to Landlord, addressed to the Landlord's mailing address set forth in Section 1.2. Any such notice, demand, or communication so sent shall be deemed given at the time that it was placed in the U.S. mails or with the overnight courier, and any other notice shall be deemed given when delivered (or at the time of attempted delivery during Normal Building Hours).

21. SURRENDER OF PREMISES; HOLDING OVER.

21.1 Surrender of Premises. Tenant agrees to turn over all keys, key fobs, parking passes and other entry devices or mechanisms (both internal and external), and to surrender the Premises at the expiration or termination of this Lease, leave the Premises in the same condition (or as altered pursuant to the provisions of the Lease) as when delivered to Tenant (ordinary wear and tear excepted) and subject to the provisions of Section 17 and Section 18 with removal of items of Tenant Alterations elected by Landlord to be removed, and with all debris and Tenant's Personal Property removed and with all interior walls in good repair. Tenant shall pay a reasonable repair charge should it be necessary for the Landlord to repair or clean the Premises.

21.2 Holding Over. If Tenant shall retain possession of the Premises or any portion of the Premises without Landlord's consent following the expiration or termination of this Lease, then Tenant shall pay to Landlord for each month or portion thereof of such retention 150% of the amount of the monthly Base Rent for the last month prior to the date of expiration or termination. Acceptance of Base Rent by Landlord following expiration or termination of this Lease shall not constitute a renewal of this Lease, and nothing contained in this Section 21.2 shall waive Landlord's right of reentry or any other right.

22. ENVIRONMENTAL PROVISIONS.

22.1 Environmental Covenants and Agreements. Tenant shall at all times comply in all material respects with all applicable federal, state and local environmental statutes and regulations related to the protection of human health or the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), the Superfund Amendments and Reauthorization Act of 1988 ("SARA"), the Federal Clean Water Act (33 U.S.C. 1341) and the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. 1344) (collectively, the "Environmental Laws"). Tenant further covenants and agrees that Tenant shall not introduce or consent to the introduction of any Hazardous Materials (as defined below) or otherwise toxic or hazardous substances on or about the Premises except in accordance with all Applicable Laws.

As used herein, the term "Hazardous Materials" shall mean:

- (i) any substance designated pursuant to Section 311(b)(2)(A) of the Federal Water Pollution Control Act;
- (ii) any element, compound, mixture, solution or substance designated pursuant to Section 102 of the Comprehensive Environmental Response, Compensation and Liability Act;
- (iii) any hazardous waste having the characteristics identified under or listed pursuant to Section 3001 of the Solid Waste Disposal Act;
- (iv) any toxic pollutant listed under Section 307(a) of the Federal Water Pollution Control Act;
- (v) any hazardous air pollutant listed under Section 112 of the Clean Air Act;
- (vi) any imminently hazardous chemical substance or mixture with respect to which the Administrator of the United States Environmental Protection Agency has taken action pursuant to Section 7 of the Toxic Substances Control Act;
- (vii) any substance, waste or other material considered hazardous, dangerous or toxic under any state or local or any other federal laws, codes, ordinances or regulations; and
- (viii) any petroleum and petroleum product, including crude oil or any fraction thereof, which is not specifically listed or designated as a Hazardous Materials under Subsections (i) through (vii) of this Section 22.1, as well as natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel and mixtures.

22.2 Environmental Representations and Warranties by Landlord. Landlord represents, covenants and warrants to Tenant that, to the best of Landlord's knowledge and without any duty to investigate, at all times during the Term and any extensions or renewals thereof:

- (i) The Premises and Property are in compliance with all Environmental Laws.
- (ii) No Hazardous Materials are present on or in the Premises or Property;
- (iii) Landlord shall comply at its own cost and expense with all Environmental Laws applicable to the Property; and
- (iv) Landlord shall indemnify, defend and hold Tenant, its agents and employees, harmless from any and all demands, claims, causes of action, penalties, liabilities, judgments, damages (including consequential damages) and expenses, including, without limitation, court costs and reasonable attorneys' fees actually incurred by Tenant as a result of: (a) Landlord's breach of the provisions of this Section 22.2; (b) Landlord's failure to comply with any Environmental Laws in connection with the conduct of its business; (c) any contamination of the Property, or the soil or the ground waters thereof or therefrom, arising prior to the date Tenant takes possession of the Premises or caused by Landlord or its Agents after the date Tenant takes possession of the Premises.

23. SINGLE PURPOSE ENTITY; LANDLORD BANKRUPTCY

23.1 SPE. The Landlord represents, warrants and covenants that:

(i) the Landlord is as of the Effective Date and shall at all times be a Single-Purpose Entity (as hereinafter defined);

(ii) the Landlord and each Landlord Control Person (as hereinafter defined) shall do or cause to be done all things necessary to (i) preserve, renew and keep in full force and effect the existence of Landlord and each other Landlord Control Person (that is an entity) as a limited liability company, limited partnership, corporation or other entity, as may be applicable, and (ii) maintain the authorization of Landlord and each other Landlord Control Person to perform their respective obligations under this Lease;

(iii) Intentionally deleted; and

(iv) No Landlord Control Person shall at any time be a “foreign person” within the meaning of Sections 1445 and 7701 of the Internal Revenue Code, as amended, and the regulations issued thereunder.

“Landlord Control Person” means Landlord and (iv) any other person or entity that Controls (as hereinafter defined) any of the persons or entities set forth in the preceding clauses (i), (ii) or (iii).

“Control” means, with respect to any person or entity, either (i) ownership, directly or indirectly, of greater than fifty percent (50%) of the ownership interests in such entity or (ii) the possession, directly or indirectly through one or more intermediaries, of the power to direct (or cause the direction of) the management, activities and policies of such entity, whether through the ownership of voting securities, by contract or otherwise, subject only to customary major decision rights, or the possession, directly or indirectly through one or more intermediaries, of the power to direct (or cause the direction of) the management, activities and policies of such entity, whether through the ownership of voting securities, by contract or otherwise, subject only to customary major decision rights. This definition is to be construed to apply equally to variations of the word “Control” including “Controlled”, “Controlling” or “Controlled by”.

“Single-Purpose Entity” means an entity, other than an individual, that (i) is formed or organized solely for the purpose of holding, directly, an ownership interest in the Property, or any portion thereof, (ii) does not engage in any business other than the ownership, management and operation of the Property, (iii) does not have any (a) assets other than those related to its interest in the Property or (b) indebtedness other than that secured by or utilized in connection with the Property, (iv) does not guarantee or otherwise become liable on, or in connection with, any obligation of any other person or entity (or acquire obligations or securities of its affiliates), (v) intentionally deleted, (vi) does not incur, create or assume any indebtedness (except for the indebtedness secured by or utilized in connection with the Property), (vii) does not make any loans or advances to any other person or entity (including any affiliate), (viii) does not become insolvent or fail to pay its debts as the same become due (provided that nothing in this clause (viii) shall require any owner or principal of the Landlord or any other person or entity to make any capital contribution or other contribution of cash or assets to Landlord), (ix) intentionally deleted, (x) does not fail to maintain its books, records, bank accounts and financial statements separately from those of such entity’s affiliates, including its general partners or members, as may be applicable, (xi) intentionally deleted, (xii) does not fail to file its own tax returns (except to the extent such entity is a disregarded entity and such entity consolidates its tax returns with the tax returns of the applicable regarded entity); (xiii) does not fail to maintain adequate capital for its normal obligations, reasonably foreseeable in a business of its size and

character and in light of its contemplated business operations (provided that nothing in this clause (xiii) intentionally deleted, (xiv) does not commingle its assets with any affiliate or any other person or entity, (xv) does not hold itself out to be responsible for the indebtedness of any other person or entity, (xvi) is subject to and complies with all of the limitations on powers set forth in the organizational documents of such entity (and the organizational documents of each general partner or managing member, as applicable, of such entity) as in effect on the Effective Date, and observes all applicable organizational formalities in all material respects, (xvii) holds all of its assets and conducts business in its own name, (xiii) utilizes its own letterhead, invoices and checks, (xix) holds title to its interest in the Property in its own name.

23.2 Landlord Bankruptcy. Landlord agrees that in any case commenced by or against Landlord under Title 11 of the United States Code (the "Bankruptcy Code"), if Landlord elects to reject this Lease pursuant to the provisions of the Bankruptcy Code, the rejection will not terminate this Lease but will be treated only as a breach of this Lease by Landlord, unless Tenant, in its sole and absolute discretion, elects to treat the Lease as terminated. Landlord further agrees that in such bankruptcy case Tenant shall be deemed in possession of the Premises for purposes of Section 365(h) of the Bankruptcy Code, whether Tenant is in actual physical possession of the Premises, or if the Premises is occupied by a third party by sublease, assignment, license, or other permitted occupancy of the Premises; and as a result, upon a rejection of this Lease by Landlord the Tenant shall have the right to elect to remain in possession of the Premises under Section 365(h). Landlord further agrees that following rejection of this Lease, if Tenant assigns to leasehold mortgagee or any third party its interest in this Lease or its interest or right to remain in possession of the leasehold under Section 365(h) of the Bankruptcy Code (in accordance with the terms and conditions of this Lease which permit Tenant to assign its interests thereunder), then such assignee shall have all of the rights of Tenant, and Landlord will not assert that this Lease has been terminated, nor will Landlord otherwise attempt to limit, modify or prohibit the assignment of such interests. The Tenant's option to purchase pursuant to Section 25 of this Lease shall constitute a right under the Lease in or appurtenant to the real property that the Tenant shall retain under Section 365(h)(1)(A)(ii). Tenant will continue to have all of its rights of election provided for in 11 U.S.C. § 365 (h)(1)(A)(ii) as well as any other rights available to it under applicable federal or state bankruptcy or non-bankruptcy law.

If Tenant has exercised its Purchase Option, Tenant shall be deemed to be in possession of the Property pursuant to the Purchase Option (and not pursuant to Tenant's leasehold) for the purposes of Section 365(i) of the Bankruptcy Code and shall have the right to remain in possession of the real property and to make the payment due under the option to purchase, reduced by any damages incurred as a result of Landlord's nonperformance, and to require Landlord (or any trustee of Landlord) to deliver title to Tenant.

24. MISCELLANEOUS PROVISIONS.

24.1 Successors and Waiver. The covenants and agreements contained in this Lease shall apply to, inure to the benefit, and be binding upon the parties, their heirs, permitted assigns, legal representations and other successors in interest, except as otherwise provided in this Lease. The failure of either party to require strict compliance with the provisions of this Lease shall not constitute a waiver of any rights or otherwise prevent either party from subsequently requiring strict compliance with any provisions hereof. No waiver of any provision of this Lease shall be effective unless it is in writing and signed by the waiving party.

24.2 Entire Agreement and Counterparts. This Lease constitutes the whole agreement between the parties, and may not be amended unless by a written agreement signed by both parties. No representation, condition, term of provision not contained in this Lease shall be binding upon either party. When appropriate, words of any gender shall mean and include the other genders, and singular

shall mean and include the other plural, and vice versa. This Lease may be executed in two or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

24.3 Attorneys' Fees. Except as otherwise expressly provided herein, Tenant upon demand shall pay all costs, expenses and reasonable attorneys' fees incurred by Landlord in successfully enforcing this Lease (whether by judgment or by payment by Tenant prior to judgment). Landlord upon demand shall pay all costs, expenses and reasonable attorneys' fees incurred by Tenant in successfully enforcing this Lease (whether by judgment or by payment by Landlord prior to judgment).

24.4 Broker. Landlord and Tenant each warrant to the other that in connection with this Lease neither has employed or dealt with any broker, agent or finder, other than the Broker. Landlord acknowledges that it shall pay any commission or fee due to the Broker, pursuant to a separate written agreement. Landlord shall indemnify and hold Tenant harmless from and against any claim for brokerage or other commissions asserted by any broker, agent or finder employed by Landlord or with whom Landlord has dealt.

24.5 Captions, Time and Survival. The captions and headings used in this Lease are for the purpose of convenience only and shall not be construed to limit or extend the meaning of any part of this Lease. Time is of the essence for the performance of each term, condition and covenant of this Lease.

24.6 Unavoidable Delay. Landlord or Tenant shall not be chargeable with, liable for, or responsible to the other for anything or in any amount for any Unavoidable Delay, and any Unavoidable Delay shall not be deemed a breach of or default in the performance of this Lease, it being specifically agreed that any time limit provision contained in this Lease, at Landlord's option, shall be extended for the same period of time lost by Unavoidable Delay, provided, however, in no event shall any Unavoidable Delay excuse or delay (i) Tenant's obligation to timely pay Base Rent as provided in this Lease, (ii) Landlord's obligation to deliver the Premises by the Anticipated Delivery Date, or (iii) Landlord's obligation to provide the Existing Lease Waiver as provided in Section 3(b) herein.

24.7 Authority. Tenant represents and warrants that each individual executing this Lease on behalf of Tenant is duly authorized to execute and deliver this Lease on behalf of Tenant. Landlord represents and warrants that each individual executing this Lease on behalf of Landlord is duly authorized to execute and deliver this Lease on behalf of Landlord.

24.8 Consequential Damages. Notwithstanding any other provision of this Lease to the contrary, in no event shall Landlord or Tenant be liable for punitive, indirect, exemplary, incidental, special or consequential damages hereunder.

24.9 Generally. Landlord does not in any way or for any purpose become a partner of Tenant in the conduct of its business or otherwise or a joint venture with Tenant. This Lease shall be governed exclusively under the provisions hereof and by the laws of South Carolina, without regard to conflict of laws principles. The Exhibits referenced at the end of Section 1 or elsewhere in this Lease and attached hereto are incorporated in and made a part of this Lease. Construction of this Lease shall be according to the content hereof, and without presumption or standard of construction in favor of or against either party hereto.

24.10 Invalidity of Particular Provisions. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Lease, or the application of such term or provision to persons or

circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

24.11 Americans with Disabilities Act. The parties acknowledge that the Americans with Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and regulations and guidelines promulgated thereunder, as all of the same may be amended and supplemented from time to time (collectively referred to herein as the “ADA”) establish requirements for business operations, accessibility and barrier removal, and that such requirements may or may not apply to the Premises or the Property depending on, among other things: (1) whether Tenant’s business is deemed a “public accommodation” or “commercial facility”, (2) whether such requirements are “readily achievable”, and (3) whether a given alteration affects a “primary function area” or triggers “path of travel” requirements. The parties hereby agree that: (a) Landlord shall be responsible for ADA Title III compliance in the Common Areas, except as provided below, (b) Tenant shall be responsible for ADA Title III compliance in the Premises, including any leasehold improvements or other work to be performed in the Premises under or in connection with this Lease, and (c) Landlord may perform, or require that Tenant perform, and Tenant shall be responsible for the cost of, ADA Title III “path of travel” requirements triggered by Tenant’s alterations in the Premises. Tenant shall be solely responsible for requirements under Title I of the ADA relating to Tenant’s employees.

24.12 Recording. Simultaneously with the execution of this Lease, Landlord and Tenant shall enter in a memorandum of Lease (the “Memorandum of Lease”) in form attached hereto as Exhibit B, which memorandum shall be recorded in the land records of Richland County, South Carolina. Tenant and Landlord agree to amend, and place of record, the Memorandum of Lease subsequent to delivery of the Exercise Notice to reflect the exercise of the Purchase Option.

24.13 Grant of Right of First Refusal. From and after the Effective Date and during the Term of this Lease, Tenant shall have a right of first refusal to purchase the Property and Landlord shall not sell, transfer or otherwise dispose of all or part of Landlord’s interest in the Property until and unless Landlord shall have: (a) obtained a bona fide offer therefor; (b) given Notice to Tenant, which Notice shall contain (i) the name of the offeror, (ii) the address of the offeror, (iii) all of the terms and conditions of such bona fide offer, and (iv) a true and accurate copy of the actual bona fide offer (“Landlord’s Purchase Offer Notice”); and (c) offered to sell, transfer or otherwise dispose of such interest to Tenant at the same price and upon the same terms and conditions contained in said bona fide offer. If Tenant shall either give notice of rejection of said offer or fail to give notice of acceptance of the same within fifteen (15) business days after the date of receipt of Landlord’s Notice, Landlord’s interest in the Property may, during the three hundred sixty-five (365) days thereafter, be sold, transferred or otherwise disposed of to the original offeror at the same price and upon the materially same terms and conditions contained in said bona fide offer as disclosed in writing to Tenant. If Landlord’s interest in the Property has not been sold, transferred or otherwise disposed of as provided above within the said three hundred sixty five (365) day period, then Tenant’s right of first refusal to purchase the Property shall again be operative and Landlord shall comply with all provisions of this section. In the event Tenant rejects said offer or fails to accept the same, this Lease and all of its terms and conditions, including but not limited to the Purchase Option, shall nevertheless remain in full force and effect and Landlord and any purchaser or purchasers of the Property shall be bound thereby.

25. PURCHASE OPTION

25.1 Landlord hereby grants Tenant an option to purchase (the “Purchase Option”) the Property to be exercised, if at all, at Tenant’s option, at any time prior to the end of the seventh (7th) Lease Year, subject to extension for Unavoidable Delay (the “Option Period”) by written notice (the “Exercise Notice”) from Tenant to Landlord. The purchase price for the Property shall be \$24,000,000, less a credit of \$2,684,187 representing a portion of the Base Rent paid (the “Purchase Price”).

25.2 Unless otherwise agreed by Landlord and Tenant, Closing shall occur no earlier than (i) the first day of the eighth (8th) Lease Year and no later than ninety (90) days thereafter (the "Closing Date"), with the exact Closing Date to be determined by Landlord and Tenant. The Property shall be conveyed to Tenant by limited warranty deed in form and substance reasonably satisfactory to Landlord and Tenant. The Property shall be transferred to Tenant free and clear of all liens, mortgages and monetary encumbrances, with all taxes having been paid. The Property shall also be transferred free and clear of all restrictions, rights-of-way, covenants, conditions and security interests of any type other than those of record as of the Effective Date or approved by Tenant in writing.

(a) The Purchase Option and Closing of the Property shall be subject to the terms and conditions of Purchase Rider attached hereto as Exhibit G and incorporated herein by reference.

(b) The Landlord shall also provide a bill of sale, quitclaim deed utilizing a current survey of the Property, Lease termination, assignment of service contracts (or termination thereof, as requested by Tenant), affidavits as reasonably required by the title insurance company, evidence of Landlord's authority to convey the Property, and such other documents and items as are typically provided in commercial real estate closings in South Carolina, all in form and substance reasonably satisfactory to Tenant and Landlord.

25.3 Documentary deed stamps, Landlord's attorneys' fee, payoffs of all mortgages and liens encumbering the Property and costs of recording all mortgage satisfactions shall be paid by the Landlord. Other recording costs, Tenant's legal fees, costs of title insurance and surveys shall be paid by the Tenant. Real estate taxes shall be the responsibility of the Tenant given that the Tenant is responsible for payment of such taxes pursuant to this Lease.

25.4 This Purchase Option shall run with title to the Property and shall be binding on the Landlord, its successors and assigns in title to the Property. For the avoidance of doubt, the Purchase Option shall be binding on the Landlord and subsequent owners of all or any portion of the Property.

25.5 From the date of the Exercise Notice until the Closing Date, the Landlord (i) shall maintain, repair, operate and conduct its business on the Property in the same manner as it has since the Effective Date and in the ordinary course of business consistent with its past practice; (ii) shall not enter into any agreements, encumbrances, liens, mortgages, easements or other items that would encumber the Property after the Closing Date without the prior written consent of the Tenant in each instance; (iii) shall not transfer, convey or assign the Property in whole or in part to any entity other than the Tenant or its designee; and (iv) shall provide Tenant with copies of all notices Landlord has received from governmental entities during the preceding three (3) years, all environmental studies and assessments of the Property, and all service contracts for the Property. Tenant shall have the right to terminate its exercise of the Purchase Option or exercise the remedies set forth on the Purchase Rider attached hereto as Exhibit G if Landlord fails to comply with any of the foregoing or if any of the governmental notices disclose matters unacceptable to Tenant or if a Landlord Event of Default occurs. Upon any such termination, Tenant shall pay a termination fee of \$500 to Landlord.

25.6 If a Casualty has occurred on the Property that Landlord is in the process of repairing/restoring during the seventh (7th) Lease Year, the time by which Tenant must exercise the Purchase Option, if at all, and provide the Exercise Notice, if not previously provided, shall be extended until sixty (60) days after completion of such repair/restoration as evidenced by delivery of a then-current certificate of occupancy to Tenant and the time for closing on the acquisition of the Property shall be extended to no longer than one hundred eighty (180) days after completion of such repair/restoration as evidenced by delivery of a then-current certificate of occupancy to Tenant. If a Casualty has occurred subsequent to delivery of the Exercise Notice and Landlord is not obligated to repair such Casualty, then Tenant, at its option, may elect to terminate its exercise of the Purchase Option upon payment by Tenant to

Landlord of a termination fee of \$500 or the Purchase Price shall be reduced by the cost to repair/restore the Property to its condition existing prior to such Casualty.

25.7 To the extent any provisions of Section 15.6 (d) differ from those set forth in this Section 25, the provisions of Section 15.6 (d) shall control.

25.8 In the event Tenant does not exercise the Purchase Option during the Option Period, then the Purchase Option will be irrevocably waived and terminated, and Tenant shall have no further rights to exercise the Purchaser Option under any other provision of this Lease.


[Remainder of page intentionally left blank.]


APPROVED AS TO FORM

Legal Department City of Columbia SC

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:


Name: AUDRA DETH


Name: Kelley Folk

Name: _____

Name: _____

LANDLORD:

400 Laurel, LLC, a South Carolina limited liability company

By:  (Seal)

Name: STEVEN M. ANASTASION

Its: MANAGER

TENANT:

City of Columbia, South Carolina

By: _____ (Seal)

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

Name: _____

Name: _____

LANDLORD:

400 Laurel, LLC, a South Carolina limited liability company

By: _____ (Seal)

Name: _____

Its: _____


TENANT:


City of Columbia, South Carolina

By: _____ (Seal)

Name: _____

Title: _____


Name: Melissa Gentry


Name: Lynette McNairy

APPROVED AS TO FORM



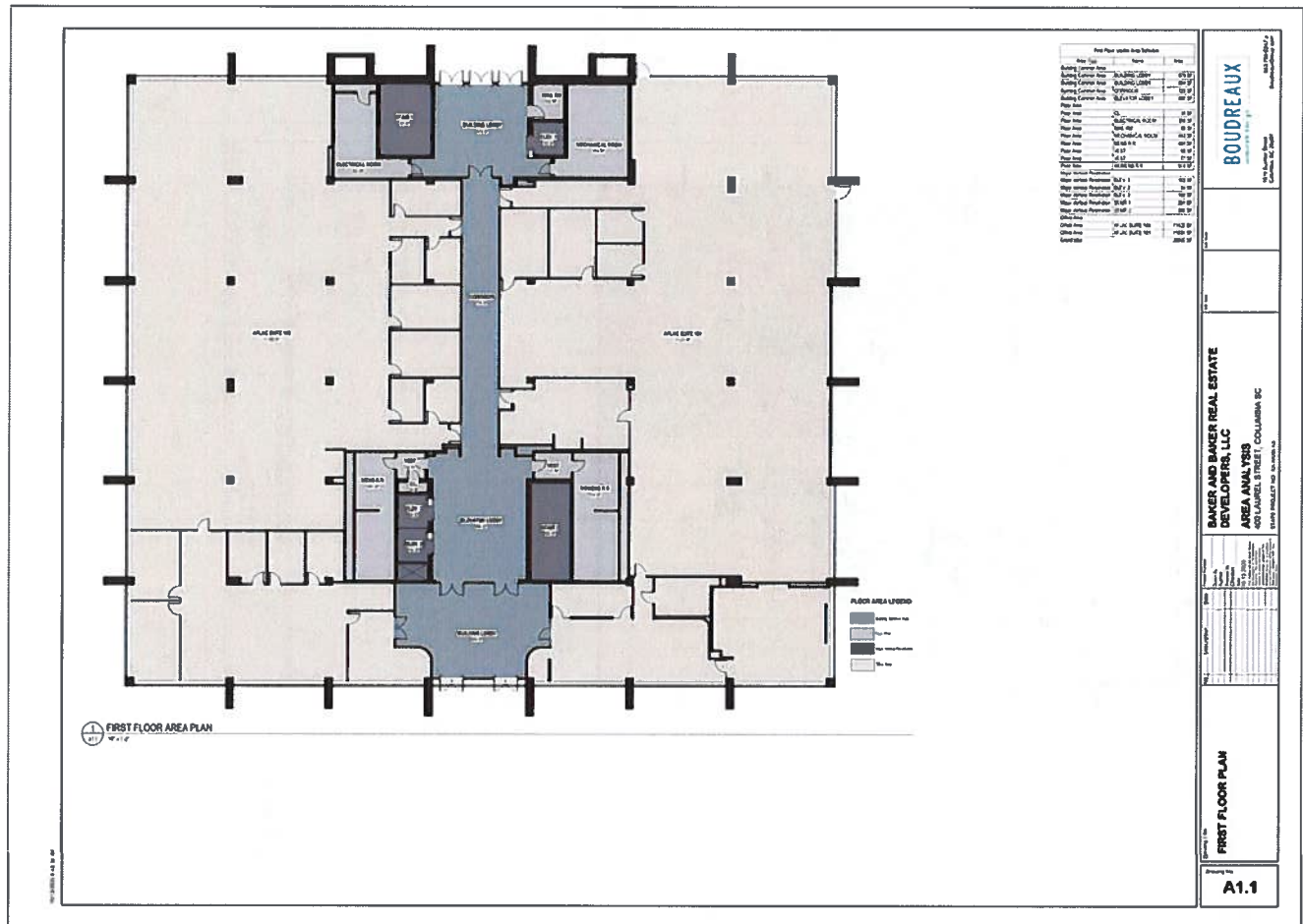
Legal Department City of Columbia, SC

FINAL

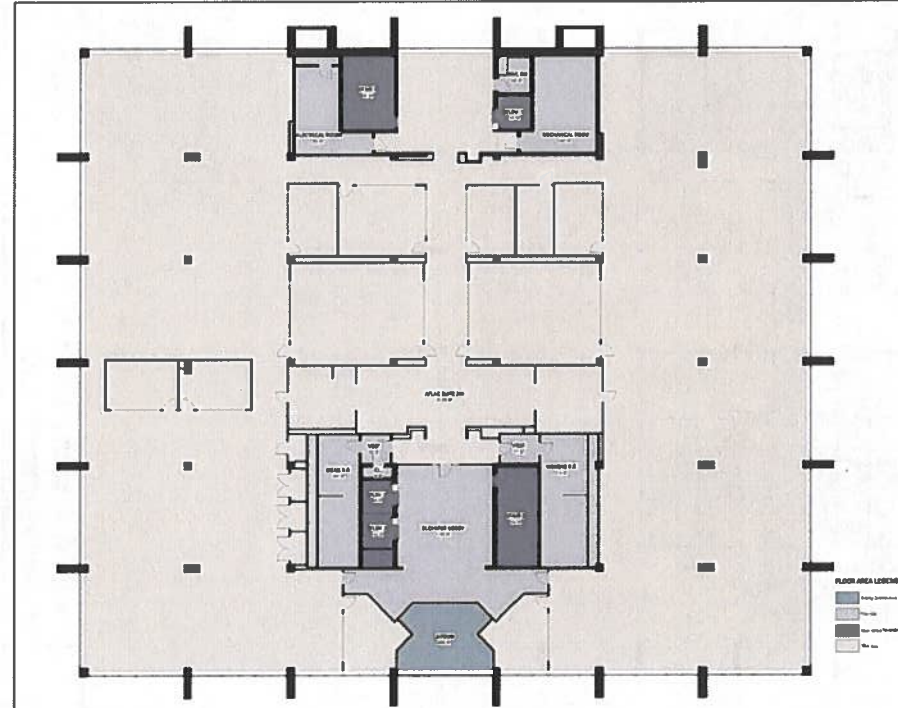
EXHIBIT A-1



FINAL



FINAL

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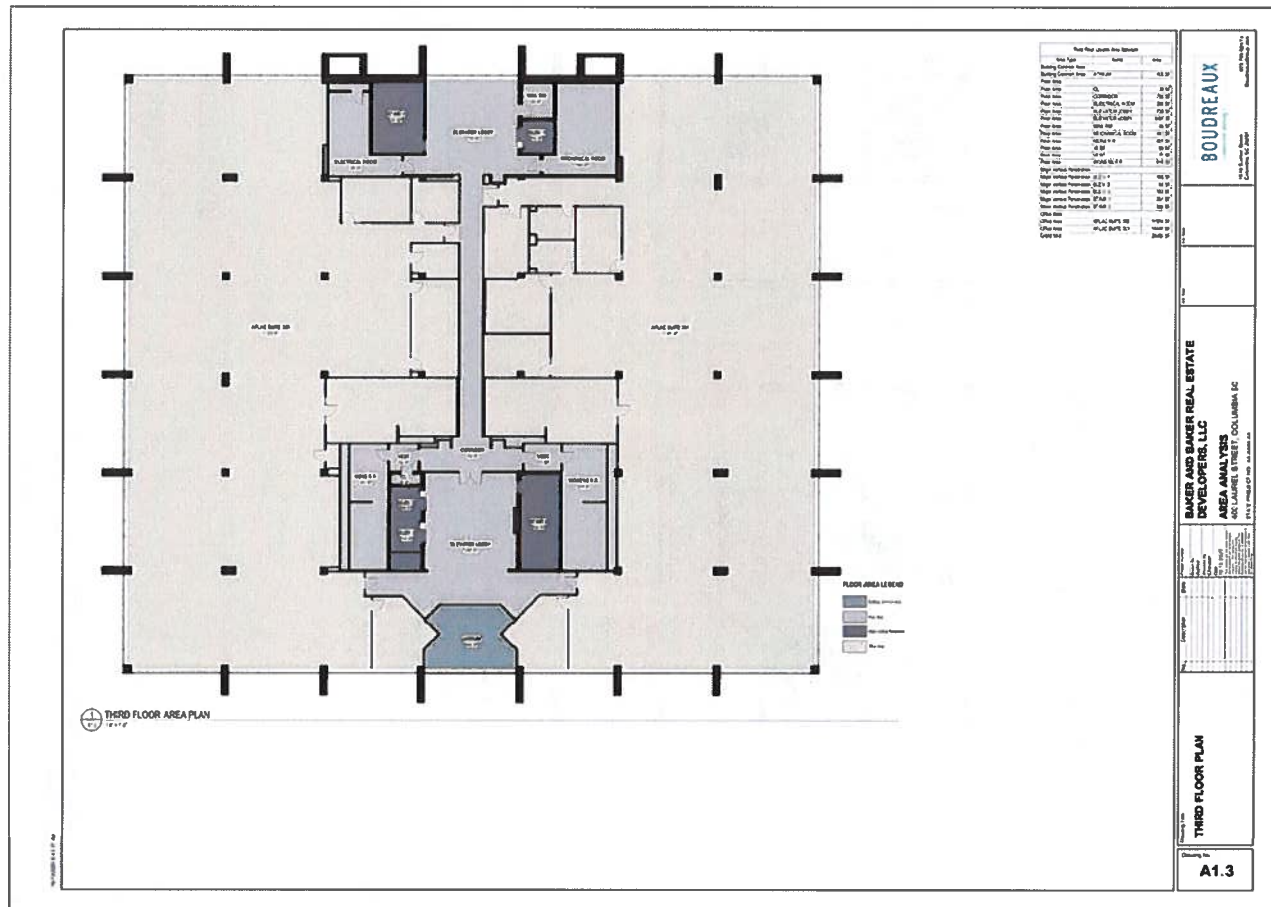
BOUDREAU

**BAKER AND BAKER REAL ESTATE
DEVELOPERS, LLC**
AREA ANALYSIS
400 LAUREL STREET, COLUMBIA SC

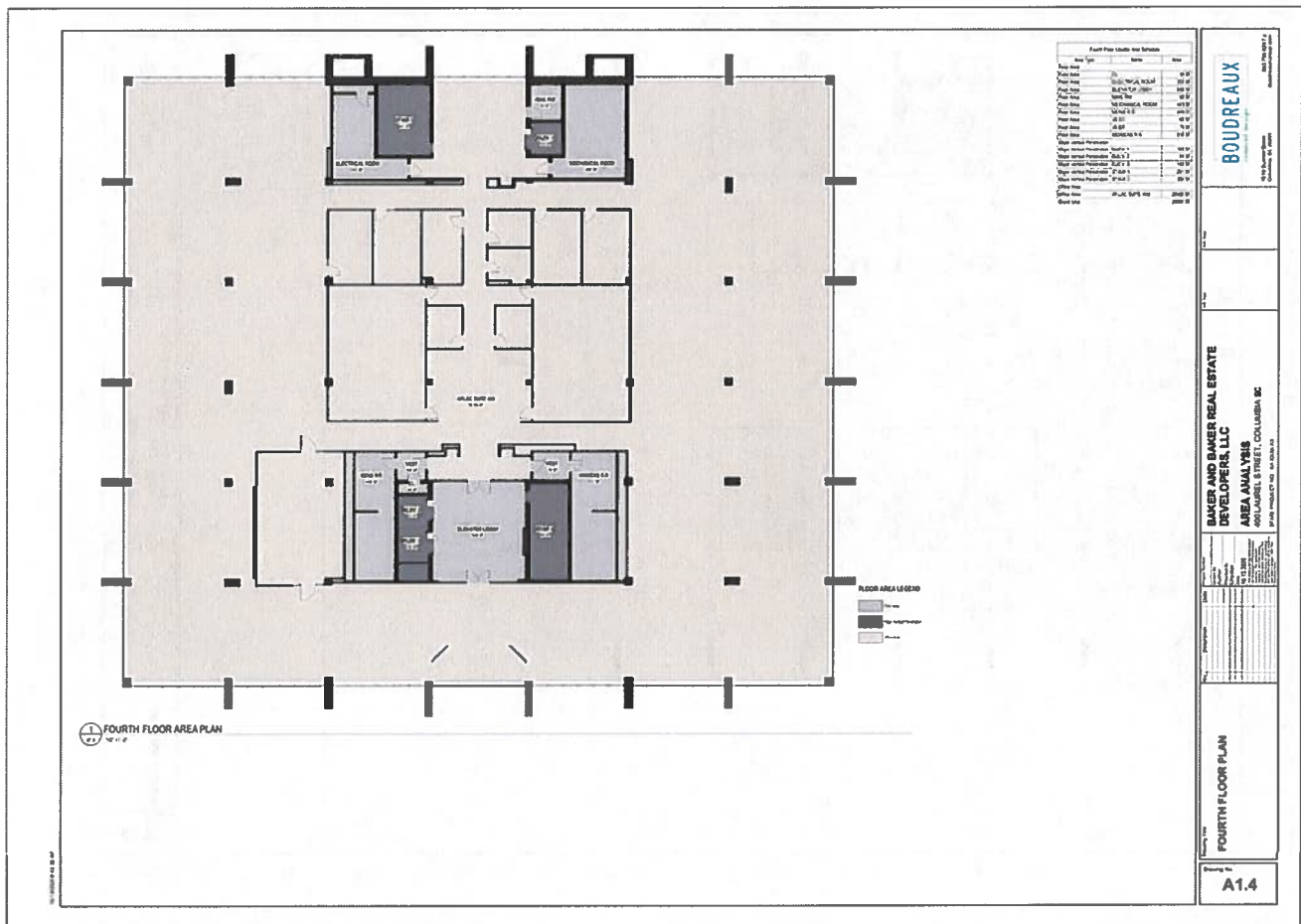
SECOND FLOOR PLAN

A1.2

FINAL



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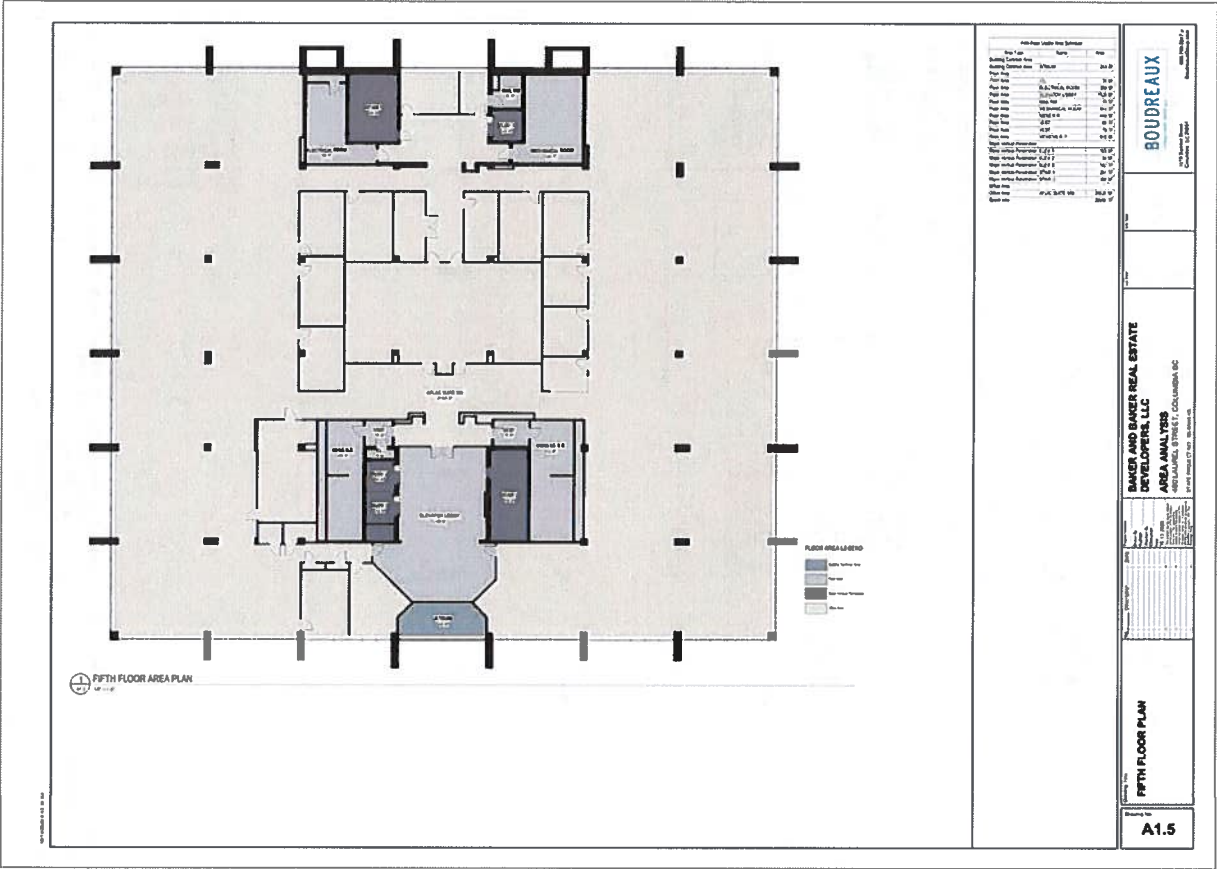


EXHIBIT A-2

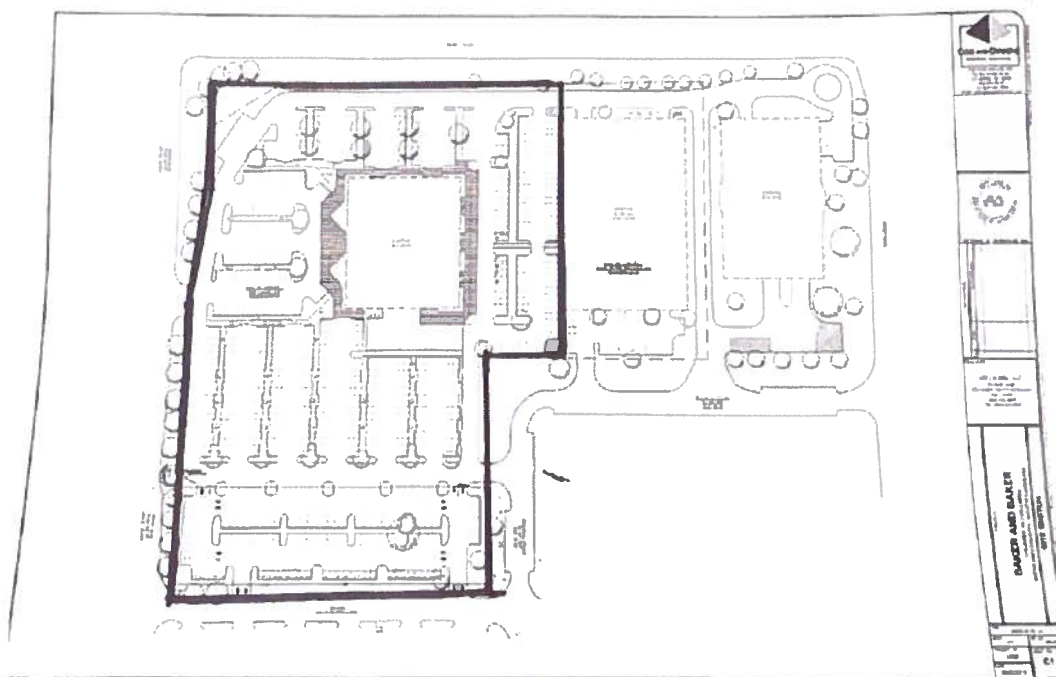
PROPERTY SITE PLAN

Being the property identified as tax map number 09010-14-01, and being all of the property conveyed to the Landlord by deed recorded in Book 1620 at Page 1475 in the Richland County ROD Office.

Also the property identified as tax map number 09010-14-2 and 09005-02-47 owned by Baker & Baker Real Estate Developers, LLC (now known as Baker Commercial Properties, LLC) to be conveyed to Landlord.

Said property is generally depicted on the site plan attached as Exhibit A-2 page 2.

EXHIBIT A-2, PAGE 2



Prepared By/Return To:

MEMORANDUM OF LEASE WITH OPTION TO PURCHASE

This is a Memorandum and Short Form of an unrecorded lease containing an option to purchase ("**Lease**") dated the ____ day of _____, 20____, by and between **400 Laurel, LLC**, a South Carolina limited liability company, with an address of 1400 Pickens Street, 5th Floor, Columbia, SC 29201 ("**Landlord**"), and **City of Columbia, South Carolina**, with an address of 1737 Main Street, Columbia, SC 29201 ("**Tenant**").

For good and valuable consideration, Landlord shall lease to Tenant and Tenant shall lease from Landlord certain real property, together with all improvements there, located at 400 Laurel Street in Columbia, Richland County, South Carolina, as more particularly described on Schedule 1 attached hereto, and certain rights appurtenant thereto, as more particularly described in the Lease ("**Property**").

The Commencement Date is as set forth in the Lease.

Tenant has the right on certain conditions to extend the term for four (4) additional, consecutive periods of five (5) years each.

50912278 v12

FINAL

binding on the Landlord, its successors and assigns in title to the Property. For the avoidance of doubt, the purchase option shall be binding on the Landlord and subsequent owners of all or any portion of the Property.

This Memorandum is not a complete summary of the Lease. Provisions in this Memorandum shall not be used to interpret the provisions of the Lease, and, in the event of conflict between this Memorandum and the Lease, the Lease shall control. Capitalized terms used in this Memorandum shall have the meanings set forth in the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease this ____ day of _____, 20____.

(Remainder of page intentionally left blank.)

FINAL

Signed, sealed and delivered in the presence of:

Witness #1

Print Name: _____

Witness #2

Print Name: _____

LANDLORD:

400 Laurel, LLC, a South Carolina
limited liability company

By: _____

Name: _____

Title: _____

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

ACKNOWLEDGEMENT

I, a Notary Public of the County and State aforesaid, do hereby certify that
_____, the _____ of 400 Laurel, LLC, a South Carolina
limited liability company, personally appeared before me this day, and acknowledged the execution of the
foregoing instrument.

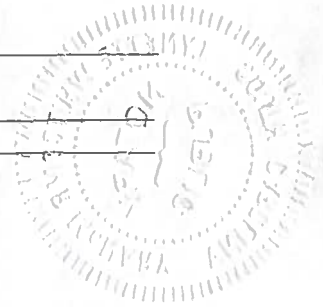
Witness my hand and official seal this _____ day of _____, 2023.

(NOTARIAL SEAL)

Notary Public

Print Name: _____

My commission expires: _____



APPROVED AS TO FORM

Legal Department City of Columbia SC

FINAL

Signed, sealed and delivered in the presence of:

Witness #1

Print Name:

Witness #2

Print Name:

TENANT:

CITY OF COLUMBIA, SOUTH CAROLINA

By:

Name:

Title:

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

ACKNOWLEDGEMENT

I, a Notary Public of the County and State aforesaid, do hereby certify that
Teresa Wilson, the City Manager of City of Columbia, South Carolina,
personally appeared before me this day, and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal this 21st day of June, 2023.

Notary Public

Print Name:

My commission expires:

(NOTARIAL SEAL)

APPROVED AS TO FORM

Legal Department City of Columbia, SC

SCHEDULE 1

PROPERTY DESCRIPTION

The Property to be conveyed to the Tenant pursuant to the Purchase Option shall include the property identified as tax map number 09005-02-44 if such parcel is owned by the Landlord or an entity related to or affiliated with the Landlord at any time prior to the Closing Date

APPROVED AS TO FORM

Legal Department City of Columbia, SC

EXHIBIT C

DECLARATION OF COMMENCEMENT DATE

Attached to and made part of the Lease dated the ____ day of _____, 20____, entered into by and between 400 Laurel, LLC, a South Carolina limited liability company, as Landlord, and the City of Columbia, South Carolina, as Tenant.

Landlord and Tenant do hereby declare that possession of the Premises was accepted by Tenant on the ____ day of _____, _____. The Lease is in full force and effect as of the date hereof; The Commencement Date is hereby established to be _____, _____, and the Initial Term of the Lease shall expire on _____, _____.

WITNESS:

LANDLORD:

400 Laurel, LLC

By: _____
Name: _____
Title: _____

WITNESS:

TENANT:

City of Columbia, South Carolina

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM



Legal Department City of Columbia, SC

EXHIBIT D**PURCHASE PRICE ADJUSTMENTS**

Month	Purchase Price
1	23,973,731
2	23,947,341
3	23,920,830
4	23,894,198
5	23,867,444
6	23,840,567
7	23,813,567
8	23,786,443
9	23,759,195
10	23,731,822
11	23,704,323
12	23,676,699
13	23,648,947
14	23,621,069
15	23,593,063
16	23,564,928
17	23,536,665
18	23,508,272
19	23,479,749
20	23,451,095
21	23,422,310
22	23,393,393
23	23,364,343
24	23,335,160
25	23,305,844
26	23,276,393
27	23,246,807
28	23,217,085
29	23,187,228
30	23,157,233
31	23,127,101
32	23,096,831

33	23,066,422
34	23,035,874
35	23,005,186
36	22,974,357
37	22,943,386
38	22,912,274
39	22,881,019
40	22,849,621
41	22,818,080
42	22,786,393
43	22,754,561
44	22,722,584
45	22,690,460
46	22,658,188
47	22,625,769
48	22,593,201
49	22,560,484
50	22,527,617
51	22,494,599
52	22,461,430
53	22,428,108
54	22,394,635
55	22,361,007
56	22,327,226
57	22,293,290
58	22,259,198
59	22,224,950
60	22,190,545
61	22,155,982
62	22,121,261
63	22,086,381
64	22,051,341
65	22,016,140
66	21,980,778
67	21,945,254
68	21,909,567
69	21,873,716
70	21,837,701

71	21,801,522
72	21,765,176
73	21,728,664
74	21,691,984
75	21,655,136
76	21,618,119
77	21,580,933
78	21,543,576
79	21,506,048
80	21,468,348
81	21,430,476
82	21,392,429
83	21,354,209
84	21,315,813

EXHIBIT E

FORM OF SNDA

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "*Agreement*") is dated as of the ____ day of _____, 20____, by and among _____ (together with its successors, endorsees and assigns, "*Lender*"), **400 LAUREL, LLC**, a South Carolina limited liability company, whose address is 1400 Pickens Street, 5th Floor, Columbia, SC 29201 (the "*Landlord*"), and **CITY OF COLUMBIA, SOUTH CAROLINA**, whose address is 1737 Main Street, Columbia, South Carolina 29201 ("*Tenant*").

WHEREAS, Landlord is the owner and holder of fee simple title in and to certain real property located at 400 Laurel Street, Columbia, Richland County, South Carolina, as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "*Property*"); and

WHEREAS, Lender has or intends to make a loan (the "*Loan*") to Landlord, which Loan is or is to be evidenced by a Note from Landlord to Lender (together with any and all extensions, renewals or modifications thereof, the "*Note*"), and is or is to be secured by, among other things, a Mortgage (as amended, restated, supplemented or otherwise modified from time to time, the "*Mortgage*") encumbering the Property; and

WHEREAS, by a Lease Agreement dated as of _____, 2023 (the "*Lease*"), by and between Landlord and Tenant, Landlord leased to Tenant the Property, or a portion thereof, as more particularly described in the Lease (the Property, or portion thereof, subject to the Lease is hereinafter sometimes referred to as the "*Premises*"); and

WHEREAS, Lender and Tenant desire to evidence their understanding with respect to the Mortgage and the Lease as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. Subordination. Tenant covenants, stipulates and agrees that the Lease and all of Tenant's right, title and interest in and to the Property thereunder is hereby, and shall at all times continue to be, subordinated and made secondary and inferior in each and every respect to (a) the Mortgage and the lien thereof, to all of the terms, conditions and provisions thereof, and to any and all advances made or to be made thereunder; (b) any other instruments of security which do now or may hereafter cover the Property or any interest of Landlord therein; and (c) any other documents evidencing, securing or guaranteeing the Note, so that at all times the Mortgage shall be and remain a lien on the Property prior to and superior to the Lease for all purposes, subject to the provisions set forth herein.

2. Non-Disturbance. As a condition to the subordination set forth in Section 1 above, Lender agrees that if Lender exercises any of its rights under the Mortgage, including judicial foreclosure of the Mortgage, or upon acquiring title to the Property by deed-in-lieu of foreclosure, or otherwise, Lender will not disturb Tenant's right to use, occupy and possess the Premises under the terms of the Lease so long as

Tenant is not in default beyond any applicable grace period under any term, covenant or condition of the Lease.

3. Attornment. If, at any time, Lender (or any person or entity, or such person or entity's successors or assigns, who acquires the interest of Landlord under the Lease through foreclosure of the Mortgage or otherwise) shall succeed to the rights of Landlord under the Lease as a result of a default or event of default under the Mortgage, Tenant shall attorn to and recognize such person or entity so succeeding to the rights of Landlord under the Lease (herein sometimes called "**Successor Landlord**") as Tenant's landlord under the Lease, said attornment to be effective and self-operative without the execution of any further instruments. Although said attornment shall be self-operative, Tenant agrees to execute and deliver to Lender or to any Successor Landlord, such other instrument or instruments, in form and substance reasonably satisfactory to Tenant, as Lender or such Successor Landlord shall from time to time request in order to confirm said attornment.

4. Demand for Payment. Landlord authorizes and directs Tenant to honor any written demand or notice from Lender instructing Tenant to pay rent or other sums to Lender rather than Landlord (a "**Payment Demand**"), regardless of any other or contrary notice or instruction which Tenant may receive from Landlord before or after Tenant's receipt of such Payment Demand. Tenant may rely upon any notice, instruction, Payment Demand, certificate, consent or other document from, and signed by, Lender and shall have no duty to Landlord to investigate the same or the circumstances under which the same was given. Landlord agrees that any payment made by Tenant to Lender in response to a Payment Demand shall be deemed proper payment by Tenant of such sum pursuant to the Lease.

5. Lender Covenant/Notice. Lender hereby represents, warrants, covenants and agrees to and with Tenant and Landlord to deliver to Tenant, by certified mail, return receipt requested or nationally recognized overnight delivery service, a duplicate of each notice of default delivered by Lender to Landlord at the same time as such notice is given to Landlord. Tenant shall have the right (but shall not be obligated) to cure such default. Lender further agrees to afford Tenant a period of thirty (30) days beyond any period afforded to Landlord for the curing of such default during which period Tenant may elect (but shall not be obligated) to seek to cure such default, or, if such default cannot be cured within that time, then such additional time as may be necessary to cure such default that Tenant is the sole owner of the leasehold estate created by the Lease.

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

7. Successors and Assigns. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns (including, without limitation, any successor holder of the Note).

8. Notice. All notices to be given under this Agreement shall be in writing and shall be deemed served upon receipt by the addressee if served personally or, if mailed, upon the first to occur of receipt or the refusal of delivery as shown on a return receipt, after deposited in the United States Postal Service certified mail, postage prepaid, or with a nationally recognized overnight courier, addressed to the address of Landlord, Tenant or Lender appearing below. Such addresses may be changed by notice given in the same manner. If any party consists of multiple individuals or entities, then notice to any one of same shall be deemed notice to such party.

Lender's Address:

With a copy to: _____

Tenant's Address: City of Columbia, South Carolina
Post Office Box 147
Columbia, SC 29217
1737 Main Street
Columbia, SC 29201

With a copy to: Judith L. McInnis, Esquire
Burr & Forman LLP
1221 Main Street, 18th Floor
Columbia, SC 29201

Landlord's Address: 400 Laurel, LLC
1400 Pickens Street, 5th Floor
Columbia, SC 29201

With a copy to: _____

9. Modification. This Agreement may not be modified orally or in any manner other than by an agreement, in writing, signed by the parties hereto and their respective successors in interest.

10. Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

*****Remainder of this page intentionally left blank*****
[Signatures on the following pages]

FINAL

IN WITNESS WHEREOF, the parties have hereunto executed this instrument as of the date and year first above written.

WITNESSES:

LENDER:

Witness

Print Name _____

By: _____

Print Name: _____

Witness

Print Name _____

Its: _____

STATE OF SOUTH CAROLINA)

COUNTY OF _____)

ACKNOWLEDGMENT

I, the undersigned, a Notary Public, do hereby certify that _____, by _____, its _____, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal, this ____ day of _____, 2023.

(Affix Seal)

Notary Public for South Carolina

Print Name: _____

My Commission Expires: _____

FINAL

IN WITNESS WHEREOF, the parties have hereunto executed this instrument as of the date and year first above written.

WITNESSES:

LANDLORD:

400 Laurel, LLC, a South Carolina limited liability company

Witness
Print Name _____

By: _____

Print Name: _____

Witness
Print Name _____

Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

ACKNOWLEDGMENT

I, the undersigned, a Notary Public, do hereby certify that 400 Laurel, LLC, a South Carolina limited liability company, by _____, its _____, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal, this _____ day of _____, 2023.

(Affix Seal)

Notary Public for South Carolina
Print Name: _____
My Commission Expires: _____

FINAL

IN WITNESS WHEREOF, the parties have hereunto executed this instrument as of the date and year first above written.

WITNESSES:

TENANT:

City of Columbia, South Carolina.,

Witness

Print Name _____

By: _____

Print Name: _____

Witness

Print Name _____

Its: _____

STATE OF _____)

COUNTY OF _____)

ACKNOWLEDGMENT

I, the undersigned, a Notary Public, do hereby certify that City of Columbia, South Carolina, by _____, its _____, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal, this _____ day of _____, 2023.

(Affix Seal)

Notary Public for South Carolina

Print Name: _____

My Commission Expires: _____

APPROVED AS TO FORM



Legal Department City of Columbia, SC

Exhibit A
(Legal Description of Property)

APPROVED AS FOLLOWS

Legal Description of Property

EXHIBIT F
[INTENTIONALLY OMITTED]

EXHIBIT G
PURCHASE RIDER

Landlord and Tenant agree that, as of the Effective Date, Landlord is the fee simple owner of the Property and that the Property is subject to the following (and only the following) encumbrances, liens, easements, covenants and other items of record in Richland County Register of Deeds' Office (collectively, the "Existing Title Exceptions"):

[Landlord and Tenant agree to insert the list of title exceptions into this exhibit as soon as the title search is available and to attach such revised Exhibit to this Lease]

At or prior to closing of the Purchase Option, Landlord shall pay in full and satisfy all mortgages, liens and other monetary encumbrances of the Property and provide satisfactory evidence thereof to Tenant.

Landlord agrees that, subsequent to the Effective Date, it shall not encumber, or permit the encumbrance of, the Property or any portion thereof with any encumbrances liens, easements, covenants or other items, other than the Existing Title Exceptions, without the prior written consent of the Tenant in each instance. If Landlord should violate the foregoing agreement by encumbering (or allowing the encumbrance of), such matters shall be considered as "Encumbrance Violations",

If Landlord breaches or violates the provisions of Section 25.5 of this Agreement or there are Encumbrance Violations, then the Tenant shall have the right to obtain an appraisal of the Property taking into consideration and valuing the Encumbrance Violations and/or violations of Section 25.5 of this Agreement, and the Purchase Price set forth in this Agreement shall be reduced by the amount attributed in such appraisal to the Encumbrance Violations and/or Section 25.5 violations.

Notwithstanding anything to the contrary in this Lease or this Exhibit G, the parties agree that the Property to be conveyed to the Tenant pursuant to the Purchase Option shall include the property identified as tax map number 09005-02-44 if such parcel is owned by the Landlord or an entity related to or affiliated with the Landlord at any time prior to the Closing Date; if such parcel is not then owned by such entity but is, at the Closing Date, subject to an agreement allowing such entity to acquire the parcel, then such acquisition agreement shall be terminated at closing of the Purchase Option.

EXHIBIT H

COMMON AREAS

Areas utilized by the tenant under the AT&T Lease for ingress and egress to the space leased pursuant to the AT&T Lease, subject to approval of Landlord and Tenant

Burr & Forman LLP
1221 Main Street, Suite 1800
Columbia, SC 29201
Attn: Judith L. McInnis

[illegible]

RECITALS:

The Lease provides for the following:

The Lease is effective between Landlord and Tenant as of June 21, 2023; the Term will commence on the Commencement Date and expire at midnight on the last day of the calendar month in which the twentieth (20th) anniversary thereof occurs.

The Lease grants the Tenant an option to purchase the Property. The purchase option must be exercised, if at all, at Tenant's option, prior to the end of the seventh (7th) Lease Year. Unless closing is accelerated pursuant to the terms of the Lease, any closing pursuant to the Tenant's exercise of its purchase option shall occur no earlier than (i) the first day of the eighth (8th) Lease Year and no later than ninety (90) days thereafter. The purchase option shall run with title to the Property and shall be binding on the Landlord, its successors and assigns in title to the Property. For the avoidance of doubt, the purchase option shall be binding on the Landlord and subsequent owners of all or any portion of the Property.

This Memorandum is not a complete summary of the Lease. Provisions in this Memorandum shall not be used to interpret the provisions of the Lease, and, in the event of conflict between this Memorandum and the Lease, the Lease shall control. Capitalized terms used in this Memorandum shall have the meanings set forth in the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease this 23rd day of June, 2023.

(Remainder of page intentionally left blank.)

Signed, sealed and delivered in the presence of:

Audra Deal

Witness #1

Print Name: Audra Deal

Cynthia Shriver

Witness #2

Print Name: Cynthia Shriver

LANDLORD:

400 Laurel, LLC, a South Carolina
limited liability company

By: Steven M. Anastasion
Name: STEVEN M. ANASTASION
Title: MANAGER

STATE OF SOUTH CAROLINA

ACKNOWLEDGEMENT

COUNTY OF RICHLAND

I, a Notary Public of the County and State aforesaid, do hereby certify that
Steven M Anastasion, the MANAGER of 400 Laurel, LLC, a South Carolina
limited liability company, personally appeared before me this day, and acknowledged the execution of the
foregoing instrument.

Witness my hand and official seal this 23 day of June, 2023.

(NOTARIAL SEAL)



Audra Deal
Notary Public
Print Name: AUDRA DEAL
My commission expires: August 20 2029

Signed, sealed and delivered in the presence of:

Witness #1
Print Name: Miss Gentry

Witness #2
Print Name: Lynette McNary

TENANT:

CITY OF COLUMBIA, SOUTH CAROLINA

By: Teresa B. Wilson
Name: Teresa B. Wilson
Title: City Manager

STATE OF SOUTH CAROLINA

ACKNOWLEDGEMENT

COUNTY OF RICHLAND

I, a Notary Public of the County and State aforesaid, do hereby certify that
Teresa Wilson, the City Manager of City of Columbia, South Carolina,
personally appeared before me this day, and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal this 21st day of June, 2023.



Lynette Whitcomb McNary
Notary Public
Print Name: Lynette Whitcomb McNary
My commission expires: July 23, 2031

APPROVED AS TO FORM

[Signature]
Legal Department City of Columbia, SC

SCHEDULE 1

PROPERTY DESCRIPTION

Being the property identified as tax map number 09010-14-01, and being all of the property conveyed to the Landlord by deed recorded in Book 1620 at Page 1475 in the Richland County ROD Office.

Also the property identified as tax map number 09010-14-2 and 09005-02-47 owned by Baker & Baker Real Estate Developers, LLC (now known as Baker Commercial Properties, LLC) to be conveyed to Landlord.

The Property to be conveyed to the Tenant pursuant to the Purchase Option shall include the property identified as tax map number 09005-02-44 if such parcel is owned by the Landlord or an entity related to or affiliated with the Landlord at any time prior to the Closing Date of the Purchase Option.