CITY OF SPARTANBURG
SOUTH CAROLINA

CITY COUNCIL AGENDA

City Council Meeting
County Council Chambers
366 N. Church Street
Monday, March 24, 2025
5:30 PM

I. Moment of Silence

II. Pledge of Allegiance

III. Approval of the Minutes of the March 10, 2025 Meeting

IV. Approval of the Agenda of the March 24, 2025 Meeting

V. Public Comment
****Public Comment Forms available inside Council Chambers on the front podium. Please turn in the completed form to the City Clerk prior to the start of the meeting.****

VI. Recognition of City of Spartanburg Retirees-Joyce Lipscomb, Spartanburg Police Department Grants Manager and Robert Knight, Public Works Labor Supervisor
Presenter: Jerome Rice, Jr., Mayor

VII. Proclamation Declaring the Month of April 2025 as Fair Housing Month in the City of Spartanburg
Presenter: Jerome Rice, Jr.

VIII. Hello Family Update
Presenter: Kaitlin Watts, Institute for Child Success

IX. Resolutions

A. A Resolution Authorizing the City Manager to Execute a Development Agreement Between the City of Spartanburg and Lat Purser and Associates Inc for a Project Located Near the Intersection of Country Club Road and S. Pine Street Spartanburg Bearing Tax Parcel Nos. 7-17-06-071.00; 7-17-06-072.00 and 7-17-10-062.00. Resolution # 2025-005
Presenter: Robert P. Coler, City Attorney

B. A Resolution Authorizing the City Manager to Execute Documents Related to the Lease of Office Space Located at 295 E. Main Street, Spartanburg. Resolution # 2025-006
Presenter: Robert P. Coler, City Attorney

As required by the Americans with Disabilities Act, the City of Spartanburg will provide interpretive services for the City Council Meetings. Requests must be made to the Communications & Marketing Office (596-2020) 24 hours in advance of the meeting. This is a Public Meeting and notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information

X. Staff Updates
Presenter: Chris Story

XI. City Council Updates

XII. Executive Session

A. An Executive Session Pursuant to Section 30-4-70(a)(2) of the South Carolina Code of Laws to Receive Legal Advice.

XIII. Adjournment.

City Code Sec. 2-57. Citizen Appearance. Any citizen of the City of Spartanburg may speak at a regular meeting on any matter pertaining to City Services and operations germane to items within the purview and authority of City Council, except personnel matters, by signing a Citizen's Appearance form prior to the meeting stating the subject and purpose for speaking. No item considered by Council within the past twelve (12) months may be added as an agenda item other than by decision of City Council. The forms may be obtained from the Clerk and maintained by the same. Each person who gives notice may speak at the designated time and will be limited to a two (2) minute presentation.

City Council Meeting
County Council Chambers
366 N. Church Street
Monday, March 10, 2025
5:30 p.m.

(These minutes to be approved at the March 24, 2025 Council Meeting)

City Council met this date with the following Councilmembers present: Mayor Pro Tem Erica Brown, Councilmembers Meghan Smith, Janie Salley, Rob Rain and Ruth Littlejohn. City Manager Chris Story, Deputy City Manager Mitch Kennedy, Assistant City Manager Kevin Limehouse, City Attorney Robert Coler, City Clerk Christie Lindsey were in attendance. Mayor Jerome Rice, Jr. and Councilmember Jamie Fulmer were absent. Notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information Act. All City Council meetings are live streamed/recorded. To view the video for a complete transcript, please visit https://www.cityofspartanburg.org/city-council

I. Moment of Silence – observed

II. Pledge of Allegiance - recited

III. Approval of the Minutes of the February 24, 2025 City Council Meetings

Councilmember Littlejohn *made a motion to approve the minutes as received.* ***Councilmember Smith*** *seconded the motion, which carried unanimously 5 to 0.*

IV. Approval of the Agenda for the March 10, 2025 City Council Meeting -

Councilmember Smith *made a motion to approve the agenda as received.* ***Councilmember Littlejohn*** *seconded the motion, which carried unanimously 5 to 0.*

V. Public Comment –

*Citizen Appearance forms are available at the door and should be submitted to the City Clerk

None

VI. Proclamation Declaring March 18, 2025 as The Spartanburg County League of Women Voters Day in the City of Spartanburg

Presenter: Erica Brown, Mayor Pro Tem

Mayor Pro Tem Brown *presented members of the Spartanburg County League of Women Voters with the proclamation declaring that March 18, 2025 as League of Women Voters Day in the City of Spartanburg.*

Prior to the reading of the Proclamation declaring April 6, 2025 as Lou Sartor Day, Charlie Hodge, Chris Pollard and Hannah Jarrett shared comments regarding the dedication and love that Lou Rice-Sartor had for her community.

VII. **Proclamation Declaring April 6, 2025 as Lou Sartor Day in the City of Spartanburg**
Presenter: Janie Salley, Councilmember
Councilmember Salley *presented the proclamation to Charlie Hodge, board chairmen of the Spartanburg Soup Kitchen and to the family of Lou Rice-Sartor.*

VIII. **Resolution**

A. **A Resolution Creating an Honorary Street Name Sign in Honor of Lou Sartor**
Resolution # 2025-002
Presenter: Mitch Kennedy, Deputy City Manager
Mitch presented the family of Lou Sartor with a street sign that reads "Lou Rice-Sartor Way". A duplicate sign will be placed on S. Forest Street at W. Main Street and S. Forest Street and W. Henry Street in honor of Ms. Lou Rice-Sartor.
Councilmember Salley *made a motion to approve the resolution as presented.*
Councilmember Littlejohn *seconded the motion, which carried unanimously 5 to 0.*

B. **A Resolution Approving the Purchase of Property Located at 207 Norris Street Further Identified as Tax Map number 7-16-01-185.00.**
Resolution # 2025-003
Presenter: Jamie Smith, Highland Neighborhood Project Manager
Councilmember Salley *made a motion to approve the resolution as presented.*
Councilmember Smith *seconded the motion which carried unanimously 5 to 0.*

C. **A Resolution Amending Resolution 12.604.5-01.24.2011 Ratifying and Approving Multi-Jurisdictional Agreements Entered Into By the Spartanburg Police Department with Surrounding Law Enforcement Agencies and Authorizing the City Manager to Approve and Sign Materially Equivalent Agreements Entered Into by the Police Department in the Future.**
Presenter: Robert P. Coler, City Attorney
Councilmember Rain *made a motion to approve the resolution as presented.*
Councilmember Salley *seconded the motion, which carried unanimously 5 to 0.*

IX. **Staff Updates**
Chris advised that the infrastructure work around the new ballfield is continuing but should be completed soon.

X. **City Council Updates**
Each Councilmember gave updates on their activities since the previous council meeting.

Councilmember Rain *made a motion to adjourn to executive session at 6:08 p.m.*
Councilmember Smith *seconded the motion, which carried unanimously 5 to 0.*

XI. **Executive Session**

A. **Executive Session Pursuant to Section 30-4-70 (a)(5) of the South Carolina Code to Discuss Matters Relating to Economic Development "Project Hat Trick" a Potential Mixed-Income Residential Development.**

B. An Executive Session Pursuant to Section 30-4-70(a)(2) of the South Carolina Code of Laws to Receive Legal Advice.

IX. Adjournment – ***Councilmember Littlejohn*** *made a motion to adjourn the meeting. Councilmember Smith seconded the motion, which carried unanimously 5 to 0. The meeting adjourned at 6:46 p.m.*

Christie B. Lindsey

Christie B. Lindsey, City Clerk

REQUEST FOR COUNCIL ACTION

TO: **Spartanburg City Council**

FROM: **Chris Story, City Manager**

SUBJECT: **Resolution Authorizing Execution of a Development Agreement for S. Pine Street Townhome Development**

DATE: **March 20, 2025**

The attached resolution would authorize the execution of a development agreement, also attached, that would facilitate the development of additional housing. This project furthers our goals to efficiently add needed housing supply in locations along our major corridors. This investment of over $19 million will supply more than 80 high quality townhome units.

This is the third project in the City of Spartanburg in recent years to be undertaken by Lat Purser and Associates, a Charlotte, NC developer who previously developed the Fitzgerald on Kennedy Street and is currently completing Boxcar on Union Street. This high quality project will be located along S. Pine Street and accessed off of Country Club Road. The project involves the installation of a crosswalk to connect the project to the rail trail extension currently under construction along Country Club Road. In addition, the project will beautify a southern gateway to the City including the removal of two aged billboard structures.

Ten percent of the units will be workforce housing units, available only to tenants at or below 80% of area median incomes at rents limited to those attainable to such renters. In addition, the project will generate additional local government revenues initially in excess of $100,000 annually escalating to over $500,000 annually over the life of the agreement.

Please let me know if you have any questions.

City of Spartanburg Resolution No. ________

Approving the adoption of a Development Agreement pursuant to the South Carolina Local Government Development Agreement Act, Title 6, Chapter 31, Section 6-31-10, et seq., of the South Carolina Code of Laws (1976), as amended, regarding certain property located in the City of Spartanburg or to be annexed into the City of Spartanburg being 7.805 acres, more or less, near the intersection of Country Club Road and S. Pine Street Spartanburg Co. Tax Parcel Nos. 7-17-06-071.00; 7-17-06-072.00 and 7-17-10-062.00.

WHEREAS, the South Local Government Development Agreement Act (the "Act") was enacted in Title 6, Chapter 31 of the South Carolina Code of Laws (1976), as amended, to encourage and to provide certainty, consistency and efficiency with respect to economic development projects located in South Carolina and to vest certain property rights in the developer protecting them from the effect of subsequently enacted local legislation; and

WHEREAS, the Act supports economic development to create productive assets for the communities in which they are located and serves a public and corporate purpose which often results in job opportunities; and

WHEREAS, Lat Purser & Associates, Inc. and/or its assignee is the owner, developer and/or contract purchaser of certain real property located in the City of Spartanburg or to be annexed into the City of Spartanburg being 7.805 acres, more or less, near the intersection of Country Club Road and S. Pine Street Spartanburg Co. Tax Parcel Nos. 7-17-06-071.00; 7-17-06-072.00 and 7-17-10-062.00; and

WHEREAS, the Property is located within the city limits of Spartanburg, South Carolina or will be annexed into the city limits; and

WHEREAS, Lat Purser & Associates, Inc. and/or its assigns, also known as the "Developer," has requested that the City enter into a Development Agreement as defined in Section 6-31-10, et seq. related to its development of a rental townhome project to be developed upon the subject property.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPARTANBURG, SOUTH CAROLINA, this _____ day of _______________, 2025 as follows:

Section 1. The Developer has submitted to the City a proposed Development Agreement pursuant to Section 6-31-10, et seq. pertaining to its proposed development of a rental townhome project on the property described above which is located in the city limits or shall be annexed into the city limits all as more particularly described in the Development Agreement.

Section 2. The City has reviewed the Development Agreement and supporting documentation, conferred with the Developer, and conducted its own review of the proposed project and the Developer's merits.

Section 3. The City hereby approves and agrees to execute the Development Agreement as proposed by the Developer in accordance with Section 6-31-10, et seq.

Requested By:

______________________________ ______________________________
Mayor

Approved By:

____
City Manager

Approved as to Form:

______________________________ ______________________________
City Attorney City Clerk

Introduced:
First Reading:

DEVELOPMENT AGREEMENT

by and between the City of Spartanburg and Lat Purser & Associates, Inc.

7.805 acres, more or less, near the intersection of Country Club Road and S. Pine Street

Spartanburg Co. Tax Parcel Nos. 7-17-06-071.00; 7-17-06-072.00 and 7-17-10-062.00

This Development Agreement (the "Agreement") by and between Lat Purser & Associates, Inc., a North Carolina corporation duly authorized by the Secretary of State of South Carolina to transact business in the State and/or its assigns (the "Project Developer") and the City of Spartanburg, a municipal corporation under the laws of South Carolina (the "City"), is entered into this ____ day of ___________, 2025.

In consideration of and for the mutual exchange of promises set forth in the Agreement, the parties covenant with one another to perform as follows:

1. Project Developer Commitments:

a. *Development Size and Purpose*. The Project Developer, its agents or assigns, shall be responsible for the design and construction of Class A rental townhomes on three (3) parcels of real property currently owned or to be acquired by Project Developer (Spartanburg County Tax Parcel Numbers 7-17-06-071.00; 7-17-06-072.00 and 7-17-10-062.00 (the "Property") as more fully referenced in **Exhibit A (Tax Map) and Exhibit B (Site Plan)**. The development, hereinafter referred to as the "Project" shall consist of approximately eighty-two (82) rental townhome units. Ten percent (10%) of the residential units shall be made available as workforce (income restricted) housing units which shall be blended into the Project and shall be of the same quality as the market rate units. The available workforce housing units shall consist generally of the same unit mix (1BR, 2 BR and 3 BR units) as the other units in the Project and shall be made available for lease to tenants whose incomes are at or below 80% of the area median household income("AMI") in the City of Spartanburg. Rents for the workforce units may increase from calendar year to calendar year throughout the term hereof at the rate of the greater of two percent (2%) or 80% AMI.

b. *Intended Market and Relevance to City*. Significant new construction is occurring in the City of Spartanburg. The City has significant interest is seeing the construction of new housing options along the S. Pine Street corridor. Project Developer acknowledges that a significant City motivation in providing the Project with incentives is to achieve this market goal. Project Developer further acknowledges that the City seeks the development of rental townhomes that will increase the residential product offerings available. The Project will be designed, constructed, and finished with fixtures, materials, and amenities of comparable quality design and construction as shown on **Exhibit C**, attached hereto and incorporated by reference. The target market is a blend of young, middle-aged and senior residents whether the same be working professionals, workforce employees or retirees.

c. *Architectural Design*. Project Developer acknowledges that the architectural design is a key consideration for City. Project Developer has experience in developing rental townhome projects in urban locations and is committed to developing a project consistent with the renderings contained in **Exhibit C.** Project Developer acknowledges that its commitment regarding the Project's completion consistent with the project renderings in **Exhibit C** are key considerations in the City's provision of development incentives to support the Project. Design will emphasize an urban look and feel commensurate with the Project's vicinity.

d. *Investment Required*. The Project Developer covenants that it shall make an investment through equity, loans, and other sources anticipated to be not less than Nineteen Million and 00/100 Dollars ($19,000,000.00) in design, development and construction (the "Project Developer Investment') in the Project as evidenced by documentation which is reasonably acceptable to the City.

e. *Public Infrastructure and other Improvements*. The Project Developer also agrees to (i) install a pedestrian crosswalk across Country Club Road connecting the Project to the Mary Black Rail Trail near the intersection of Country Club Road and Clyde Street (the "Public Improvements"); (ii) construct a four (4) feet high black aluminum fence around a portion of the Project site along Country Club Road and South Pine Street along with landscape screening along such fence line; (iii) construct a four (4) feet high black aluminum fence enclosing the Project's proposed detention pond along with landscape screening along such fence line; (iv) provide a location within the Project site along S. Pine Street to allow the City to place a City "welcome" sign; the size, design and materials of such sign to be reasonably approved in advance by Project Developer; and (v) remove existing billboards from the Project site (collectively items i through v herein shall be referred to as the "Additional Improvements") to the satisfaction of the City based on plans approved by the City, in accordance with this Agreement and in accordance with all applicable laws and regulations.

f. *Compliance with Law.* Construction of the Public Improvements shall be performed in a good, safe and workmanlike manner and in accordance with all applicable laws, rules, orders, ordinances, regulations and legal requirements of all governmental entities, agencies or instrumentalities relating to the Public Improvements including, without limitation the Americans with Disabilities Act as well as all building code requirements then in effect.

g. *Performance Data:* Because City is interested in continuing to provide quality affordable, workforce housing options to its residents, Project Developer agrees to share with City upon the City's request (such requests to be made no more frequently than twice each calendar year) its data indicating the Project's performance as it relates to the workforce housing units which comprise a portion of the Project, including but not limited to rent rolls and financial performance related to such units, income criteria, etc. City shall keep and protect said data in a confidential manner, exempting it from Freedom of Information Act requests pursuant to the economic development exceptions.

h. *Insurance Requirements.* The Project Developer (and/or its general contractor) shall procure and maintain builder's risk insurance coverage for occurrences against any claim for injuries to persons or damages to property which may arise from, or in connection with, Project Developer's construction of the Public Improvements, but shall not be obligated to continue to insure the same after the after the Public Improvements are completed and accepted by the City. The Project Developer (and/or its general contractor) shall be solely liable and the City in no way shall be responsible for any coverage deductibles associated with such coverage. Project Developer and/or its general contractor shall provide evidence of such insurance coverage to the City upon request.

2. City Commitments

a. *Maintenance of Public Improvements/Completion of Certain Additional Improvements*. The City shall maintain the Public Improvements upon completion, dedication and acceptance by the City.

b. *Real Property Tax Abatement.* City will provide its consent, upon request prior to the issuance of a Certificate of Occupancy of the permitted plans, for a Fee-In-Lieu of Tax Payment (FILOT) through a Multicounty Industrial Park, or similar mechanism. Furthermore, City will use its best efforts, acting in good faith, to secure Spartanburg County's approval of a Multicounty Industrial Park mechanism to abate the annual real property taxes in accordance with the abatement schedule attached hereto as **Exhibit D**. The first FILOT payment shall be due for the tax year following the year that Project Developer's receives its Certificate of Occupancy for the Project. By way of example, if the CO is received in 2026 the first FILOT payment would be due for tax year 2027 to be paid on or before January 15, 2028.

3. *Mutual Commitments.* City and Project Developer will work together to cause Spartanburg County Tax Parcel Numbers 7-17-06-071.00 and 7-17-10-062.00 to be annexed into the City and to have the same zoning designation as Spartanburg County Tax Parcel Number 7-17-06-072.00 upon completion of such annexation. The parties acknowledge that such annexation shall not be finalized until Project Developer acquires such parcels but the City may rely upon this commitment from the Project Developer in connection with the conditional issuance of permits necessary for the Project.

4. No Assignment Without Consent.

Prior to completion of the duties set forth herein, neither the City nor the Project

Developer are authorized to assign its respective duties under the Agreement to third parties without first having received from the other party a written consent, which consent shall not be unreasonably withheld, executed with the same formality of the Agreement. Notwithstanding the foregoing, City does acknowledge and agree that Project Developer may be utilizing a general contractor to perform the work on the Project and may assign this Agreement to a to-be-formed special purpose entity created for the purpose of owning and operating the Project; which entity shall be owned and/or managed by Project Developer. Additionally, in the event of a third-party sale of the Project by Project Developer, the rights and obligations of Project Developer hereunder may be transferred by Project Developer to such third-party purchaser with notice to the City.

5. Modification.

No modification of the Agreement shall be binding upon the parties unless the same is first reduced to writing in a document having the same formality as the Agreement and executed by the duly authorized officer for each party. However, minor changes and modifications to the Development Agreement are authorized as may be necessary or appropriate to allow for a final version mutually acceptable to the parties, with said minor changes and modification being approved by the City Manager and the City Attorney. Should the City Manager or City Attorney, or both, determine that any modification of previously negotiated terms is significant and warrants further action by Council, then the matter shall be presented to and reviewed by City Council before the final execution.

6. Merger of Negotiations.

All prior negotiations and representations of both parties are merged into the Agreement, and no prior statement, whether written or oral, shall be binding upon either party unless reduced to writing and contained in the Agreement.

7. Applicable Law.

The Agreement is entered into under the laws of South Carolina, the City is a political subdivision of South Carolina, and the subject real property and improvements are located in South Carolina. The Agreement shall be construed in accordance with the laws of South Carolina.

8. No Joint Venture.

The parties acknowledge the City is acting solely in a governmental capacity in expanding/enhancing the City's public infrastructure and spaces, in approving the Agreement and in providing any other approvals related to the Project. Accordingly, the parties further acknowledge that no joint venture is intended or created between the Project Developer (or its affiliates or principals) and the City, and the parties expressly disclaim the same.

9. Indemnification.

The Project Developer shall indemnify, defend and hold harmless the City, as well as its officers, officials and employees, from and against all claims of any nature whatsoever, at law or in equity, arising out of, or related in any manner to the Agreement, the design and construction of the Public Improvements, excluding only those claims resulting from the breach of this Agreement by the City or the gross negligence or willful misconduct of the City, its officers, contractors, agents, officials and/or employees. This provision shall survive termination of the Agreement.

10. Notice.

All notices and communications hereunder shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested, addressed to the parties as follows:

CITY:
City of Spartanburg
Attention: City Manager
P.O. Box 1749
Spartanburg, SC 29304
Phone: 864.596.2712

PROJECT DEVELOPER:
Lat Purser & Associates, Inc.
Attention: Jack Levinson
____
____
Phone: ______________

WITH A COPY TO:
Johnson, Smith, Hibbard & Wildman Law Firm, L.L.P.
Attn: Steven M. Querin, Esq.
220 N. Church Street, Suite 4
Spartanburg, SC 29306
Phone: 864.582.8121

11. Miscellaneous.

If any part or provision of this Agreement is held invalid or unenforceable under applicable law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining parts and provisions of this Agreement. The waiver of a breach of this Agreement by either party shall not operate as a waiver of any subsequent breach, and no delay in acting with regard to any breach of this Agreement shall be construed to be a waiver of the breach. Headings are inserted for convenience only and shall not be considered for any other purpose. All exhibits referenced above (including all attachments thereto) are attached hereto and incorporated herein as part of the Agreement.

[Signatures Follow]

WHEREFORE, in consideration of the foregoing, the parties do bind themselves by terms and conditions of the agreement by providing below the signature of their authorized officers.

WITNESSES:	Lat Purser & Associates, Inc.
______________________________	By: ________________________________
	Name: ______________________________
______________________________	Its: ______________________________

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this______day of_______, 2025 by the duly authorized officer for Lat Purser & Associates, Inc. whose name and title appear above.

____
Notary Public for South Carolina
My Commission Expires: _________
Printed Name of Notary: ___________________

WHEREFORE, in consideration of the foregoing, the parties do bind themselves by terms and conditions of the agreement by providing below the signature of their authorized officers.

WITNESSES:	The City of Spartanburg
______________________________	By: ________________________________
	Name: Chris Story
______________________________	Its: City Manager

STATE OF SOUTH CAROLINA	)	ACKNOWLEDGEMENT
	)	
COUNTY OF SPARTANBURG	)	

The foregoing instrument was acknowledged before me this______day of_______, 2025 by Chris Story, City Manager, being duly authorized to execute the same.

____
Notary Public for South Carolina
My Commission Expires: _________
Printed Name of Notary: ___________________

APPROVED AS TO FORM:

____
City Attorney

EXHIBIT A (TAX MAP)

EXHIBIT B (SITE PLAN)

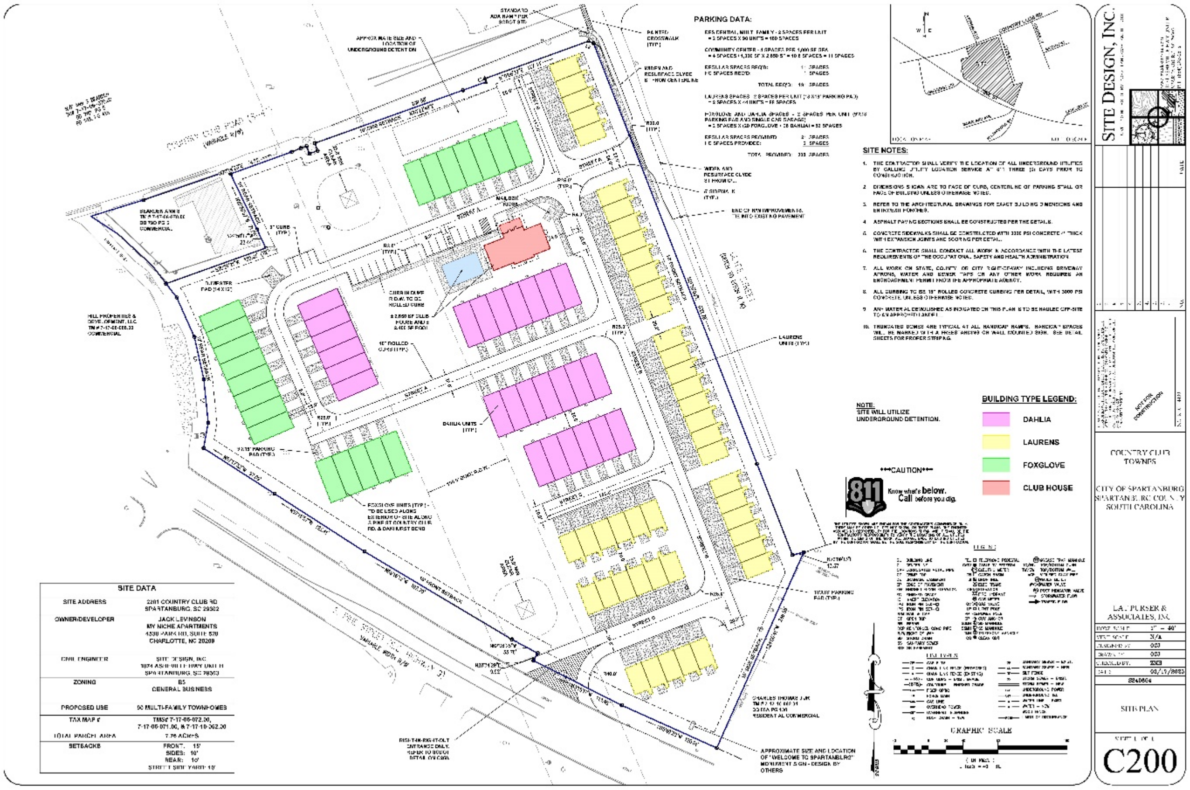

EXHIBIT C (PROJECT RENDERINGS)


S. PINE STREET
GLYDE STREET
COUNTRY CLUB ROAD

EXHIBIT D (TAX ABATEMENT SCHEDULE)

Tax Year 1 (First Tax Year After CO)- 85%
Tax Year 2- 80.75%
Tax Year 3- 76.50%
Tax Year 4- 72.25%
Tax Year 5- 68.00%
Tax Year 6- 63.75%
Tax Year 7- 59.50%
Tax Year 8- 55.25%
Tax Year 9- 51.00%
Tax Year 10- 46.75%
Tax Year 11- 42.50%
Tax Year 12- 38.25%
Tax Year 13- 34.00%
Tax Year 14- 29.75%
Tax Year 15- 25.50%
Tax Year 16- 21.25%
Tax Year 17- 17.00%
Tax Year 18- 12.75%
Tax Year 19- 8.50%
Tax Year 20- 4.25%

REQUEST FOR CITY COUNCIL ACTION

TO: Chris Story, City Manager

FROM: Kevin Limehouse, Assistant City Manager

SUBJECT: 295 E. Main Street Building Lease

DATE: March 24, 2025

BACKGROUND: The City of Spartanburg will need to move from our temporary location of 187 W. Broad Street to a new location due to the considerable pace of Project Core and the demand for the services to be built. We will move to this new location until the completion of the new joint government facility projected to be completed in 2027.

The City of Spartanburg has selected 295 E. Main Street as the next space for our team to lease following a thorough evaluation of multiple properties. Our team conducted an extensive review of various buildings and office spaces across the area, carefully comparing factors such as price, location, and functionality. After assessing each option, 295 E. Main Street emerged as the most cost-effective and strategically positioned location to meet our operational needs while providing an optimal work environment for our staff. Additionally, this lease will be secured at a below-market rate, ensuring significant cost savings for the city.

This selection ensures that our team has access to a space that not only fits our financial considerations but also supports efficiency and collaboration. The building's location offers convenience, accessibility, and proximity to key areas within Spartanburg, enhancing our ability to serve the community effectively. By choosing this space, we are making a fiscally responsible decision that aligns with our long-term goals while maintaining a high standard for workplace functionality and accessibility.

ACTION REQUESTED: Authorize the City Manager to negotiate final details and execute rental lease with Johnson Development for 295 E. Main Street.

A RESOLUTION
AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS RELATED TO THE LEASE OF OFFICE SPACE LOCATED AT 295 E. MAIN STREET, SPARTANBURG

WHEREAS, the City has the need for a temporary location of City Offices while awaiting the completion of the new Joint City County Administration Building; and

WHEREAS, the City has determined that the office space located at 295 E. Main Street is an adequate location to relocate City Offices during the construction of the New Joint City County Administration Building.

WHEREAS, the City Council deems it is in the best interest of the City to enter into the lease agreement, identified as Exhibit A, attached to this Resolution.

NOW, THEREFORE, BE IT RESOLVED By the Mayor and Members of City Council of the City of Spartanburg, South Carolina, in Council assembled:

Section 1. City Council approves the City Manager to execute the attached lease in substantially the same form as attached hereto, any and all documents appurtenant thereto. The City Manager, in consultation with the City Attorney, is authorized to make minor edits to the attached lease to accomplish the purposes of this Resolution.

Section 2: This Resolution shall become effective upon the date of enactment.

DONE AND RATIFIED This ______ day of____________, 2025.

____
MAYOR

ATTEST:

____
City Clerk

APPROVED AS TO FORM:

____
City Attorney

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE ("***Lease***") is made as of the ____ day of__________________ ______, 2025, by and between **MAIN & DEAN, LLC**, a South Carolina limited liability company ("***Landlord***"), and **CITY OF SPARTANBURG** ("***Tenant***").

WITNESSETH:

ARTICLE 1
PREMISES AND SECURITY DEPOSIT

1.01 - In consideration of the rent hereinafter reserved and of the covenants hereinafter contained, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, that certain building consisting of approximately 19,871 rentable square feet located at the 295 East Main Street Spartanburg, SC 29302, shown on the floor plans attached hereto as **Exhibit "A"** ("***Premises***"). The agreed square footage of the Premises is 19,871 rentable square feet. The term "Building" shall mean the office building located at 295 East Main Street Spartanburg, SC. The Building together with shared use of and access and egress to the parking lot and associated exterior common areas, shall be referred to as the "***Project***". Tenant will deposit with Landlord a security deposit in the amount of **Twelve Thousand Two Hundred Eighty-Six Dollars and 90/100 Dollars ($12,286.90)** (The **"*Security Deposit*"**). Notwithstanding the Security Deposit, Tenant shall remain liable for the monthly Rent payment for the final month of this Lease. Landlord shall hold the Security Deposit pending Landlord's final inspection after Tenant has vacated the Premises. After Landlord's final inspection of the Premises, Landlord shall apply the Security Deposit to any outstanding fees or charges owed to Landlord under this Lease and to the cost of any repairs that Landlord determines are required to be made to the Premises with any balance remaining after such deductions to be refunded to Tenant.

ARTICLE 2
TERM

2.01 – This Lease is effective between the parties as of the date of execution listed in the preamble above. The twenty-four month term of this Lease (the "***Term***") shall commence on the Commencement Date as defined in Section 3.01(a) below, and the parties agree to execute a Commencement Date confirmation letter upon request of either party. The Lease shall terminate at 11:59 p.m. local time on the last day of the calendar month of the twenty-fourth (24^{th}) full calendar month after the Commencement Date (the ***"Termination Date***"), and may **extend thereafter on a month-to-month** basis at the same Rent rates as established herein, unless sooner terminated or extended by either Landlord or Tenant for any reason or no reason upon providing ninety (90) days prior written notice to the other party.

ARTICLE 3
RENT

3.01 - Tenant hereby covenants and agrees to pay to Landlord as rent for the Premises (all of which is collectively referred to as "***Rent***") all of the following:

(a) Base rent ("***Base Rent***"), being calculated at the rate of $10.00 per rentable square foot for Level 01, containing 11,335 rentable square feet, and $4.00 per rentable square foot for Level 00, containing 8,536 rentable square feet, which equates to $7.42 per rentable square feet for the Premises. Base Rent shall commence on the earlier of (i) the date the Tenant substantially completes improvements to the Premises for use as City offices and occupies or begins operations within the Premises or (ii) July 1, 2025 (the "***Commencement Date***").

(b) Additional rent ("***Additional Rent***") in the amount of any payment referred to as such in any portion of this Lease which accrues while this Lease is in effect (which shall include any and all charges or other amounts which Tenant is obligated to pay Landlord under this Lease, other than Base Rent), being initially estimated as **$7,321.00** per month. Additional Rent shall commence on **March 1, 2025**.

3.02 - Base Rent and all Additional Rent as provided for under this Lease shall be paid promptly when due, in cash or by check, in lawful money of the United States of America, without notice or demand and without deduction, diminution, abatement, counterclaim or set off of any amount or for any reason whatsoever, and shall be payable to Landlord, and delivered to Landlord at its offices at the address as stated in Article 22 or direct deposited to Landlord's bank account, or to such other person and at such place as may be designated by notice in writing from Landlord to Tenant from time to time. If Tenant shall present to Landlord more than twice during the Term checks or drafts not honored by the institution upon which they are issued, then Landlord may require that future payments of Rent and other sums thereafter payable be made by certified or cashier's check.

3.03 - Other remedies for non-payment of Rent notwithstanding, any installment of Rent which is not paid within ten (10) days after the due date shall be subject, at Landlord's option each month, to a late charge equal to five percent (5%) of the amount due, which shall be payable as Additional Rent. Provided Landlord has given notice that Rent has not been received, any installment of Base Rent or Additional Rent not paid within thirty (30) days from the date due shall accrue interest at the rate of two (2%) percent higher than the rate announced by The Wall Street Journal from time to time as the average prime rate charged by the largest U. S. Commercial banks (the "***Prime Rate***") (but in no event shall such rate be higher than the maximum rate allowed by law) until paid in full, which interest shall be deemed Additional Rent.

3.04 - No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installments of Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check for payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other rent be provided in this Lease.

3.05 - It is agreed by Landlord and Tenant that no Rent for the use, occupancy or utilization of the Premises shall be, or is, based in whole or in part on the net income or profits derived by any person from the Building, Project or the Premises, and Tenant further agrees that it will not enter into any sublease, license, concession or other agreement for any use, occupancy or utilization of the Premises which provides for rent or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the Premises so leased, used, occupied or utilized. Nothing in the foregoing sentence, however, shall be construed as permitting or constituting Landlord's approval of any sublease, license, concession, or other use, occupancy, or utilization agreement not otherwise approved by Landlord in accordance with the provisions of paragraph 15.01 hereof.

ARTICLE 4
USE OF PREMISES

4.01 - Tenant covenants to use the Premises only for general office and administrative purposes, and for no other purpose, subject to and in accordance with all applicable zoning and other governmental regulations. Tenant, at its own expense, shall comply with and promptly carry out all orders, requirements or conditions imposed by the ordinances, laws and regulations of all of the governmental authorities having jurisdiction over the Premises, which are occasioned by or required in the conduct of Tenant's business within the Premises and to obtain all licenses, permits and the like required to permit Tenant to occupy the Premises.

4.02 - Tenant accepts the Premises and the rest of the Project from Landlord in "as is, where is" condition. Tenant acknowledges that it is not relying upon any representation, statement or other assertion with respect to the Premises, but is relying solely upon its own examination of the Premises.

4.03 - Tenant shall not permit the Premises, or any part thereof, to be used for any disorderly, unlawful or hazardous purpose, nor as a source of annoyance or embarrassment to Landlord or other tenants, nor for any purpose other than herein before specified, nor for the manufacture of any commodity therein, without the prior written consent of Landlord which shall not be unreasonably withheld, conditioned or delayed.

4.04 – Tenant shall have the right to utilize the furniture in the Premises on the date hereof and accepts same in as-is, where-is condition without representation or warranty of any kind. Upon the expiration or earlier termination of the Lease, Tenant shall remove said furniture consistent with the surrender obligations for Tenant's furniture set forth in Section 18.01.

ARTICLE 5
OPERATING EXPENSES

5.01 – Tenant shall pay to Landlord, as Additional Rent, its pro-rata share of Operating Expenses. Tenant's pro-rata share is 100%. Tenant shall make payments with respect to Operating Expenses monthly in advance at the same time as the payment of the Base Rent. The monthly Operating Expenses payment shall be in an amount reasonably estimated by Landlord. The initial monthly Operating Expenses payment shall be $**7,321.00** and Tenant shall be given written notice of any change to this estimated payment amount. When the actual amount of the Operating Expenses is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable Operating Expenses for that year. Tenant shall pay any additional monies due within 30 days after Landlord notifies Tenant of a deficiency.

5.02 - The term "**Operating Expenses**" shall mean any and all costs, expenses and obligations incurred by Landlord in connection with the operation, ownership, maintenance and repair of the Project including, but not limited to the following: Real Estate Taxes; costs of all utilities contracted for by Landlord or its affiliates, charges or fees for, and taxes on, the furnishing of electricity, fuel, water, sewer, gas, oil and other utilities; (at Landlord's reasonable discretion) security; pest control; cleaning of windows and exterior curtain walls; janitorial services (if any); elevator costs; trash and snow removal; landscaping and repair and maintenance of grounds; salaries, wages, and benefits for employees of Landlord engaged in the operation, maintenance or repair of the Project including benefits, payroll taxes and worker's compensation insurance; license fees and governmental permits; property, casualty, liability, flood, earthquake, business interruption, and other insurance reasonably obtained by Landlord from time to time (provided that Landlord shall only be obligated to obtain insurance set forth in Article 11); cleaning supplies; uniforms and dry cleaning service; supplies, repairs, replacements and other expenses for maintaining and operating the Project; the cost, including interest amortized over its useful life or payback period of any capital improvement made to the Project which is required under governmental law or regulation that was not applicable to the Project at the time it was constructed or the installation of any device or other equipment which improves the operating efficiency of any system within the Project and thereby reduces operating expenses; Landlord's accounting fees and costs for the preparation of statements of operating expenses or incurred in order to reduce operating expenses; legal fees and costs relating to the operation, repair or maintenance of the Project or incurred in order to reduce operating expenses, service or management contracts with independent contractors and general overhead; administrative expenses; management fees not to exceed 5%; telephone; and the costs of any other items which, under generally accepted accounting principles consistently applied from year to year with respect to the Property, constitute operating and maintenance costs attributable to any or all of the Property.

5.03 – "**Real Estate Taxes**" means the total of all of the taxes, assessments, excises, levies, and other charges by any public authority, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or of any kind and nature whatsoever, assessed, levied, charged, confirmed, or imposed upon the Building or appurtenances or facilities used in connection with the Building. Real Estate Taxes shall specifically include all ad valorem taxes, personal property taxes, transit taxes, special or extraordinary assessments, government levies, business license taxes and all other taxes or other similar charges, if any, which are levied, assessed, or imposed upon, or become due and payable in connection with the Building or appurtenances or facilities used in connection with the Building; provided, however, that, except as set forth above, the following taxes are excluded from Real Estate Taxes: any franchise, excise, income, gross receipts, profits, capital levy, estate, gift, inheritance and transfer.

5.04 - "**Operating Expenses**" shall not include any of the following: Cost of capital improvements, except as mentioned above; expenses for painting, redecorating, or other work which Landlord perform for any tenant in the Project, the expense of which is paid by such tenant; interest, amortization, or other payments on loans to Landlord, whether secured or unsecured; depreciation of the Project or other said improvements; ground rent; leasing commissions; salaries, wages or other compensation paid to officers or executives of Landlord; and income, excess profits, or franchise taxes or other such taxes imposed on or measured by the income of Landlord from the operation of the Project. Nothing contained in this Article 5 shall be construed at any time to reduce the Rent payable hereunder below the amount stipulated in Article 3 of this Lease.

5.05 - If the Termination Date or sooner termination of this Lease shall not coincide with the end of a calendar year, then in computing the amount payable under this Article 5 for the period between the commencement of the applicable year in question and the Termination Date or sooner termination of this Lease, the amount that would have been due from Tenant for the full year, if Tenant had been a tenant for the entire year, shall be prorated over the portion of the year that Tenant is a tenant in the Project. Tenant's obligation to pay Operating Expenses under this Article 5 for the final period of the Lease (as well as for any earlier period not paid as of the expiration or sooner termination of the Lease) shall survive the expiration or sooner termination of this Lease.

ARTICLE 6
LIENS

6.01 – The interest of Landlord in the Premises shall not be subject in any way to any liens, including construction liens, for improvements to or other work performed in the Premises by or on behalf of Tenant. Further, Tenant shall indemnify, defend, and save Landlord harmless from and against any damage or loss, including reasonable attorneys' fees, incurred by Landlord as a result of any liens or other claims arising out of or related to work performed in the Premises by or on behalf of Tenant. Tenant shall notify every contractor making improvements to the Premises that the interest of the Landlord in the Premises shall not be subject to liens for improvements to or other work performed in the Premises by or on behalf of Tenant.

ARTICLE 7
REPAIRS AND MAINTENANCE

7.01 - Subject to the provisions hereinafter contained with regard to damage by fire or other casualty and paragraph 7.02, Tenant shall repair and maintain in good order and condition, ordinary wear and tear excepted, the Building and the Project, including all common areas, the roof of the Building, the outside walls of the Building, the exterior windows of the Building, the structural portions of the Building and Premises (both interior and exterior), the elevators, and the electrical, plumbing, mechanical, fire protection, and HVAC systems servicing the Building. Tenant shall maintain the building in a clean condition and provide customary janitorial service at its cost. If Tenant fails to make such repairs after written notice and opportunity to cure as provided herein, Landlord, at its option, may make such repairs and Tenant shall pay Landlord on demand Landlord's actual costs in making such repairs plus a fee of five percent (5%) to cover Landlord's overhead. To the extent Landlord incurs any cost of maintenance, such costs shall be subject to the Operating Expense provisions of Article 5. Notwithstanding the foregoing, if Tenant determines that a major capital replacement is required for a significant Building system, Tenant shall provide written notice to Landlord and Landlord shall, in coordination with Tenant, solicit one or more proposals to complete such capital replacement for Tenant's selection, and the costs of such capital replacement shall be paid by Tenant.

7.02 - Except as provided in the section 7.01 above, Landlord shall have no maintenance obligation concerning the Premises and no obligation to make any repairs or replacements, in, on, or to the

Premises. Tenant assumes the full and sole responsibility for the condition, operation, repair, replacement, and maintenance of the Premises, including all improvements, throughout the Term, except to the extent expressly set forth in the Landlord's Obligations section of this article. Tenant shall maintain the Premises in good repair and in a clean, attractive, first class condition.

ARTICLE 8
TENANT'S AGREEMENT

8.01 - Tenant covenants and agrees: (a) not to knowingly obstruct or unreasonably interfere with the rights of other tenants, or injure or annoy them or those having business with them, or conflict with the fire laws or regulations, or with any insurance policy upon said Project or any part thereof, or with any statutes, rules or regulations now existing or subsequently enacted or established by the local, state or federal governments and Tenant shall be answerable for all nuisances caused or suffered or caused by Tenant in the Project, or on the approaches thereto; (b) not to knowingly place a load on any floor exceeding the floor load which such floor was designed to carry in accordance with the plans and specifications of the Project, and not to install, operate or maintain in the Premises any safe or heavy item of equipment except in such manner and in such location as Landlord shall prescribe so as to achieve a proper distribution of weight; (c) not to strip, overload, damage or deface the Premises, hallways, stairways, elevators, public parking facilities or other public areas of the Project, or the fixtures therein or used therewith, nor to permit any hole to be made in any of the same, ordinary wear and tear excepted; (d) not to knowingly suffer or permit any trade or occupation to be carried on or use made of the Premises which shall be unlawful, noisy, offensive, or injurious to any person or property, or such as to increase the danger of fire or affect or make void or voidable any insurance on the Project, or which may render any increased or extra premium payable for such insurance, or which shall be contrary to any law or ordinance, rule or regulation from time to time established by any public authority; (e) not to move any furniture or equipment into or out of the Premises except at such times and in such manner as Landlord may from time to time reasonably designate, (f) not to place upon the interior or exterior of the Project, or any window or any part thereof or door of the Premises, any placard, sign, lettering, window covering or drapes, except such and in such place and manner as shall have been first approved in writing by Landlord, which approval shall not be unreasonably withheld, delayed or conditioned, Tenant shall be permitted to install Tenant's standard signage on the Building, which shall be installed at Tenant's cost; (g) to park vehicles only in the area from time to time designated by Landlord; (h) to conform to all rules and regulations from time to time established by the appropriate insurance rating organization and to all reasonable rules and regulations from time to time established by Landlord, including those attached as **Exhibit "B"** hereto; (i) to be responsible for the cost of removal of Tenant's bulk trash at time of move-in, during occupancy and move-out, (j) not to conduct nor permit in the Premises either the generation, treatment, storage or disposal of any hazardous substances and materials or toxic substances of any kind (other than those normally found in general office use) as described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6901 et seq.), any regulations adopted under these acts, or any other present or future federal, state, county or local laws or regulations concerning environmental protection, and Tenant shall prohibit its assignees, sublessees, employees, agents and contractors (collectively, "Permitees") from doing so and

Tenant shall indemnify, defend and hold Landlord and its agents harmless from all loss, costs; damages; liability; fines; prosecutions; judgments; litigation; and expenses, including but not limited to, clean-up costs, court costs and reasonable attorneys' fees arising out of any violation of the provisions of this Article by Tenant or its Permitees, provided, Tenant shall not be liable for consequential, exemplary, special, or punitive damages.

ARTICLE 9
ALTERATIONS

9.01 – Tenant shall have the right to make non-structural, interior improvements for use as City offices without Landlord's prior written consent. Otherwise, Tenant shall make no alteration, addition, or improvement in or on or to the Premises of any kind or nature ("Alterations") without the prior written consent of Landlord, which consent may not be unreasonably withheld. Tenant must perform all such office improvements and Alterations in a good and workmanlike manner, in accordance with all applicable laws, permits and other legal requirements and all of Landlord's rules and regulations governing construction projects, and Tenant (or its contractors) must maintain all insurance reasonably required by Landlord. Landlord shall have the right to approve Tenant's plans and the contractor for any Alterations.

ARTICLE 10
HOLD HARMLESS

10.01 - Landlord shall not be liable for any damage to, or loss of, property in the Premises belonging to Tenant, its employees, agents, visitors, licensees or other persons in or about the Premises, or for damage or loss suffered by the business of Tenant, from any cause whatsoever, including, without limiting the generality thereof, such damage or loss resulting from fire, steam, smoke, electricity, gas, water, rain, ice or snow, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, air-conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Project of which the Premises are a part, or from other sources, except, however, any damages resulting from the negligent, reckless or willful act or omission of Landlord. Landlord shall not be liable in any manner to Tenant, its agents, employees, invitees or visitors for any injury or damage to Tenant, Tenant's agents, employees, invitees or visitors, or their property, caused by the criminal or intentional misconduct, or by any act or neglect of third parties or of Tenant, Tenants agents, employees, invitees or visitors, or of any other tenant of the Project, unless the same results from the gross negligent, reckless, or willful act or omission of Landlord. Tenant covenants that no claim shall be made against Landlord by Tenant, or by any agent or servant of Tenant, or by others claiming the right to be in the Premises or in the Project through or under Tenant, for any injury, loss or damage to the Premises or to any person or property occurring upon the Premises from any cause other than the negligent, reckless or willful act or omission of Landlord.

10.02 - Tenant covenants and agrees to save Landlord and Landlord's manager, Johnson Development Associates, Inc. ("***JDA***") harmless and indemnified, and to defend Landlord and JDA from all loss, damage, liability or expense of any kind including without limitation reasonable attorneys' fees and court costs incurred, suffered or claimed by any person whomsoever, or for any damage or injury to any persons or property from any cause whatsoever, by reason of the use or occupancy by Tenant, its agents, employees, invitees or visitors of the Premises, or of the Project unless resulting from the negligence of Landlord.

10.03 - Landlord covenants and agrees to save Tenant harmless and indemnified, and to defend Tenant from all loss, damage, liability or expense of any kind including without limitation reasonable attorneys' fees and court costs incurred, suffered or claimed by any person whomsoever, or for any damage or injury to any persons or property from any cause whatsoever, by reason of the operation by Landlord, its agents, employees, or representatives of the Project (other than the Premises), unless resulting from the negligence of Tenant.

10.04 - The provisions of this Article 10 shall survive the expiration or sooner termination of the Term.

ARTICLE 11
INSURANCE

11.01 - Tenant shall, at its cost and expense, obtain and maintain at all times during the Term, for the protection of Landlord and Tenant, Public Liability Insurance (Comprehensive General Liability or Commercial General Liability) including Contractual Liability Insurance, with a combined personal injury and property damage limit of not less than One Million Dollars ($1,000,000.00) for each occurrence and not less than Two Million Dollars ($2,000,000.00) in the aggregate, insuring against all liability of Tenant and its representatives arising out of and in connection with Tenant's use or occupancy of the Premises. Landlord and Landlord's agent, Johnson Development Associates, Inc., shall be named as additional insureds.

11.02 - Landlord shall, as a component of Operating Expenses, obtain and maintain at all times during the Term, fire and extended coverage insurance on the Premises for full replacement value excluding its contents and any leasehold improvements made by Tenant. Tenant shall be solely responsible for maintaining insurance on its contents and Tenant trade fixtures in an amount sufficient so that no co-insurance penalty will be invoked in the case of loss.

11.03 - Tenant shall increase its insurance coverage, as required, but not more frequently than each calendar year if, in the commercially reasonable opinion of Landlord or any mortgagee of Landlord, the amount of public liability and/or property damage insurance coverage at that time is not adequate.

11.04 - All insurance required under this Lease shall be issued by insurance companies licensed to do business in the jurisdiction where the Building is located. Each policy shall contain an endorsement requiring thirty (30) days written notice from the insurance company to Landlord before cancellation or any change in the coverage, scope or amount of any policy. Each policy, or a certificate showing it is in effect, together with evidence of payment of premiums, shall be deposited with Landlord on or before the Commencement Date, and renewal certificates or copies of renewal policies shall be delivered to Landlord at least thirty (30) days prior to the expiration date of any policy.

11.05 - If any of Landlord's insurance policies shall be canceled or cancellation shall be threatened or the coverage thereunder reduced or threatened to be reduced in any way because of the use of the Premises or any part thereof by Tenant or any assignee or subtenant of Tenant or by anyone Tenant permits on the Premises, and if Tenant fails to remedy the condition within forty-eight (48) hours after written notice thereof, Landlord may at its option either terminate this Lease or enter upon the Premises and attempt to remedy such condition, and Tenant shall promptly pay the cost thereof to Landlord. Landlord shall not be liable for any damage or injury caused to any property of Tenant or of others located on the Premises from such entry unless resulting from the negligent, grossly negligent, careless, reckless, intentional, or willful act or omission.

11.06 - All policies covering real or personal property which either party obtains affecting the Premises shall include a clause or endorsement denying the insurer any rights of subrogation or recovery against the other party to the extent rights have been waived by the insured before the occurrence of injury or loss. Landlord and Tenant hereby waive any rights of subrogation or recovery against the other for damage or loss to their respective property due to hazards covered or which should be covered by policies of insurance obtained or which should be or have been obtained pursuant to this Lease, to the extent of the injury or loss covered thereby assuming that any deductible shall be deemed to be insurance coverage.

ARTICLE 12
ASSIGNMENT AND SUBLETTING

12.01 – Tenant shall not assign, transfer, mortgage or encumber this Lease or sublet the Premises without obtaining the prior written consent of Landlord, nor shall any assignment or transfer of this Lease be effectuated by operation of law or otherwise without the prior written consent of Landlord, in any such case, such consent may be withheld in the sole discretion of Landlord.

ARTICLE 13
LANDLORD'S RIGHT OF ACCESS

13.01 - Landlord may, at any time during Tenant's occupancy, during reasonable business hours and upon reasonable notice (except in the case of emergency) enter either to view the Premises, or to facilitate repairs to the Building, or to replace, repair, alter or make new or change existing connections from any fixtures, pipes, wires, ducts, conduits or other construction therein, or remove, without being held responsible therefore, placards, signs, lettering, window or door coverings and the like not expressly consented to by Landlord or otherwise permitted hereunder, provided any entry onto or into the Premises shall be made in such a manner as to not unreasonably interfere with the business operations of Tenant.

13.02 - If Tenant shall knowingly carpet over the access panels of the under-floor duct system in the floor of the Premises, Landlord is hereby authorized and permitted to cut such carpeting to reach the ducts in such panels in order to make any necessary connections therefrom to service other parts of the Building. Landlord shall have the carpeting restitched in a workmanlike manner and Tenant agrees to promptly reimburse Landlord for the cost of such cutting and restitching upon demand therefore.

ARTICLE 14
FIRE CLAUSE

14.01 - In the event the Premises or any part thereof, the elevators, hallways, stairways or other approaches thereto, becomes damaged or destroyed by fire or other casualty from any cause so as to render said Premises and/or approaches unfit for use and occupancy, a just and proportionate part of the Rent according to the nature and extent of the damage or injury to said Premises and/or approaches, shall be suspended or abated until said Premises and/or approaches have been put in as good condition for use and occupancy as at the time immediately prior to such damage or destruction. Landlord shall have the option to terminate the Lease upon written notice to Tenant or to procced to repair the damage. If Landlord should decide not to repair or restore the Premises or the Project, Landlord may terminate this Lease forthwith by giving Tenant a written notice of its intention to terminate within thirty (30) days after the date of the fire or other casualty. Landlord shall not be obligated to repair, restore or replace any fixture, improvement, alteration, furniture or other property owned, installed or made by Tenant, all of which shall be repaired, restored or replaced by Tenant.

14.02 - Tenant shall immediately notify Landlord of any damage to the Premises caused by fire or any other casualty.

14.03 - No damages, compensation, or claim shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Premises or the Project. Subject to the provisions of paragraph 14.01, Landlord shall diligently proceed to have such repairs made promptly.

ARTICLE 15
CONDEMNATION

15.01 - This Lease shall be terminated and the Rent shall be abated to the date of such taking in the event of: (a) condemnation of the Premises, the Building or a portion thereof, not less than 25%, that would make it impractical for Tenant to continue its operations, by any competent authority under right of eminent domain for any public or quasi-public use or purpose; or (b) condemnation by competent authority under right of eminent domain for any public or quasi-public use or purpose. In case of any taking or condemnation, whether or not the Term shall cease and terminate, the entire award shall be the property of Landlord, and Tenant hereby assigns to Landlord all its right, title and interest in and to any such award. Tenant however, shall be entitled to claim, prove and receive in the condemnation proceeding such awards as may be allowed for fixtures and other equipment installed by it and its leasehold interest.

15.02 - In the event of a temporary taking or condemnation of all or any part of the Premises for any public or quasi-public use or purpose, this Lease shall be unaffected, provided, the Base Rent shall be reduced by the diminution in value of the leasehold interest immediately before and immediately after the condemnation. In the event of any such temporary taking, notwithstanding the provisions of paragraph 15.01, Tenant shall be entitled to claim, prove and receive the portion of the award for such taxing that represents compensation for use or occupancy of the Premises during the Term, and Landlord shall be entitled to appear, claim, prove and receive the portions of the award that represent the cost of restoration of the Premises and the use or occupancy of the Premises after the end of the Term.

ARTICLE 16
DEFAULTS AND REMEDIES

16.01 - It is hereby mutually agreed that: (a) if Tenant shall fail (i) to pay Rent or other sums which Tenant is obligated to pay by any provision of this Lease, when and as it is due and payable hereunder and such failure continues for five (5) days after written notice from Landlord to Tenant with respect to the same, or (ii) to keep and perform each and every covenant, condition and agreement herein contained on the part of Tenant to be kept and performed, and such failure continues for 30 days after written notice from Landlord to Tenant with respect to the same (provided, however, if the failure is not susceptible of cure within 30 days, the failure shall not be grounds for a default hereunder for up to an additional 30 days if Tenant begins such cure within the initial 30 days and diligently continues to prosecute such cure); or (b) if Tenant shall abandon all of the Premises; or (c) if the estate hereby created shall be taken by execution or other process of law; or (d) if Tenant shall (i) be unable to pay Tenant's debts as such debts become due, (ii) become insolvent, (iii) make an assignment for the benefit of creditors, (iv) file, be the entity subject to, or acquiesce in a petition in any court (whether or not filed by or against Tenant pursuant to any statute of the United States or any state and whether or not for a trustee, custodian, receiver, agent, or other officer for Tenant or for all or any portion of Tenant's property) in any proceeding whether bankruptcy, reorganization, composition, extension, arrangement, insolvency proceedings, or otherwise then, and in each and every such case, from thenceforth and at all times thereafter, at the sole option of Landlord, after giving Tenant written notice according to Article 22 and the opportunity to cure as set forth above, Landlord may:

(a) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to do so, Landlord may without notice and without prejudice to any other remedy Landlord may have, enter upon and take possession of the Premises and expel or remove Tenant and its effects without being liable to prosecution or any claim for damages therefore; and Tenant shall indemnify Landlord for all loss and damage which Landlord may suffer by reason of such termination, whether through the inability to relet the Premises or otherwise including any loss of Rent for the remainder of the Term. Notwithstanding the foregoing, Landlord shall use commercially reasonable efforts to mitigate such damages.

(b) Terminate this Lease, in which event Tenant's event of default should be considered a total breach of Tenant's obligations under this Lease and Tenant immediately shall become liable for such damages for such breach, in an amount equal to the total of (1) the costs of recovering the Premises; (2) the unpaid Rent earned as of the date of termination, plus interest thereon at a rate per annum from the due date equal to four percent (4%) over the Prime Rate, provided, however, that such interest shall never exceed the highest lawful rate; and (3) all other sums of money and damages owing by Tenant to Landlord. Tenant's right of possession shall cease and terminate and Landlord shall be entitled to the possession of the Premises and shall remove all persons and property therefrom and reenter the Lease without further demand of Rent or demand of possession of the Premises, either with or without process of law and without becoming liable to prosecution therefore, any notice to quit or intention to reenter being hereby expressly waived by Tenant.

(c) Declare the present worth (as of the date of such default) of the entire balance of Rent for the remainder of the Term to be due and payable, and collect the deficiency between such amount and the net amount, if any, of rents collected under any reletting of the Premises in any manner not inconsistent with applicable law. For the purpose of this paragraph 16.01, “present worth” shall be computed by discounting the entire balance to present worth at a discount rate equal to one (1) percentage point above the discount rate then in effect at the Federal Reserve Bank nearest the location of the Project.

(d) Pursue any combination of such remedies and/or other remedy available to Landlord on account of such default under applicable law.

In the event of any reentry or retaking of the Premises by Landlord and/or any termination of this Lease by Landlord, Tenant shall nevertheless remain in all events liable and answerable for the Rent to the date of such retaking, reentry or termination and Tenant shall also be and remain answerable in damages for the deficiency or loss of Rent as well as all related expenses which Landlord may thereby sustain in respect to the balance of the Term, subject to Landlord’s obligation to mitigate such damages, and, in such case, Landlord shall make reasonable efforts to let said Premises for the benefit of Tenant, in liquidation and discharge, in whole or in part, as the case may be, of the liability of Tenant under the terms and provisions of this Lease, and such damages, related expenses, at the option of Landlord, may be recovered by it at the time of the retaking and reentry or in separate actions, from time to time, as Tenant’s obligation to pay Rent would have accrued if the Term had continued, or from time to time as said damages and related expenses shall have been made more easily ascertainable by reletting of the Premises, or such action by Landlord may, at the option of Landlord, be deferred until the expiration of the Term, in which latter event the cause of action shall not be deemed to have accrued until the date of the termination of the Term.

16.02 - The provisions of this Article 16 are subject to the Bankruptcy Laws of the United States of America and the State of South Carolina which may, in certain cases, limit the rights of Landlord to enforce some of the provisions of this Article in proceedings thereunder. To the extent that limitations exist by virtue thereof, the remaining provisions hereof shall not be affected thereby but shall remain in full force and effect.

16.03 - All rents received by Landlord in any reletting after Tenant’s default shall be applied, first to the payment of such expenses as Landlord may have incurred in recovering possession of the Premises and in reletting the same (including brokerage fees), second to the payment of any costs and expenses incurred by Landlord, either for making the necessary repairs (including fitting up the space for such reletting) to the Premises or in curing any default on the part of Tenant of any covenant or condition herein made binding upon Tenant. Any remaining rent shall then be applied toward the payment of Rent due from Tenant, together with interest and penalties as defined in Paragraph 3.04, and Tenant expressly agrees to pay any deficiency then remaining. Landlord shall in no event be liable in any way whatsoever (nor shall Tenant be entitled to any set off) for Landlord’s failure to relet the Premises, provided Landlord made commercially reasonable efforts to relet the Premises, and Landlord, at its option, may refrain from terminating Tenant’s right of possession, and in such case may enforce against Tenant the provisions of this Lease for the full

Term.

16.04 - The unsuccessful party in any litigation pursuant to this Lease shall be responsible for the successful party's reasonable attorney's fees.

16.05 – Tenant waives all claims against Landlord under this Lease based on or for the loss of business or profits or other consequential damages or for punitive or special damages of any kind, regardless of the cause, and, except as specifically provided in this Lease, Tenant waives all rights to terminate this Lease. None of Landlord's officers, employees, agents, directors, shareholders, partners, or affiliates shall ever have any personal liability to Tenant under this Lease. Tenant shall look solely to Landlord's interest in the Building Project for the satisfaction of any right or remedy of Tenant under this Lease, or for the collection of any judgment. No act or omission of Landlord or its agents shall constitute an actual or constructive eviction of Tenant unless Landlord shall have first received notice of Tenant's claim and shall have failed to cure it after having been afforded a reasonable time to do so, which in no event shall be less than thirty days.

ARTICLE 17
MORTGAGE FINANCING AND SUBORDINATION

17.01 - This Lease shall be subject and subordinate at all times to the lien of any mortgage or deed of trust or other encumbrance(s) which may now or which may at any time hereafter be made upon the Project of which the Premises is a part or any portion thereof, or upon Landlord's interest therein. This clause shall be self-operative, and no further instrument of subordination shall be required to effect the subordination of this Lease. Nonetheless, in confirmation of such subordination, Tenant shall execute and deliver such further reasonable instrument(s) subordinating this Lease to the lien of any such mortgage or deed of trust or any other encumbrance(s) as shall be desired by any mortgagee or party secured or proposed to secured thereby. If the interests of Landlord under this Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of any mortgage or deed of trust on the Premises or Project, Tenant shall be bound to the transferee, under the terms, covenants and conditions of this Lease for the remaining Term, including any extensions or renewals, with the same force and effect as if the transferee were Landlord under this Lease, and, Tenant agrees to attorn to the transferee as its Landlord, and so long as Tenant is not in default hereunder, Tenant's rights and privileges under this Lease shall not be diminished, disturbed or interfered with by transferee. The holder of any mortgage or deed of trust encumbering the Project shall have the right, unilaterally, at any time to subordinate fully or partially its mortgage or deed of trust or other security instrument to this Lease on such terms and subject to such conditions as such holder may consider appropriate in its discretion. Upon request Tenant shall execute and deliver an instrument confirming any such full or partial subordination.

ARTICLE 18
SURRENDER OF POSSESSION

18.01 - Upon the expiration or earlier termination of the Term, Tenant shall surrender the Premises and all keys, gate cards, security cards, and locks connected therewith to Landlord in good order and repair (ordinary wear and tear excepted) and broom clean. Subject to the provisions of Article

9, any and all improvements, repairs, alterations and all other property attached to, used in connection with or otherwise installed upon the Premises (i), shall, immediately upon the surrender of the Premises, be and become Landlord's property without payment therefore by Landlord, and (ii) shall be surrendered to Landlord upon the expiration or earlier termination of the Term, except that any machinery, equipment or fixtures installed by Tenant and used in the conduct of the Tenant's trade or business (rather than to service the Premises or any of the remainder of the Building or the Project generally) and all other personalty of Tenant shall remain Tenant's property and shall be removed by Tenant upon the expiration or earlier termination of the Term, and Tenant shall promptly thereafter fully restore any of the Premises or the Building damaged by such installation or removal thereof. A fee not less than Twenty-Five and 00/100 Dollars ($25.00) shall be charged for each security card not returned to Landlord.

18.02 – On the expiration or sooner termination of the Term, Tenant, at its expense, shall remove from the Premises all of Tenant's Property (except those items that Landlord shall have expressly permitted to remain, which items shall become the property of Landlord) and all Alterations that Landlord designates by notice to Tenant. Tenant shall also repair any damage to the Premises and the Building Project caused by the removal. Any items of Tenant's Property that shall remain in the Premises after the expiration or sooner termination of the Term, may, at the option of Landlord, be deemed to have been abandoned, and may be disposed of by Landlord, without accountability to Tenant or any other party, at Tenant's expense.

ARTICLE 19
TENANT HOLDING OVER

19.01 - If Tenant or any person claiming through Tenant shall not immediately surrender possession of the Premises at the expiration or earlier termination of the Term, Landlord shall be entitled to recover compensation for such use and occupancy at one hundred fifty percent (150%) of the Base Rent and Additional Rent payable hereunder just prior to the expiration or earlier termination of the Term. Landlord shall also continue to be entitled to retake or recover possession of the Premises as herein before provided in case of default on the part of Tenant, and Tenant shall be liable to Landlord for any loss or damage it may sustain by reason of Tenant's failure to surrender possession of the Premises immediately upon the expiration or earlier termination of the Term provided Landlord has notified Tenant in advance of the extent of such loss. Tenant hereby agrees that all the obligations of Tenant and all rights of Landlord applicable during the Term shall be equally applicable during such period of subsequent occupancy.

ARTICLE 20
ESTOPPELS

20.01 - Tenant shall, without charge therefore, at any time and from time to time, within ten (10) business days after request by Landlord, execute, acknowledge and deliver to Landlord a written estoppel certificate certifying to Landlord, any mortgagee, assignee of a mortgagee, or any purchaser of the Project, or any other person designated by Landlord, as of the date of such estoppel certificate: (a) that Tenant is in possession of the Premises; (b) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and setting forth such modification); (c) whether or not there are then existing any setoffs or defenses against the enforcement of any right or remedy of Landlord, or any duty or obligation of Tenant hereunder (and, if so, specifying the same in detail); (d) the amount of the Base Rent and the dates through which Base Rent and Additional Rent have been paid, (e) that Tenant has no knowledge of any then uncured defaults on the part of Landlord under this Lease (or if Tenant has knowledge of any such uncured defaults, specifying the same in detail); (f) that Tenant has no knowledge of any event having occurred that authorizes the termination of this Lease by Tenant (or if Tenant has such knowledge, specifying the same in detail); (g) the amount of any Deposit held by Landlord; and (h) such reasonable other information requested by Landlord, such mortgagee, assignee of such mortgagee, such purchaser or such other person. Failure to deliver the certificate within ten (10) business days after request by Landlord shall be conclusive upon Tenant for the benefit of Landlord and any successor to Landlord that this Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

ARTICLE 21
MISCELLANEOUS

21.01 - The term "Tenant" shall include legal representatives, successors and permitted assigns. All covenants herein made binding upon Tenant shall be construed to be equally applicable to and binding upon its agents, employees and others claiming the right to be in the Premises or in the Project through or under Tenant.

21.02 - Feminine or neuter pronouns shall be substituted for those of the masculine form and the plural shall be substituted for the singular, wherever the context shall require. It is also agreed that no specific words, phrases or clauses herein used shall be taken or construed to control limit or cut down the scope or meaning of any general words, phrases or clauses used in connection therewith.

21.03 - No waiver or breach of any covenant, condition or agreement herein contained shall operate as a waiver of the covenant, condition or agreement itself, or of any subsequent breach thereof.

21.04 - Notwithstanding anything to the contrary contained in this Lease, Tenant shall look only to Landlord's ownership in the Project for satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder, and no other property or assets of the partners or principals of Landlord, disclosed or undisclosed, shall be subject to levy, execution or the enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this Lease, the relationship of Landlord and Tenant hereunder or Tenant's use or occupancy of the Premises. No personal liability or personal responsibility is assured by, nor shall at any time be asserted or enforceable against Landlord, its partners or its principals, or their respective heirs, legal representatives, successors and assigns on account of this Lease or any covenant, undertaking, or agreement to Landlord contained herein.

21.05 - TENANT AND LANDLORD EXPRESSLY AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY SET FOR IN THIS LEASE.

21.06 - This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns. This provision shall not be deemed to grant Tenant any right to assign this Lease or sublet the Premises or any part thereof other than as provided in Article 12 hereof.

21.07 - It is understood and agreed by and between the parties hereto that this Lease contains the final and entire agreement between said parties, and that they shall not be bound by any terms, statements, conditions or representations, oral or prior written, express or implied, not herein contained. This Lease may not be modified orally or in any manner other than by written agreement signed by the parties hereto.

21.08 - Every agreement contained in this Lease is and shall be construed as a separate and independent agreement. If any term of this Lease or the application thereof to any person or circumstances shall be invalid and unenforceable, the remaining provisions of this Lease, the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected.

21.09 - Whenever a period of time is herein prescribed for action to be taken by Landlord or Tenant, Landlord or Tenant shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to strikes, riots, acts of God, terrorism, shortages of labor or materials, war, governmental laws, regulations or restrictions, or any other cause of any kind whatsoever which is beyond the reasonable control of Landlord.

21.10 - The submission of this Lease to Tenant shall not be construed as an offer nor shall Tenant have any rights with respect thereto unless Landlord executes a copy of this Lease and delivers same to Tenant.

21.11 - All times, whenever stated in this Lease, are declared to be of the essence of this Lease.

ARTICLE 22
NOTICES AND DEMANDS

22.01 - All notices required or permitted hereunder shall be deemed to have been given (i) upon delivery, if hand delivered, (ii) the next business day if sent by nationally recognized overnight courier, or (iii) three days following deposit in the US Mail, if mailed in any United States Post Office by certified or registered mail, postage prepaid, return receipt requested, addressed to Landlord or Tenant respectively, at the following addresses or to such other addresses as the parties hereto may designate to the other in writing from time to time:

LANDLORD:

Main & Dean, LLC
c/o Johnson Development Associates, Inc.
P.O. Box 3524, Spartanburg, SC 29304
100 Dunbar Street, Suite 400

Spartanburg, SC 29306
ATTN: Wilson Fortune

and:

c/o Johnson Development Associates, Inc.
100 Dunbar Street
Spartanburg, SC 29306
ATTN: Legal Department

TENANT:

City of Spartanburg
PO Box 1749
Spartanburg, SC 29304
ATTN: Chris Story

ARTICLE 23
QUIET ENJOYMENT

23.01 - Landlord covenants and agrees that upon Tenant paying the Rent and any other charges due and payable and observing and performing all the term, covenants and conditions, on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease.

ARTICLE 24
WAIVER OF TRIAL BY JURY

24.01 - LANDLORD AND TENANT EACH AGREE TO AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE, AND ANY STATUTORY REMEDY.

ARTICLE 25
GOVERNING LAW

25.01 - This Lease shall be construed and governed by the laws of the state in which the Premises are located. Should any provision of this Lease and/or its conditions be illegal or not enforceable under the laws of said state, it or they shall be considered severable, and the Lease and its conditions shall remain in force and be binding upon the parties hereto as though the said provision had never been included.

ARTICLE 26
SIGNAGE

At Tenant's sole expense and subject to Landlord's approval, Tenant is responsible for any desired signage on the exterior or interior of the Premises. Notwithstanding the foregoing, all signage is subject to the applicable laws and zoning ordinances.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord has hereunto set its hand and seal, or has caused its name to be hereunto subscribed and Tenant has hereunto set its hand and seal, or has caused its corporate name to be hereunto subscribed and its corporate seal to be hereunto affixed and attested by its duly authorized officers, as the case may be, as of the day and year first above written.

LANDLORD:

Main & Dean, LLC,
a South Carolina limited liability company

By: Johnson Development Associates, Inc.,
Its: Manager

By: ________________________(SEAL)
Name:______________________
Title:_______________________

TENANT:

CITY OF SPARTANBURG

By: ________________________(SEAL)
Name:______________________
Title:_______________________

EXHIBIT A: FLOOR PLAN

SEE ATTACHED

EXHIBIT B: RULES AND REGULATIONS

1. Landlord agrees to furnish Tenant with keys and/or security cards without charge. Additional keys shall be furnished at a nominal charge. Tenant shall not change locks or install additional locks on doors without the prior written consent of Landlord. Tenant shall not make or cause to be made duplicates of keys without the prior approval of Landlord. All keys to the Premises shall be surrendered to Landlord upon termination of this Lease.

2. Tenant's contractors and installation technicians shall comply with Landlord's rules and regulations pertaining to construction and installation. This provision shall apply to all work performed on or about the Premises or Project including installation of telephones, telegraph equipment, electrical devices and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings and equipment or any other physical portion of the Premises or Project.

3. Tenant shall not at any time occupy any part of the Premises or Project as sleeping or lodging quarters.

4. Tenant shall not place, install or operate on the Premises or in any part of the Building any engine, stove or machinery, conduct mechanical operations, cook thereon or therein or place or use in or about the Premises or Project any explosives, gasoline, kerosene, oil, acids, caustics, flammable explosives or hazardous material without the written consent of Landlord. This rule shall not apply to microwave ovens and coffee machines.

5. Landlord shall not be responsible for lost or stolen personal property, equipment, money or jewelry from the Premises or the Project regardless of whether or not such loss occurs when the area is locked against entry, unless the same is due to Landlord's negligent, reckless or willful act or omission.

6. No dogs (other than service dogs), cats, fowl or other animals shall be brought into or kept in or about the Premises or Project.

7. Employees of Landlord shall not receive or carry messages for or to any Tenant or other person nor shall they render free or paid services to any Tenant, its agents, employees or invitees.

8. None of the recreation or lawn areas, entries, passages, doors, elevators, hallways or stairways shall be locked or obstructed with any rubbish, litter, trash or material of any nature which would be placed, emptied or thrown into these areas by Tenant's agents, employees or invitees at any time.

9. The water closets and other water fixtures shall not be used for any purpose other than those for which they were constructed. Any damage resulting to them from misuse or by the defacing of any part of the Building shall be borne by the person who shall occasion it. No person shall waste water by interfering with the faucets or otherwise.

10. No person shall disturb occupants of the Building by the use of any radios, record players,

tape recorders, musical instruments, the making of unseemly noises or any other unreasonable use.

11. Nothing shall be thrown out of the windows of the Building or down the stairways or other passages.

12. Movement of furniture or office supplies and equipment, in or out of the Building, dispatch or receipt by Tenant of any merchandise or materials which requires use of elevators or stairways, or movement through the Building entrances or lobby shall be restricted to reasonable hours designated by Landlord. All such movement shall be under the supervision of Landlord and carried out in the manner agreed to between Tenant and Landlord by prearrangement. Such prearrangement will include determination by Landlord of reasonable time, method and routing of movement and limitations imposed by safety or other concerns which may prohibit any article, equipment or any other item from being brought into the Building. Tenant shall indemnify Landlord against all risks and claims of damage to person and property arising in connection with any said movement.

13. Landlord shall not be liable for any damages from the storage of elevators for necessary or desirable repairs or improvements or delays of any sort in connection with the elevator service, unless such repairs or improvements are not diligently prosecuted by Landlord.

14. Tenant shall not lay floor covering within the Premises without written approval of Landlord, which shall not be unreasonably withheld, delayed or conditioned. The use of cement or other similar adhesive materials not easily removed with water is expressly prohibited.

15. Tenant agrees to cooperate and assist Landlord in the prevention of canvassing, soliciting and peddling within the Project.

16. Landlord reserves the right to exclude from the Building or Project between the hours of 5:00 p.m. and 8:00 a.m. on weekdays and at all hours on Saturday, Sunday and holidays recognized by the U.S. Government, all persons who are not known to the Building or Project security personnel and who do not present a pass signed by Tenant. Tenant shall be responsible for all persons for whom it supplies a pass.

17. It is Landlord's desire to maintain in the Building or Project the highest standard of dignity and good taste consistent with comfort and convenience for all Tenants. Any action or condition not meeting this high standard should be reported directly to Landlord. Your cooperation will be mutually beneficial and sincerely appreciated.

18. Landlord reserves the right to make such other and further reasonable rules and regulations as in its judgment may from time to time be necessary for the safety, care and cleanliness of the Premises and for the preservation of good order therein.