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# State of New Hampshire

DEPARTMENT OF SAFETY  
OFFICE OF THE COMMISSIONER  
33 HAZEN DR. CONCORD, NH 03305  
603/271-2791

JOHN J. BARTHELMES  
COMMISSIONER

May 14, 2014

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

### Requested Action

Authorize the Department of Safety, Division of Motor Vehicles, to enter into a new five (5) year lease agreement with KGI Gorham, LLC (VC #259539), 10 Memorial Boulevard, Suite 901, Providence, RI 02903. The cost of this lease agreement shall not exceed \$361,250.00 including two one-time payments of \$50,000.00 each for necessary interior fit up and will provide 5,500 square feet of space for the Division of Motor Vehicles office to be located on the first floor of the Mountain Valley Plaza in units #4 and #5, in Gorham, NH. The effective date of the agreement will be June 5, 2014; thereafter, the Landlord will provide renovations allowing commencement of the occupancy and rental term on November 1, 2014, with expiration of October 31, 2019. Funding source: 100% Highway Funds.

Funds are available in the SFY2014 and SFY2015 operating budgets and contingent upon availability and continued appropriations in SFY2016, SFY2017, SFY2018, SFY 2019 and SFY2020 with the authority to adjust between fiscal years through the Budget Office if needed and justified.

<u>SFY2014</u>	<u>SFY2015</u>	<u>SFY2016</u>	<u>SFY2017</u>	<u>SFY2018</u>	<u>SFY2019</u>	<u>SFY2020</u>
02-23-23-233015-29260000 Dept. of Safety – Division of Motor Vehicles – Bureau of Operations						
022-500248 Rents to Owners Non-State Space						
\$50,000.00	\$34,833.36	\$52,250.00	\$52,250.00	\$52,250.00	\$52,250.00	\$17,416.64
02-23-23-233015-29260000 Dept. of Safety – Division of Motor Vehicles – Bureau of Driver Licensing						
103-5002664 Contracts for Operational Services						
	<u>\$50,000.00</u>					
\$50,000.00	\$84,833.36	\$52,250.00	\$52,250.00	\$52,250.00	\$52,250.00	\$17,416.64
<b>Grand Total</b>						<b>\$361,250.00</b>

### Explanation

The Department of Safety, Division of Motor Vehicles, is seeking approval to enter into a new five (5) year lease to replace the current regional Berlin DMV office with space to be located on the first floor of the Mountain Valley Plaza, Gorham NH. This approximate 5,500 square foot location is payable at a net rate of \$9.50 per square foot, which is \$52,250.00 annually, fixed (0% escalation) for the five year term of the lease. The DMV's current temporary office does not have sufficient office space and is located in a remote area. This new space will also house the Berlin area Emergency Medical Services Office and space for the Division of State Police.

In addition to rental payments, two supplemental one-time renovation payments not to exceed \$50,000.00 each, totaling \$100,000.00, will reimburse the Landlord at the beginning of the lease for making improvements and renovations to the premises. This proposed office is in an easily accessible area and provides adequate customer parking, as well as space for certain road skills examinations

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As required by Administrative Rule, Adm. 610.06 "Public Notice," the Department of Safety conducted a space search soliciting "letters of interest" offering 4,000 to 5,000 square feet of space, in the greater Berlin area, NH with a "Request for Proposal" in the "Public Notice" section of a New Hampshire newspaper March 12, 2014. The Department of Administrative Services, Bureau of Planning and Management, also posted the RFP on their website in order to broaden exposure. A lengthy space search has produced no viable proposals other than the enclosed. The Division of Motor Vehicles viewed many potential locations; however, all but one (the enclosed) had issues with access, parking and/or office size.

The total cost of this contract shall not exceed the five year rent of \$261,250.00 plus the two supplemental one-time payments of up to \$50,000.00 each for a total cost that shall not exceed \$361,250.00. The annual rent includes the Landlord's provision of real estate taxes, insurance, site and building maintenance, snow plowing and removal. The annual rent does not include provision of janitorial services or utilities which are estimated at \$20,000.00 annually.

Approval of this lease agreement will allow the Department of Safety to continue providing a Division of Motor Vehicles Office in the greater Berlin area.

Respectfully submitted,

  
John J. Barthelmes  
Commissioner of Safety

Department of Safety  
Division of Motor vehicles

Space wanted to rent in the greater Berlin area

Bid Summary

Public notice placed in the Union Leader, March 12, 2014.

Public notice placed on the Department of Administrative Services, Bureau of Planning & Management website.

Closing date and time for proposals March 28, 2014.

Potential bidders

Date submitted response

KGI Properties

March 24, 2014

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF ADMINISTRATIVE SERVICES  
BUREAU OF PLANNING AND MANAGEMENT  
STANDARD LEASE AGREEMENT

1. Parties to the Lease:

This indenture of Lease is made this \_\_\_\_\_ day of \_\_\_\_\_ 2014, by the following parties:

1.1 The Lessor (who is hereinafter referred to as the "Landlord") is:

Name: KGI Gorham, LLC

(individual or corporate name)

State of Incorporation: \_\_\_\_\_

(if applicable)

Business Address: 10 Memorial Boulevard, Suite 901

Street Address (principal place of business)

Providence                      RI                      02903                      (401) 273-8600  
City                                      State                                      Zip                                      Telephone number

1.2 The Lessee (who is hereinafter referred to as the "Tenant") is: THE STATE OF NEW HAMPSHIRE, acting by and through its Director or Commissioner of:

Department Name: Department of Safety

Address: 33 Hazen Drive

Street Address (official location of Tenant's business office)

Concord                      NH                      03305                      (603) 227-4050  
City                                      State                                      Zip                                      Telephone number

WITNESSETH THAT:

2. Demise of the Premises:

For and in consideration of the rent and the mutual covenants and agreements herein contained, the Landlord hereby demises to the Tenant, and the Tenant hereby leases from the Landlord, the following premises (hereinafter called the "Premises") for the Term, (as defined herein) at the Rent, (as defined herein) and upon the terms and conditions hereinafter set forth:

Location of Space to be leased: Mountain Valley Plaza, Units #4 and #5

(street address, building name, floor on which the space is located, and unit/suite # of space)

Gorham                      NH                      03743  
City                                      State                                      Zip

The demise of the premises consists of: Approximately 5,500 square feet

(provide square footage of the leased space)

The Demise of this space shall be together with the right to use in common, with others entitled thereto, the hallways, stairways and elevators necessary for access thereto, and the lavatories nearest thereto. "Demise Documentation" has been provided which includes accurate floor plans depicting the Premises showing the extent of the space for the Tenants' exclusive use and all areas to be used in common with others, together with site plan showing all entrance to the Premises and all parking areas for the Tenant's use; these documents have been reviewed, accepted, agreed-to and signed by both parties and placed on file, and shall be deemed as part of the lease document.

3. Effective Date; Term; Delays; Extensions; and Conditions upon Commencement:

3.1 Effective Date: The effective dates of Agreement shall be:

Commencing on the 5th day of June, in the year 2014, and ending on the 31st day of October, in the year 2019, unless sooner terminated in accordance with the Provisions hereof.

Landlord Initials: AKD  
Date: 5/2/14

**3.2 Occupancy Term:** Occupancy of the Premises and commencement of rentals payments shall be for a term (hereinafter called the "Term") of Five (5) year(s) commencing on the 1st day of November, in the year 2014, unless sooner terminated in accordance with the Provisions hereof.

**3.3 Delay in Occupancy and Rental Payment Commencement:** In the event of the Effective Date of the Agreement being prior to that which is set forth for Occupancy Term in 3.2. herein, commencement of the Tenant's occupancy of the Premises and payment of rent shall be delayed until construction and/or renovation of the Premises is complete and a copy of the "Certificate of Occupancy" (if said certificate is required by the local code enforcement official having jurisdiction) for the Premises has been delivered to the Tenant; the parties hereto agree this shall be upon the date set forth in 3.2 Occupancy Term herein. Upon this date the Tenant shall commence payment of rent in conformance with the terms and conditions herein and as set forth in the Schedule of Payments included and attached hereto as "Exhibit A". Notwithstanding the foregoing, commencement of occupancy and rental payments shall be further conditioned upon all other terms and conditions set forth in the Agreement herein.

A) **"Completion" defined as "Substantial Completion":** Notwithstanding anything contained in the Agreement to the contrary, it is understood and agreed by both Parties that "complete" shall mean "substantially completed". "Substantial Completion" is defined as no leasehold improvement deficiencies that would unreasonably adversely affect the Tenant's occupancy and/or business operations, nor would the installation or repairs of such deficiencies unreasonably adversely affect the Tenant's business operation. Notwithstanding the foregoing, nothing shall relieve the Landlord from their responsibility to fully complete all agreed renovations set forth or attached hereto.

**3.4 Extension of Term:** The Tenant shall have the option to extend the Term for (*number of options*) N/A Additional term(s) of N/A year(s), upon the same terms and conditions as set forth herein. Notice from the Tenant exercising their option to extend the term shall be given by the Tenant delivering advance Written notice to the Landlord no later than thirty (30) days prior to the expiration of the Term, or any extensions thereof.

**See Exhibit D "Overriding Provisions, item 1" for text modifying Section 3.5 below**

**3.5 Conditions on the Commencement and Extension of Term:**

Notwithstanding the foregoing provisions, it is hereby understood and agreed by the parties hereto that this lease and the commencement of any Term, and any amendment or extension thereof, is conditioned upon its' approval by the Governor and Executive Council of the State of New Hampshire and, in the event that said approval is not given until after the date for commencement of the Term, the Term shall begin on the date of said approval. In the event that said approval request is denied, then this Lease shall thereupon immediately terminate, and all obligations hereunder of the parties hereto shall cease.

**4. Rent:**

**4.1 Rent:** During the Term hereof and any extended Term, the Tenant shall pay the Landlord annual rent (hereinafter called the "Rent") payable in advance at the Landlord's address set forth in Section 1 above, in twelve equal monthly installments. The first such installment shall be due and payable on the following date: (*insert month, date and year*) November 1, 2014

The rent due and payable for each year of the term, and any supplemental provisions affecting or escalating said rent or specifying any additional payments for any reason, shall be as set forth in a Schedule of Payments made a part hereto and attached herein as "Exhibit A".

**4.2 Taxes and other Assessments:** The Landlord shall be responsible for, and pay for, all taxes and other assessment(s) applicable to the Premises.

Landlord Initials: MD  
Date: 5/6/14

**See Exhibit D "Overriding Provisions, item 2" for text modifying Section 5 below**

**5. Conditional Obligation of the State:**

Notwithstanding any provisions of this Lease to the contrary, it is hereby expressly understood and agreed by the Landlord that all obligations of the Tenant hereunder, including without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the Tenant be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the Tenant shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Lease in whole or in part immediately upon giving the Landlord notice of such termination. The State shall not be required to transfer funds from any other account in the event funding for the account from which the "rent" specified for the lease herein is terminated or reduced. It is further expressly understood and agreed by the Landlord that in the event the State of New Hampshire makes available State owned facilities for the housing of the Tenant the Tenant may, at its' option, serve thirty (30) days written notice to the Landlord of its intention to cancel the Lease in whole or in part. Whenever the Tenant decides to cancel the Lease in whole or in part under this Section the Tenant shall vacate all or part of the Premises within a thirty (30) day period. The Lease to the portion of the Premises vacated shall henceforth be canceled and void, while the Lease to the portion of the Premises still occupied shall remain in effect, with a pro rata abatement of the rent made by the parties hereto.

**6. Utilities:** *Select one of the following standard clauses specifying the party(s) responsible for the provision of utilities indicating the applicable clause with an "x". If neither clause provides an adequate or accurate explanation provide a detailed explanation as a "Special Provision" in "Exhibit D" herein.*

**Neither of the standard clauses below applies; see Exhibit D for replacement text**

~~The Landlord shall furnish all utilities and the Tenant shall remit reimbursement for their provision no later than thirty (30) days after receipt of Landlord's copy of the utility invoice(s). Any exceptions to the forgoing specifying certain utilities which the Landlord will provide with no reimbursement payment from the Tenant shall be listed in the space below:~~

~~Exceptions: \_\_\_\_\_~~

~~**OR:**~~

~~The Landlord shall at their own and sole expense furnish all utilities, the Tenant shall make no reimbursement. Any exceptions to the forgoing specifying certain utilities that the Tenant shall be responsible for arranging and making direct payment to the provider thereof shall be listed in the space below:-~~

~~Exceptions: \_\_\_\_\_~~

**6.1 General Provisions:** The Landlord agrees to furnish heat, ventilation and air-conditioning to the Premises in accordance with current industry standards as set forth by the American Industrial Hygiene Association or AIHA and the American Society of Heating, Refrigeration and Air-Conditioning Engineers, Inc. or ASHRAE during the Tenant's business hours, the indoor air temperature of the Premises shall range from 68° F to 75° F during the winter, and 69° F to 76° F in the summer; if humidity control is provided relative humidity in the Premises shall range from 30% to 60%. During the Tenant's business hours heating, ventilation and air-conditioning shall also be provided to any common hallways, stairways, elevators and lavatories which are part of the building to which the Premises are a part. The Tenant agrees that provision of heating, ventilation and air-conditioning is subject to reasonable interruptions due to the Landlord making repairs, alterations, maintenance or improvements to the system, or the infrequent occurrence of causes beyond the Landlord's control. All Heating and Ventilation Control systems and filters shall be cleaned and maintained by the Landlord in accordance with ASHRAE and AIHA standards, and in conformance with the provisions of Section 8 "Maintenance and Repair" herein, and in a manner sufficient to provide consistent compliance with the State of New Hampshire's Clean Indoor Air Standards" (RSA 10:B). If the premises are not equipped with an air handling system that provides centralized air-conditioning or humidity control the provisions set forth herein regarding these particular systems shall not apply.

**See Exhibit D "Overriding Provisions, item 3" for text modifying Section 6.2 below**

**6.2 Sewer and Water Services:** The Landlord shall provide and maintain in good and proper working order all sewer and water services to the Premises. ~~Provision of said services shall include payment of all charges, expenses or fees incurred with provision of said services.~~ All sewer and water services shall be provided and maintained in conformance with all applicable regulatory laws and ordinances.

Landlord Initials: AM  
Date: 5/6/14

**6.3 Electrical and Lighting:** The Landlord shall furnish all electrical power distribution, outlets and lighting in compliance with the most current National Electrical Code standards. Lighting fixtures throughout the Premises shall be capable of providing illumination levels in accordance with ANSI/IES Standards for Office Lighting in effect on the date of commencement of the term herein. Lighting for exterior areas and other applications shall conform to the recommended levels in the current IES Lighting Handbook in effect on the date of commencement of the term herein.

**7. Use of Premises:**

The Tenant shall use the premises for the purpose of:

Providing operations space for the Department of Safety, Division of Motor Vehicles, Division of Fire Standards and Training and Emergency Services, and Division of State Police, plus provision of outdoor parking lot areas for Tenant's use in conducting motorcycle rider testing and training and conducting commercial vehicle testing.

and for any other reasonable purposes that may arise in the course of the Tenant's business.

**See Exhibit D "Overriding Provisions - item 6, item 14 and item 15" for text that modifies Section 8 provisions below**

**8. Maintenance and Repair by the Landlord:**

**8.1 General Provisions:** The Landlord shall at its own expense, maintain the exterior and interior of the Premises in good repair and condition, including any "common" building spaces such as parking areas, walkways, public lobbies, and restrooms, and including all hallways, passageways, stairways, and elevators which provide access to the Premises. The Landlord agrees to make any and all repairs and perform all maintenance to the Premises or any appurtenance thereto, which may become necessary during the Term or any extension or amendment of the Term. These repairs and maintenance requirements shall be fulfilled whether they are ordered by a public authority having jurisdiction, requested by the Tenant, or are dictated by reasonable and sound judgment, and include but are not limited to: The repair, and if necessary the replacement of any existent roof, walls, floors, doors and entry ways, interior finishes, foundations, windows, sidewalks, ramps and stairs, heating, air-conditioning and ventilation systems, plumbing, sewer, and lighting systems, and all operating equipment provided by the Landlord. Maintenance shall also include timely and consistent provision of any and all pest control which may become necessary within the Premises. Maintenance to areas or equipment which provide compliance with the Federal "American's with Disabilities Act" (ADA) and/or any State or Municipal codes or ordinances specifying requirements for architectural barrier-free access shall be performed regularly and with due diligence, in order to ensure continuity of compliance with all applicable regulations. The Landlord shall meet with the Tenant upon request and as necessary to review and discuss the condition of the Premises.

**8.2 Maintenance and Repair of Broken Glass:** The Landlord shall replace any and all structurally damaged or broken glass the same day that they are notified by the Tenant, or the damage is observed. In the event that the Landlord is unable to procure and/or install the replacement glass within the same day, they shall notify the Tenant in writing prior to the close of business that day, providing an explanation as to the cause of the delay and the date the damage will be corrected. In the instance of delayed repair, the Landlord shall remove the damaged or broken glass the same day it is noticed or reported, and secure the opening and/or damaged area to the satisfaction of the Tenant.

**8.3 Recycling:** The Landlord shall cooperate with the Tenant to meet the requirements for waste reduction and recycling of materials pursuant to all Federal, State, and Municipal laws and regulations which are or may become effective or amended during the Term.

~~**8.4 Window Cleaning:** The Landlord shall clean both the exterior and interior surfaces of all windows in the Premises annually. Window cleaning shall be completed no later than July 1<sup>st</sup> of every year.~~

**8.5 Snow Plowing and Removal:** The Landlord shall make best efforts to provide for rapid and consistent ice and snow plowing and/or removal from all steps, walkways, doorways, sidewalks, driveway entrances and parking lots, including accessible parking spaces and their access aisles, providing sanding and/or salt application as needed. Plowing and/or removal shall be provided prior to Tenant's normal working hours, however, additional work shall be provided as needed during the Tenant's working hours if ice accumulates or if more than a 2" build-up of snow occurs. Best efforts shall be made to provide and maintain bare pavement at all times. In addition to the foregoing, the Landlord shall provide plowing and/or ice and snow removal service with diligence sufficient to

Landlord Initials: AM  
Date: 5/6/14

maintain availability of the number of Tenant parking spaces designated in the Agreement herein for the Tenant's use, clearing said spaces within twelve (12) hours of snow and/or ice accumulations. The Landlord shall sweep and remove winter sand and salt deposited in the above referenced areas by no later than June 1<sup>st</sup> of each year.

**8.6 Parking Lot Maintenance:** Landlord shall maintain and repair all parking lot areas, walks and access ways to the parking lot; maintenance shall include paving, catch basins, curbs, and striping. Provision of parking lot maintenance shall include but not be limited to the following:

- A) Inspect pavement for cracks and heaves semi-annually. Monitor to identify source of cracking, if excessive moisture is found under pavement surfaces due to poor drainage, remove pavement, drain properly, and replace with new pavement.
- B) Re-stripe the parking lot at least once every three (3) years or as necessary to maintain clear designation of spaces, directional symbols and access aisles.
- C) Maintain all parking lot and exterior directional signage, replacing signs as necessary when substantially faded, damaged or missing.

**8.7 Site Maintenance:** Landlord shall maintain and provide as follows:

- A) The Landlord shall maintain all lawns, grass areas and shrubs, hedges or trees in a suitable, neat appearance and keep all such areas and parking areas free of refuse or litter. Any graffiti shall be promptly removed.
- B) The Landlord shall maintain and repair all exterior lighting fixtures and bulbs, providing same day maintenance and repair when possible.
- C) The Landlord shall clean and wash all exterior cleanable/washable surfaces and repaint all painted surfaces, including remarking painted lines and symbols in the parking lot and access lanes thereto, once every three years, except where surfaces are in disrepair in advance of this time frame, which case it shall be required on a more frequent basis.
- D) The Landlord shall regularly inspect and maintain the roof, including cleaning of roof drains, gutters, and scuppers on a regular basis, and timely control of snow and ice build-up. Flashings and other roof accessories shall be observed for signs of deterioration with remedy provided prior to defect. If interior leaks are detected, the cause shall be determined and a solution implemented as quickly as possible to prevent damage to interior finishes and fixtures. Landlord shall inspect roof seams annually, especially at curbs, parapets, and other places prone to leaks, investigate any ponding, etc. All work on the roof shall be conducted so as to maintain roof warranty.

**8.8 Heating Ventilation and Air Conditioning (HVAC):** The HVAC system in the Premises shall be maintained regularly and with due diligence in order to ensure continuous compliance with the standards set forth by the State of New Hampshire NH "Clean Indoor Air" act (RSA 10:B) and in accordance with current industry standards set forth by the "American Industrial Hygiene Association" (AIHA) and the "American Society of Heating, Refrigeration and Air-Conditioning Engineers, Inc." (ASHRAE). All HVAC air filters shall be replaced on a semi-annual basis; and the air filters used in the HVAC system shall provide the greatest degree of particulate filtration feasible for use in the Premise's air handling system. All HVAC condensate pans shall be emptied and cleaned on a semi-annual basis. The Landlord shall keep a written record of the dates the required semi-annual HVAC maintenance is provided, submitting a copy of this record to the Tenant on the annual anniversary date of the agreement herein. Any moisture incursions and/or leaks into the Premises shall be repaired immediately, this shall include the repair and/or replacement of any HVAC component which caused the incursion, and the replacement of any and all interior surfaces which have become moisture laden and cannot be dried in entirety to prevent possible future growth of mold.

- A) **Maintenance of Air Quality Standards:** In the event that the referenced statutory requirements for indoor air quality are not met at any time during the term, the Landlord agrees to undertake corrective action within ten (10) days of notice of deficiency issued by the Tenant. The notice shall contain documentation of the deficiency, including objective analysis of the indoor air quality.
- B) Landlord and Tenant agree to meet as requested by either party and review concerns or complaints regarding indoor air quality issues. In the event of any issue not being resolved to the mutual satisfaction of either party within thirty (30) days of such meeting, an independent qualified and licensed professional shall be retained to prepare an objective analysis of air quality, mechanical systems and operations/maintenance procedures. Should the analysis support the complaint of the Tenant, the cost of the report and corrective actions shall be borne by the Landlord. Should the report fail to support any need for corrective action or be the result of changes in occupancy count or space uses by the Tenant from the time of initial occupancy, the cost of the independent consultant shall be borne by the Tenant.

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C) In addition to other provisions of this section, the Landlord hereby agrees to make their best effort to replace any and all malfunctioned HVAC systems or parts the same day that they are notified or observe the damage. In the event that the Landlord is unable to procure and/or install the replacement part, section or unit within said day, the Landlord must notify the Tenant in writing prior to the close of business that day to provide an explanation as to the cause for the delay and the date the deficiencies will be corrected. In this case, the Landlord shall provide temporary air circulation or heat to accommodate the Tenant until the deficiency is remedied.

**8.9 Maintenance and Repair of Lighting, Alarm Systems, Exit Signs etc:**

Maintenance within the premises shall include the Landlord's timely repair and/or replacement of all lighting fixtures, ballasts, starters, incandescent and fluorescent lamps as may be required. The Landlord shall provide and maintain all emergency lighting systems, fire alarm systems, sprinkler systems, exit signs and fire extinguishers in the Premises and/or located in the building to which the Premises are a part in conformance with requirements set forth by the State of New Hampshire Department of Safety, Fire Marshall's office and/or the requirements of the National Fire Protection Agency (NFPA). Said systems and fire extinguishers shall be tested as required and any deficiencies corrected. A report shall be maintained of all testing and corrections made, with a copy of the report furnished to the Tenant no later than thirty (30) days after each semi-annual update to the report.

**8.10 Interior finishes and surfaces:**

Any and all suspended ceiling tiles and insulation which becomes damp and/or water marked shall be replaced (tiles shall match existing in texture and color) no later than three (3) days from the date the damage or water incursion is reported by the Tenant or observed by the Landlord. The Landlord shall clean and wash all interior washable surfaces and repaint all interior painted surfaces in colors agreeable to the Tenant at least once every five years, except where surfaces are in disrepair in which case it shall be required on a more frequent basis.

**8.11 Janitorial Services:** Provision of janitorial services to the Premises shall be as described below, and as specified in a schedule of services that shall be attached as "Exhibit B" hereto.

Janitorial Services shall be provided by the Landlord, as defined and specified in the schedule of services attached as Exhibit B hereto.

OR:

Janitorial Services shall be provided by the Tenant, as defined and specified in the schedule of services attached as Exhibit B hereto.

See Exhibit D "Overriding Provisions, item <sup>13</sup> ~~15~~" for text modifying Section 8.12 below <sup>5/6/14</sup> AD

**8.12 Failure to Maintain, Tenant's Remedy:** If the Landlord fails to maintain the Premises as provided herein, the Tenant shall give the Landlord written notice of such failure. If within ~~ten (10) calendar~~ days after such notice is given to the Landlord no steps to remedy the condition(s) specified have been initiated, the Tenant may, at their option, and in addition to other rights and remedies of Tenant provided hereunder, contract to have such condition(s) repaired, and the Landlord shall be liable for any and all expenses incurred by the Tenant resulting from the Landlord's failure. Tenant shall submit documentation of the expenses incurred to the Landlord, who shall reimburse the Tenant within thirty (30) days of receipt of said documentation of work. If the Landlord fails to reimburse the Tenant within thirty (30) days, the Tenant shall withhold the amount of the expense from the rental payment(s), reimbursing the Landlord only after the cost of any and all repair expenses have been recovered from the Landlord.

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**9. Manner of Work, Compliance with Laws and Regulations:** All new construction, renovations and/or alterations to existing buildings, hereinafter known as "work" shall conform to the following:

All work, whether undertaken as the Landlord's or Tenant's responsibility, shall be performed in a good workmanlike manner, and when completed shall be in compliance with all Federal, State, or municipal statute's building codes, rules, guidelines and zoning laws. Any permits required by any ordinance, law, or public regulation, shall be obtained by the party (Tenant or Landlord) responsible for the performance of the construction or alteration. The party responsible shall lawfully post any and all work permits required, and if a "certificate of occupancy" is required shall obtain the "certificate" from the code enforcement authority having jurisdiction prior to Tenant occupancy. No alteration shall weaken or impair the structure of the Premises, or substantially lessen its value. All new construction, alterations, additions or improvements shall be provided in accordance with the Tenant's design intent floor plans, specifications, and schedules; which together shall be called the "Tenant's Design-Build Documents". The Tenant's finalized version of the Design-Build Documents shall be reviewed, accepted, agreed-to and signed by both parties and shall be deemed as part of the lease document.

**9.1 Barrier-Free Accessibility:** No alteration shall be undertaken which decreases, or has the effect of decreasing, architecturally Barrier-free accessibility or the usability of the building or facility below the standards and codes in force and applicable to the alterations as of the date of the performance. If existing elements, (such as millwork, signage, or ramps), spaces, or common areas are altered, then each such altered element, space, or common area shall be altered in a manner compliant with the Code for Barrier-Free Design (RSA 275 C:14, ABFD 300-303) and with all applicable provisions for the Americans with Disabilities Act Standards for Accessible Design, Section 4.4.4 to 4.1.3 "Minimum Requirements" (for new construction).

**9.2 Work Clean Up:** The Landlord or Tenant, upon the occasion of performing any alteration or repair work, shall in a timely manner clean all affected space and surfaces, removing all dirt, debris, stains, soot or other accumulation caused by such work.

**9.3 State Energy Code:** New construction and/or additions that add 25% or greater to the gross floor area of the existing building to which the Premises are a part and/or that are estimated to exceed one million (\$1,000,000) in construction costs, or renovations that exceed 25% of the existing gross floor area, shall conform to all applicable requirements of the State of New Hampshire Energy Code.

**9.4 Alterations, etc.:** The Tenant may, at its own expense, make any alterations, additions or improvements to the premises; provided that the Tenant obtains prior written permission from the Landlord to perform the work. Such approval shall not be unreasonably withheld.

**9.5 Ownership, Removal of Alterations, Additions or Improvements:** All alterations, additions or improvements which can be removed without causing substantial damage to the Premises, and where paid for by the Tenant, shall be the property of the Tenant at the termination of the Lease. This property may be removed by the Tenant prior to the termination of the lease, or within ten (10) days after the date of termination. With the exception of removal of improvements, alterations or renovations which were provided under the terms of the Agreement herein, the Tenant shall leave the Premises in the same condition as it was received, ordinary wear and tear excluded, in broom clean condition, and shall repair any damages caused by the removal of their property.

**10. New construction, Additions, Renovations or Improvements to the Premises:**

The following provisions shall be applicable to the Agreement herein if new construction, improvements or renovations are provided by the Landlord: The Tenant and Landlord have agreed that prior to Tenant occupancy and the commencement of rental payments the Landlord will complete certain new construction, additions, alterations, or improvements to the Premises, (hereinafter collectively referred to as "Improvements") for the purpose of preparing the same for the Tenant's occupancy. Such improvements shall be provided in conformance with the provisions set forth in Section 9 herein and in conformance with the Tenant's Design-Build specifications and plans which shall be reviewed, accepted, agreed-to and signed by both parties and shall be deemed as part of the lease document. It shall be the Landlord's responsibility to provide any and all necessary construction drawings and/or specifications, inclusive (if required for conformance with applicable permitting process) of provision of licensed architectural or engineering stamp(s), and abiding by all review and permitting processes required by the local code enforcement official having jurisdiction. In connection with these improvements the Landlord warrants, represents, covenants and agrees as follows:

Landlord Initials: AM  
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**10.1 Provision of Work, etc.:** Unless expressly otherwise agreed by both parties, all improvements shall be made at the Landlord's sole expense, with said provision amortized into the Rent set forth herein.

A) In the event Tenant has agreed to the Landlord making certain improvements that are not included within those provided at the sole expense of Landlord or not amortized within the Rent, payment shall either be paid in total after Landlord has successfully completed all agreed improvements, or be paid in accordance with a payment schedule which shall withhold a proportion of the total payment until after Landlord has successfully completed the agreed improvements. Tenant's total additional payment and agreed payment schedule shall be set forth in the Agreement herein as a provision within Exhibit A "Schedule of Payments" herein and be listed as a separate section to the Schedule of Payments.

**10.2 Schedule for Completion:** All improvements shall be completed in accordance with the "Tenant's Design-Build Documents" which shall be reviewed, accepted, agreed-to and signed by both parties and shall be deemed as part of the lease document, and shall be completed on or before the date set forth in section 3.2 herein for commencement of the "Occupancy Term".

**10.3 Landlord's Delay in Completion; Failure to Complete, Tenant's Options:** If by reason of neglect or willful failure to perform on the part of the Landlord improvements to the Premises are not completed in accordance with the agreement herein, or the Premises are not completed within the agreed time frame, the Tenant may at its' option:

- A) **Termination of Lease:** Terminate the Lease, in which event all obligations of the parties hereunder shall cease; or
- B) **Occupancy of Premises "As is":** Occupy the Premises in its current condition, provided a "certificate of occupancy" has been issued for the Premises by the code enforcement official having jurisdiction, in which event the rent hereunder shall be decreased by the estimated proportionate cost of the scheduled improvements, reflecting the Landlord's failure to complete the improvements. The decreased rent shall remain in effect until such time the landlord completes the scheduled improvements; or
- C) **Completion of Improvements by Tenant:** Complete the improvements at Tenant's own expense, in which case the amount of money expended by the Tenant to complete the improvements shall be offset and withheld against the rent to be paid hereunder; or
- D) **Delay Occupancy:** The date for Tenant occupancy and commencement of rental payments set forth in Section 3.2 herein, shall at the Tenant's option, be postponed until possession of the Premises is given. In such instance the "Schedule of Payments" set forth in Exhibit A herein shall be amended to reflect the delayed inception date of the Tenant's rental and occupancy, with the date for termination also revised to expire the same number or years and/or months thereafter as originally set forth in the Agreement herein. Commencement of the amended Agreement shall be subject to the provisions of paragraph 3.5 herein.

**11. Quiet Enjoyment:** Landlord covenants and agrees the Tenant's quiet and peaceful enjoyment of the Premises shall not be disturbed or interfered with by the Landlord, or any person claiming by, through or under the Landlord. Routine maintenance or inspection of the Premises shall be scheduled with Tenant at least one week in advance, to occur during a mutually agreeable time frame, and to be negotiated in good faith by both parties. Notwithstanding the provisions of this section, the Tenant agrees and covenants that in the event of an emergency requiring the Landlord to gain immediate access to the Premises, access shall not be denied.

**See Exhibit D "Overriding Provisions, item 7" for text modifying Section 12 below**

**12. Signs:** Tenant shall have the right to erect a sign or signs on the Premises identifying the Tenant, obtaining the consent of the Landlord prior to the installation of the signs; such consent shall not be unreasonably denied. All signs that have been provided by the Tenant shall be removed by them, at their own expense, at the end of the Term or any extension thereof. All damage due to such removal shall be repaired by the Tenant if such repair is requested by the Landlord.

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13. **Inspection:** Three (3) months prior to the expiration of the Term, the Landlord or Landlord's agents may enter the Premises during all reasonable working hours for the purpose of inspecting the same, or making repairs, or for showing the Premises to persons interested in renting it, providing that such entrance is scheduled at least 24 hours notice in advance with the Tenant. Six (6) months prior to the expiration of the term, the Landlord may affix to any suitable part of the Premises, or of the property to which the Premises are a part, a notice or sign for the purpose of letting or selling the Premises.

**See Exhibit D "Overriding Provisions, item 11" for text modifying Section 14 below**

14. **Assignment and Sublease:** This lease shall not be assigned by the ~~Landlord or~~ Tenant without the prior written consent to the other, nor shall the Tenant sublet the Premises or any portion thereof without Landlord's written consent, such consent is not to be unreasonably withheld or denied. Notwithstanding the foregoing, the Tenant may sublet the Premises or any portion thereof to a government agency under the auspices of the Tenant without Landlord's prior consent.

15. **Insurance:** During the Term and any extension thereof, the Landlord shall at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance with respect to the Premises and the property of which the Premises are a part: comprehensive general liability insurance against all claims of bodily injury, death or property damage occurring on, (or claimed to have occurred on) in or about the Premises. Such insurance is to provide minimum insured coverage conforming to: General Liability coverage of not less than one million (\$1,000,000) per occurrence and not less than three million (\$3,000,000) general aggregate; with coverage of Excess/Umbrella Liability of not less than one million (\$1,000,000). The policies described herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance and issued by insurers licensed in the State of New Hampshire. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Tenant no less than ten (10) days prior written notice of cancellation or modification of the policy. The Landlord shall deposit with the Tenant certificates of insurance for all insurance required under this Agreement, (or for any Extension or Amendment thereof) which shall be attached and are incorporated herein by reference. During the Term of the Agreement the Landlord shall furnish the Tenant with certificate(s) of renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the policies.

15.1 **Workers Compensation Insurance:** To the extent the Landlord is subject to the requirements of NH RSA chapter 281-A, Landlord shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Landlord shall furnish the Tenant proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The Tenant shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for the Landlord, or any subcontractor of the Landlord, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **Indemnification:** Landlord will save Tenant harmless and will defend and indemnify Tenant from and against any losses suffered by the Tenant, and from and against any and all claims, liabilities or penalties asserted by, or on behalf of, any person, firm, corporation, or public authority:

16.1 **Acts or Omissions of Landlord:** On account of, or based upon, any injury to a person or loss or damage to property, sustained or occurring, or which is claimed to have been sustained or to have occurred on or about the Premises, on account of or based upon the act, omission, fault, negligence or misconduct of the Landlord, its agents, servants, contractors, or employees.

16.2 **Landlord's Failure to Perform Obligations:** On account of or resulting from, the failure of the Landlord to perform and discharge any of its covenants and obligations under this Lease and, in respect to the foregoing from and against all costs, expenses (including reasonable attorney's fees) and liabilities incurred in, or in connection with, any such claim, or any action or proceeding brought thereon; and in the case of any action or proceeding being brought against the Tenant by reason of any such claim, the Landlord, upon notice from Tenant shall at Landlord's expense resist or defend such action or proceeding.

**See Exhibit D "Overriding Provisions, item 9" for text modifying Section 16.3 below**

- 16.3 **Tenant's Acts or Omissions Excepted:** Notwithstanding the foregoing, nothing contained in this section shall be construed to require the Landlord to indemnify the Tenant for any loss or damage resulting from the acts or omissions of the Tenant's servants or employees. Notwithstanding the foregoing, nothing herein

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contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State.

**See Exhibit D "Overriding Provisions, item 13" for text modifying Section 17 below**

**17. Fire, Damage and Eminent Domain:** The Tenant and Landlord agree that in the event of fire or other damage to the Premises, the party first discovering the damage shall give immediate notice to the other party. Should all or a portion of the Premises, or the property to which they are a part, be substantially damaged by fire or other peril, or be taken by eminent domain, the Landlord or the Tenant may elect to terminate this Lease. When such fire, damage or taking renders the Premises substantially unsuitable for their intended use, a just and proportionate abatement of the rent shall be made as of the date of such fire, damage, or taking, remaining in effect until such time as the Tenant's occupancy and use has been restored in entirety.

**17.1 Landlord's Repair:** In the event of damage to the Premises that can be repaired within ~~ninety (90)~~ days:

- A) No later than five (5) days after the date of damage to the Premises, the Landlord shall provide the Tenant with written notice of their intention to repair the Premises and restore its previous condition; and,
- B) The Landlord shall thereupon expeditiously, at their sole expense and in good and workmanlike manner, undertake and complete such repairs that are necessary to restore the Premises to its previous condition.
- C) The Landlord may provide alternate temporary space for the Tenant until such time that the Premises are restored to a condition that is substantially suitable for the Tenant's intended use. Alternate temporary space is subject to the acceptance of the Tenant. Should said temporary space provide less square footage and/or limited services for the Tenant's use, a proportionate abatement of the rent shall be made.

**17.2 Tenant's Remedies:** In the event the Premises cannot be repaired within ~~ninety (90)~~ days of said fire or other cause of damage, or the Tenant is unwilling or unable to wait for completion of said repair, the Tenant may, at its sole discretion, terminate the agreement herein effective as of the date of such fire or damage, without liability to the Landlord and without further obligation to make rental payments.

**17.3 Landlord's Right To Damages:** The Landlord reserves, and the Tenant grants to the Landlord, all rights which the Landlord may have for damages or injury to the Premises, or for any taking by eminent domain, except for damage to the Tenant's fixtures, property, or equipment, or any award for the Tenant's moving expenses.

**18. Event of Default; Termination by the Landlord and the Tenant:**

**18.1 Event of Default; Landlord's Termination:** In the event that:

- A) **Tenant's Failure to Pay Rent:** The Tenant shall default in the payment of any installment of the rent, or any other sum herein specified, and such default shall continue for thirty (30) days after written notice thereof; or
- B) **Tenant's Breach of Covenants, etc.:** The Tenant shall default in the observation of or performance of, any other of the Tenant's covenants, agreements, or obligations hereunder and such default is not corrected within thirty (30) days of written notice by the Landlord to the Tenant specifying such default and requiring it to be remedied then: The Landlord may serve ten (10) days written notice of cancellation of this Lease upon the Tenant, and upon the expiration of such ten days, this Lease and the Term hereunder shall terminate. Upon such termination the Landlord may immediately or any time thereafter, without demand or notice, enter into or upon the Premises (or any part thereon) and repossess the same.

**18.2 Landlord's Default: Tenant's Remedies:** In the event that the Landlord defaults in the observance of any of the Landlord's covenants, agreements and obligations hereunder, and such default shall materially impair the habitability and use of the Premises by the Tenant, and is not corrected within thirty (30) days of written notice by the Tenant to the Landlord specifying such default and requiring it to be remedied, then the Tenant at its option, may withhold a proportionate amount of the rent until such default is cured, or it may serve a written five (5) day notice of cancellation of this Lease upon the Landlord, and upon the expiration of such a five day period the Lease shall terminate. If any such default of the Landlord does not materially impair the habitability and use of the Premises by the Tenant, the Landlord shall cure such default within thirty (30) days of written notice or within a reasonable alternative amount of time agreed upon in writing by Tenant, failing which, Tenant may terminate this Lease upon ten (10) days written notice to Landlord.

**18.3 Rights Hereunder:** The rights granted under this Section are in addition to, and not in substitution for, any rights or remedies granted herein to the parties, or any rights or remedies at law, or in equity.

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19. **Surrender of the Premises:** In the event that the Term, or any extension thereof, shall have expired or terminated, the Tenant shall peacefully quit and deliver up the Premises to the Landlord in as good order and condition, reasonable wear, tear, and obsolescence and unavoidable casualties excepted, as they are in at the beginning of the term of this lease, and shall surrender all improvements, alterations, or additions made by the Tenant which cannot be removed without causing damage to the Premises. The Tenant shall remove all of its' personal property surrendering the Premises to the Landlord in broom clean condition.

20. **Hazardous Substances:**

20.1 **Disclosure:** The Landlord warrants that to their knowledge and belief, the Premises are free of present or potential contamination which may impact the health or safety of the occupants; examples include but are not limited to: hazardous substances such as asbestos, lead and/or mold.

20.2 **Maintenance/Activity Compliance:** In the event hazardous materials are present, the Landlord further warrants that all custodial, maintenance or other activities on the Premises will be conducted in compliance with applicable statues, regulations and/or accepted protocols regarding the handling of said materials.

20.3 **Action to Remove/Remediate:** The Landlord shall promptly take all actions that may be necessary to assess, remove, and/or remediate Hazardous Substances that are on, or in the Premises or the building to which the Premises is a part. Said action shall be to the full extent required by laws, rules, accepted industry standard protocols and/or other restrictions or requirements of governmental authorities relating to the environment, indoor air quality, or any Hazardous Substance. Notwithstanding the foregoing, the provisions of 20.5 herein regarding Asbestos shall prevail.

20.4 **Non-Permitted Use, Generation, Storage or Disposal:** The Tenant shall not cause or permit Hazardous Substances to be used, generated, stored or disposed of in the Premises or the building to which it is a part. The Tenant may, however, use minimal quantities of cleaning fluid and office or household supplies that may constitute Hazardous Substances, but that are customarily present in and about premises used for the Permitted Use.

20.5 **Asbestos:**

- A) No later than thirty (30) days after the inception of the term herein, the Landlord shall provide the Tenant with the results of an asbestos inspection survey of the Premises and any common areas of the building which may affect the Tenant occupants or its clients. The inspection shall identify all accessible asbestos in these areas of the building and shall be preformed by a person certified in accordance with State law and satisfactory to the Tenant. The results of the inspection shall be made a part of the Agreement herein.
- B) In the event that asbestos containing material are identified which are in the status of "significantly damaged" or "damaged" (as described in "40 CFR 763") these materials shall be abated in a manner satisfactory to the Tenant, including provision of acceptable air monitoring using Phase Contrast Microscopy.
- C) In the event that asbestos containing materials are identified, but which are not damaged, the Landlord shall install an operations and maintenance program satisfactory to the Tenant which is designed to periodically re-inspect asbestos containing materials and to take corrective action as specified in 20.5 (b) above when appropriate. Results of such re-inspections and all air quality monitoring shall be provided to the Tenant within 14 (fourteen) days of completion.

20.6 **Material Safety Data Sheets (MSDS)**

- A) The Landlord shall submit MSDS for any and all materials, including cleaning products, introduced to the Premises to the Tenant prior to use. This will enable the Tenant to review submittals for possible adverse health risks associated with the products.
- B) At time of occupancy by the Tenant, the Landlord shall provide the Tenant with MSDS for all products incorporated into the Work. This submittal shall be provided in duplicate form presented in three ring binders, categorized in Construction Standards Institute (CSI) format.

Landlord Initials: AD  
Date: 5/16/14

- 21. Broker's Fees and Indemnification:** The Landlord agrees and warrants that the Tenant owes no commissions, fees or claims with any broker or finder with respect to the leasing of the Premises. All claims, fees or commissions with any broker or finder are the exclusive responsibility of the Landlord, who hereby agrees to exonerate and indemnify the Tenant against any such claims.
- 22. Notice:** Any notice sent by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by registered or certified mail, postage prepaid, in a United States Post Office, addressed to the parties at the addresses provided in Section 1 herein.

**See Exhibit D "Overriding Provisions, item 10" for text modifying Section 23 below**

- 23. Required Property Management and Contact Persons:** During the Term both parties shall be responsible for issuing written notification to the other if their contact person(s) changes, providing updated contact information at the time of said notice.

- 23.1 Property Management:** Notwithstanding the provisions of Section "22 Notice", the Landlord shall employ and/or identify a full time property manager or management team for the Premises who shall be responsible for addressing maintenance and security concerns for the Premises and issuing all reports, testing results and general maintenance correspondence due and required during the Term. The Landlord shall provide the Tenant with the information listed below for the designated management contact person for use during regular business hours and for 24-hour emergency response use.

LANDLORD'S PROPERTY MANAGEMENT CONTACT:

Name: Joseph Harnan  
 Title: Director of Leasing & Marketing, KGI Properties, LLC  
 Address: 10 Memorial Boulevard, Suite 901, Providence RI 02903 Phone: (401) 273-8600 x 329  
 Email Address: j.harnan@kqiproperties.com

- 23.2 Tenant's Contact Person:** Notwithstanding the provisions of Section "22 Notice", the Tenant shall employ and/or identify a designated contact person who shall be responsible for conveying all facility concerns regarding the Premises and/or receiving all maintenance reports, testing results and general correspondence during the term. The Tenant shall provide the Landlord with the information listed below for the designated contact person.

TENANT'S CONTACT PERSON:

Name: Arthur Garlow  
 Title: Assistant Director, Division of Motor Vehicles  
 Address: 23 Hazen Drive, Concord NH 03305 Phone: (603) 227-4050  
 Email Address: Arthur.Garlow@dos.nh.gov

- 24. Landlord's Relation to the State of New Hampshire:** In the performance of this Agreement the Landlord is in all respects an independent contractor, and is neither an agent nor an employee of the State of New Hampshire (the "State"). Neither the Landlord nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**25. Compliance by Landlord with Laws and Regulations/Equal Employment Opportunity:**

- 25.1 Compliance with Laws, etc:** In connection with the performance of the Services set forth herein, the Landlord shall comply with all statutes, laws, regulations and orders of federal, state, county or municipal authorities which impose any obligations or duty upon the Landlord, including, but not limited to, civil rights and equal opportunity laws. In addition, the Landlord shall comply with all applicable copyright laws.

A) The Tenant reserves the right to offset from any amounts otherwise payable to the Landlord under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

- 25.2 Discrimination:** During the term of this Agreement, the Landlord shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

- 25.3 Funding Source:** If this Agreement is funded in any part by monies of the United States, the Landlord shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulation of the United States Department of Labor (41 C.F.R. Part 60), and with any

Landlord Initials: MD  
 Date: 5/6/14

rules, regulations and guidelines of the State of New Hampshire or the United States issued to implement these regulations. The Landlord further agrees to permit the State or United States access to any of the Landlord's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**26. Personnel:**

The Landlord shall at its' own expense provide all personnel necessary to perform any and/or all services which they have agreed to provide. The Landlord warrants that all personnel engaged in the services shall be qualified to perform the services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

**27. Bankruptcy and Insolvency:** If the Landlord's leasehold estate shall be taken in execution, or by other process of law, or if any receiver or trustee shall be appointed for the business and property of the Landlord, and if such execution or other process, receivership or trusteeship shall not be discharged or ordered removed within sixty (60) days after the Landlord shall receive actual notice thereof, or if Landlord shall be adjudicated a bankrupt, or if Landlord shall make a general assignment of its leasehold estate for the benefit of creditors, then in any such event, the Tenant may terminate this lease by giving written notice thereof to the Landlord.

**28. Miscellaneous:**

**28.1 Extent of Instrument, Choice of Laws, Amendment, etc.:** This Lease, which may be executed in a number of counterparts, each of which shall have been deemed an original but which shall constitute one and the same instrument, is to be construed according to the laws of the State of New Hampshire. It is to take effect as a sealed instrument, is binding upon, inures to the benefit of, and shall be enforceable by the parties hereto, and to their respective successors and assignees, and may be canceled, modified, or amended only by a written instrument executed and approved by the Landlord and the Tenant.

**28.2 No Waiver or Breach:** No assent by either party, whether express or implied, to a breach of covenant, condition or obligation by the other party, shall act as a waiver of a right for action for damages as a result of such breach, nor shall it be construed as a waiver of any subsequent breach of the covenant, condition, or obligation.

**28.3 Unenforceable Terms:** If any terms of this Lease, or any application thereof, shall be invalid or unenforceable, the remainder of this Lease and any application of such terms shall not be affected thereby.

**28.4 Meaning of "Landlord" and "Tenant":** Where the context so allows, the meaning of the term "Landlord" shall include the employees, agents, contractors, servants, and licensees of the Landlord, and the term "Tenant" shall include the employees, agents, contractors, servants, and licensees of the Tenant.

**28.5 Headings:** The headings of this Lease are for purposes of reference only, and shall not limit or define the meaning hereof.

**28.6 Entire Agreement:** This Lease embodies the entire agreement and understanding between the parties hereto, and supersedes all prior agreements and understandings relating to the subject matter hereof.

**28.7 No Waiver of Sovereign Immunity:** No provision of this Lease is intended to be, nor shall it be, interpreted by either party to be a waiver of sovereign immunity.

**28.8 Third Parties:** The parties hereto do not intend to benefit any third parties, and this agreement shall not be construed to confer any such benefit.

**28.9 Special Provisions:** The parties' agreement (if any) concerning modifications to the foregoing standard provisions of this lease and/or additional provisions are set forth in Exhibit D attached and incorporated herein by reference.

**28.10 Incompatible Use:** The Landlord will not rent, lease or otherwise furnish or permit the use of space in this building or adjacent buildings, or on land owned by or within the control of the Landlord, to any enterprise or activity whereby the efficient daily operation of the Tenant would be substantively adversely affected by the subsequent increase in noise, odors, or any other objectionable condition or activity.

Landlord Initials: MP  
Date: 5/6/11

IN WITNESS WHEREOF; the parties hereto have set their hands as of the day and year first written above.

TENANT: The State of New Hampshire, acting through its' Department of \_\_\_\_\_

State of New Hampshire Department of Safety

Authorized by: (full name and title) [Signature] Director of Administration

LANDLORD: (full name of corporation, LLC or individual)

KGI Gorham, LLC

Authorized by: (full name and title) [Signature]

Signature

Print: Anthony J. DeLuca, Manager  
Name & Title

NOTARY STATEMENT: As Notary Public and/or Justice of the Peace, REGISTERED IN THE STATE  
OF: Rhode Island COUNTY OF: Providence

UPON THIS DATE (insert full date) May 6 2014, appeared before

me (print full name of notary) Frances C. O'Donnell the undersigned officer personally  
appeared (insert Landlord's signature) \_\_\_\_\_

who acknowledged him/herself to be (print officer's title, and the name of the corporation) \_\_\_\_\_

Anthony J. DeLuca, Manager of KGI Gorham, LLC and that as such

Officer, they are authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing him/herself in the name of the corporation.

In witness whereof I hereunto set my hand and official seal. (provide notary signature and seal)  
Frances C. O'Donnell # 9796 exp. 7/18/17

APPROVALS:  
Recommendation(s) regarding the approval of the Agreement herein issued by the "Architectural Barrier-Free Design Committee" of the "Governors' Commission on Disability" have been set forth in a "Letter of Recommendation" which has been attached hereto and made part of the Agreement herein by reference.

Approved by the Department of Justice as to form, substance and execution:

Approval date: 5/22/14

Approving Attorney: Brian Buonamano [Signature]

Approved by the Governor and Executive Council:

Approval date: \_\_\_\_\_

Signature of the Deputy Secretary of State: \_\_\_\_\_

Landlord Initials: MD  
Date: 5/6/14

The following Exhibits shall be included as part of this lease:

**EXHIBIT A  
SCHEDULE OF PAYMENTS**

**Part I: Rental Schedule:** *Insert or attach hereto a schedule documenting all rental payments due during the initial Term and during any extensions to the Term. Specify the annual rent due per year, the resulting approximate cost per square foot, monthly rental payments due, and the total rental cost of the Term. Define and provide methodology for any variable escalation (such as Consumer Price Index escalation) clauses which may be applied towards the annual rent, setting forth the agreed maximum cost per annum and term.*

The rent due for the Tenant's 5,500 square foot Premises during the FIVE -YEAR Term shall be in accordance with the following:

**Rental Schedule:**

Year	Lease Dates	Approx. S.F. Cost	Monthly Rent	Annual Rent	Approx. % increase per year
1	November 1, 2014 – October 31, 2015	\$9.50	\$4,354.16	\$52,250.00	
2	November 1, 2015 – October 31, 2016	\$9.50	\$4,354.16	\$52,250.00	0%
3	November 1, 2016 – October 31, 2017	\$9.50	\$4,354.16	\$52,250.00	0%
4	November 1, 2017 – October 31, 2018	\$9.50	\$4,354.16	\$52,250.00	0%
5	November 1, 2018 – October 31, 2019	\$9.50	\$4,354.16	\$52,250.00	0%
<b>Total for five-year term:</b>				<b>\$261,250.00</b>	

**Part II: Additional Costs:** *Disclose and specify any additional Tenant costs or payments which are not part of the "rent" set forth in "Part I" above but due and payable under the terms of the Agreement herein. Disclosure to include the dates or time frames such payments are due, and if applicable a "schedule of payments" for any installments to be paid towards the total additional payment.*

In addition to the "Rent" set forth herein, the Tenant shall remit two (2) additional payments to the Landlord as reimbursement for fit up and renovation expenses for the Premises, the total of these payments shall be \$100,000, in no instance shall payments exceed this amount. The amount for each payment and their due dates shall be:

- a. The first (1st) payment shall be for an amount of \$ 50,000, it shall be due after the "Effective Date" of the Agreement herein upon receipt of Landlord's invoice, with Tenant remitting payment no later than thirty (30) days after receipt of invoice.
- b. The second (2nd) and final payment shall be for an amount not exceeding \$ 50,000, it shall be due after substantial completion of construction and commencement of the "Occupancy Term" of the Agreement. Landlord shall submit an invoice to the Tenant for this amount, the Tenant shall either remit payment in whole within thirty (30) days after receipt of invoice, or, in the instance of their being outstanding construction "punch list" items, Tenant shall withhold a fair portion of this sum which shall not exceed approximately 1/3 which is \$16,600, withholding this amount until such time Landlord provides the outstanding item.
- c. No other additional payments shall be due or payable under the terms of this Agreement.

Landlord Initials: MM  
Date: 5/14/14

**EXHIBIT B**

**JANITORIAL SERVICES:** *specify which party shall be responsible for provision of janitorial services to the Premises (and/or portions of the Premises) during the Term. Specify what those services shall include, and how often they shall be provided. Provide any additional information required for clarification of duties and scheduling.*

The Tenant shall be solely responsible for the provision of janitorial services to the Premises; providing services sufficient to keep all areas reasonably clean during all business hours.

The Tenant shall be solely responsible for lawful disposal and/or recycling of all rubbish; they shall have the right to provide and maintain dumpsters on the site to which the Premises are a part for the purpose of providing disposal and recycling services.

Landlord Initials: MD  
Date: 5/6/14

**EXHIBIT C**

**Provisions for Architecturally Barrier – Free Accessibility, "Clean Air" compliance, Improvements and Recycling**

**Part I** Architecturally Barrier-Free access to the Premises conforming with all applicable codes and regulations which are in effect as of the date of inception of the Term shall be provided unless otherwise agreed by the parties hereto and agreed by the "Architectural Barrier-Free Design Committee". If Barrier-Free access is deficient it shall be provided after the inception of the Term herein by making certain renovations and/or alterations to the Premises which shall include all recommendations set forth by the State of New Hampshire's "Architectural Barrier-Free Design Committee" (AB Committee) in their "Letter of Recommendation" which has been attached hereto and made part of the Agreement herein by reference. *Specify in text and/or illustrate the manner in which all renovations recommended by the AB Committee will be provided at the Premises. Define which party, the Landlord or Tenant, shall be responsible for providing and funding said renovations and the time frame allowed for completion.*

1. Any and all renovations, new construction and alterations whether provided by the Landlord or Tenant shall be completed as set forth herein, as described in the attached "Tenant Improvement" specifications. All of these provisions and specifications require conformance with all applicable building codes, including but not limited to the Code for Barrier-Free Design for the State of New Hampshire (IBC 2006, ICC/ANSI A117.1-2003 citations), the State Building Code (IBC 2006, ICC/ANSI A117.1-2003, and NFPA 101 v.2003 citations) and the Americans with Disabilities Act Standards for Accessible Design Code (ADAAG citations).
2. The Landlord shall substantially complete provision of all interior improvements and renovations set forth in "Tenant Improvement Specifications" attached to the Agreement herein prior to Tenant occupancy. Provision of such fit up shall include conformance with the codes referenced herein.

**Part II** Certification from the State of New Hampshire Department of Environmental Services ("Environmental Services") stating the Premises comply with the requirements of State of New Hampshire RSA 10:B "Clean Indoor Air in State Buildings" ("clean air") as defined by Chapter Env-A 2200 has either been obtained and a copy of said certification attached herein, or shall be obtained in accordance with the following:

**No later than thirty (30) days after the commencement of the Term herein the air quality of the Premises shall be tested in conformance with requirements set forth in Chapter Env-A 2200 in accordance with the requirements of the Agreement herein.** *Specify which party – the Landlord or the Tenant- shall schedule and pay for the required testing. In the event of testing results demonstrating the Premises do not conform with all or part of the requirements of Chapter Env-A 2200, specify which party will be responsible for providing and paying for the alterations and repairs necessary to remedy the non-conformity, the time frame to be allowed for providing remedy, and which party shall bear the cost of re-testing and repair required until such time a "certification of compliance" is issued.*

After the completion of renovations, but prior to Tenant's occupancy, the Tenant (at their sole expense) shall be responsible for hiring technicians (who meet "Environmental Services" criteria of professional accreditation) to perform the State of New Hampshire "Clean Air" tests as set forth in "Environmental Services" Administrative Rules Chapter Env – A2200. In accordance with these rules the Tenant shall submit a copy of the notarized air testing results, within five (5) days of receipt of the results, along with request for review and certification, to the "State of New Hampshire, Department of Environmental Services, "Indoor Air Quality Program", Hazen Drive, P.O. Box 95, Concord, NH 03302-0095. In the event the Premises fail to conform to the applicable "Clean Air" criteria the Tenant shall (at their sole expense) proceed to remedy the air quality deficiencies through repair and/or renovations to the premises.

Landlord Initials: MD  
Date: 5/16/14

**Part III Improvements, Renovations or New Construction ("work"):** In the event that the Agreement herein includes provisions for such "work" to be provided, the Tenant's finalized version of Design-Build floor plans, specifications and any supplemental defining documents depicting all "work" shall be reviewed, accepted, agreed-to and signed by both parties and shall be deemed as part of the lease document. The Tenant and the Landlord shall both retain copies of these documents. Tenant shall provide complete copies to the State of New Hampshire, Department of Administrative Services, Bureau of Planning and Management.

1. The Landlord shall provide all interior renovations, and parking lot/sidewalk renovations as described in the "Tenant Design-Build Improvement Specifications" attached to the Agreement herein, and as further described by the Tenant's Design-Build Plans attached and titled as:
  - a. Design-Build Tenant Fit-Up Plan: Mountain Valley Plaza, Units #4 and #5, Gorham NH
  - b. Tenant Demise Plan: Mountain Valley Plaza, Units #4 and #5, Gorham NH. Note: this "Demise" plan also includes schematic depiction of the portion of parking lot and sidewalk abutting the front/public façade of the Premises; this illustrates certain required parking lot improvements and is further described in Section 20.1 "Parking Areas" in the Tenant's Design-Build Improvement Specifications.
2. The Landlord shall be responsible for supervising and providing all work described in part 2 above, this work shall be substantially completed by the date set forth in Section "3.2 Occupancy Term" of the Agreement herein.

**Part IV Recycling:** The manner in which recycling at the Premises will be implemented and sustained is either documented below or as specified in the attachment hereto titled "Recycling" which shall be made part of the Agreement by reference.

The Tenant and/or the Tenant's janitorial provider shall bag and remove items for recycling, conveying and depositing them in a community recycling center, collected in the following manner:

1. Approximately once (one time) per week the Tenant's janitorial service provider ("Provider") or staff members shall gather waste products for recycling from the Premises, these items shall be properly sorted and deposited into garbage bags;
2. The Provider shall ascertain the weight of such bags documenting the approximate average weight of full or partially full bags per commodity.
3. Upon each collection the Provider shall document via notation ("tick marks on a clipboard will suffice) the number of bags collected per commodity and whether the bags are full or partially full.
4. At the end of each month the Provider shall tally the number of bags (detailed by full or partially full) collected per commodity and multiply that sum by the average weight of such bags.
5. On a Quarterly basis the Provider shall send the results of these monthly volume tallies to the Tenant's "Contact Person" (listed in section 23.2 herein) in order to provide conformance with State of New Hampshire recycling reporting requirements.

Landlord Initials: MM  
Date: 5/6/14

**EXHIBIT D**  
**SPECIAL PROVISIONS**

The parties' agreements concerning modifications or additions to the foregoing standard provisions of this lease shall be as set forth below or attached hereto and incorporated by reference:

**Special Provisions**

1. Public Disclosure: The Tenant has disclosed to the Landlord and the Landlord has acknowledged that in accordance with RSA 9-F:1 any information submitted as part of the proposal which preceded the Agreement herein, and the contents and attachments to the Agreement herein, will be made accessible to the public online via the State of New Hampshire website. Accordingly, the Landlords' business financial information and proprietary information such as trade secrets, business and financials models and forecasts, and proprietary formulas may be exempt from public disclosure under RSA 91-A:5, IV; the Landlord has been provided the opportunity to specifically identify any such information in a supplemental letter requesting the Tenant redaction specific information, which the Tenant shall redact prior to such disclosure provided such action is allowed under RSA 91-A:5, IV.
  
2. Provision of Parking Lot/Site for Tenant's Use: In addition to the Premises shown in the attached "Demise Plan" the Tenant and their clients/visitors shall have the right to use in common with others the shared parking lot serving the building to which the Premises are a part; such use shall be at no additional charge to the Tenant.
  - a. In addition to the standard use of the parking lot by clients and visitors the Tenant shall also have the right to designate and use certain parking lot areas – which shall be as reviewed and approved by the Landlord prior to use - for the purpose of conducting "Motorcycle Rider Training" programs and conducting "Motorcycle Rider Testing". Tenant shall have the right to mark the pavement with painted lines in the designated area and to set-up temporary cones during the course of the programs/testing – any temporary cones will be immediately removed by the Tenant upon completion of use.
    - i. Use shall also include the Tenant's right to provide, maintain and place an equipment storage container for the purpose of storing motorcycles and course related equipment on the site to which the parking lot is a part; this storage container and/or any other Tenant storage container shall be located behind the Premises or as the Landlord otherwise designates.
  - b. In addition to the standard use of the parking lot by clients and visitors the Tenant shall also have the right to designate and use certain parking lot areas – which shall be as reviewed and approved by the Landlord prior to use - for the purpose of conducting "Commercial Vehicle Testing". Tenant shall have the right to mark the pavement with painted lines in the designated area and to set-up temporary cones during the course of the programs/testing – any temporary cones will be immediately removed by the Tenant upon completion of use.

Landlord Initials: AM  
Date: 5/6/14

**Modification of Standard Provisions:**

- **"Section 6, Utilities", "Utilities section 6.3 General Provisions": the two standard provisions provided for "selection" are deleted replaced by the following:**
  - a. Provision of Utilities: The Landlord shall be responsible for providing infrastructure connectivity of all utilities from the street and into utility entrances to the building to which the Premises are a part; the Landlord shall be responsible for maintaining such entrances in good working order. The Tenant shall be solely responsible for providing utilities from the building's utility entrances into the demised Premises, and throughout the demised Premises.
  - b. The tenant shall, during the Term, be solely responsible for providing and making direct payment to the providers of all utilities in the Premise with the exception of water and sewer utilities which shall be provided and paid for by the Landlord. Tenant's responsibility for utilities shall include: electricity, heating, air conditioning, telecommunications, data and internet services, and (if any) radio or satellite services.

**Overriding Provisions:** In the event any term or provision contained in this Lease conflicts or is inconsistent in any way with the terms and provisions of the "Overriding Provisions" set forth below, then and to such extent, such term or provision shall for all intents and purposes be deemed limited and superseded by these "Overriding Provisions". Therefore notwithstanding anything in this Lease to the contrary, Landlord and Tenant hereby expressly covenant, acknowledge, and agree:

1) In the event this lease is not formally approval on or before June 30, 2014, this Lease will be null, void, and of no import or effect and thereupon any and all obligations of the parties hereunder shall cease.

2) Tenant shall remain obligated to pay all Rent due until the later of:

(i) the date that tenant delivers written notice to Landlord confirming that tenant has lost its funding, vacates the Premises, and surrenders possession (including keys) to Landlord; or,

(ii) the date that Tenant delivers written notice to Landlord informing that Tenant has chosen to relocate to facilities owned, and made available to Tenant, by the State of New Hampshire, Tenant vacates the Premises, and surrenders possession (including keys) to Landlord; or,

(iii) the expiration of the Lease term.

3) Tenant shall pay all water and sewer service utility bills with respect to the Premises.

4) Tenant confirms that existing exterior lighting is acceptable as is.

5) With respect to snow plowing and removal, Landlord shall use reasonable good faith efforts to provide and maintain bare pavement at all times.

6) Landlord shall use reasonable good faith efforts to provide properly functioning HVAC systems during the term, and shall submit to Tenant within a reasonable period after receipt of written request records concerning HVAC maintenance.

7) Tenant shall obtain any applicable consent and permit(s) for its signage prior to installation, and at the end of the Term or any extension, Tenant shall remove same and restore all damage due to such removal.

8) Landlord may assign its rights under the Lease upon providing prior written notice to the Tenant.

Landlord Initials: AM  
Date: 5/16/14

9) Landlord shall not be responsible for (i) any damage caused by Tenant, its employees, agents, or invitees, and (ii) theft of or damage to any personal property stored or maintained inside the Premises.

10) Any notice to Landlord shall be addressed to "Attention Property Management," with a separate copy addressed to "Attention General Counsel." The address for "Property Management" shall be as set forth in Section 23.1 of the Agreement herein, the address for "General Counsel" shall be:

General Counsel  
The Koffler Group  
10 Memorial Blvd, Ste 901  
Providence, RI 02903

11) Contingent upon the Landlord's provision of non-disturbance agreement and/or estoppel certificates that are acceptable to the Tenant's Counsel, the Tenant agrees to subordinate this Lease to any mortgage, now or later recorded against the land of which the Premises are a part, provided Landlord obtains a "non-disturbance agreement" on such lender's standard form, providing that if Tenant is not in default, its tenancy will not be disturbed. Tenant shall from time to time, within twenty (20) days after request, deliver to Landlord an estoppel certificate in form as Landlord may reasonably specify.

12) As between Landlord and Tenant, the phrase "best efforts," shall be deemed to mean reasonable, good faith efforts under all of the circumstances.

13. At no time may Tenant exercise any right (whether to withhold from Rent, or otherwise) based upon a default by Landlord without giving Landlord prior written notice and at least thirty (30) days' to completely cure such default, except that the Landlord shall have fifteen (15) days to cure defaults arising from the Landlord's obligations pertaining to utilities, HVAC, broken glass and any default or deficiency which causes the Premises to be unfit for Tenant's business use. The right of Tenant to terminate the Lease based on casualty shall be subject to Landlord's right to completely restore the Premises within 120 days following the casualty event.

Landlord Initials: MD  
Date: 5/6/14



STATE OF NEW HAMPSHIRE  
GOVERNOR'S COMMISSION  
ON DISABILITY

Margaret Wood Hassan, Governor  
Paul Van Blafigan, Chairman  
Charles J. Sain, Esq., Executive Director

Committee on Architectural Barrier-Free Design  
David Gleason, Chair

57 Regional Drive  
Concord, NH 03301-8518  
Tele: (603) 271-2773 VM or TTY  
Tele: 1 (800) 852-3405 VM or TTY  
Fax: (603) 271-2837

March 18, 2014

To the Honorable Governor Margaret Wood Hassan and Members of the Executive Council

**RECOMMENDATION REGARDING NEW LEASE APPROVAL**

**Lessee:** Department of Safety, Division of Motor Vehicles  
**Location:** Mountain Valley Plaza, Unit #4 and #5, Gorham, NH  
**Lessor:** KGI Gorham LLC, 10 Memorial Boulevard, Suite 901, Providence, RI, 02903  
**Term:** October 1, 2014 – September 30, 2024

The Architectural Barrier Free-Design Committee (AB Committee) respectfully recommends that the subject ~~NEW LEASE~~ or approximately 5,000 square feet of space be **approved, with the following -conditions.**

No later than thirty (30) days after the commencement of the Term herein, the following improvements and renovations to the Premises. Any alterations to the existing facility will comply with all applicable building codes, including but not limited to, the Code for Barrier-Free Design for the State of New Hampshire Abfd 300 (Americans with Disabilities Act 2010 Standards for Accessible Design: ADA Std. citations), the NH State Building Code RSA 155-A (IEBC/2009, IBC/2009 and ICC/ANSI A117.1/2003, as amended), the NH State Fire Code Saf-c 6000 and Title II of the Americans with Disabilities Act 2010.

1. There are no changes required.

This recommendation is based upon the documents submitted to the AB Committee by the Department of Safety and on the assurances of the agency's ADA Coordinator.

Should future inspection by Administrative Services or the Architectural Barrier-Free Design Committee prove that areas of non-compliance exists, the agency should seek the appropriate remedy until the changes have been made.

Respectfully submitted and approved by the **Committee on Architectural Barrier-Free Design,**

David Gleason, Chair  
Committee on Architectural Barrier-Free Design

cc: File

AD  
5/16/14

# State of New Hampshire Department of State

## CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that KGI Gorham, LLC is a New Hampshire limited liability company formed on July 18, 2005. I further certify that it is in good standing as far as this office is concerned, having filed the annual report(s) and paid the fees required by law; and that a certificate of cancellation has not been filed.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 6<sup>th</sup> day of May, A.D. 2014

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

**ACTION BY UNANIMOUS CONSENT**

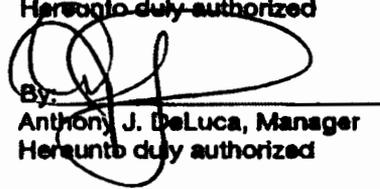
The undersigned, being the sole Member of KGI GORHAM, LLC (the "Company"), a New Hampshire limited liability company, hereby consents and agrees, on behalf of the Company, to the following actions:

- Anthony J. DeLuca, a Manager of the Company, acting alone, is hereby empowered and authorized, on behalf of the Company, to enter into a contract with the State of New Hampshire ("Tenant") whereby the Company leases to Tenant certain space in real property owned by the Company and commonly known as the Mountain Valley Plaza, located in Gorham, New Hampshire (the "Property"), and to execute any and all documents on behalf of the Company and take such further actions on behalf of the Company and to do and perform all such other acts and things as said Anthony J. DeLuca deems reasonably necessary or appropriate in furtherance of the accomplishment of the purpose and intent hereof;
- Without limiting the foregoing, the aforesaid Anthony J. DeLuca is hereby specifically authorized to execute a lease and any such other documents on behalf of the Company, each dated as of the date of this Consent.
- The actions taken and/or to be taken by said Anthony J. DeLuca on behalf of the Company in the premises are hereby ratified and confirmed in all respects.

Dated as of May 6, 2014.

**SOLE MEMBER:**  
**MEMORIAL ASSOCIATES II LLC**  
A Massachusetts limited liability company

By:   
Richard J. Bornstein, Manager  
Hereunto duly authorized

By:   
Anthony J. DeLuca, Manager  
Hereunto duly authorized

Attn: Scott J. Summer, Staff General Counsel  
The Calart Tower  
400 Reservoir Ave., Ste. 3A  
Providence, RI 02907-3599  
401.467.7771

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The undersigned sole Member of KGI GORHAM, LLC, a New Hampshire limited liability company (the "LLC"), agrees with the LLC and otherwise declares this to be the Operating Agreement of the LLC.

#### I. Place of Business

The principal place of business of the LLC and its mailing address shall be care of KGI Properties, LLC, 10 Memorial Blvd, Ste 901, Providence, Rhode Island 02903, or such other address from time to time designated by the Member.

#### II. Duration of the LLC

The term of the LLC shall have commenced as of the date set forth in its Articles of Organization, and shall be perpetual unless otherwise specified in its Articles of Organization or dissolved sooner pursuant to the terms of this Agreement.

#### III. Purpose

The purpose of the LLC shall be solely to hold, own, lease, improve, develop, operate, manage, service, mortgage, encumber and sell the following real property:

Mountain Valley Plaza, Route 16, Gorham, New Hampshire

and to otherwise deal with and obtain loans secured by mortgages on the same as owner thereof, and to acquire and deal with personal property of any nature, manner or kind whatsoever to the extent necessary, desirable, convenient or appropriate to carry out the foregoing purposes.

#### IV. Sole Member

The LLC is owned 100% by the Member executing this Agreement, as reflected below. The Member shall be entitled but not required to contribute any additional capital deemed necessary for the operation of the LLC.

#### V. Management

A. The management of the LLC shall be vested in one or more Managers appointed by the Member from time to time, each of whom, acting alone, shall have full authority to take all action appropriate or necessary to effectuate the purposes of the LLC pursuant to applicable law, including but not limited to the sale, transfer, encumbrance, alienation or other disposition of any or all property of the LLC. As of the date of this Operating Agreement, the Member hereby appoints the following named persons to serve as a Manager until his resignation or removal from office:

Manager	Richard J. Bornstein
Manager	Anthony J. DeLuca

Any dispute between Managers as to management of the LLC shall be resolved by the Member.



## DESCRIPTIONS (Continued from Page 1)

Koffler/GID LLC Hooksett  
Koffler/GID Taunton LLC  
30 Plan Way LLC  
Riverview Retail LLC  
Koffler/GID Wayland LLC  
North Conway Fairways, LLC  
Koffler Associates LP  
KGI Properties LLC  
Scarborough Gallery, LLC  
\* KGI Gorham LLC  
KGI LLC  
TKG Management LLC  
Koffler West Warwick, LLC  
Koffler/GID Haverhill I LLC  
New Hampton, Rte 104, LLC  
Gateway Development/East Lyme, LLC  
Koffler/GID East Lyme, LLC  
229 Waterman Street, LLC  
KGI Lev, LLC  
KGI Taunton II, LLC  
Lillian Koffler Irrevocable Trust  
Memorial Associates I, LLC  
Memorial Associates II, LLC  
Memorial Associates III, LLC  
KGI Uxbridge, LLC  
Koffler/GID Haverhill II, LLC  
KGI Mountain Valley Mall LLC  
Loc# 12 - 491 Main Street; Gorham, NH



**DEPARTMENT OF ADMINISTRATIVE SERVICES  
SYNOPSIS OF ENCLOSED LEASE CONTRACT**

**FROM:** Mary Belec, Administrator II  
Department of Administrative Services  
Bureau of Planning and Management

**DATE:** May 22, 2014

**SUBJECT:** Attached Lease;  
Approval respectfully requested.

**TO:** Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**LESSEE:** Department of Safety, Division of Motor Vehicles, 33 Hazen Drive, Concord, NH 03305

**LESSOR:** KGI Gorham, LLC, 10 Memorial Boulevard, Suite 901, Providence, RI 02903

**DESCRIPTION:** NEW Lease: Approval of the enclosed will authorize the fit-up and rental of 5,500 square feet of ground level space which will, upon completion, house both the Berlin/Gorham regional DMV and EMS offices. The space is easily accessible to clients, located in the "Mountain Valley Plaza", units #4 and #5, Gorham NH

**TERM:** Five (5) years: "effective date" (commencement of renovations) shall be June 5, 2014, while "Occupancy date" (commencement of rental payments) shall be November 1, 2014; the expiration date shall be October 31, 2019

**OPTIONS:** There are no options to extend the term

**ANNUAL RENT:** Year one through five (11/01/2014 – 10/31/2019) \$52,250.00 annually (approx. \$9.50 per SF) with 0% escalation. Total 5-Year Rent: \$261,250.00

**ADDITIONAL COST:** Two (2) additional payments of \$50,000 – the first due after "effective date" the second due after "substantial completion" – these payments provide partial reimbursement of renovation costs. Total additional payment: \$100,000.00

**Building & Site Maintenance:** Included in annual rent – Lessor responsibility

**JANITORIAL & UTILITIES:** Additional Lessee expenses estimated at \$20,000 annually (\$3.64 per SF)

**TOTAL TERM COST:** \$261,250.00 TTL rent + \$100,000.00 Additional payment = \$361,250.00 (\$13.14 per SF) plus estimated cost of jan/utilities = approx. \$16.78 per SF

**PUBLIC NOTICE:** Complied with competitive RFP requirements, the only proposal received that conformed to all DMV requirements and offered a reasonable cost structure was submitted by "KGI Gorham" which resulted in the enclosed contract

**CLEAN AIR PROVISIONS:** The space will be tested for conformance with Clean Air standards after completion of renovations but prior to occupancy

**BARRIER-FREE DESIGN COMMITTEE:** Approval recommended by the Committee

**DEMISE/DESIGN-BUILD PLANS:** Approved plans & spec's filed with Lessee, Lessor and DAS/BPM

**OTHER:** Approval of the enclosed is recommended

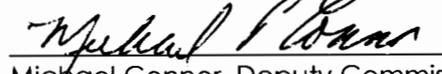
The enclosed contract complies with the State of NH Division of Plant and Property Rules

And has been reviewed & approved by the Department of Justice

Reviewed and recommended by:  
Bureau of Planning and Management

  
Mary Belec, Administrator II

Approved by:  
Division of Plant and Property MGMT

  
Michael Connor, Deputy Commissioner