

a) To use and occupy the demised premises for office and storage purposes only and for no other object or purpose without the written consent of the **LESSOR**;

(b) not at any time to assign this Lease Agreement or to sublet the demised premises, or any portion thereof, without written permission of the **LESSOR** or their representative, and said **LESSOR** further covenants that said consent will not be unreasonably withheld;

(c) to keep the premises in good order, reasonable wear and tear accepted;

(d) to permit **LESSOR** and their agents to enter on the premises or any part thereof at all reasonable hours for the purpose of examining or exhibiting same or making such repairs or alterations as may be necessary for safety or preservation thereof;

(e) to permit **LESSOR** to place on the premises reasonable "For Rent" or "For Sale" notices and not to interfere with same;

(f) to surrender possession of the premises upon the termination of this lease, or any extension hereof as herein provided, in as good condition as when received, reasonable wear and tear and accidents happening by fire or other casualties accepted;

(g) **AGENCY** shall be responsible for the payment of any and all charges of utilities furnished for the subject premises during the term of the lease, and will further be responsible for the cost of janitorial services incurred in the maintenance of the leased space including grounds and parking area;

Covenants of Lessor

The **LESSOR** covenants and agrees that they shall:

(a) not discontinue any service or facility herein contracted for;

(b) keep the leased premises in good repair and tenantable condition. The **LESSOR'S** responsibility toward this end includes, but is not limited to, maintaining, replacing and repairing as necessary, the interior and the exterior of the building to include windows, doors, locks, entranceways, etc., access, ingress, egress, roofs, plumbing including exposed, electrical wiring to include exposed, electrical fixtures, ballasts, light bulbs, and heating and air conditioning equipment, including replacement of filter pads for said equipment;

(c) make and maintain the demised premises in a condition that is accessible to and usable by the handicapped in accordance with Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, and applicable federal regulations and standards;

(d) in case **LESSOR** shall, after notice in writing from **AGENCY** in regard to a specific unsatisfactory condition, fail, refuse, or neglect to correct said condition, or in the event of an emergency constituting a hazard to health or safety of the **AGENCY'S** employees, property, or invitees, or in regard to any condition that fails to comply with Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, and applicable federal regulations and standards certified by the **AGENCY** or any other appropriate agency or county it shall then be lawful for the **AGENCY**, in addition to any other remedy the **AGENCY** may have, to make such repair at its own expense and deduct the amount from the rent that may then or thereafter become due hereunder;

(e) this lease shall become null and void at the option of the **AGENCY** in the event said leased premises should be totally destroyed by fire, or other casualty including acts of God, and the

liability of the **AGENCY** for rents thereafter occurring under this lease agreement shall cease upon the said happening of any said events, but if said leased premises are partially damaged by fire or other casualty, including acts of God, then the same shall be repaired and restored by the **LESSOR** as speedily as possible, at the **LESSORS'** own expense, and from date of such damage until completion of such repairs, an equitable abatement of rent shall be allowed to the **AGENCY**.

Cancellation
Privilege

It is agreed that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provision of the Lease Agreement shall contravene any statute or Constitutional provision or amendment, either now in effect or which may, during the course of this Lease Agreement, be enacted, then that conflicting provision in the contract shall be deemed null and void. The **LESSOR'S** sole remedy for the settlement of any and all disputes arising under the terms of this Lease Agreement shall be limited to the filing of a claim with the Board of Adjustment for the State of Alabama.

For any and all disputes arising under the terms of this contract, the parties hereto agree, in compliance with the recommendations of the Governor and Attorney General, when considering settlement of such disputes, to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation by and through the Attorney General's Office of Administrative hearings or where appropriate, private mediators.

The Lease Agreement is subject to termination in the event that funds should not be appropriated for the continued payment of Lease Agreement in subsequent fiscal years.

In the event of proration of the fund from which payment under the Lease Agreement is to be made, the Lease Agreement will be subject to termination.

Exemption

The **AGENCY**, notwithstanding any provision of this Lease Agreement, incorporations or amendments hereto, does not release or waive, either expressly or by implication, its right to assert sovereign immunity or any other affirmative or defensive right or claim it may have under law.

Subordination

The **AGENCY'S** rights under this lease shall remain subordinate to any bona fide mortgage or deed to secure debt which is now, or may hereafter be placed upon the premises; provided that the **AGENCY'S** tenancy shall not be disturbed, nor shall the covenants and conditions of this lease be invalidated or changed.

Default

If at any time one party shall default in any of its covenants or obligations under this Lease Agreement; the other party shall give written notice of the nature of the default. If the default cannot be cured within a reasonable period, the aggrieved party may cancel this Lease Agreement without further obligation.

Renewal

The **LESSOR** does hereby grant to the **AGENCY** the option to renew this lease agreement at the end of the term of this lease for three additional terms of one year each on the same terms and conditions as herein stated, except as follows: The rent for the first renewal period will remain the same as the rent in the original term; the rent for the second renewal periods will increase by an amount equal to the increase in property taxes paid on the building from the year

2007 to the year of the renewal period; the rent for the third renewal periods will increase by an amount equal to the increase in property taxes paid on the building from the year 2010 to the year of the renewal period.

**Termination
Privilege**

If at any time after the original term of this lease, March 1, 2008 through February 28, 2010, another State Agency or a city or county entity or authority constructs a building suitable for the **AGENCY'S** needs, it is agreed that the **AGENCY** may cancel the lease by giving written notice to **LESSOR** of no less than **twelve (12) months**.

Holdover Term

If the **AGENCY** remains in possession beyond the expiration of the Lease Agreement, or any extension or renewal hereof, such holding over shall be deemed a month-to-month tenancy at the same rental and terms as were in effect at the time such holding over takes place.

**Debarment and
Suspension**

The **LESSOR** warrants and represents to the **AGENCY** that neither the **LESSOR** nor any of the **LESSOR'S** trustees, officers, directors, agents, servants, and employees (whether paid or voluntary) is debarred or suspended or otherwise excluded from ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension."

LLC Certification

With reference to *Code of Alabama 1975*, Section 10-12-23, the undersigned **Horizon Investment, LLC**, an Alabama Limited Liability Company, represents and warrants to **AGENCY** (1) that he is authorized to execute this Lease Agreement on behalf of said limited liability company, and (2) that the articles of organization of said limited liability company provide that management of said limited liability company is vested in him as manager.

LESSOR: Horizon Investments, LLC

By: _____
Joe Schillaci, Managing Member

Date Signed: _____

**AGENCY: State of Alabama
Department of Human Resources**

By: _____
Page B. Walley, Ph.D., Commissioner

Date Signed: _____

APPROVED FOR CONTENT:

By: _____
Lester Thomas, Director
General Services Division
Department of Human Resources

Date Signed: _____

APPROVED FOR LEGAL FORM:

By: _____
Joel Marsh, Attorney
Department of Human Resources

Date Signed: _____

RECOMMENDED:

By: _____
Jim Yoder, Acting Director
Office of Space Management
State Finance Department

Date Signed: _____

**APPROVED:
STATE OF ALABAMA**

By: _____
Bob Riley, Governor

Date Signed: _____

ACKNOWLEDGEMENT OF LESSOR

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that **Joe Schillaci**, whose name as **Managing Member of HORIZON INVESTMENTS, LLC**, an Alabama Limited Liability Company, is signed to the foregoing Lease Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Lease Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company on the day the same bears date.

Given under my hand and seal this the _____ day of March, 2008.

NOTARY PUBLIC

My Commission Expires: _____

ACKNOWLEDGEMENT OF AGENCY

STATE OF ALABAMA)

MONTGOMERY COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that **Page B. Walley, Ph.D.**, whose name as **Commissioner of the State of Alabama Department of Human Resources**, an agency of the State of Alabama, is signed to the foregoing Lease Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Lease Agreement, he, in his capacity as such Commissioner, executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the _____ day of March, 2008.

NOTARY PUBLIC

My Commission Expires: _____

This lease consists of a total of nine pages and constitutes the entire agreement between the parties.