LEASE # 1109

between

SUPERIOR DEVELOPMENT LTD AND MALONE CLAY POINT PROPERTIES LLC

and

THE STATE OF VERMONT

DEPARTMENT OF BUILDINGS AND GENERAL SERVICES

for: Department of Vermont Health Access (DVHA)

This lease, made and entered into this 24 day of January 20 20, by and between:

SUPERIOR DEVELOPMENT LTD AND MALONE CLAY POINT PROPERTIES LLC, 338 River Street, Unit 7, Montpelier, VT, 05602, hereinafter referred to as **LANDLORD,**

and

The State of Vermont, Department of Buildings and General Services, 2 Governor Aiken Avenue, Montpelier, VT 05633-5801, hereinafter referred to as STATE,

WITNESSETH

In consideration of the mutual covenants and agreements hereinafter set forth, the parties do covenant and agree as follows:

1) The LANDLORD hereby demises and leases to the STATE, subject to all of the conditions and terms contained herein, the following described premises, hereinafter referred to as the "leased space":

    27,199 square feet, of office space and 1,495 square feet of common areas (28,694 square feet total) at 150 Pilgrim Park Road, in Waterbury, VT. Office space is located on the third floor. Also includes parking for staff and shared use of electric vehicle charging stations. If the use of the first-floor lobby area changes, the appropriate share of common areas will be recalculated.

    See Attachment A – Floor Plans

2) TO HAVE AND TO HOLD the said lease space, with appurtenances, for the term of **TEN (10) YEARS** commencing on **May 1, 2020** for use by the STATE OF VERMONT, Department of Buildings and General Services, or its designee.

3) The STATE shall not assign this lease and shall not sublet the leased space except with the prior written consent of the LANDLORD, which consent shall not be unreasonably withheld. Use of the leased space by any agency of the STATE OF VERMONT designated by the Commissioner of Buildings and General Services shall not be considered an assignment requiring written consent of LANDLORD. The STATE shall not permit the use of said lease space by anyone other than the

STATE, its agents and employees, approved sub-lessees, or agents and employees of approved sub-lessees.

4) This lease may, at the option of the STATE, be extended for **TWO** additional **FIVE (5) YEAR** periods, subject to all the terms and conditions of this lease, except that the lease rate shall be renegotiated in good faith by both parties. The STATE shall provide the LANDLORD with written notice of its intent to extend at lease **ninety (90) days** before the expiration of this lease.

5) Absent express written agreement to the contrary, any holding over after the expiration of the lease term shall be construed as a "tenancy at will" and shall continue under the terms herein, so far as such terms are applicable, and may be terminated by either party upon **ninety (90) days'** written notice to the other.

6) At any time during the renewal periods, the STATE shall have the right to terminate this lease by giving the LANDLORD at least **one hundred eighty (180) days'** prior written notice of its intention to terminate.

7) The STATE shall pay rent to the LANDLORD for the said leased space at the following rate:

Start date	End date	Annual Cost Per Square Foot	Annual Rent	Monthly Rent
5/1/2020	4/30/2021	$17.00	$487,798.00	$40,649.83
5/1/2021	4/30/2022	$17.34	$497,553.96	$41,462.83
5/1/2022	4/30/2023	$17.69	$507,596.86	$42,299.74
5/1/2023	4/30/2024	$18.04	$517,639.76	$43,136.65
5/1/2024	4/30/2025	$18.40	$527,969.60	$43,997.47
5/1/2025	4/30/2026	$18.77	$538,586.38	$44,882.20
5/1/2026	4/30/2027	$19.14	$549,203.16	$45,766.93
5/1/2027	4/30/2028	$19.53	$560,393.82	$46,699.49
5/1/2028	4/30/2029	$19.92	$571,584.48	$47,632.04
5/1/2029	4/30/2030	$20.32	$583,062.08	$48,588.51

8) The rental payment shall be sent to:

SUPERIOR DEVELOPMENT LTD AND MALONE CLAY POINT PROPERTIES LLC
338 River Street, Unit 7
Montpelier, VT 05602

9) Rental payments are to be made monthly in advance; each monthly payment is due on the first day of the month.

10) In the event of a change of ownership during the term of this Lease, it shall be the sole responsibility of the LANDLORD to advise the STATE by certified mail, that the ownership of the property has

been transferred. Said notice shall specify how, when, and to whom rental payments shall be made. Until such notification, the STATE shall be responsible to make rental payments only to the LANDLORD herein.

11) The LANDLORD shall provide to the STATE, during its occupancy of said leased space, as part of the rental consideration, the following:

AIR CONDITIONING
BUILDING INSURANCE
ELECTRICITY
GENERAL INTERIOR AND EXTERIOR MAINTENANCE
HEAT
HOT WATER
LAWN CARE – http://bgs.vermont.gov/commissioner/adminpolicies/0032

PEST CONTROL (CONSISTENT WITH BGS POLICY #0004: http://bgs.vermont.gov/commissioner/adminpolicies/0004**)**

PROPERTY TAXES
REPLACEMENT OF LIGHT BULBS
SIGNAGE
SNOW REMOVAL AND SANDING OF PARKING AREA(S)
SNOW REMOVAL AND SANDING OF WALKWAYS AND DOORWAYS
TRASH/RECYCLING/COMPOSTING DISPOSAL
WATER AND SEWER

The STATE shall be the sole judge of the adequacy of the above, but it is understood and agreed that the requirements of the STATE with respect thereto shall be reasonable.

12) It is further understood and agreed that the STATE shall obtain and pay for the following:

VOICE/DATA INSTALLATION, OPERATION, AND REPAIR
JANITORIAL SERVICES AND SUPPLIES (CONSISTENT WITH BGS POLICY #0032)

13) The LANDLORD shall maintain the leased space in good repair and tenantable condition during the term of this lease. The phrase "good repair and tenantable condition" means maintaining the lease space in such a condition which complies the Vermont's fire safety, electrical, plumbing, health, and building codes, Vermont Occupational Safety and Health Act (VOSHA) standards, applicable BGS policies, and any other applicable state of federal laws or regulations.

14) LANDLORD shall comply with Act # 135 of the Legislative Session, Sec. 3.18 V.S.A. § 1742(a) (3), (4) concerning Restrictions on Smoking in Public Places; and Act 118 of the 2015-2016 Legislative Session, Sec. 2. 18 V.S.A. § 1421 concerning Use of Tobacco Substitutes in the Workplace.

15) For the purposes of so maintaining the leased space, the LANDLORD reserves the right, at reasonable times, to enter and inspect the leased space and to make any necessary repairs thereto.

The LANDLORD agrees to give the STATE notice of its intent to enter and/or inspect at least twenty-four (24) hours in advance, except in the case of an emergency.

16) The STATE shall give the LANDLORD written notice of any damage or defects in the demised leased space. The LANDLORD agrees to remedy the damage or defect with due diligence. If the damage or defect arose from the negligence of the STATE'S agent or employees, the STATE will reimburse the LANDLORD for the reasonable costs of the repair.

17) If LANDLORD fails or neglects to make the necessary repairs to the demised premises within 30 days of receipt of the notice of the necessary repair or defect, the STATE may, at its option:

   a) make the repairs, in which case the LANDLORD shall reimburse the STATE for any reasonable expenses incurred in so doing through either a reduction in renal payments or via direct invoice;

   OR

   b) provide written novice to LANDLORD that the lease shall terminate on the date specified in that notice, which date shall not be less than thirty (30) days from the date of the notice.

   It is understood that if the repair cannot with due diligence be completed in 30 days, it is not a default under terms of this lease unless:

   1. The LANDLORD has not begun repairs with 30 days

   OR

   2. Fails to complete the necessary repairs within a reasonable period of time.

18) The STATE agrees that all personal property brought into the leased space shall be at the sole risk of the STATE and that the LANDLORD shall not be liable for the theft thereof or any damage thereto occasioned from the acts of any person other than LANDLORD, its agents, or employees.

19) If the leased space is totally destroyed by fire or other causes, this lease shall terminate immediately. In the event of partial destruction or damage that renders the leased space temporarily untenantable, either party may terminate this lease by giving to the other party ten (10) days' written notice. The LANDLORD may, if the parties so agree, repair and restore the leased space to be fully tenantable in accordance with the provisions hereof, in which case the rent shall be proportionately and fairly abated until the repairs are completed. This provision shall not be construed to excuse or relieve either party from any liability incurred as a result of such total or partial destruction or damage.

20) Alterations and Renovations:

   a) The STATE shall have the right during this tenancy, to make renovations and alterations, attach fixtures, or signs in or upon the promises hereby leased. Any and all renovations, alterations, or other construction must have prior written approval from the **Department of Buildings and General Services, Property Management Section.**

b) LANDLORD may require the STATE to remove any fixtures added by the STATE. If the LANDLORD requests removal of fixtures, the LANDLORD must provide written notice to the STATE no later than ninety (90) days prior to the expiration of the lease, or fifteen (15) days after receipt of a notice of termination, whichever occurs first. Fixtures shall be and remain the property of the STATE and may be removed by the STATE prior to the expiration of the lease.

c) If so required, the STATE will make every effort to restore the property during the remaining term of the lease. However, if restoration cannot reasonably be complete before the end of the lease, LANDLORD hereby authorizes the STATE to continue to access the property to complete the restoration without any additional fees, penalties, or rents.

21) Each of the following is a "default" by LANDLORD under this lease:

a) Failure of LANDLORD to comply with any term of this lease.

b) Commencement by LANDLORD of any legal action seeking any relief from its debts under any law, or the commencement of any such action against LANDLORD by a third party, is such action is not dismissed within sixty (60) days.

c) Appointment of a receiver, trustee, custodian, or other similar official for LANDLORD or for a substantial portion of LANDLORD'S assets.

22) If a default occurs, STATE may, at any time during the continuance of the default, give notice to LANDLORD that this lease shall terminate on the date specified in that notice, which date shall not be less than thirty (30) days from the date of notice.

23) The failure of the STATE to insist upon strict performance of any of the terms, conditions, or covenants herein shall not be deemed a waiver of any rights or remedies that the STATE may have and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions, and covenants contained herein.

24) The remedies of the STATE herein shall be cumulative and not alternative or exclusive of any other right or remedy available to the STATE.

25) Applicable Law: This agreement will be governed by the laws of the State of Vermont.

26) Independence, Liability: The LANDLORD will act in an independent capacity and not as officer or employees of the STATE.

The LANDLORD shall defend the STATE and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the LANDLORD or of any agent of the LANDLORD. The STATE shall notify the LANDLORD in the event of any such claim or suit, and the LANDLORD shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement, the LANDLORD may request a recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The LANDLORD shall be entitled to recoup costs only upon showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the LANDLORD.

27) No Employee Benefits for LANDLORD: the LANDLORD understands that the STATE will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to STATE employees, nor will the STATE withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The LANDLORD understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the LANDLORD, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.

28) Insurance: Before commencing this Lease, the LANDLORD must provide certificates of insurance to show that the following minimum coverages are in effect, as applicable. It is the responsibility of the LANDLORD to maintain current certificates of insurance on file with the STATE through the term of the Lease; annual updates must be provided throughout the term.

Workers' Compensation: With respect to all operations performed, the LANDLORD shall carry worker's compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the Lease, the LANDLORD shall carry general liability insurance having all applicable major division of coverage including, but not limited to:

Premises – Operation
Independent Contractors' Protective
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

$1,000,000 Per Occurrence
$2,000,000 General Aggregate
$1,000,000 Products / Completed Products Aggregate
$50,000 Fire Legal Liability

Automotive Liability: The LANDLORD shall carry automotive liability insurance covering all motor vehicles, no matter the ownership status, used in connection with the Lease. Limits of coverage shall not be less than: $500,000 combined single limit.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the LANDLORD for the LANDLORD'S operations. These are solely minimums that have been set to protect the interests of the STATE.
LANDLORD shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

29) Reliance by the STATE on Representations: All payments by the STATE under this Agreement will be made in reliance upon the accuracy of all prior representations by the LANDLORD, including but not limited to bills, invoices, progress reports and other proofs of work.

30) Records Available for Audit: The LANDLORD will maintain all books, documents, payroll papers, accounting records, and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved. The STATE, by an authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.

31) In accordance with Act 178 of 2014, Sec. 40, Energy Efficiency, Leased Space, LANDLORD agrees to make energy usage data available to the STATE upon request anytime during the term of the lease. The STATE shall also have the right to sub-meter in multi-tenant spaces to obtain energy usage data at the expense of the STATE if deemed beneficial to the STATE.

32) Fair Employment Practices and Americans with Disabilities Act: LANDLORD agrees to comply with the requirement of Title 21 V.S.A Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. LANDLORD shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990 that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the LANDLORD under this Agreement. LANDLORD further agrees to include this provision in all subcontracts.

33) Taxes Due to the State of Vermont:

a) LANDLORD understands and acknowledges responsibility, if applicable, for compliance with the State of Vermont tax laws, including income tax withholdings for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.

b) LANDLORD certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the LANDLORD is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.

c) LANDLORD understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the LANDLORD is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

34) LANDLORD also understands the State of Vermont may set off taxes (and related penalties, interest and fees) due to the State, but only if the LANDLORD has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the LANDLORD has no further legal recourse to contest the amounts due.

35) No Gifts or Gratuities: LANDLORD shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the STATE during the term of this Agreement.

36) Set off: The STATE may set off any sums which the LANDLORD owes the STATE against any sums due to the LANDLORD under this agreement; provided, however, that any set off amounts due to the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereunder.

37) This lease represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect. This lease may not be modified or amended except by written instrument, said instrument to be executed the same manner as this lease.

38) Upon execution of this agreement it is agreed that this lease agreement is binding upon the parties hereto, their heirs, administrators, executors, successors, and assigns.

IN WITNESS WHEREOF, the parties executed this Lease on the day and year first above written.

SUPERIOR DEVELOPMENT LTD

by: ______________________ Authorized Agent

STATE OF VERMONT, Washington COUNTY, ss.

At Berlin, in said county and state, this 23 day of January, 2020,

Randal LaGue **personally, appeared and acknowledged the foregoing instrument by him/her subscribed to be his/her free act and deed, and the free act and deed of SUPERIOR DEVELOPMENT LTD.**

Before me,

Andrea Bare

Notary Public State of Vermont

Commission Expires: Jan 31 2021

Commission #: 157 0002796

MALONE CLAY POINT PROPERTIES LLC

by: ______________________ Authorized Agent

STATE OF VERMONT, Washington COUNTY, ss

At Calais, in said county and state, this 24th day of January, 2020, Patrick Malone personally, appeared and acknowledged the foregoing instrument by him/her subscribed to be his/her free act and deed, and the free act and deed of MALONE CLAY POINT PROPERTIES LLC.

Before me,

Notary Public State of Vermont
Commission Expires: 1/31/21
Commission #: 157.0001571

STATE OF VERMONT

by: ______________________ Christopher Cole,
Commissioner Buildings and General Services

STATE OF VERMONT, WASHINGTON COUNTY, ss.

At Montpelier, in said county and state, this 24th day of January, 2020, Christopher Cole personally appeared and acknowledged the foregoing instrument, by him subscribed, to be his free act and deed and the free act and deed of the STATE OF VERMONT.

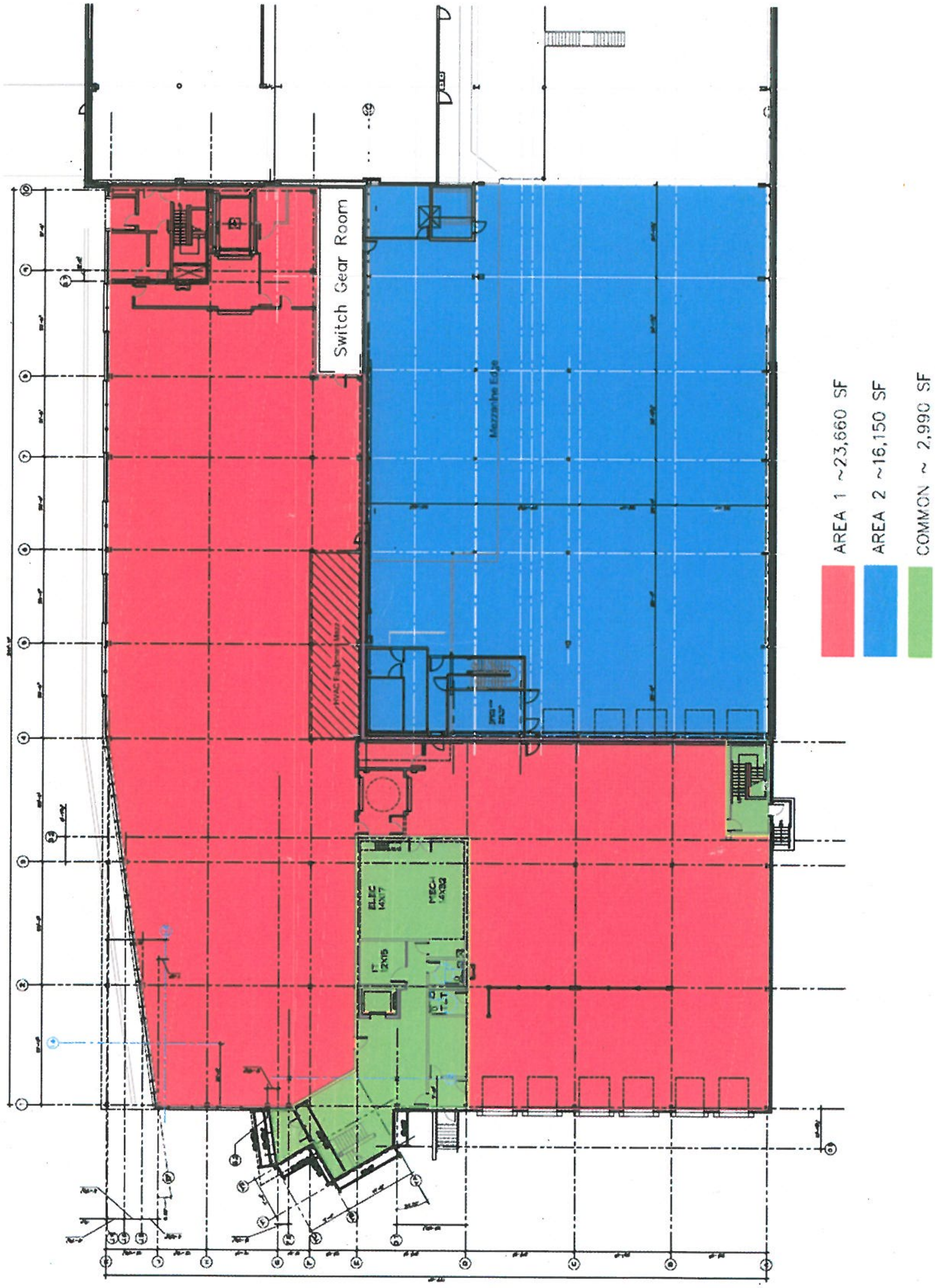
Before me,

Judy Bruneau
Notary Public State of Vermont
Commission Expires: 01/31/2021
Commission #: 157.0000495

Acknowledged: as an agent for the Agency of Human Services, I have read and understand the terms of this lease.

______________________ Duly Authorized Agent

Attachment A – Floor Plans (first floor)



Attachment B – Floor Plans (third floor)