COMMONWEALTH OF PENNSYLVANIA PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION

Office of the Chancellor

LEASE NUMBER
THIS LEASE AGREEMENT ("LEASE"), is executed this day of,
2012 (do not enter a date; the date will be entered after the lease is executed) between the
$Pennsylvania\ State\ System\ of\ Higher\ Education\ (hereinafter\ called\ "LESSEE"\ or\ "PASSHE"$
or "COMMONWEALTH"), and (enter Lessor's name), with primary offices
located at(enter Lessor's address) (hereinafter called "LESSOR"), (Federal I.D.
No (enter number)).
Both the LESSEE and LESSOR, when used together, are hereinafter referred to as
$Parties. \ \ PASSHE\ an\ instrumentality\ of\ the\ Commonwealth\ of\ Pennsylvania,\ established\ by$
and existing pursuant to Article XX-A of the Public School Code of 1949, as amended, 24 P.S. $$
$\$ 20-2001-A, et seq., and is authorized thereby to enter into this Lease Agreement
("LEASE").
WHEREAS, (enter name and address of agent if applicable) is the sole
agent for (enter name of LESSOR) and is authorized to execute all real estate
leases on its behalf; and
WHEREAS, the LESSEE desires to obtain leased real estate(enter
description of real estate).
NOW THEREFORE, in consideration of the following mutual terms, covenants and
conditions herein contained, and intending to be legally bound hereby, LESSOR and LESSEE
agree to the following terms and conditions:
1. LEASED PREMISES. LESSOR hereby lets unto LESSEE and LESSEE hereby
leases from LESSOR that certain office space or area, the premises, or part of the building,

Appendix VII-C-4, Page 1 of 32

Facilities Manual Revised May 2012

located at _______, (enter address of leased space) in the County of _______, (enter only the county name) Pennsylvania, more specifically described on the plan and/or specifications attached hereto and marked Exhibit "A", and consisting of _______ (enter number) net usable square feet (the "PREMISES") together with the appurtenances thereto, including, but not limited to the parking area(s) as more fully set forth below, as well as adequate means of ingress and egress to the PREMISES. The Parties agree that for the purposes of this LEASE, "net usable square feet" has been computed by measuring the area to be used by the LESSEE from the inside of the perimeter walls surrounding this area, excluding stairwells, elevator shafts, public restrooms not within the leased space, mechanical and building equipment rooms and areas used by the LESSOR LESSOR lets unto LESSEE ______ (enter number) parking spaces situated at _____ (enter address). The lease of the parking space is included in the RENT provided in Paragraph 3 "Rent" hereof.

2. **TERM.** The term of the LEASE shall commence on ______ (enter date), or such other date that the PREMISES are accepted for occupancy by the LESSEE in the event the PREMISES are not ready for occupancy at the time the LEASE term commences. Said term shall extend for ______ (enter number months or years) from said commencement or acceptance date with any option terms provided for herein being adjusted accordingly, unless terminated sooner as provided herein.

The LESSEE shall have the option to extend the term of this LEASE for a period of twenty four (24) months to begin upon expiration of this LEASE, and all terms and provisions in effect during the last year of this LEASE, except for the RENT amount, shall apply to such extended term, provided that the LESSEE is not in default at the end of the initial _____ (enter number of months) month term. Such option shall be executed by giving written notice to the LESSOR at least three (3) months prior to the termination of this LEASE. At such time as this option is exercised by the LESSEE, the LESSOR may increase the RENT for the extended term by an amount not to exceed ____% (enter percent) for each year of occupancy.

3. **RENT**. LESSEE shall pay LESSOR RENT for the use and occupancy of the PREMISES. The rental rate for the first year of the LEASE shall be \$ _____ (enter amount) per net usable square foot per year. During the first year of the LEASE, LESSEE shall pay RENT each month in the amount of \$ _____ (enter amount) ("INITIAL RENT") comprising an annual rental rate of \$ _____ . (enter amount)

The rental rate shall be comprised of "BASE RENT" of \$ _____ (enter amount)

The rental rate shall be comprised of "BASE RENT" of \$ _____ (enter amount) per net usable square foot per year and "ADDITIONAL RENT". The ADDITIONAL RENT for the first year of the LEASE shall be \$ _____ (enter amount) per net usable square foot per year. The ADDITIONAL RENT (and, therefore, the "RENT") for the second and succeeding years of the term of the LEASE shall be adjusted in accordance with *Paragraph 4 "Rent Adjustment"* below.

Monthly RENT is payable in advance on the first day of each calendar month, without demand, deduction or abatement, except as hereinafter provided, at the place designate by LESSOR for such purpose, until the end of the term.

The source of funds for this LEASE may be federal funds. If this LEASE is funded by federal funds, then LESSOR agrees that delay in the timely payment of RENT by the LESSEE shall not constitute an event of default or cause for termination of this LEASE, if such delay is due to the failure of the Federal Government to disperse funds to the COMMONWEALTH. The LESSEE agrees to pay all arrearages upon the resumption of federal funding including any penalties provided herein.

4. **RENT ADJUSTMENT.** An annual adjustment to the RENT of ____% of the preceding years' ADDITIONAL RENT, shall be made to cover increases or decreases in the costs of real estate taxes, utilities, water, sewer, trash removal, insurance and janitorial services

LESSEE shall pay as ADDITIONAL RENT, any money required to be paid as such, pursuant to the provisions of this LEASE, as well as all other sums of money or charges required to be paid by LESSEE under this LEASE, whether or not he same shall be designated ADDITIONAL RENT. If such amounts or charges are not paid at the time

provided in this LEASE, they shall nevertheless, if not paid when due, be collectable as ADDITIONAL RENT with the next installment of RENT thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time of the same becomes due and payable hereunder, or limit any remedy of LESSOR.

The ADDITIONAL RENT shall not be adjusted to reflect actual costs incurred by LESSOR during the term of this LEASE, nor shall the amounts paid as ADDITIONAL RENT be adjusted to reflect changes in the above LESSOR's costs.

- 5. LATE CHARGES. Any provision of this LEASE to the contrary notwithstanding, at LESSOR's option, LESSEE shall pay as Additional Rent, a late charge in the amount of five (5%) percent of the outstanding delinquent balance of Fifty (\$50.00) Dollars, whichever is greater for any payment of RENT, or ADDITIONAL RENT not made within ten (10) days after the due date thereof to cover the extra expense involved in handling delinquent payments. This late charge is in addition to, and not in lieu of, any interest payment, which may be due in accordance with this Paragraph.
- 6. **POSSESSION.** Possession of the PREMISES shall be delivered to LESSEE on _ (enter date). The PREMISES shall be delivered to LESSEE with suitable office layout as shown in Exhibit "A". If possession of the PREMISES are not deliverable to LESSEE as described in Exhibit "A", LESSEE will not occupy PREMISES thus not beginning payment of monthly RENT. Throughout the term of this LEASE, access to the PREMISES shall be controlled by suitable locks placed upon the respective doors, which shall limit access thereto solely to LESSOR, including authorized agents of LESSOR, and to LESSEE.
- 7. **LESSEE'S FIRST RIGHT TO LEASE ADDITIONAL SPACE.** During the term of this LEASE, LESSEE shall have the first right to lease additional space should such become available. At such time as LESSOR wishes to lease the additional premises and has received an accepted lease proposal, LESSOR will give LESSEE written notice of its intention to lease the additional premises. Upon such notice, LESSEE shall have the opportunity to lease the additional premises at the terms and rental rates set forth in LESSOR's proposal. In the

event that LESSOR and LESSEE have not entered into a written letter of agreement specifying the general terms of the lease agreement for the additional premises to be leased by LESSEE within five (5) business days after LESSOR's notice of its intention to lease the additional premises, then LESSOR shall have the right to lease the additional premises to a third party.

8. **RENEWAL OPTIONS.** LESSEE, at its sole discretion, shall have the option to renew this LEASE for additional terms. In order to exercise an option, LESSEE must give LESSOR _____ (enter number of months) months' prior written notice before the expiration of the then current term. LESSEE shall have the following options:

	Beginning Date	Expiration Date	Base Rent
1st Renewal Term	Enter Date	Enter Date	Enter \$ Amount
2nd Renewal Term	Enter Date	Enter Date	Enter \$ Amount

Additional RENT, as provided for and calculated during the original term of the LEASE in accordance with *Paragraph 3 Rent*, above, shall be added to the BASE RENT set forth above. During the option term(s), additional RENT adjustments will be made and applied during each and every year of the option term(s) and will continue to be calculated in the same fashion as in the initial term or preceding option term, if any, and in accordance with *Paragraph 3 Rent* above.

9. **HOLDOVER/TERMINATION**. Should LESSEE holdover in possession after the expiration of the initial term of this LEASE (without exercising the option) or any option renewal term (without exercising any remaining option), such holding over shall not be deemed to extend the term of this LEASE or any renewal, but the tenancy thereafter shall continue from month to month, subject to the covenants and conditions of this LEASE, until either party shall give the other _____ (*Enter number of months*) months' notice in writing of their intention to terminate the tenancy. In the event LESSEE decides to holdover rather than exercise an option under *Paragraph 8 Renewal Options*, LESSEE shall pay the amount of the monthly rent specified for such option for each month of occupancy as a holdover tenant.

10. **CANCELLATION**. It is understood and agreed between the Parties hereto that if the governmental function for which the PREMISES are being leased, is abolished, limited, or restricted, by any Act of Legislature, including a failure of sufficient appropriation by the General Assembly to continue payment of the RENT or any other amount hereunder, or by Law of Congress, or by any Action taken under authority conferred by such acts or laws, or decision of court; then the LESSEE shall have the right to cancel this LEASE by giving one month's notice in writing to the LESSOR.

At the option of the Parties, if they have agreed on the total costs of renovations prior to the execution of this LEASE and the LEASE is canceled pursuant to the provisions of this Paragraph, if PASSHE's annual appropriations permit, LESSEE shall reimburse LESSOR for any unamortized costs of renovations performed by LESSOR pursuant to this LEASE at LESSEE'S request, and which are peculiar to LESSEE'S tenancy.

- 11. **LESSOR'S DUTY TO MITIGATE DAMAGES.** In the event LESSEE abandons the leased PREMISES, the LESSOR has an affirmative duty, to proceed in good faith and with due diligence, to make reasonable efforts to mitigate its damages or prevent further loss.
- 12. **SERVICES.** LESSOR, at its sole cost and in return for RENT paid by LESSEE pursuant to this LEASE, shall provide, maintain, and pay the periodic charges for heat, ventilation and air conditioning; all energy used and consumed on the PREMISES including but not limited to gas, oil, electric; water and sewer; hot and cold water; snow and ice removal from walks, driveways, and parking areas; janitorial services and supplies in accordance with Exhibit "B"; trash removal (from LESSOR's property); lawn and shrub care services; and lavatories and water coolers in accordance with Department of Labor and Industry requirements.

The building will be accessible seven days a week, twenty-four hours a day. (Change hours of access accordingly)

- 13. <u>UTILITIES AND TAXES.</u> LESSOR agrees to pay, prior to delinquency and directly to the taxing authority, all real estate taxes and municipal assessments applicable to the PREMISES. LESSOR shall provide and pay the costs of water and sewer, electric and common trash collection. LESSEE shall provide and pay for LESSEE's telephone, communications, and computer installation and operation.
- 14. **REPAIRS AND MAINTENANCE.** LESSOR, at its sole cost and in return for the RENT paid by LESSEE pursuant to this LEASE, shall maintain, repair and provide the continuous upkeep of the exterior of the building(s), all internal building systems, including but not limited to, electrical, lighting, plumbing, heating, ventilation equipment, air conditioning, elevators, escalators, and/or lifts, and as more specifically stated in Exhibit "B". LESSEE shall maintain the interior of the PREMISES in good repair, and in at least as good condition as that in which the PREMISES was delivered, allowing for ordinary wear and tear. LESSEE shall give to LESSOR prompt notice (within forty-eight (48) hours of when a problem came to the attention of its management) of any damage or any defects in the doors, frames, windows, window frames, wood or other trim, carpeting, glass, water pipes and plumbing fixtures, electric fixates including lights and switches or heating and air condition in the PREMISES. Such damage and defects shall be remedied by LESSOR with due diligence. Costs resulting from damage to or malfunction of the aforementioned items caused by LESSEE, its agents, servants, employees, independent contractors, or invitees, shall be the obligation of the LESSEE. As for any other repairs, excluding preventive maintenance, the LESSOR reserves the right to charge the LESSEE the first twenty-five (\$25) dollars, and the LESSOR shall pay the balance thereof.

LESSEE shall not at any time, permit garbage, refuse, packing cases or cartons, cleaning supplies or equipment, to be placed outside the PREMISES except in locations approved by and/or installed by LESSOR. LESSOR shall at its own expense keep the exterior walls and roof of the building in good repair, and shall be responsible for maintaining and repairing the common areas to the building and the sidewalks and parking lot appurtenant thereto.

15. CONSTRUCTION, ALTERATIONS, IMPROVEMENTS AND SIGNS. LESSOR shall, at its cost and expense, and in return for the RENT paid by LESSEE pursuant to this LEASE, construct and renovate the PREMISES substantially in accordance with the plans and/or specifications listed and set forth in Exhibit "A". Prior to occupancy, minor punch list items and the due dates for completion of said punch list items shall be established and agreed upon by LESSOR and LESSEE. LESSOR agrees and acknowledges that LESSEE has no authority to initiate or authorize change orders to the Specifications in Exhibit "A". All change orders to the Specifications in Exhibit "A" must be signed and authorized by the Pennsylvania State System of Higher Education. Failure of the LESSOR to obtain the required signatures from the LESSEE shall relieve the LESSEE from any obligation to pay for any work described in such change order(s). LESSOR shall not receive remuneration that is in addition to the RENT, for any construction or alterations to the PREMISES outside of the scope of the Specifications in Exhibit "A", unless LESSEE has, by a fully executed lease amendment containing the details of said construction or alterations, as well as the specific cost, agreed to such payment.

Except as otherwise provided herein, LESSEE shall not make, or permit to be made, any alterations, improvements or additions to the PREMISES without the prior written consent of the LESSOR, which consent shall not be unreasonably withheld. All alterations, improvements or additions to the PREMISES shall comply with all applicable laws.

16. **CONFLICT BETWEEN LEASE AND SPECIFICATIONS.** To the extent that there are any conflicts between the requirements in *Paragraphs 12 "Services"*, *Paragraph 15 "Construction, Alterations, Improvements and Signs"* and the plans and/or specifications and/or the work as contained in Exhibit "A," the LESSOR shall maintain/construct the PREMISES in accordance with the stricter standard.

The following section "Completion" is optional.

- 17. **COMPLETION**. AFTER receipt of a fully executed copy of this LEASE, LESSOR agrees:
 - (a) within _____ (enter number of days) days, to furnish LESSEE with detailed plans, specifications, drawings and other relevant construction documents (collectively "DOCUMENTS") pertaining to the construction of and/or renovation of the PREMISES. Within thirty (30) days the LESSEE shall review and approve or reject the DOCUMENTS. The approved DOCUMENTS shall become Exhibit "A" to this LEASE and replace those plans and specifications that were attached originally as Exhibit "A" at the time of execution of the LEASE. If in the event the LESSEE review exceeds thirty (30) days, the completion schedule shall be extended accordingly to incorporate the number of days exceeding the initial thirty (30) day review period.
 - (b) Within ____ (enter number of days) days of LESSEE's approval of the DOCUMENTS, to commence construction and/or renovation of the PREMISES.
 - (c) Within ____ (enter number of days) days of commencement of construction, to complete all construction and/or renovation work in accordance with the approved DOCUMENTS including final clean-up and the securing of all occupancy licenses or permits required by any governmental entity for occupancy.
 - (d) The entire project shall be completed within ____ (enter number of days) days.
 - (e) Upon completion of construction/renovation and preparation of the PREMISES so that it is ready for occupancy, LESSOR, at its sole expense, shall:
 - 1. Arrange for field measurements of the PREMISES and verification of the total usable area in the building by a licensed architect and/or engineer;
 - 2. Provide LESSEE with a written certificate from the architect/engineer that shall include a sealed set of

drawings showing, in red, any changes in the dimension of the PREMISES in the total usable area of the building from the last set of drawings which the LESSOR provided to the LESSEE. certificate shall: (i) include the date(s) when the measurements were done; (ii) specify the usable area in the PREMISES and the entire building; and (iii) state that the usable area was determined based upon the LESSEE's usable area definition. The certificate must be signed bv the architect/engineer and bear its seal.

3. At LESSEE's request, furnish complete as-built drawings of the completed structure in autoCAD version ______, and hard copy, drawn to a minimum 1/8 inch -- 1 foot scale.

Time is of the essence. If LESSOR fails or refuses to comply with provisions (a),(b), (c), or (d) of this Paragraph, LESSEE, after giving LESSOR thirty (30) days' notice in writing, shall have the right to terminate this LEASE and/or exercise any other remedy it may have under the LEASE or at law. Furthermore, in addition to these rights, LESSOR shall pay LESSEE, at LESSEE's option, as liquidated damages, one percent of the annual rental of this LEASE for each and every day the PREMISES are not ready for occupancy by the date provided for in Provision (c) above.

No rents shall be due or payable until the construction/renovations required under *Paragraph 12 "Services"* are substantially completed as determined by PASSHE in accordance with the Plans and Specifications listed in Exhibit "A" and LESSOR has complied with Provisions (a), (b), (c), and (d) of this Paragraph. It is further understood that in accordance with *Paragraph 2 "Term"* hereof, the commencement date of this LEASE will be automatically changed to the date of acceptance of the construction and/or renovations and LESSOR compliance with Provisions (a), (b), (c), and (d) of this Paragraph. The

termination dates and the beginning and expiration date of any renewal terms shall also be automatically changed.

The LESSEE shall receive any net useable square feet within the leased premises in excess of that stated in the LEASE free of any and all costs or charges.

In the event there is less net usable square feet than stated in the LEASE, the LESSEE shall pay only for the net useable square feet provided and/or shall have the option to exercise its rights under the LEASE if it deems, in its sole judgment, that the amount of net usable square feet being provided is insufficient to meet its needs.

- 18. **INSURANCE.** LESSOR shall procure and maintain at its own expense, the following types of insurance, issued by companies acceptable to LESSEE and authorized to conduct such business under the laws of the Commonwealth of Pennsylvania:
 - (a) Worker's Compensation Insurance for all of LESSOR's employees and those of any contractor(s), engaged in work at the PREMISES in accordance with the Worker's Compensation Act of 1915 and any supplements or amendments thereof.
 - (b) Public liability and property damage insurance to protect LESSEE, LESSOR and any and all contractors from claims for damages for personal injury (including bodily injury), sickness or disease, accidental death and damage to property, including loss of use resulting from property damage, which may arise from services performed by LESSOR, its agents or employees under this LEASE or from an alleged defective, dangerous or untenantable condition of the PREMISES. The limits of such insurance shall be in an amount not less than \$500,000.00 each person and \$2,000,000.00 each occurrence, personal injury and property damage combined. Such policies shall be occurrence rather

than claims-made policies and shall name the Commonwealth of Pennsylvania as an additional insured.

Prior to occupancy of the PREMISES, LESSOR shall provide LESSEE with current certificates of insurance. These certificates shall contain a provision that the coverage afforded under the policies will not be canceled or changed until at least thirty (30) days' written notice has been given to LESSEE.

LESSEE is part of the STATE SYSTEM OF HIGHER EDUCATION, a body corporate and politic constituting a public corporation and government entity. As such, it lacks the statutory authority to purchase insurance and it does not possess insurance documentation per se (i.e. certificates of insurance). Instead, it participates in the Commonwealth's Tort Claims Self-Insurance Program administered by the Bureau of Risk and Insurance Management of the Pennsylvania Department of General Services. The program covers Commonwealth/Lessee-owned property, employees, and officials acting within the scope of their employment, and claims arising out of LESSEE's performance under this LEASE, subject to provisions of the Tort Claims Act, "42Pa.C.S.A. §8521, et seq."

- 19. **HOLD HARMLESS.** LESSOR shall save and hold harmless LESSEE, and its officers, agents and employees or any of them from any and all claims, demands, actions or liability (including, but not limited to, consequential damages and reasonable attorney's fees) of any nature based upon or arising out of:
 - (a) any service performed by LESSOR, its agents or employees under this LEASE, except such services as are properly performed at the express direction of LESSEE;
 - (b) any actual or alleged defective, dangerous or untenantable condition of the PREMISES;
 - (c) violations of, or noncompliance of the PREMISES with, any statute, ordinance, rule or regulation of any governmental authority.

- 20. **ENCUMBRANCES.** LESSOR covenants that it has good and clear title to the PREMISES or that it has the right and authority from the owner of the PREMISES to lease the PREMISES. LESSOR covenants that LESSEE shall enjoy peaceful and uninterrupted possession of the PREMISES during the term of this LEASE. LESSOR shall provide LESSEE and any mortgagee that may hold an encumbrance against the PREMISES, an estoppel certificate or Non-Disturbance and Attornment Agreement with respect to matters related to this LEASE and/or the status of performance of obligations by the Parties under this LEASE.
- DAMAGE/DESTRUCTION. In the event of damage to the PREMISES by fire, flood, lightning, or other Act of God, or act of terrorism rendering it impossible or substantially inconvenient for LESSEE to continue to occupy or use the PREMISES for its operations, the LESSOR, after notice from the LESSEE of the condition shall have sixty (60) days to repair and/or restore the PREMISES to a tenantable condition. If LESSOR fails to repair and/or restore the PREMISES within said period of sixty (60) days, or if LESSOR fails to make reasonable progress during the sixty (60) day period, as determined by LESSEE in its sole discretion, LESSEE may, at its option:
 - (a) terminate this LEASE by giving LESSOR thirty (30) days' written termination notice; or
 - (b) after first giving LESSOR fifteen (15) days' written notice, repair and restore the PREMISES to a tenantable condition, and deduct such costs made in restoration of the PREMISES from the RENT due the LESSOR. At LESSEE'S option, payment of RENT shall abate as long as the PREMISES remains in an untenantable condition after notice to LESSOR and shall resume only after the condition has been substantially corrected. Such abatement shall be prorated on the portion of the PREMISES that is or remains untenantable.
- 22. **CONDEMNATION.** If the PREMISES are totally taken by condemnation, this LEASE shall terminate on the date of taking. If any portion of the PREMISES is taken by

condemnation, this LEASE shall remain in effect, except that LESSEE shall have the option to terminate this LEASE if the remaining portion of the PREMISES or the parking area(s) is rendered unsuitable for LESSEE's continued use of the PREMISES, which option LESSEE must exercise by giving written notice to LESSOR within thirty (30) days after the nature and the extent of the taking have been determined. This LEASE shall terminate on the date such option of LESSEE is exercised. The entire award distributed upon such condemnation shall belong to and be paid to LESSOR, except that LESSEE shall receive from the award the following:

- (a) The sum attributable to the improvements or alterations made to the PREMISES by LESSEE, which improvements or alterations LESSEE has the right to remove from the PREMISES pursuant to the provisions of this LEASE but elects not to remove, if any.
- (b) The sum attributable to that portion of the award constituting LESSEE's relocation costs, if included in the award.
- (c) Any special damages, which by their nature are awardable only to the LESSEE and would not, under any circumstances or under any provision of this LEASE, be awarded to LESSOR.
- 23. **SURRENDER OF PREMISES**. Upon expiration or earlier termination of this LEASE, LESSEE shall return the PREMISES to the LESSOR in the same condition as the PREMISES were at the commencement of this LEASE, ordinary wear and tear excepted. Upon expiration or earlier termination of this LEASE, all fixtures equipment, and improvements attached to or built into the PREMISES by LESSEE, at its cost and expense, shall be and remain the property of LESSOR. LESSEE shall repair or pay the costs of repairing any damage to the PREMISES resulting from not retuning the PREMISES in the same condition as it was at the commencement of this LEASE.
- 24. **EXECUTION OF ESTOPPEL CERTIFICATE.** At any time and from time to time upon the written request of LESSOR or any mortgagee, LESSEE within fifteen (15) days of the date of such written request, agrees to execute and deliver to the LESSOR

and/or such mortgagee, without charge and in a form satisfactory to LESSOR and/or mortgagee, a written statement:

- (a) Ratifying this LEASE.
- (b) Confirming the commencement and expiration dates of the term of this LEASE.
- (c) Certifying that LESSEE is in occupancy of the demised PREMISES, and that LEASE is in full force and affect and has not been modified, assigned, supplemented or amended except by such writings as shall be stated.
- (d) Certifying that all conditions and agreements under this LEASE to be satisfied or performed by LESSOR have been satisfied or performed except as shall be stated.
- (e) Certifying that LESSOR is not in default under the LEASE and there are no defenses or offsets against the enforcement of this LEASE by LESSOR, or stating the defaults and/or defenses claimed by LESSEE.
- (f) Reciting the amount of advance RENT, if any, paid by LESSEE and the date to which such RENT has been paid.
- (g) Reciting the amount of security deposited with LESSOR, if any.
- (h) Any other information which LESSOR or the mortgagee shall require.
- 25. **EVENTS OF DEFAULT**. Any one or more of the following events shall constitute an "Event of Default":
 - (a) Failure of LESSOR to provide the services without disruption or interruption as stipulated in this LEASE.
 - (b) Failure of LESSOR to maintain the PREMISES in tenantable condition.
 - (c) Failure of LESSOR to provide peaceful and uninterrupted possession of the PREMISES by LESSEE.
 - (d) Failure of LESSOR to perform or observe any other LEASE obligations.

Facilities Manual Revised May 2012

- 26. **REMEDIES**. Upon the occurrence and during the continuance of an Event of Default, LESSEE may, after giving LESSOR thirty (30) days' written notice (during the thirty (30) day period, LESSOR shall have the opportunity to correct the event of default), exercise one or more of the following remedies:
 - (a) In the event of any breach of this LEASE by LESSEE, which shall not have been cured within thirty (30) days after LESSEE shall have received written notice of such breach, then LESSOR, besides other rights or remedies it may have, shall have the immediate right of reentry. Should LESSOR elect or reenter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this LEASE, let the PREMISES or any part thereof for the account of LESSEE for such term or terms and at such rental or rentals upon such other conditions as LESSOR in its own discretion may deem advisable. Rentals received from such letting shall be applied; first, to the payment of any indebtedness, other than RENT, due hereunder from LESSEE to LESSOR; second, to the payment of RENT due and unpaid hereunder; and third, to the payment of any cost of such reletting. Should such rentals received from such reletting during any month be less than that agreed to be paid during that month by LESSEE hereunder, the LESSEE shall pay such deficiency to LESSOR. Such deficiency shall be calculated and paid monthly.
 - (b) If any default shall occur, other than in the payment of RENT, which cannot with due diligence be cured within a period of thirty (30) days, and LESSEE, prior to the expiration of thirty (30) days after receiving no notice from LESSOR, commences to eliminate the cause of such default and proceeds diligently and with reasonable dispatch to take all steps and to all work required to cure such default, and

- through such effort the default is cured, then LESSOR shall not have the right to declare the said term ended by reason of such default.
- (c) If LESSOR defaults in the performance of any substantial term, covenant or condition required to be performed by it under this LEASE, LESSEE may terminate this LEASE by giving at least thirty (30) days' notice to LESSOR of such intention, thereby terminating this LEASE on the date designated in such notice, unless LESSOR shall have cured such default prior to the expiration of the thirty (30) days period. However, if any default shall occur which cannot with due diligence be cured within a period thirty (30) days, and LESSOR, prior to the expiration of thirty (30) days, after receiving notice from LESSEE, commences to eliminate the cause of such default and proceeds diligently and with reasonable dispatch to take all steps and to do all work required to cure such default, and through such effort the default is cured, then LESSEE shall not have the right to declare the said term ended by reasons of such default.
- 27. **REMEDIES CUMULATIVE**. The rights and remedies provided by this LEASE are cumulative and the use of any one right or remedy by either Party shall not preclude or waive its rights to use any or all other remedies. Said rights and remedies are given in addition to any other rights the Parties may have by law, statute, ordinance or otherwise.
- 28. **REGULATIONS.** With full understanding by LESSOR of the intended use of the PREMISES by LESSEE, LESSOR agrees to make the PREMISES conform to all governmental zoning and occupancy rules and regulations and be approved by the Department of Labor and Industry, in addition to any other local, state, federal or governmental agencies having jurisdiction for regulations covering occupancy, fire and panic, toilet rooms, safety, chemical or other codes pertaining to the property.

LESSOR, at its sole expense, shall promptly take action to comply with changes in any code or regulation requirements when such changes occur in local, state or federal codes or regulations during the term of the LEASE and any renewal thereof. If such changes result from the use of the PREMISES by LESSEE, LESSEE shall reimburse LESSOR for the reasonable costs of compliance.

- 29. **VENDING.** The LESSEE reserves the right to install and operate vending machines on the PREMISES without any additional payment to LESSOR or any sharing of the income derived from the operation of the vending machines. LESSOR shall not install or operate any vending machines in the PREMISES unless requested by the LESSEE. If the PREMISES are located in a multi-tenant building, LESSOR may install vending machines in the common areas of the building.
- 30. **RECYCLING.** LESSOR will provide a collection system, to be pre-approved by the LESSEE, for the removal of recyclable materials from the PREMISES in compliance with local codes and ordinances, and Act 101 of 1988. LESSOR must provide suitable containers, dumpsters, etc., for collecting and storing recyclable materials in the PREMISES and on LESSOR's property. LESSOR will assume all costs related to the disposal and removal of recyclable materials unless LESSEE notifies LESSOR in writing of its intention to do so.
- 31. **OFFSET PROVISION.** LESSOR agrees that LESSEE may set off the amount of any state tax liability or other debt of LESSOR or its subsidiaries that is owed to the Commonwealth and not being contested on appeal against any payments due the LESSOR under this or any other contract with the Commonwealth.
- 32. **ASBESTOS.** LESSOR hereby agrees to strictly adhere to the provisions of Exhibit "C" to this LEASE. In addition, LESSOR further agrees to protect, indemnify and save harmless LESSEE from and against any and all liabilities, losses, damages, costs, expenses, cause of action, suits, claims, demands or judgments of any nature arising from any injuries to, or the death of any person growing out of or connected with the presence of asbestos in the PREMISES.

- 33. **NO ORAL MODIFICATION.** This LEASE may not be modified orally. Except as provided in this LEASE, all modifications must be by written amendment signed by both Parties.
- 34. **INTERPRETATION**. This LEASE shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania.
- 35. **COMPLIANCE WITH LAWS.** LESSOR agrees to comply with all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations and ordinances affecting the PREMISES.
- 36. **DISPUTES.** LESSOR must, within six (6) months after the cause of action accrues, file a written claim with PASSHE's Contracting Officer, for a determination. The claim shall state all grounds upon which LESSOR asserts a dispute exists. If the LESSOR fails to file a claim or files an untimely claim, the LESSOR is deemed to have waived its right to assert a claim in any forum.

PASSHE's Contracting Officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of LESSEE and the LESSOR. PASSHE's Contracting Officer shall send his/her written determination to LESSOR. If PASSHE's Contracting Officer fails to issue a final determination within 120 days (unless extended by consent of the Parties), the claim shall be deemed denied. The determination of PASSHE's Contracting Officer shall be the final order.

Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the Parties, whichever occurs first, LESSOR may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, LESSOR shall proceed diligently with the performance of the LEASE in a manner consistent with the

determination of PASSHE's Contracting Officer, and LESSEE shall compensate the LESSOR pursuant to the terms of the LEASE.

- approval of LESSEE, which approval shall not be unreasonably withheld. LESSEE shall have the right, with the written consent of the LESSOR to assign this LEASE, and any interests therein, or to sublet the PREMISES or any part thereof, or any right or privilege pertinent thereto, provided that such assignee or sub lessee agrees to be bound by this LEASE. LESSEE shall remain obligated for performance hereunder upon and after such subleasing of the PREMISES. Use of the PREMISES by another PASSHE University shall not be deemed a sublease or assignment and shall not require the consent or approval of LESSOR.
- 38. **BINDING SUCCESSOR AND ASSIGNS**. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective successors and assigns of the said Parties.

39. **CONTRACTOR INTEGRITY PROVISIONS.**

- (a) For purposes of this clause only, the words "confidential information," "consent," "Contractor," "financial interest," and "gratuity" shall have the following definitions:
 - 1) Confidential information means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Commonwealth.
 - 2) *Consent* means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual

terms, the Commonwealth shall be deemed to have consented by virtue of execution of this agreement.

3) *Contractor* means the individual or entity that has entered into the Contract with the Commonwealth, including directors, officers, partners, managers, key employees and owners of more than a 5% interest.

4) *Financial Interest* means:

- (a) Ownership of more than a 5% interest in any business; or
- (b) Holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.
- 5) Gratuity means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.
- (b) The Contractor shall maintain the highest standards of integrity in the performance of the Contract and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth.
- (c) The Contractor shall not disclose to others any confidential information gained by virtue of the Contract.
- (d) The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer,

- confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.
- (e) The LESSOR shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, give, or agree to promise to give anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Commonwealth.
- (f) Except with the consent of the Commonwealth, neither the Contractor nor anyone in privity with him or her shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under the Contract except as provided therein.
- (g) Except with the consent of the Commonwealth, the Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.
- (h) The Contractor, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.
- (i) The Contractor, by execution of the Contract and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that he or she has not violated any of these provisions.
- of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to the Contractor's integrity or responsibility, as those terms are defined by the Commonwealth's statutes, regulations, or management directives. Such information may include, but shall not be limited to, the Contractor's business or financial records, documents or files of any

- type or form which refers to or concern the Contract. Such information shall be retained by the Contractor for a period of three years beyond the termination of the Contract unless otherwise provided by law.
- (k) For violation of any of the above provisions, the Commonwealth may terminate this and any other agreement with the Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Contractor to complete performance hereunder, and debar and suspend the Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.
- 40. <u>NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE.</u> LESSOR shall comply with all applicable provisions of the state and federal constitution, laws, regulations and judicial orders pertaining to nondiscrimination/sexual harassment and equal employment opportunity, including the provisions of the Nondiscrimination/Sexual Harassment Clause that follows:
 - (a) In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the Lease Agreement or any contract or subcontract, LESSOR, each subcontractor, or any person acting on behalf of LESSOR or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
 - (b) Neither LESSOR nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee

- involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.
- (c) LESSOR and each subcontractor shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
- (d) LESSOR and each subcontractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contracts relates.
- (e) LESSOR and each subcontractor shall furnish all necessary employment documents and records and permit access to its books, records, and accounts by PASSHE's Contracting Officer and the Department of General Services' Bureau of Contract Administration and Business Development, for the purpose of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If the LESSOR or any subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the Contracting Officer or the Bureau of Contract Administration and Business Development.
- (f) LESSOR shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
- (g) The Commonwealth may cancel or terminate the LEASE and all money due or to become due under the LEASE may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the Commonwealth may proceed with debarment or suspension and may place LESSOR in the Contractor Responsibility File.

41. ACCESSIBILITY TO THE PREMISES BY INDIVIDUALS WITH DISABILITIES.

LESSOR shall be responsible for, and shall bear the financial burden for, ensuring that the PREMISES comply with the building accessibility requirements of the Americans with Disabilities Act and its Title II regulations as well as the Universal Accessibility Act (Act of September 1, 1965, P.L. 459, No. 235) and its implementing regulations. LESSOR's responsibilities shall include, but shall not be limited to, removal of any structural or communication barriers for accessibility to the PREMISES by individuals with disabilities and providing auxiliary aids and services as required. LESSEE shall only be responsible for providing program accessibility to individuals with disabilities unless alterations, improvements and additions to the PREMISES are required in order to provide program accessibility, in which case, LESSOR shall be responsible. LESSOR shall defend any suit or proceeding brought against LESSEE on account of any alleged violation of any federal or state statute or regulation relating to accessibility to buildings by individuals with disabilities. LESSOR shall indemnify and hold LESSEE harmless from any and all damages, costs and expenses, awarded therein against LESSEE.

LESSOR understands and agrees that pursuant to federal regulations promulgated under the authority of The Americans with Disabilities Act, 28 C.F.R. Section 35.101 et seq., no individual with a disability shall, on the basis of the disability, be excluded from participation in this LEASE or from activities provided for under this LEASE. As a condition of accepting and executing this LEASE, LESSOR agrees to comply with the "General Prohibitions Against Discrimination" 28 C.F.R. Section 35.130, and all other regulations promulgated under Title II of The Americans with Disabilities Act which are applicable to the benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors and lessors.

The LESSOR shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the LESSOR'S failure to comply with the provisions of this Paragraph.

- 42. **CONTRACTOR RESPONSIBILITY PROVISIONS.** For the purpose of these provisions, the term Contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, lessor, grantee, or sub grantee, who has furnished or seeks to furnish goods, supplies, services, or leased space, or who has performed or seeks to perform construction activity under leases, contracts, subcontracts, grants, or sub-grants with the Commonwealth, or with a person under lease, contract, subcontract, grant, or subgrant with the Commonwealth or its state affiliated entities, and state-related institutions. The term Contractor may include a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other entity of the Commonwealth.
 - (a) The LESSOR certifies for itself and all its contractors and subcontractors, that as of the date of its execution of this LEASE, that neither the LESSOR, nor any contractors or subcontractors, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the LESSOR cannot so certify, a written explanation of why such certification cannot be made will be provided.
 - (b) The LESSOR also certifies that as of the date of its execution of this LEASE that it has no tax liabilities or other Commonwealth obligations.
 - (c) The LESSOR's obligations pursuant to these provisions are ongoing from and after the effective date of the LEASE through the termination date thereof. Accordingly, the LESSOR shall have an obligation to inform the LESSEE if, at any time during the term of the LEASE, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its contractors or subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
 - (d) The failure of the LESSOR to notify the LESSEE of its suspension or debarment by the Commonwealth, any other state, or the federal

- government shall constitute an event of default of the LEASE with the Commonwealth.
- (e) The LESSOR agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the LESSOR's compliance with the terms of this or any other agreement between the LESSOR and the Commonwealth, which results in the suspension or debarment of the LESSOR. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The LESSOR shall not be responsible for investigative costs for investigations that do not result in the LESSOR's suspension or debarment.
- (f) The LESSOR may obtain the current list of suspended and debarred Commonwealth contractors by either searching the internet at: http://www.portal.state.pa.us/portal/server.pt?open=512&objID=1230 &mode=2&cached=true or contacting:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, Pennsylvania 17125
Telephone No. (717) 783-6472
Fax No. (717) 787-9138

All Contractors (if a corporate entity both signatories to this LEASE must execute) with the Commonwealth shall sign the certification below:

Contractor Responsibility Certification

I certify that I, the Contractor (LESSOR) identified herein, am not currently debarred or suspended by the Commonwealth of Pennsylvania, and am eligible to contract with the

Commonwealth of Pennsylvania for the goods and/or services contained in this contract			act
(LEASE).			
Contractor/LESSOR	Title		
Date	_		
Contractor/LESSOR	Title		

ALL PARTIES WHO SIGN THIS LEASE ON BEHALF OF THE CONTRACTOR/LESSOR MUST SIGN THE STATEMENT ABOVE.

43. RIGHT TO KNOW LAW REQUIREMENTS ("RTKL").

Date

- (a) The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, applies to this LEASE.
- (b) If the LESSEE needs the LESSOR'S assistance in any matter arising out of the RTKL related to this LEASE, it shall notify the LESSOR using the contact information provided in this LEASE. The LESSOR, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the LESSEE.
- (c) Upon written notification from the LESSEE that it requires the LESSOR's assistance in responding to a request under the RTKL for information in the LESSOR's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), the LESSOR shall: (i) provide the LESSEE, within ten (10) calendar days after receipt of written notification, access to, and copies of, any

- document or information in the LESSOR's possession arising out of this LEASE that the LESSEE reasonably believes is Requested Information and may be a public record under the RTKL; and (ii) provide such other assistance as the LESSEE may reasonable request, in order to comply with the RTKL with respect to this LEASE.
- (d) If the LESSOR considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the LESSOR considers exempt from production under the RTKL, the LESSOR must notify the LESSEE and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the LESSOR explaining why the requested material is exempt from public disclosure under the RTKL.
- (e) The LESSEE will rely upon the written statement from the LESSOR in denying a RTKL request for the Requested Information unless the LESSEE determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the LESSEE determine that the Requested Information is clearly not exempt from disclosure, the LESSOR shall provide the Requested Information within five (5) business days of receipt of written notification of the LESSEE'S determination.
- (f) If the LESSOR fails to provide the Requested Information within the time period required by these provisions, the LESSOR shall indemnify and hold the LESSEE harmless for any damages, penalties, costs, detriment or harm that the LESSEE may incur as a result of the LESSOR'S failure, including any statutory damages assessed against the LESSEE.
- (g) The LESSEE will reimburse the LESSOR for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.

- (h) The LESSOR may file a legal challenge to any LESSEE decision to release a record to the public with PASSHE's Office of Open Records, or in the Pennsylvania Courts, however, the LESSOR shall indemnify the LESSEE for any legal expenses incurred by the LESSEE as a result of such a challenge and shall hold the LESSEE harmless for any damages, penalties, costs, detriment or harm that the LESSEE may incur as a result of the LESSOR'S failure, including any statutory damages assessed against the LESSEE, regardless of the outcome of such legal challenge. As between the Parties, the LESSOR agrees to waive all rights or remedies that may be available to it as a result of the LESSEE's disclosure of Requested Information pursuant to the RTKL.
- (i) The LESSOR's duties relating to the RTKL are continuing duties that survive the expiration of this LEASE and shall continue as long as the LESSOR has Requested Information in its possession.
- 45. **EXHIBITS AND ADDENDA PART OF LEASE.** Included in and made a part of this LEASE, whether or not referred to in the body of this LEASE and with the same force and effect as though fully set forth hereto are Exhibits "A" through "C".

- 46. **WHOLE AGREEMENT.** This LEASE constitutes the sole and only agreement of the Parties hereto and supersedes any prior understanding or written oral agreements between the Parties with respect to the subject matter listed herein.
- 47. **GOVERNING LAW**. The construction of this LEASE and the rights and remedies of the Parties hereto, shall be governed by the laws of the Commonwealth of Pennsylvania.
- 48. **EXECUTION DATE.** LESSOR acknowledges that this LEASE is subject to approval by the Office of General Counsel and the Office of Attorney General, and that until the properly signed, executed, and approved LEASE is sent to the LESSOR, this LEASE will not be valid or binding. The Execution Date of this LEASE ("EXECUTION DATE") shall be the date when the LEASE is signed by the Office of Attorney General after all other approvals have been obtained, which date shall be entered on the appropriate line of the first page of this LEASE.

IN WITNESS WHEREOF, the Parties hereto have duly executed these presents, and intend to be legally bound thereby, the day and year first above written.

ATTEST:	
FOR THE LESSOR:	FOR THE LESSEE:
Individual or Partner (if Contractor Is an individual or partnership)	Vice Chancellor Administration & Finance or Designee
Title	APPROVED AS TO FISCAL RESPONSIBILITY, BUDGETARY APPROPRIATENESS AND AVAILABILITY OF FUNDS
President or Vice President of Corporate Contractor	Comptroller

(Circle Title)	APPROVED AS TO FORM AND LEGALITY
Secretary or Treasure of Corporate	
Contractor (Circle Title)	University Legal Counsel
	Deputy Attorney General

Note regarding signatures above. If a corporation, two signatures are required, one being the President or Vice President, the second being the Secretary or Treasurer. Signatory authority of either signatures can be delegated provided there is a certified Board resolution presented with this contract.

ALL SIGNATORIES ON BEHALF OF CONTRACTOR MUST EXECUTE CONTRACTOR RESPONSIBILITY CERTIFICATION IN PARAGRAPH 43(f) OF THIS CONTRACT.