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**STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
OFFICE OF THE COMMISSIONER**

172 Pembroke Road, Concord, New Hampshire 03301
Phone: 271-2411 Fax: 271-2629
TDD ACCESS: Relay NH 1-800-735-2964

147A

June 5, 2023

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Natural and Cultural Resources (Department) to enter into a **Sole Source** amendment of an existing Lease Agreement with McCarthy Properties (VC #174409 (R001)), West Wareham, MA, by increasing the total price limitation by \$617,095.34 from \$3,830,371.68 to \$4,447,467.02, with no change to the original lease end date, and by increasing the total square footage occupied by 4,347 from 25,217 to 29,564 square feet of office space for the Department's headquarters located at 172 Pembroke Road in Concord, New Hampshire, effective upon Governor and Council approval through September 30, 2032. The original Lease Agreement was approved by Governor and Council on September 21, 2022, Item #78. 15% Federal Funds, 85% General Funds.

Funds are anticipated to be available in future Fiscal Years 2024 through 2033, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, if needed and justified.

03-035-035-350010-34000000, Administration

State FY	Class-Account	Class Title	Previously Approved Amount	Requested Action	New Total Amount per Fiscal year
2023	022-500248	Rent to Owners Non-State Space	\$250,593.93	\$0.00	\$250,593.93
2024	022-500248	Rent to Owners Non-State Space	\$341,643.03	\$58,893.70	\$400,536.73
2025	022-500248	Rent to Owners Non-State Space	\$351,892.38	\$60,660.51	\$412,552.89
2026	022-500248	Rent to Owners Non-State Space	\$362,449.14	\$62,480.33	\$424,929.47
2027	022-500248	Rent to Owners Non-State Space	\$373,322.61	\$64,354.74	\$437,677.35
2028	022-500248	Rent to Owners Non-State Space	\$384,522.27	\$66,285.38	\$450,807.65
2029	022-500248	Rent to Owners Non-State Space	\$396,057.96	\$68,273.94	\$464,331.90
2030	022-500248	Rent to Owners Non-State Space	\$407,939.73	\$70,322.16	\$478,261.89
2031	022-500248	Rent to Owners Non-State Space	\$420,177.93	\$72,431.82	\$492,609.75
2032	022-500248	Rent to Owners Non-State Space	\$432,783.27	\$74,604.78	\$507,388.05
2033	022-500248	Rent to Owners Non-State Space	\$108,989.43	\$18,788.00	\$127,777.43
		Total:	\$3,830,371.68	\$617,095.34	\$4,447,467.02

EXPLANATION

In September 2022, the Department received approval for renewal of a 10-year lease for 25,217 square feet of office space at its 172 Pembroke Road location. This request is **Sole Source** because the Department is seeking to occupy an additional amount of 4,347 square feet of office space at its same location.

Starting July 1, 2023, the Department will be transitioning the Division of Historical Resources and the Division of Arts from their current location at 19 Pillsbury Street to 172 Pembroke Road. This action will significantly reduce appropriations needed for occupancy costs as an expense transfer to General Services at an estimated savings to the division budgets of over \$500,000 over the life of the lease. Additionally, this action will complete the consolidation of the remaining Department divisions that were still residing separately at 19 Pillsbury Street since the Department of Cultural Resources (DCR) and the Department of Resources and Economic Development (DRED) were reconstituted as the new Department of Natural and Cultural Resources.

McCarthy Properties has agreed to extend the same pricing already agreed upon in the September 2022 lease renewal to be applied to the newly acquired space.

The Attorney General's Office has reviewed and approved this lease amendment as to form, substance, and execution.

Respectfully submitted,

A handwritten signature in black ink that reads "Sarah L. Stewart". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Sarah L. Stewart
Commissioner

AMENDMENT TO P-44 LEASE AGREEMENT

This Agreement (the "Amendment") is dated June 7, 2023 and is by and between the State of New Hampshire acting by and through the Department of Natural and Cultural Resources, (the "Tenant") and Gerald P. McCarthy Properties (the "Landlord"), PO Box 100, West Wareham, MA 02575.

Whereas, pursuant to the current Lease Agreement (hereinafter called the "Agreement") for 25,217 square feet of space (the "Premises") located at 172 Pembroke Road in Concord, New Hampshire, for which a 10-year agreement was approved by G&C on September 21, 2022 (Item #78), the Landlord agreed to lease certain premises upon the terms and conditions specified in the current Agreement and in consideration of payment by the Tenant of certain sums specified therein; and

Whereas, Amendment of the current Agreement to provide 4,347 additional square feet of space will allow the Tenant to continue lawful payment of rent and occupancy at the Premises and the Landlord is agreeable to providing such space;

NOW THEREFORE, in consideration of the foregoing and the covenants and conditions contained in the Agreement as set forth herein, the Landlord and Tenant hereby agree to amend the Agreement as follows:

1. Section **2. Demise of the Premises** is hereby amended to read:

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 call 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: 172 Pembroke Road in Concord, NH 03301

The demise of the premises consists of: Approximately 29,564 square feet

The Demise of this space shall be together with the right to use in common, with others entitled thereto, the hallways, and stairways 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.

2. **Exhibit A – Schedule of Payments, Part I** is hereby amended to read:

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*

Landlord Initials: GMe
Date: 6/2/23

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 Premises are comprised of approximately 29,564 square feet of space (as set forth in "Section 2" herein). These figures have been used to calculate the rental costs of the Premises set forth in the "Rental Schedule" below. The Tenant shall pay the monthly and annual costs set forth in the "Rental Schedule".

After the Effective Date of the Agreement forth in Section 3.1 herein the Landlord shall have until the date set forth for commencement of the "Occupancy Term" in Section 3.2 herein to complete construction of the Premises. Rental payments for the Premises shall commence upon the "Occupancy Term" and be in accordance with the "Rental Schedule" herein.

TEN (10) YEAR RENTAL SCHEDULE

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES (DNCR)
172 PEMBROKE RD, CONCORD, NH 03302
Amended Lease Agreement 10 Year Rent Payment Schedule

As Amended Starting July 1, 2023 (FY24-25)										
Year	Lease Period	Sq Ft Demise	Sq Ft Cost	Per Yr Increase	Monthly Rent	Total Yearly Rent	Added Sq Ft Demise	Added Yearly Rent	Total Sq Ft Demise as Amended	Total Yearly Rent as Amended
1a	10/1/22 to 6/30/23	25,217	\$ 13.25		\$ 20,682.83	\$ 250,593.93		\$	25,217	\$ 250,593.93
1b	7/1/23 to 9/30/23	25,217	\$ 13.25		\$ 6,960.94	\$ 83,531.31	4,347	\$ 14,399.44	29,564	\$ 97,930.75
2	10/1/23 to 9/30/24	25,217	\$ 13.65	3%	\$ 28,679.08	\$ 344,148.96	4,347	\$ 59,325.68	29,564	\$ 403,474.64
3	10/1/24 to 9/30/25	25,217	\$ 14.06	3%	\$ 29,539.46	\$ 354,473.52	4,347	\$ 61,105.45	29,564	\$ 415,578.97
4	10/1/25 to 9/30/26	25,217	\$ 14.48	3%	\$ 30,425.64	\$ 365,107.68	4,347	\$ 62,938.62	29,564	\$ 428,046.30
5	10/1/26 to 9/30/27	25,217	\$ 14.91	3%	\$ 31,338.41	\$ 376,060.92	4,347	\$ 64,826.78	29,564	\$ 440,887.70
6	10/1/27 to 9/30/28	25,217	\$ 15.36	3%	\$ 32,278.56	\$ 387,342.72	4,347	\$ 66,771.58	29,564	\$ 454,114.30
7	10/1/28 to 9/30/29	25,217	\$ 15.82	3%	\$ 33,246.92	\$ 398,963.04	4,347	\$ 68,774.73	29,564	\$ 467,737.77
8	10/1/29 to 9/30/30	25,217	\$ 16.30	3%	\$ 34,244.33	\$ 410,931.96	4,347	\$ 70,837.97	29,564	\$ 481,769.93
9	10/1/30 to 9/30/31	25,217	\$ 16.78	3%	\$ 35,271.66	\$ 423,259.92	4,347	\$ 72,963.11	29,564	\$ 496,223.03
10	10/1/31 to 9/30/32	25,217	\$ 17.29	3%	\$ 36,329.81	\$ 435,957.72	4,347	\$ 75,152.00	29,564	\$ 511,109.72
10 Year lease -> Grand Total						\$ 3,830,371.68		\$ 617,085.34		\$ 4,447,457.02

EFFECTIVE DATE OF THE AMENDMENT: This Amendment shall be effective upon its approval by the Governor and Council of the State of New Hampshire for the period of July 1, 2023 through September 30, 2032. If approval is withheld, this Amendment shall become null and void, with no further obligation or recourse to either party.

CONTINUANCE OF AGREEMENT: Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement and the obligations of the parties there under shall remain in full force and effect in accordance with the terms and conditions set forth therein.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS)

Landlord Initials: *DMC*
Date: *6/2/23*

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

FOR THE TENANT:

Department of Natural and Cultural Resources



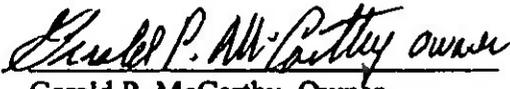
Sarah L. Stewart, Commissioner

6/7/2023

Date

FOR THE LANDLORD:

Gerald P. McCarthy Properties



Gerald P. McCarthy, Owner

6/2/23

Date

Approved as to Form, Substance and Execution:



Sheri L. Phillips
Asst. Attorney General

6/16/2023

Date

Approved by the NH Governor and Executive Council:

Item # _____ on _____, 2023

Landlord Initials: 
Date: 6/2/23

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

FROM: Karen L. Rantamaki, Director
Department of Administrative Services
Division of Plant and Property

DATE: June 15, 2023

SUBJECT: Attached Lease Amendment
Approval respectfully requested

TO: His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

LESSEE: Department of Natural and Cultural Resources; 172 Pembroke Road, Concord, NH 03301

LESSOR: Gerald P. McCarthy Properties, PO Box 100, West Wareham, MA, 02576

DESCRIPTION: Approval of the enclosed amendment will authorize adding 4,347 SF of office space to the existing lease of property located at 172 Pembroke Road, Concord, NH 03301. The total rented area will change from 25,217 SF to 29,564 SF. The term of the lease remains the same.

TERM: 10 years – commencing October 1, 2022, and ending September 30, 2032.

RENT: Monthly rent is \$32,643.58 for the first 3 mos. at a rate of \$13.25 per square foot. The rental rate increases 3% each year for the remaining 9 years. The added square footage increases the total lease rate by \$617,095.34 over the term of the lease. New total for 10-year term is \$4,447,467.02.

JANITORIAL & RECYCLING: Additional - not included in rent – estimated as \$25,000.00/year for janitorial.

UTILITIES: Utilities are included in the lease.

PARKING: Parking is included in the lease.

TOTAL TERM COST: \$4,691,967.02

PUBLIC NOTICE: A waiver was originally granted due to the Agency already occupying the space.

CLEAN AIR PROVISIONS: Clean air testing will be scheduled upon approval of the lease agreement.

BARRIER-FREE DESIGN COMMITTEE: The ABFD-Committee issued a Letter of Opinion indicating that the location meets barrier free requirements.

OTHER: Approval of the enclosed agreement is recommended.

The enclosed contract complies with the State of New Hampshire, Division of Plant and Property rules and has been reviewed and approved by the Department of Justice.

Approved by: Department of Administrative Services



Karen L. Rantamaki, Director, Plant & Property



NH Governor's Commission on Disability
Christopher T. Sununu, Governor
Paul Van Blarigan, Chair
Charles J. Saia, Executive Director

To: State of NH Department of Natural and Cultural Resources
From: Architectural Barrier Free Design Committee
Date: June 20, 2023
Re: LETTER OF OPINION
Pursuant to the New Hampshire Code of Administrative Rules, ADM 610.16 (e) (3)

Location: 172 Pembroke Road, Concord, NH 03301, and as more particularly described in the proposed amendment to the existing and previously approved lease.
Term: 10 Years; October 1, 2022 through September 30, 2032 (amended to include the additional square footage described herein).
Lessee: State of NH Department of Natural and Cultural Resources
Lessor: Gerald P. McCarthy Properties, P.O. Box 100, West Wareham, MA 02576

In accordance with the New Hampshire Code of Administrative Rules, codified in Adm. 610.16 (e) (3), the Governor's Commission on Disability's (GCD) Architectural Barrier Free-Design Committee (ABFDC) has opined that the location referenced above and referred to herein, meets or will meet barrier free requirements, subject to the completion of the conditions listed below. The subject lease was reviewed during the ABFDC's **June 20, 2023** meeting.

This Letter of Opinion, pursuant to ADM 610.16 (e) (3), the Administrative Rules of the Department of Administrative Services is issued with the following conditions, if any, as referenced in EXHIBIT A and EXHIBIT B, and is subject to the limitations stated herein.

Upon completion, all renovations specified in the Lease agreement any supportive Design-Build Specifications and drawings or sketches; including but not limited to EXHIBIT B, and parking schematics; demonstrated at the ABFDC meeting on **June 20, 2023**, must comply with the provisions set forth in this letter and with the applicable New Hampshire Code for Barrier-Free Design. Although no comment or opinion is expressed regarding the New Hampshire State Building Code and the New Hampshire State Fire Code, and/or any other code; it is highly recommended, when applicable, relevant documentation be submitted to the local or State authority having jurisdiction, for any necessary approvals.

The Governor's Commission on Disability and/or the Architectural Barrier Free Design Committee cannot survey all state leased properties for compliance with the New Hampshire Code for Barrier Free Design or for compliance with the conditions stated in this Letter of Opinion. However, as a safeguard for the State of New Hampshire, for the citizens of New Hampshire, and to ensure access for persons with

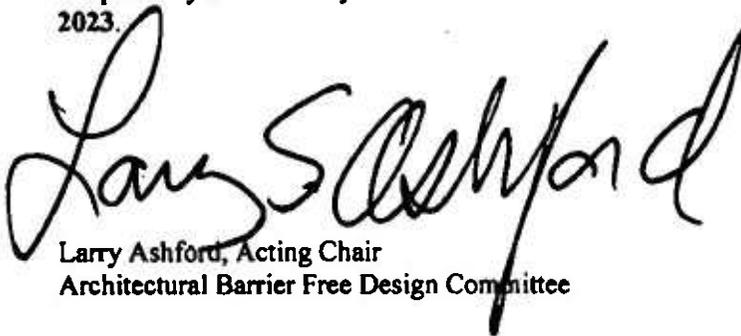
disabilities; random site visits may be performed on an as needed basis for compliance regarding accessibility.

A representative for the Lessee or a designee of the Lessee must provide to the Governor's Commission on Disability proof of completion via photographs, invoices, or as outlined above, or as outlined in the exhibits, for the items listed therein, and shall certify to the Governor's Commission on Disability that the conditions outlined herein and as set forth in the Lease Agreement and related attachments have been satisfied. Should the Lessee not comply with the provisions of the Code for Barrier Free Design or the accessibility standards, or default on the completion of conditions; the Lessee, will rectify immediately after due notification by the Governor's Commission on Disability or the Architectural Barrier Free Design Committee.

The Lessee, a representative for the Lessee, or a designee for the Lessee agrees that should the term of the proposed lease be extended, the Lessee will contact and state to the Governor's Commission on Disability that there have been no material changes to the property, and that all conditions issued by the Architectural Barrier Free Design Committee, have been complied with. If the Lessee is not able to render such a statement or if any of the previously issued conditions have not been met, then the extension to the lease may need to be presented to the Governor's Commission on Disability for review and recommendation.

This Letter of Opinion is based upon a review of all provided documentation regarding the premises, and this Letter of Opinion is based on the assurances of the Lessee for compliance therein. Future review of existing and new documentation, as well as, future physical site visits may be conducted at the discretion of the Governor's Commission on Disability and/or the Architectural Barrier Free Design Committee.

Respectfully submitted by the Architectural Barrier-Free Design Committee on this 20th day of June, 2023.



Larry Ashford, Acting Chair
Architectural Barrier Free Design Committee

Cc: Charles J. Saia, Executive Director

EXHIBIT A - CONDITIONS:

1. Agency will ensure all posted signs (including the previously approved lease and the current proposed amendment to the lease) are code compliant with the 2010 ADA Standards for Accessible Design section 703.3 and submit proof of completion via photographs to the GCD for review by August 31, 2023.
2. Agency will install faucets that are code compliant with the 2010 ADA Standards for Accessible Design section 606.4 and submit proof of completion via photographs to the GCD for review by August 31, 2023.
3. Lessee will ensure that, when necessary, code-conforming assistive listening systems are available in all places of assembly (including the previously approved lease and the current proposed amendment to the lease) as required by the 2010 ADA Standards for Accessible Design, section 216.10.
4. Lessee will ensure that all design and construction adheres to all current state and federal accessibility codes. If a deficiency is identified, the Lessee will notify the Governor's Commission on Disability of the deficiency and the Lessee's planned remedy within 5 days of its identification.
5. Lessee will fully complete and submit a current and GCD-approved ADA Checklist for Existing Facilities with photographs and applicable documentation every (10) ten years, if Lessee still occupies the location, or sooner if lease is renewed, newly executed, or if construction or renovations are undertaken in any manner. On a case by case basis, and at the discretion of the Governor's Commission on Disability, Lessee may postpone completion of the ADA Checklist for Existing Facilities.
6. At the discretion of the Governor's Commission on Disability, a site visit will be performed to review for accessibility and report if needed to the Architectural Barrier Free Design Committee. Site visit will be scheduled with the Lessee at a mutually agreed upon date and time. If any deficiencies are identified, the Lessee agrees to work with the Governor's Commission on Disability to come to an agreed-upon remedy. If disagreement exists, the Lessee may need to appear before the Architectural Barrier Free Design Committee for final determination.

EXHIBIT B

NONE

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that GERALD P. MCCARTHY PROPERTIES is a New Hampshire Trade Name registered to transact business in New Hampshire on April 03, 1987. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 112413

Certificate Number: 0006239092



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 31st day of May A.D. 2023.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan
Secretary of State

Sole Proprietor Certification of Authority

I, GERALD P. Mc CARTHY hereby certify that I am the Sole Proprietor
of GERALD P. Mc CARTHY PROPERTIES which is a tradename registered with the Secretary of State
(Name)
(Name of Business)
under RSA 349. I certify that I am the sole owner of my business and tradename.

I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence the person listed above currently occupies the position indicated and they have full authority to bind the business. This authority **shall remain valid for thirty (30) days** from the date of this Certificate of Authority.

DATED: 6/2/83

ATTEST: Gerald P. Mc Carthy owner
(Name & Title)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/31/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Brown & Brown of New Hampshire, Inc. 309 Daniel Webster Highway Merrimack NH 03054		CONTACT NAME: Paula Kathios ACSR PHONE (AC, No. Ext): (603) 424-8901 FAX (AC, No.): (603) 848-1223 EMAIL ADDRESS: Paula.Kathios@bbbrown.com	
INSURED Gerald P. McCarthy P O Box 100 West Wareham MA 02576		INSURER(S) AFFORDING COVERAGE INSURER A: AmGUARD Insurance Company NAIC # 42390 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES * CERTIFICATE NUMBER: 23-24 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

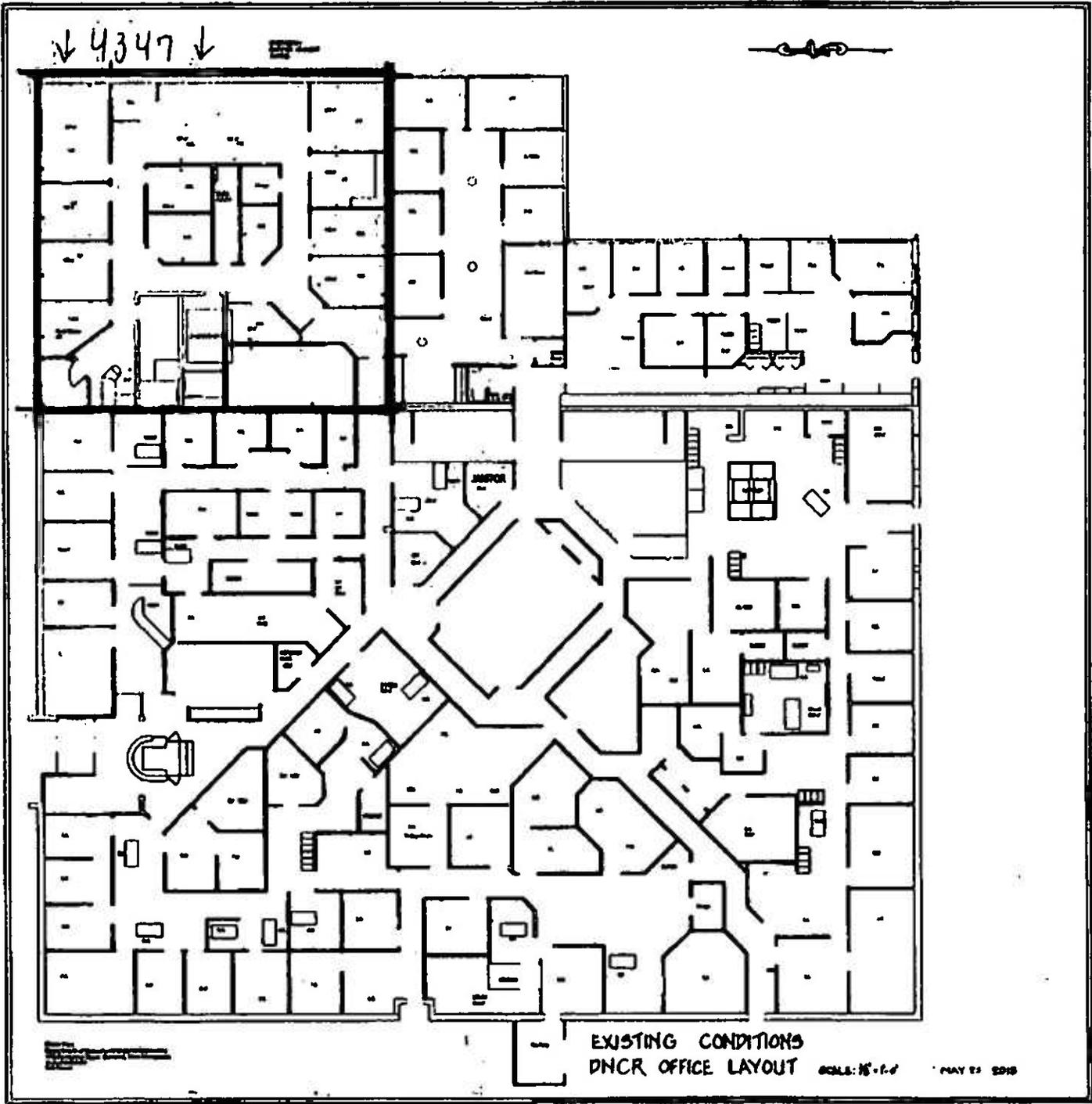
WBR LTR	TYPE OF INSURANCE	ADDITIONAL INFO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HERED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE OED: RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y	GEWC442126	05/31/2023	05/31/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 991, Additional Remarks Schedule, may be attached if more space is required)

Excluded from Workers Compensation coverages: Gerald P McCarthy

CERTIFICATE HOLDER Department of Natural and Cultural Resources 172 Pembroke Rd Concord NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>John Blawie</i>
--	--

↓ 4347 ↓



EXISTING CONDITIONS
DNCR OFFICE LAYOUT SCALE: 1/8" = 1'-0" MAY 21 2018



STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
OFFICE OF THE COMMISSIONER

172 Pembroke Road, Concord, New Hampshire 03301

Phone: 271-2411 Fax: 271-2629

TDD ACCESS: Relay NH 1-800-735-2964

September 7, 2022

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Natural and Cultural Resources to enter into a ten-year Lease Agreement with McCarthy Properties (VC #174409 (R001)), West Wareham, MA, for an amount not to exceed \$3,830,371.68 for 25,217 square feet of building office space for the Department's headquarters located at 172 Pembroke Road in Concord, New Hampshire effective upon Governor and Council approval for the period October 1, 2022 through September 30, 2032. 100% General Funds.

Funds are available in the following account for Fiscal Year 2023 and are anticipated to be available in future fiscal years, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, if needed and justified.

03-035-035-350010-34000000, Administration:

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2033	022-500248	Rent to Owners Non-State Space	\$108,989.43
		Total:	\$3,830,371.68

EXPLANATION

Our current lease expires September 30, 2022. Although we entertained the idea of moving to a new space, consideration of building fit-up costs and various other costs associated with relocating determined it to be more cost effective for the Department to stay in its current space. To that end, we requested and did receive a waiver from the public notice requirement for leased space pursuant to N.H. Admin. Rules, Adm 610.01 (b), Exemptions and Waivers from Public" Notice Requirements.

Currently in our thirty-second year at this location, the Department has been satisfied with these premises and the cooperation received from McCarthy Properties.

The Department seeks to occupy 25,217 square feet of office space at this location. With current budget restraints and knowing that costs remain lower the longer the lease period, negotiations with McCarthy Properties focused on a rate per square foot for a 10-year lease versus a 7-year and 5-year standard lease in order to achieve cost savings. Selection of the 10-year long term lease offers a starting rate of \$13.25 per square foot in the first year with an increase of 3% per year which over the term of the lease, will provide the Department with an overall savings of approximately \$216,813 versus a 7-year lease term at a starting rate of \$14 per square foot and \$361,355 versus a 5-year lease term at a starting rate of \$14.50 per square foot both also with a 3% yearly rate increase for the term of the lease. Attached for your review and information is a cost comparison of the 10-year lease versus the 7-year and 5-year leases.

In accordance with RSA 4:39-b, the Department must receive approval by the Long-Range Capital Planning and Utilization Committee to enter into any lease agreement over 5 years. Therefore, this 10-year lease agreement has been submitted to the Committee and is contingent upon their approval at their meeting on September 19, 2022.

The Attorney General's Office has reviewed and approved this lease agreement as to form, substance and execution.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sarah L. Stewart". The signature is written in a cursive style and is positioned above a horizontal line.

Sarah L. Stewart
Commissioner

STATE OF NEW HAMPSHIRE
 DEPARTMENT OF NATURAL AND CULTURAL RESOURCES (DNCR)
 172 PEMBERGEE RD, CONCORD, NH 03302
 Lease Expense Term Cost Comparison Analysis

Year	Lease Period	Sq Ft Denotes	5 Yr Lease Computation			7 Yr Lease Computation			10 Yr Lease Computation			10 Year Savings (7 Yr v 5 Yr lease rates)		
			Sq Ft Cost	Per Yr Increase	Monthly Rent	Total Rent	Sq Ft Cost	Per Yr Increase	Monthly Rent	Total Rent	Sq Ft Cost		Per Yr Increase	Monthly Rent
1	10/1/22 to 9/30/23	25,217	\$ 14.50		\$ 362,970.54	\$ 365,648.49	\$ 14.00	\$ 29,419.83	\$ 353,037.96	\$ 13.25	\$ 27,843.77	\$ 384,125.24	\$ 31,521.24	\$ 18,912.72
2	10/1/23 to 9/30/24	25,217	\$ 14.94	3%	\$ 31,384.66	\$ 376,615.92	\$ 14.42	\$ 30,302.43	\$ 383,629.16	\$ 13.65	\$ 28,679.08	\$ 344,148.96	\$ 32,466.96	\$ 19,480.20
3	10/1/24 to 9/30/25	25,217	\$ 15.38	3%	\$ 32,326.20	\$ 387,914.40	\$ 14.85	\$ 31,211.50	\$ 374,538.00	\$ 14.08	\$ 29,539.46	\$ 354,473.52	\$ 33,440.88	\$ 20,064.48
4	10/1/25 to 9/30/26	25,217	\$ 15.84	3%	\$ 33,295.98	\$ 399,551.76	\$ 15.30	\$ 32,147.85	\$ 385,774.20	\$ 14.48	\$ 30,425.64	\$ 365,107.68	\$ 34,444.08	\$ 20,666.52
5	10/1/26 to 9/30/27	25,217	\$ 16.32	3%	\$ 34,294.86	\$ 411,538.32	\$ 15.76	\$ 33,112.28	\$ 397,347.36	\$ 14.91	\$ 31,338.41	\$ 376,060.92	\$ 35,477.40	\$ 21,284.44
6	10/1/27 to 9/30/28	25,217	\$ 16.81	3%	\$ 35,323.71	\$ 423,884.52	\$ 16.23	\$ 34,105.65	\$ 409,267.80	\$ 15.36	\$ 32,278.56	\$ 387,342.72	\$ 36,541.80	\$ 21,925.08
7	10/1/28 to 9/30/29	25,217	\$ 17.31	3%	\$ 36,383.42	\$ 436,601.04	\$ 16.72	\$ 35,123.82	\$ 421,545.84	\$ 15.82	\$ 33,246.92	\$ 398,963.04	\$ 37,638.00	\$ 22,582.80
8	10/1/29 to 9/30/30	25,217	\$ 17.83	3%	\$ 37,474.92	\$ 449,699.04	\$ 17.22	\$ 36,182.68	\$ 434,132.16	\$ 16.30	\$ 34,244.33	\$ 410,933.96	\$ 38,767.08	\$ 23,260.20
9	10/1/30 to 9/30/31	25,217	\$ 18.37	3%	\$ 38,599.17	\$ 463,190.04	\$ 17.73	\$ 37,268.16	\$ 447,217.92	\$ 16.78	\$ 35,271.66	\$ 423,259.92	\$ 39,930.12	\$ 23,958.00
10	10/1/31 to 9/30/32	25,217	\$ 18.92	3%	\$ 39,757.15	\$ 477,095.80	\$ 18.27	\$ 38,386.21	\$ 460,634.52	\$ 17.29	\$ 36,329.81	\$ 435,957.72	\$ 41,178.08	\$ 24,676.80
10 Year lease to Grand Total					\$ 4,191,777.32	\$ 4,047,184.92								

STATE OF NEW HAMPSHIRE
DEPARTMENT OF ADMINISTRATIVE SERVICES
DIVISION OF PLANT AND PROPERTY
STANDARD LEASE AGREEMENT

1: Parties to the Lease:

This indenture of Lease is made this 1st day of October, by the following parties:

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

Name: Gerald P McCarthy Properties

(individual or corporate name)

State of Incorporation:

(if applicable)

Business Address: PO Box 100, West Wareham MA, 02576 (508)-228-0225

Street Address (principal place of business)

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 Natural and Cultural Resources

Address: 172 Pembroke Rd

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

Concord NH 03301 (603)-271-3727
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: 172 Pembroke Road, Concord NH 03301

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

City State Zip

The demise of the premises consists of approximately 25,217 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 1st day of October, in the year 2022, and ending on the 30th day of September, in the year 2032, unless sooner terminated in accordance with the Provisions hereof.

Landlord Initials: GM
Date: 8/19/22

3.2 **Occupancy Term:** Occupancy of the Premises and commencement of rentals payments shall be for a term (hereinafter called the "Term") of 10 year(s) commencing on the 1st day of October, in the year 2022, 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.

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) October 1, 2022

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: GA
Date: 8/19/22

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.

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.

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.

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

Landlord Initials: GM

Date: 8/19/82

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 office space for the Department of Natural and Cultural Resources

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

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 1st 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 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 1st of each year.

Landlord Initials: GM
Date: 8/19/22

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 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.

Landlord Initials: GM
Date: 8/11/22

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.

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.

Landlord Initials: cm
Date: 8/19/22

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: GN
Date: 8/19/22

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 his 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 of 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.

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

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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 statutes, 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 performed 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.

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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.

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: Robert Lonsdale

Title: Property Manager, McCarthy Properties

Address: 26 Sheep Davis Rd, Pembroke NH Phone: (603)-856-6407

Email Address: r.lonsdale@comcast.net

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: Leanne Lavoie

Title: Business Operations Supervisor

Address: 172 Pembroke Rd, Concord NH 03301 Phone: (603)-271-3727

Email Address: Leanne.m.lavoie@dncr.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 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

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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.

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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 Natural and Cultural Resources

Authorized by: (full name and title) Sarah L Stewart, Commissioner

Sarah Stewart

LANDLORD: (full name of corporation, LLC or individual) Gerald P McCarthy Properties

Authorized by: (full name and title) Gerald P. McCarthy owner

Signature

Print: GERALD P. MCCARTHY owner
Name & Title

NOTARY STATEMENT: As Notary Public and/or Justice of the Peace, REGISTERED IN THE STATE

OF: New Hampshire COUNTY OF: Merrimack

UPON THIS DATE (insert full date) August 19, 2022, appeared before

me (print full name of notary) Leanne M. Lavoie the undersigned officer personally

appeared (insert Landlord's signature) Gerald P. McCarthy

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

Owner of Gerald P. McCarthy Properties 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)

Leanne M. Lavoie

LEANNE M. LAVOIE, Notary Public
My Commission Expires September 27, 2022

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: 9/1/2022

Approving Attorney: *[Signature]*

Approved by the Governor and Executive Council:

Approval date: _____

Signature of the Deputy Secretary of State: _____

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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 Premises are comprised of approximately 25,217 square feet of space (as set forth in "Section 2" herein). These figures have been used to calculate the rental costs of the Premises set forth in the "Rental Schedule" below. The Tenant shall pay the monthly and annual costs set forth in the "Rental Schedule".

After the Effective Date of the Agreement forth in Section 3.1 herein the Landlord shall have until the date set forth for commencement of the "Occupancy Term" in Section 3.2 herein to complete construction of the Premises. Rental payments for the Premises shall commence upon the "Occupancy Term" and be in accordance with the "Rental Schedule" herein.

TEN (10) YEAR RENTAL SCHEDULE

Year	Lease Period	Sq Ft Cost	Per Yr Increase	Monthly Rent	Total Rent
1	10/1/22 to 9/30/23	\$13.25		\$27,843.77	\$334,125.24
2	10/1/23 to 9/30/24	\$13.65	3%	\$28,679.08	\$344,148.96
3	10/1/24 to 9/30/25	\$14.06	3%	\$29,539.46	\$354,473.52
4	10/1/25 to 9/30/26	\$14.48	3%	\$30,425.64	\$365,107.68
5	10/1/26 to 9/30/27	\$14.91	3%	\$31,338.41	\$376,060.92
6	10/1/27 to 9/30/28	\$15.36	3%	\$32,278.56	\$387,342.72
7	10/1/28 to 9/30/29	\$15.82	3%	\$33,246.92	\$398,963.04
8	10/1/29 to 9/30/30	\$16.30	3%	\$34,244.33	\$410,931.96
9	10/1/30 to 9/30/31	\$16.78	3%	\$35,271.66	\$423,259.92
10	10/1/31 to 9/30/32	\$17.29	3%	\$36,329.81	\$435,957.72
10 Year lease => Grand Total					\$3,830,371.68

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.

Additional Payments: Additional payments may be made to the Landlord by the Tenant as unencumbered payments under this agreement for alterations, renovations and

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modifications to the subject premises, up to \$2,000.00 per event, not to exceed a maximum of \$10,000.00 per year, subject to the mutual agreement of both the Landlord and the Tenant and without further approval of the Governor and Council for the duration of this lease agreement as indicated in Section 3.1 of the General Provisions.

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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 assume responsibility for and pay for all janitorial services to the Premises during the term herein.

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EXHIBIT C

Provisions for Architecturally Barrier - Free Accessibility, "Clean Air" compliance, Improvements, Recycling, and Energy Conservation follow:

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.

1. As set forth in the agreement herein all work provided to the Premises during renovations described in Part III herein shall conform to all applicable codes including but not limited to those pertaining to architecturally barrier-free accessibility. Such renovations shall also include any improvements specifically requested by the State of New Hampshire's Architectural Barrier-Free Design (AB) Committee in their "letter of opinion" which shall be attached herein.
2. Throughout the Term the Tenant shall assure the paths of travel required for barrier-free accessibility from the parking lot into public and staff entrances remain free of any obstacles such as cigarette disposal units, trash cans, planters, etc.
3. Upon inception of the Term, the Tenant shall provide and install a minimum of four (4) assistive listening devices in an open area at the lobby/reception area. All Staff will be trained/advised on location of these devices and their use, and extra batteries will be kept with each device. The intended use of the devices will be for the client conference room, fair hearing room, staff conference room and lobby/reception area. Additionally, code conforming signage advising clients that these devices are available will be provided and installed at the lobby/reception area, client conference room, fair hearing room and staff conference room.

Part II Air Testing Requirements - No later than thirty (30) days after the commencement of the Term herein the air quality of the Premises shall be tested in accordance with the requirements of the Agreement herein.

1. Definitions:
 - a) "Initial lease" means the lease of space within a building, executed on behalf of a state agency when no prior lease for the rental of that particular space by the agency exists.
 - b) "Office space" means an area within a building occupied for 4 or more hours each workday by one or more state employees whose primary functions include supervision, administration, clerical support, retail sales, or instruction. "Office space" does not include laboratories, vehicle repair facilities, machine shops, or medical treatment areas, and does not include any other areas where the department determines that the air quality contaminants created by the activity in the area are appropriately regulated by other state or federal authorities.
 - c) "Owner or operator" means the builder, seller, lessor, donor, or the donor's executor of a building, or portion of a building, which is leased, rented, sold or bequeathed to, or which will be or has been built for, the state for use as office space.
 - d) "Previously certified space" means an office space that was demonstrated to have passed the air quality tests subsequently described in this section when it was leased by the state for the first time.
 - e) "Renewal lease" means the agency's previous lease has expired and a new lease agreement for the same space has been agreed upon.

Landlord Initials: GM
Date: 8/19/02

- f) "Short-term lease" means a lease for any building area less than or equal to one year in duration.
 - g) "Small space" means any leased building area whose total net usable square footage is equal to or less than 1,000 square feet.
2. An owner or operator who is leasing office space to the state shall demonstrate compliance with the following clean air industry standards if the space is:
- a) A space not previously occupied by the State requiring complete testing as specified; or
 - b) A previously certified space subject to a renewal lease requiring modified testing; or
 - c) A small space or area within a building whose total net usable square footage is equal to or less than 1,000 square feet, occupied for less than four (4) hours each workday by one or more state employees, shall be exempt from clean air testing standards.
3. Required tests and indoor air standards:
- a) Sampling and Analysis - General:
 - i. Samples shall be collected by or under the direction of a certified industrial hygienist or an individual who is accredited by the American Board of Industrial Hygiene.
 - ii. Samples to be tested for asbestos and formaldehyde shall be analyzed by laboratories accredited by the American Industrial Hygiene Association.
 - b) Ventilation:
 - i. Standard: The ventilation requirement shall be a minimum of 20 cubic feet per minute (cfm) of fresh air per person occupying the space.
 - c) Noise Testing:
 - i. All state tenant noise sources turned off; such as printers and copiers; and
 - ii. Air handling systems in operation.
 - iii. Standard: Noise levels shall not exceed:

Frequency (Hz)	Noise Level (dBA)
63	67
125	60
250	54
500	49
1000	46
2000	44
4000	43
8000	42

- d) Radon Testing:
 - i. Standard: The maximum allowable concentration of radon shall be 4.0 picocuries of radon per liter of air.
 - ii. Radon testing shall be done on the lowest level that will be occupied as office space.
 - iii. If a passive radon monitoring device is used, duplicate samples shall be collected for every 2,000 square feet of office space.
 - iv. Radon testing devices shall be approved by the National Radon Safety Board (NRSB) or the national Environmental Health Association (NEHA) and analyzed by a laboratory accredited by the NRSB or certified by the NEHA.
 - v. Radon shall be measured in accordance with the NRSB or NEHA radon measurement protocol.
- e) Formaldehyde Testing:
 - i. Standard: The maximum allowable concentration of formaldehyde shall be 0.1 parts of formaldehyde per million parts of air.
- f) Asbestos Testing:
 - i. Standard: The maximum allowable concentration of asbestos shall be 0.1 fibers per cubic centimeter of air as determined by phase contrast optical microscopy, performed as described in

Landford Initials: SMC
 Date: 8/19/22

"Asbestos and Other Fibers by PCM: Method 7400, Issue 2" NIOSH Manual of Analytical Methods (NMAM) Fourth Edition, 8/15/94.

- ii. Office space that will be subject to a renewal lease shall be retested for asbestos except when the owner or operator can document that either:
 - The building or space has been previously certified as asbestos-free by the building contractor; or
 - The building or space has been inspected by an accredited asbestos inspector and determined to be asbestos-free.
- g) Carbon Dioxide Testing:
 - i. Standard: The maximum allowable concentration of carbon dioxide shall be:
 - 800 parts of carbon dioxide per million parts of air in unoccupied office spaces; or
 - 1,000 parts of carbon dioxide per million parts of air in occupied office spaces.
 - h) Carbon Monoxide Testing:
 - i. Standard: The maximum allowable concentration of carbon monoxide shall be 5 parts of carbon monoxide per million parts of air.
 - ii. Carbon monoxide testing shall be conducted with the heating, ventilating, and air conditioning system on.
4. Modified tests and indoor air standards:
 - a) A previously certified space shall demonstrate compliance with clean air standards for 3f Asbestos, 3g Carbon Dioxide, and 3h Carbon Monoxide testing only.
5. Certification of Clean Air Standards
 - a) The owner or operator shall certify the quality of the indoor air present in a building, or portion(s) of a building to be used as office space.
 - b) Certification by the owner or operator shall be deemed complete upon written receipt by the department of one of the following two statements:
 - i. "I hereby affirm that sampling and analyses conducted were performed in accordance with the best professional practice and that all tests were within normal limits"; or
 - ii. "I hereby affirm that sampling and analysis conducted were performed in accordance with best professional practice and that all tests were not within normal limits."
 - c) The owner or operator shall attach a copy of all test results as described above to the written statement completed in 8.8.3.2 above.
6. Waiver Procedure:
 - a) An owner or operator has an option to request a waiver by providing an explanation of why they can't meet the air testing standards as described in Part II, 3 above.
 - b) The State of New Hampshire reserves the right to grant/not grant an exemption.

The Landlord 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 above mentioned requirements, Landlord 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 Landlord shall bear the cost of re-testing and repair required.

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, Division of Plant and Property.

Landlord Initials: PAH
Date: 8/19/12

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.*

1. The Landlord, or the Landlord's Janitorial provider (Provider), shall recycle all waste products for which markets are available. The following products shall be included: mixed paper, including boxboard, corrugated cardboard, shredded paper and containers (plastic, tin, cans, bottles and glass).
2. The Tenant shall place all items intended for recycling in collection bins, which shall be provided and properly labeled by the Tenant. These bins shall be provided in no less than four (4) locations throughout the Premises. The Provider shall remove the items intended for recycling from the Tenant's collection bins, bag and document the recycling, and conveying and depositing it at a recycling center.
3. The Provider shall document the volume and estimated average weight of items collected for recycling in the following manner:
 - a. Once (one time) per week the Provider shall gather waste products for recycling from the Premises, these items shall be properly sorted and deposited into garbage bags;
 - b. Upon inception of services the Provider shall weigh "sample" bags of each sorted commodity and document the approximate average weight of full or partially full bags per each commodity.
 - c. 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.
 - d. At the end of each month the Provider shall tally the number of bags per commodity, which were either full or partially full, multiply that sum by the average weight of such bags, thereby establishing a volume tally.
 - i. 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.

Part V Energy Conservation: *The extent to which a landlord can share information on the facility's energy consumption shall be documented below. When possible, the landlord shall share information such as energy audit results, energy scores, and monthly energy invoices.*

Landlord Initials: GN
Date: 8/19/22

**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 OF THE LEASE:

- A. Inspect existing sprinkler system and provide copy of SPRINKLER TESTING report to Tenant, Landlord to conform to the provisions of section 8.9 (testing and inspection) of the lease during the renewal term.**

MODIFICATION OF STANDARD PROVISIONS OF THE LEASE:

The Standard Provisions of section 10.2 Schedule for Completion are deleted replaced by the following:

Schedule for Completion: All improvements shall be completed in accordance with the specifications, plans and schedules attached as Exhibit D hereto.

The Standard Provisions of section 15, Insurance, are deleted replaced by the following:

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 (\$4,000,000). 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.

Landlord Initials: DMC
Date: 8/17/22

EXHIBIT D - PART I: IMPROVEMENTS TO THE PREMISES

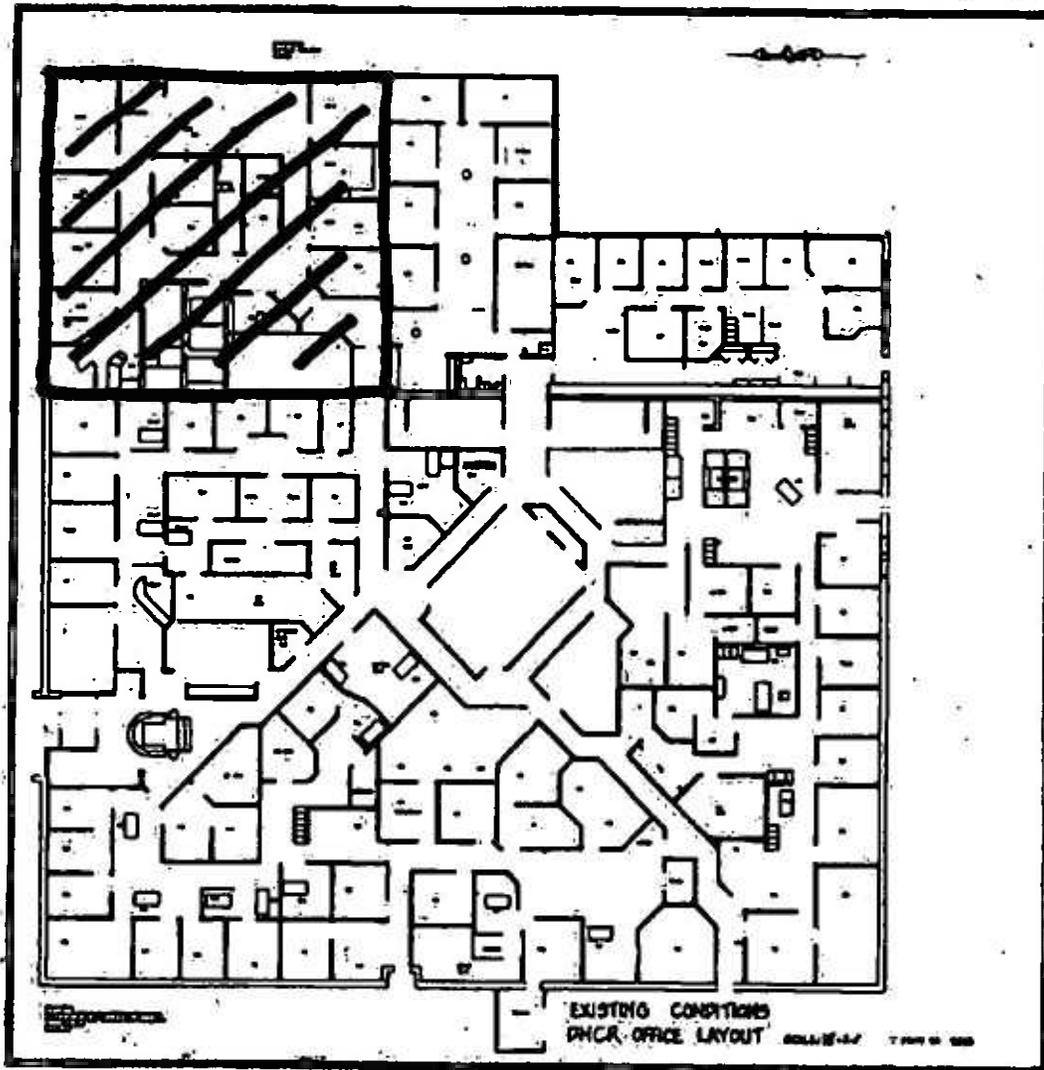
Reception area renovation will be completed within 1 year of execution of this lease with specifications to be provided and agreed upon by tenant prior for final approval and execution.

GENERAL CONDITIONS:

Design and Plans: The plans and specifications needed shall be referenced by the Landlord and/or the Landlord's representative in order to determine the cost and scope of work entailed in order to provide the Tenant with new rental premises, specifically the building reception area, for their use. Landlord shall incorporate the scope of work and design intent depicted in the documents agreed upon between tenant and landlord to ascertain the manner and cost for the plan with final approval being granted by tenant.

Permits and Testing: The Landlord shall be solely responsible for applying for and obtaining any and all required permits and tests. All work shall be completed in compliance with all applicable codes, including but not limited to the Architectural Barrier-Free Design Code for the State of New Hampshire (IBC 2006 and 2003 ANSI A117.1), the NH State Building Code (IBC 2009, ICC/ANSI-2003, and NFPA 101 citations) and the Americans with Disabilities Act Standard for Accessible Design (ADAAG citations).

Landlord Initials: GLC
Date: 8/19/22



State of New Hampshire
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that **GERALD P. MCCARTHY PROPERTIES** is a New Hampshire Trade Name registered to transact business in New Hampshire on April 03, 1987. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 112413

Certificate Number: 0005849775



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 23rd day of August A.D. 2022.

A handwritten signature in black ink, appearing to read "D. Scanlan", written over a circular stamp.

David M. Scanlan
Secretary of State

Sole Proprietor Certification of Authority

I, **Gerald P. McCarthy**, hereby certify that I am the Sole Proprietor of **Gerald P. McCarthy Properties** which is a tradename registered with the Secretary of State under RSA 349. I certify that I am the sole owner of my business and of the tradename.

I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person listed above currently occupies the position indicated and that they have full authority to bind the business. This authority shall remain valid for thirty (30) days from the date of this Corporate Resolution.

DATED:

8/19/22

ATTEST:

(Name & Title)

Gerald P. McCarthy owner



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/03/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER FIA/Cross Insurance 1100 Elm Street Manchester, NH 03101		CONTACT PERSON: Jennifer Kokota PHONE: (603) 889-3218 FAX: (603) 845-4331 EMAIL: manch.certs@crossagency.com	
INSURED Gerald P. McCarthy, OBA: McCarthy Properties P.O. Box 100 West Wareham, MA 02576		INSURER(S) AFFORDED COVERAGE	
		INSURER A: Tri-State Ins Co of Minnesota	NAIC # 31003
		INSURER B: Acadia Ins Co.	31325
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES CERTIFICATE NUMBER: 22-23 GL & Umb REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CLASS	TYPE OF INSURANCE	ADDITIONAL	POLICY NUMBER	POLICY EFF	POLICY EXP	LIMITS
LTB		COVERED		(MM/DD/YYYY)	(MM/DD/YYYY)	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		ADV5254490-18	04/25/2022	04/25/2023	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (EA accident) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
	GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:					COMBINED SINGLE LIMIT (EA person) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LMB <input type="checkbox"/> EXCESS LMB		CUA5254491-18	04/25/2022	04/25/2023	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
	ANY AUTO OWNED AUTOS ONLY HYRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY					RETENTION \$ DED
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/OWNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Statutory in NH) If yes, describe in under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Refer to policy for exclusions, endorsements and special provisions.

CERTIFICATE HOLDER Department of Natural and Cultural Resources 172 Pembroke Rd Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Robin Kitter</i>
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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/23/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. IF SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Brown & Brown of New Hampshire, Inc. 309 Denial Webster Highway Manchester NH 03054	CONTACT NAME: Paula Kathleen ACSR PHONE (BUS. OR RES.): (603) 424-9801 EMAIL: Paula.Kath@aabbrown.com FAX (BUS. OR RES.): (603) 848-1223
INSURED Gerald P. McCarthy P O Box 100 West Warham MA 02578	INSURER(S) AFFORDED COVERAGE INSURER A: AmGUARD Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES: CERTIFICATE NUMBER: 2022 - 2023 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PND CLAIMS.

LINE	TYPE OF INSURANCE	ADDITIONAL INFO	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YYYY)	POLICY EXP. DATE (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Per occurrence) \$ MED EXP (Per one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP ADD \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY					COMBINED SINGLE LIMIT (Per accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LMB <input type="checkbox"/> OCCUR EXCESS LMB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/OWNER EXCLUDED? (Excluded by ISO) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y N/A	GEWC306984	05/31/2022	05/31/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER 3A State: NH EA, EACH ACCIDENT \$ 600,000 EA, DISEASE - EA EMPLOYEE \$ 600,000 EA, DISEASE - POLICY LIMIT \$ 600,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Excluded from Workers Compensation coverage: Gerald P. McCarthy

CERTIFICATE HOLDER Department of Natural and Cultural Resources 172 Pembroke Rd Concord NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Paula Kathleen ACSR</i>
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STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
OFFICE OF THE COMMISSIONER

172 Pembroke Road, Concord, New Hampshire 03301
Phone: 271-2411 Fax: 271-2629
TDD ACCESS: Relay NH 1-800-735-2964

March 22, 2022

Charles Arlinghaus, Commissioner
Department of Administrative Services
25 Capitol Street
Concord, New Hampshire 03301

Dear Commissioner Arlinghaus,

I write to request a waiver from the public notice requirement for leased space pursuant to N.H. Admin. Rules, Adm 610.01 (b), Exemptions and Waivers from Public Notice Requirements.

The Department of Natural and Cultural Resources (DNCR) has been leasing 21,000 square feet at 172 Pembroke Rd in Concord since July 1, 2012. The current lease rate is \$10.95/SF under a two-year lease extension ending September 30, 2022. The landlord has proposed a ten-year lease with a first year lease rate of \$13.25/SF with a 3% increase each year. The primary reason for the increase in the lease rate is mainly due to normal escalation of rates over time. It should be note that in 2011, the rate was \$10.50/SF and was held static at that rate until 2018 when it went up to \$10.95 and has been held at that rate since that time. In addition, the landlord has agreed to a series of improvements to include:

- Installation of a new handicapped accessible parking section in front of building to meet ADA compliance code specifications
- Agreement to renovations of entrance foyer to increase entry space and bring the entry way into compliance with state security and active shooter safety standards
- Replacement of the air conditioning unit located on the top of the building to maintain proper temperatures in our IT equipment room
- Corrections/updates of any window encasements that have air leaks or don't properly operate.
- Seal coating of the parking lot.

The 172 Pembroke Rd property is well-suited to DNCR operations. It is located minutes from I-93 and features ample on-site parking which serves staff, visitors, our fleet, our equipment and other building tenants and all of the office, conference room and shared use space we need. This also includes common area restrooms and breakroom as well as a public lobby area for visitors and guests.

Historically, our last extended (7-year) Lease Agreement with Gerald P. McCarthy Properties was for the period of October 1, 2010 through September 30, 2017. In July 2016, the Department began preparations to submit a Request for Proposal (RFP) in order to seek possible relocation through the normal bid requirement process for agency lease space pursuant to Administrative Rule 610 Agency Leases. It was anticipated that the process would be completed prior to September 30, 2017 and the Department would thus have a new lease agreement in place prior to expiration of the current lease. However, due to the reorganization of the Department of Resources and Economic Development which took effect July 1, 2017, the RFP process was delayed until the Department could determine what requirements would be necessary moving forward. For that reason, the Department sought a 12-month extension to the original lease term.

During the 12-month extension period, we received interest by 3 property companies to seek a lease agreement with us for occupancy by the Department. However, in one instance, the property owner sold the property before we could pursue a formal agreement with them. In the second instance, the property owner sold a portion of the space they had available for lease thus reducing the amount of available space at that location we needed for occupancy. In the third instance, the property owner declined to pursue an agreement with us due to the length of time needed for the process. Although we may also have been able to pursue an agreement with our current landlord, due to the continued shared occupancy at that time in our current location by the Department of Business and Economic Affairs and uncertainty of when they would be relocating, combined with the need to start the RFP process again or seek capital funding needed to build new space, we sought a further 24-month extension in 2018 to continue occupancy at our current location. This extension included a reduction in the amount of occupied space from the original lease space of 29,564 square feet to 21,000 square feet and the agreed upon rate of \$10.95 per SF which reflected a corresponding cumulative decrease in lease expenditures of \$160,984 for the 24-month period.

In the early part of Fiscal Year 2020, we again posted an RFP seeking space for lease by the Department. Gerald P. McCarthy Properties (McCarthy) was the only proposal received. It was then the intent of the Department to pursue a full-term lease agreement with McCarthy prior to expiration of the extension. Discussion about the details of the lease were underway with management and soon to be finalized when the COVID-19 Pandemic struck. Due to budgetary constraints and many other unknown factors brought on by the Pandemic, it was decided the Department would seek and did get approved, another extension with hopes of pursuing a new lease in the future.

At this time, based on our experience with previous Requests for Proposals such that they were, I can attest that it is difficult to find space with the elements and features we require (and which are currently being met by space we now occupy), in the Concord area. I am also advised that the cost of similarly situated space in the downtown or even surrounding area could be as high as \$24/SF, and higher depending on the cost of build out.

There are also relocation transaction costs, such as data relocation/setup, moving expenses and furniture along with other space setup and procurement needs (such as business cards, signage, web site updates, etc.) that we estimate to run into the tens of thousands of dollars.

Based on the foregoing, I am requesting this waiver to avoid the expenditure of time and resources associated with the bidding process, which I anticipate will not yield a more advantageous rental opportunity than the 172 Pembroke Road option outlined in this request.

Respectfully submitted,

Sarah L. Stewart, Commissioner DPCR

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

FROM: Karen L. Rantamaki, Director
Department of Administrative Services
Division of Plant and Property

DATE: August 29, 2022

SUBJECT: Attached Lease Agreement
Approval respectfully requested

TO: His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

LESSEE: Department of Natural and Cultural Resources; 172 Pembroke Road, Concord, NH 03301.

LESSOR: Gerald P. McCarthy Properties, PO Box 100, West Wareham, MA, 02576

DESCRIPTION: Approval of the enclosed will authorize a 10-year lease for 25,217 SF of property located at 172 Pembroke Road, Concord, NH 03301

TERM: 10 years – commencing October 1, 2022, and ending September 30, 2032.

RENT: Monthly rent is \$27,843.77 for the first year at a rate of \$13.25 per square foot. The rental rate will increase by 3% each year for the remaining 9 years. Total rent for ten years is \$3,830,371.68

JANITORIAL & RECYCLING: Additional - not included in rent – estimated as \$19,300.00/year for janitorial.

UTILITIES: Utilities are included in the lease.

PARKING: Parking is included in the lease.

TOTAL TERM COST: \$4,023,371.60

PUBLIC NOTICE: A waiver was granted because the Agency already occupies the space and it is in the State's best interest to remain where they are due to move and fit-up costs.

CLEAN AIR PROVISIONS: Clean air testing will be scheduled upon approval of the lease agreement.

BARRIER-FREE DESIGN COMMITTEE: The ABFD-Committee issued a Letter of Opinion indicating that the location meets barrier free requirements.

OTHER: Approval of the enclosed agreement is recommended.

The enclosed contract complies with the State of New Hampshire, Division of Plant and Property rules and has been reviewed and approved by the Department of Justice.

Approved by: Department of Administrative Services



Karen L. Rantamaki, Director, Plant & Property



New Hampshire Governor's Commission on Disability

Christopher T. Sanunu, Governor
Paul Van Blarigan, Chair
Charles J. Sola, Executive Director

To: Department of Natural and Cultural Resources
From: Architectural Barrier Free Design Committee
Date: June 28, 2022
Re: LETTER OF OPINION
Pursuant to the New Hampshire Code of Administrative Rules, ADM
610.16 (e) (3)

**Location: Department of Cultural and Natural Resources, 172 Pembroke Road,
Concord, NH 03301**

Term: 10 years; October 1, 2022 through September 30, 2032

Lessee: Department of Natural and Cultural Resources

Lessor: Gerald P McCarthy Properties, PO Box 100, West Wareham, MA 02576

In accordance with the New Hampshire Code of Administrative Rules, codified in Adm. 610.16 (e) (3), the Governor's Commission on Disability's (GCD) Architectural Barrier Free-Design Committee (ABFDC) has opined that the location referenced above and referred to herein, meets or will meet barrier free requirements, subject to the completion of the conditions listed below. The subject lease was reviewed during the ABFDC's June 28, 2022 meeting.

This Letter of Opinion, pursuant to ADM 610.16 (e) (3), The Administrative Rules of the Department of Administrative Services, is issued with the following conditions, if any, as referenced in EXHIBIT A and EXHIBIT B, and is subject to the limitations stated herein.

Upon completion, all renovations specified in the Lease agreement any supportive Design-Build Specifications and drawings or sketches, including but not limited to EXHIBIT B, and parking schematics, demonstrated at the ABFDC meeting on June 28, 2022, must comply with the provisions set forth in this letter and with the applicable New Hampshire Code for Barrier-Free Design. Although no comment or opinion is expressed regarding the New Hampshire State Building Code and the New Hampshire State Fire Code, and/or any other code, it is highly recommended, when applicable, relevant

documentation be submitted to the local or State authority having jurisdiction, for any necessary approvals.

The Governor's Commission on Disability and/or the Architectural Barrier-Free Design Committee cannot survey all state leased properties for compliance with the New Hampshire Code for Barrier Free Design or for compliance with the conditions stated in this Letter of Opinion. However, as a safeguard for the State of New Hampshire, for the citizens of New Hampshire, and to ensure access for persons with disabilities; random site visits may be performed on an as needed basis for compliance regarding accessibility.

A representative for the Lessee or a designee of the Lessee must provide to the Governor's Commission on Disability proof of completion via photographs, invoices, or as outlined above, or as outlined in the exhibits, for the items listed therein, and shall certify to the Governor's Commission on Disability that the conditions outlined herein and as set forth in the Lease Agreement and related attachments have been satisfied. Should the Lessee not comply with the provisions of the Code for Barrier-Free Design or the accessibility standards, or default on the completion of conditions; the Lessee, will rectify immediately after due notification by the Governor's Commission on Disability or the Architectural Barrier-Free Design Committee.

The Lessee, a representative for the Lessee, or a designee for the Lessee agrees that should the term of the proposed lease be extended, the Lessee will contact and state to the Governor's Commission on Disability that there have been no material changes to the property, and that all conditions issued by the Architectural Barrier-Free Design Committee, have been complied with. If the Lessee is not able to render such a statement or if any of the previously issued conditions have not been met, then the extension to the lease may need to be presented to the Governor's Commission on Disability for review and recommendation.

This Letter of Opinion is based upon a review of all provided documentation regarding the premises, and this Letter of Opinion is based on the assurances of the Lessee for compliance therein. Future review of existing and new documentation, as well as, future physical site visits may be conducted at the discretion of the Governor's Commission on Disability and/or the Architectural Barrier-Free Design Committee.

Respectfully submitted by the **Architectural Barrier-Free Design Committee** on this day of **Tuesday, June 28, 2022.**


Larry Ashford, Acting Chair
Architectural Barrier Free Design Committee

CC: Charles J. Saia, Executive Director
Eric Brand, Chairman

EXHIBIT A - CONDITIONS:

1. Lessee will ensure that the Commissioner's office and Forest and Land signs are relocated at code-conforming height and location per sections 703.4.1 and 703.4.2 of the 2010 ADA Standards for Accessible Design. Lessee will provide proof of completion to the Governor's Commission on Disability in the form of photos with measurements by July 28, 2022.
2. Lessee will ensure that the interior exit door signage is mounted according to code-conforming guideline per section 216.2, 216.4, and 703 of the 2010 ADA Standards for Accessible Design. Lessee will provide proof of completion to the Governor's Commission on Disability in the form of photos with measurements by September 26, 2022.
3. While in compliance, lessee will strive to install push plates during the lease period.
4. Lessee will fully complete and submit a current and GCD approved ADA Checklist for Existing Facilities with photographs and applicable documentation every (10) ten years, or sooner if lease is renewed, extended, amended, newly executed, or if construction or renovations are undertaken in any manner. On a case-by-case basis, and at the discretion of the GCD, Lessee may postpone completion of the ADA Checklist for Existing Facilities.
5. At the discretion of the GCD, a site visit will be performed to review for accessibility and report as needed to the Architectural Barrier Free Design Committee. Site visit will be scheduled with the Lessee at a mutually agreed upon date and time.

6. The Lessee agrees that should the term of this lease be extended, the Lessee will contact and state to the Governor's Commission on Disability that there have been no material changes to the property, and that all conditions issued by the Architectural Barrier Free Design Committee have been satisfied. If the Lessee is not able to render such a statement or if any of the previously issued conditions have not been satisfied, then the extension to the lease may need to be presented to the Architectural Barrier Free Design Committee for their review.

EXHIBIT B

NONE