

CORTLAND COUNTY

The County of Cortland, located in central New York, is offering an RFP (Request for Proposal) to solicit proposals by interested parties for the purchase or lease of County owned property which includes a one story 40' x 80' structure of approximately 3,200 square feet. Copies of the RFP # 01-2012 as well as additional information can be obtained by phone 607-753-5068, the County's website www.cortland-co.org, or e-mail bcparker@cortland-co.org. All responses to the RFP are due no later than 10:00 AM, FEBRUARY 3, 2012, at Clerk of the County Legislature, 60 Central Ave, Cortland, N.Y. 13045

Request for Proposal

For Cortland County

**For the purchase or lease for the County's Real Property Located at
22 West Court Street,
Cortland, N.Y.
Known as
The TC3 Extension Office**

Request For Proposal No. 01-2012

**Clerk of the County Legislature
County of Cortland County
60 Central Ave.
Cortland, N.Y. 13045**

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County of Cortland County
Request for Proposal

I. Introduction

1. The intent of this "Request for Proposal" is for the County of Cortland to enter into a contract with a qualified entity for the use of the County's Real Property, comprised of a building of approximately 3,200 square feet.
2. The County of Cortland owns the real property. Original construction was completed in 1951 with updates to the facility in 1977. A general description and floor plan is attached as Exhibits A & B. For several years the property was operated by Tompkins Community College as an extension of its Dryden Campus. The building is configured into labs and classrooms with handicap accessible bathrooms, a janitor's closet and a mechanical room.
3. The facility is located within the City of Cortland. The City of Cortland is a full service community offering police service through the City of Cortland Police Department, Fire/Rescue protection, Water & Sewer Utilities, Chamber of Commerce, Code Enforcement and Parks & Recreation services. Electric utilities services are through National Grid. Natural Gas service is through New York State Electric and Gas.

II. Requested Proposals

1. The County of Cortland is requesting proposals from qualified Responders for the use of the property, through the following types of proposals:
 - a. Purchase of the Property
 - b. Lease of a minimum initial term of FIVE (5) years and term extensions (if any)

An entity responding to this Request for Proposals may submit to either one or both of the two types of proposals. If the Proposer submits for more than one of the types of the proposals listed herein; each will be separately evaluated.

The County may elect to proceed with auctioning the property in lieu of accepting any of the proposals it receives through this RFP.

2. Note that the County cannot finance any purchase or hold any notes or mortgages on the Property. Any proposal that includes any terms of that effect will be deemed non-responsive.
3. The Property is being offered as is. The County will not pay for any improvements on the Property to effectuate renovations needed for a particular proposed use. As to a Purchase Proposal, any allocation of costs for which a Responder expects the County to pay must be clearly set forth within the proposal.
4. For Lease, the RFP includes as Exhibit C a form lease which contains the substance of the terms of the Lease. Respondents should not expect that any of the terms will be changed through the negotiations after selection of the proposal.

If a respondent believes that a specific term or terms of the lease is unacceptable or vague, it should advise the County in writing using the same process for submitting comments, set forth below. The County will respond to written comments on the form Lease document only to indicate that a term or tem of the lease may be changed either as an addenda to this RFP or during negotiations on the final Lease document subsequent to the selection of a proposal by the County.

FOR THE PURPOSE OF RESPONDING TO THIS RFP, RESPONDERS SHOULD NOT COMPLETE ANY BLANKS IN THE LEASE DOCUMENT. ALL REQUIRED INFORMATION SHALL BE PROVIDED IN THE FORM PROVIDED AS PART OF THIS RFP.

5. This RFP incorporates this document, consisting of Twenty nine(29) pages , including the cover page and:
 - a. Exhibit A , Property Description
 - b. Exhibit B , Property Floor Plan
 - c. Exhibit C , Representative Lease Document
 - d. Proposal Form to be completed by the Responder for each proposal.

6. In addition to the completion of all forms attached to this RFP, all Responders must provide sufficient information to the County to determine that the Responder is qualified and financially able to satisfy the financial obligations set forth within its Proposal or Proposals. At a minimum, Responders shall provide the following information:
 - a. Background information on the Responder and its principals, including references;
 - b. For Lease, banking and financial information demonstrating the Responders' present ability to make annual rental payments of no less than \$30,000.00 per year. This figure is intended to provide an objective ability for the County to confirm the financial viability of a Responder and is not intended to set a minimum for Lease proposals.
 - c. Information describing the experience and qualifications of the Responder and its principals in the proposed use of the facility.

7. The award of a proposal by the County Legislature shall be made solely to the Respondent, and cannot be assigned or subcontracted to any other entity, and any contract entered into by the County shall be solely with the respondent and not any third party.

III. PERMISSIBLE USES:

The Real Property has a Zoning rating of R4 by the City of Cortland.

IV. INSPECTIONS OF PROPERTY AND CLARIFICATIONS

1. Any prospective responders that desire to tour the Property must request a tour through the Building & Grounds Department at 607-753-5068. A County official will then contact the requestor to schedule a tour of the facility. No questions will be responded to during the tour. A tour of the property is recommended, but not mandatory.

2. Other than requests to tour the Property, all contacts for information regarding the submittal must be in writing and addressed to:

Jeremy Boylan, Clerk
Cortland County Legislature
60 Central Ave.
Cortland, N.Y. 13045

All questions must be submitted in writing, and the County will respond in writing by postings on the County's website (www.cortland-co.org) to questions to which it deems appropriate to respond. The County will not be bound by any information not provided in writing within this RFP or written responses to questions, and specifically will not be bound by any verbal responses not memorialized within a written response.

All written questions must be received by the Clerk of the Cortland County Legislature on or before January 27, 2012. The County will post all questions and responses on the County's website.

By submitting a Response to this Request for Proposals, you are deemed to have reviewed all questions and answers that have been posted at the above link as of February 2, 2012.

V. INSTRUCTIONS TO RESPONDERS

1. Each Responder shall examine all "Request for Qualification" documents and all matters relating to the adequacy and accuracy of the documents. If the Responder is of the opinion that any part(s) of a "Request for Proposal" document is incorrect or obscure, or that additional information is needed, he/she should request such information or clarification from the County, in writing, in order that appropriate written responses may be provided, if necessary, to all prospective Responders.
2. No oral change or interpretation of the provisions contained in this Request for Proposal is valid. Any addenda will be posted on the County's website.

By submitting a Response to this Request for Proposal, you are deemed to have reviewed any addenda that have been posted on the County's website.

3. It will be the sole responsibility of the Respondent to have his/her Submittal delivered to the Clerk of the County Legislature on or before FEBRUARY 3, 2012. Proposals must be clearly labeled on the outside of the package "RFP - 22 West Court Street - Purchase/Lease". If a submittal is sent by mail, the Responder shall be responsible for its delivery to the Clerk of the County Legislature before the time and date shown for receipt of Submittals. Submittals thus delayed will not be considered and will be returned. Any dispute concerning the timeliness of a response shall be resolved against the Responder.
3. All materials submitted in response to the "Request for Proposal" become the property of the County of Cortland and will be returned only at the option of the County. The County has the right to use any or all ideas presented in response to the "Request for Proposal," whether amended or not, and selection or rejection for the Submittal does not affect this right. Any Submittal that has been submitted to the Clerk of the County Legislature may be withdrawn prior to Submittal date stated herein, upon proper identification and signature releasing Submittal Document back to Respondent.

VI. SELECTION PROCESS:

1. Interested Respondents shall submit their Proposals and any other information required herein to the Clerk of the County Legislature, on or before the date and time specified.
2. The County will first evaluate all Responders written proposals and qualifications as contained in their submittals. The County will short-list no less than three (3) proposals to consider and rank. In short-listing the Proposals the County may permit presentations by all or some of the Respondents on their proposals. The presentation shall provide an opportunity for each Respondent to clarify its proposal(s) to ensure a thorough mutual understanding. The Respondents will be notified of the time and place of all meetings and presentations if it is determined that presentations would be useful to the evaluation process.
3. After the short-list procedure has been completed, the County will evaluate the short-listed proposals, which may include additional presentations to the County. The County will then rank the proposals and County staff will begin to negotiate an agreement with the first ranked Respondent. The final Contract negotiated between Respondent and County staff will incorporate the contents of this "Request for Proposal," the proposals submitted by the Respondent, and any

other terms or conditions that the staff in its judgment may seek to include by way of negotiation. If County staff is unable to negotiate a satisfactory contract with the first ranked respondent, County staff will advise the County Legislature and request authority to terminate negotiations on the highest ranked proposal and undertake negotiations with the next highest ranked Respondent and so forth until a satisfactory contract is agreed upon.

4. All proposals timely received by the County shall be considered offers, which shall remain open for acceptance for a period of not less than sixty (60) days after the deadline for submission of responses to this RFP. Acceptance of the offer shall be through the selection by the County of a proposal at the conclusion of the selection process. Proposal may not be withdrawn during the mandatory sixty (60) day period for acceptance by the County. Should a Responder notify the County during the sixty (60) day acceptance period of an intent to withdraw a proposal, the County is not obligated to permit the withdrawal and may proceed to accept the proposal if the County deems that the proposal is in the best interest of the County. Should a Responder not proceed with negotiating a final agreement upon acceptance of an offer by the County, the County may enforce its rights relating to the offer through any available legal means.

VII. SELECTION CRITERIA

1. The "Request for Proposal" shall be evaluated based upon the following criteria:
 - a. **Financial Return to the County** – The Financial Return for the County is the most important factor to be considered when a proposal is evaluated. The County is soliciting proposals to generate revenue from the Property to fund its continuing obligations.
 - b. **Use of the Property** -The Property is located in a central area of the City of Cortland, in close proximity to governmental and community services facilities. The County desires a use that is consistent with the surrounding area and which will enhance positive activities in the area. Proposed uses that are consistent with current R4 Zoning category will be given priority in any review of a Proposal.
 - c. **Experience and Qualifications** - Because the Property is centrally located in a high visibility area of the City, the County desires to ensure that any user be able to succeed in its proposed use, and maintain such use to a high standard. Factors such as experience and qualifications with the respect to the proposed use, background of principals involved in the proposed use, and the financial ability to satisfy the terms of any proposal will be considered in evaluating proposals.
 - d. **Time** – The proposal should clearly describe a timeline for occupancy and commencement of the proposed use of the facility and payments to the County. The Property should be occupied and used for the proposed purpose, and payments made to the County, as soon as possible.

VIII. SUBMITTALS:

1. Information to be submitted shall include the following:
 - a. Title Page: Show the "Request for Proposal", the name of the Respondent, address, telephone number, electronic mail address, name of contact person and date.
 - b. Table of Contents: Clearly identify the section, topic, and page number.
 - c. Letter of Transmittal ; Up to two (2) printed pages

- Briefly state your proposals for the property
- Give the names of the persons who will be authorized to make representations, their titles, addresses, electronic mail addresses, and telephone numbers.

d. Profile of Responder:

- State whether your organization is national, regional or local.
- State the location of the main office
- Describe the organization, including the size, range of activities, and other pertinent information.
- Provide a list of references for similar transactions undertaken by your organization. Provide information on any litigation (settled or pending) the organization has been involved in within the last five (5) years.
- Describe experiences in conducting uses similar to the use proposed for the Property. Describe relevant experience and qualification of each of Responder's principals involved in the proposed use.
- Any other information Responder believes will assist the County in evaluating its proposals.

e. Respondent should specifically address each of the selection criteria abs set forth in paragraph VII.

f. Describe the specific parking needs of the proposed use.

Ten (10) copies of all submittals shall be received in the Clerk of the Legislature's office on or before 10:00 AM on Friday, February 3, 2012 in order to warrant consideration by the County.

5. The County reserves the right to accept or reject any or all proposals, to waive irregularities and to extend the deadline for submission when it is in the best interest of the County.

IX. ANTICIPATED SCHEDULE:

The schedule shown below is provided for general information purposes only. Specific dates have been estimated and may vary as circumstances change.

Advertise for Proposals:	January 6, 2012
Submission Deadline:	February 3, 2012
Initial meeting – Cortland County:	TBD
Oral Interviews and Presentations: *	TBD
Award by the County Legislature:	TBD

***More than one presentation may be required.**

X. NON COLLUSION:

The Responder warrants that it has not employed or retained any company or person, other than bona fide employee working solely for the Responder, to solicit or secure this Contract, and that they have not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Responder, any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award of this proposal. For breach or violation of this warranty, the County shall have the right to annul an Agreement entered into pursuant to a Proposal without liability.

XI. ASSIGNMENT:

The Responder shall not assign, transfer, or sublet all or any part of its interest in a Proposal except as specifically set forth within this Proposal.

XII. CONFIDENTIAL AND PROPRIETARY:

No claim of confidentiality or proprietary information in all or any portion of a response to the RFP will be honored unless a specific exemption from the Public Records Law exists and it is cited in the response to the RFP. An incorrectly claimed exemption does not disqualify the vendor, only the exemption claim.

**EXHIBIT C
REPRESENTATIVE LEASE DOCUMENT**

LEASE AGREEMENT

This Lease Agreement is made and entered this ____ day of _____, 2011, by and between the County of Cortland, hereinafter called the Lessor, and _____, a corporation, hereinafter called Lessee.

**Section I
Definitions**

1.1 Commencement Date. "Commencement Date" shall mean the date when Lessor delivers possession of the Leased Premises to Lessee, but no later than _____, 2012 and only after Lessor's receipt of the first month's rent and Security Deposit pursuant to Section VII.

1.2 Lease. Lease shall mean this Lease agreement including all attachments.

1.3 Leased Premises. Leased Premises shall mean the property located at 22 West Court St. in the City of Cortland, N.Y. totaling approximately 3,200 square feet.

1.4 Lessee. "Lessee" shall mean _____.

1.5 Lessee's Address. "Lessee's Address" shall mean _____; Telephone Number ____-____-____; Facsimile Number ____-____-____.

1.6 Lessor. "Lessor" shall mean the County of Cortland a municipal corporation located within the boundaries of Cortland County, N.Y.

1.7 Lessor's Address. "Lessor's Address" shall mean the County of Cortland, 60 Central Ave., Cortland, N.Y. 13045, Telephone Number 607-753-5049, Facsimile Number 607-____-____.

1.8 Lessee Improvements. "Lessee Improvements" shall mean the improvements to the Leased Premise that will be made by Lessee. Said improvements will comply with local, state, and federal laws, codes, rules, and regulations.

**Section II
Leased Premises**

2.1 Leased Premises and Use.

2.1.1 Leased Premises. Lessor hereby Leases and lets unto Lessee the Leased Premises pursuant to the terms and conditions contained herein.

2.1.2 Use of Leased Premises. The Lessee shall use the Leased Premise for _____, No other use of the Leased Premises shall be permitted unless the Lessor approves in advance such use. In the event Lessee uses the Leased Premises other than as set forth in this paragraph 2.1.2 without Lessor's advance approval, the Lessor shall have the right to terminate this Lease unless Lessee ceases such use within thirty (30) days of receipt of notice from Lessor. Moreover, Lessee will not make or suffer any unlawful, improper or offensive use of the Leased Premises or any use or occupancy thereof contrary to the laws of the State of New York or to such Ordinances of the City and/or County in which the Leased Premises are located, now, or hereinafter made, as may be applicable to the Lessee. In the event a City Ordinance interferes with the uses set forth herein or uses subsequently approved by

the Lessor, Lessee shall have the right to terminate this Lease Agreement, in which case Lessee shall be relieved of any or all liabilities and obligations under this Agreement.

2.2 Lessee's Parking Lessor shall provide lessee with the right to use the existing parking areas. Lessor shall not be responsible for security, or for damages and injuries resulting from Lessee's use of the parking area through this Lease. Should Lessee determine that signage must be installed in the parking area(s), it shall do so only upon receiving Lessor's advance approval of the sign(s), and such shall be installed at Lessee's sole expense. Lessor's approval of signage shall not be unreasonably withheld. Snow removal in the parking area(s) shall be the sole expense of the Lessee.

2.3 Other Common Areas. The use and occupancy by the Lessee of the Leased Premises shall also include other automobile parking areas, driveways, pathways, entranceways, means of egress and ingress, loading and unloading facilities, and other facilities as may be designated in writing from time to time by the Lessor, subject, to terms and conditions of such designation.

2.4 Lessee Improvements. The Lessee shall have the right, at its expense, to renovate and construct Improvements and Alterations to the Leased Premises, subject to the Lessor's advance review and written approval of the plans, which approval shall not be unreasonably withheld. Lessor will assist Lessee in obtaining any and all licenses, permit, approvals and authorizations required to complete the Lessee Improvements; provided such assistance shall not include the payment of costs or fees associated with the Lessee Improvements. Lessor represents that it is unaware of any federal, state, or local laws, rules, regulations, ordinances, codes, or deed restrictions that would prevent Lessee's use of the Leased Premise in accordance with the permitted uses as set forth in 2.1.2 or the construction of improvements to effectuate such use. Lessee will obtain and maintain any and all licenses, permits, approvals, and authorizations as may be required at the location of the Leased Premises. In the event Lessee upgrades or replaces existing equipment on the Leased Premises, the Lessor shall be entitled to the replacement item at no cost.

Section III **Lessee's Warranties**

3.1 Lessor hereby warrants and represents to Lessee the following:

- 3.1.1** Lessor is the owner in fee simple of the Leased Premises.
- 3.1.2** There are no legal impediments to Lessor leasing the Leased Premises to Lessee pursuant to the terms and conditions herein.
- 3.1.3** There are no restrictions or limitations which would prevent Lessor from abiding by the terms and condition of this Lease.

Section IV **Fixture and Equipment**

All fixtures and equipment in the Premises on the Commencement date shall be included in this Lease, in "as-is" condition.

Section V
Term and Renewal Option

- 5.1 The Initial Term of this Lease shall be a ten (10) year term. Commencing on the Commencement Date and shall end at midnight on _____, 2022, unless otherwise renewed or terminated as provided herein.
- 5.2 Provided this Lease is in good standing and Lessee is not in default hereunder, Lessor hereby grants Lessee the right to renew this Lease Agreement for three (3) additional five (5) year renewal terms as follows:
- 5.3 Lessee shall exercise its option(s) in writing by notifying Lessor, certified mail, return receipt requested, not less than one (1) year prior to the expiration of the Initial Term or any renewal term of the Lease. Failure to give any such notice shall conclusively make the remaining option(s) to renew, if any, null and void.

Section VI
Rent

- 6.1 Annual Rent during the term of the Lease shall be as follows:

Year 1: \$ _____
Year 2: \$ _____
Year 3: \$ _____
Year 4: \$ _____
Year 5: \$ _____
Year 6: \$ _____
Year 7: \$ _____
Year 8: \$ _____
Year 9: \$ _____
Year 10: \$ _____

- 6.2 In the event of a renewal, the annual rent for year 11 shall be equal to the Year 10 rent amount, adjusted effective each _____ 1, 2022 by the Consumer Price Index for Cortland, New York and during subsequent years, including subsequent renewal terms, the annual rent shall be adjusted effective each _____ 1 by the Consumer Price Index for Cortland, New York.
- 6.3 The Annual Rent is payable in twelve equal installments each year, due and payable on or before the 10th day of each month preceding the month in which rent is due. For example, in Year 1 the monthly rent _____ Dollars (\$ _____) each month, with the _____, 2012 rental payment due no later than _____ 10, 2012.
- 6.4 Should Lessee fail to pay the monthly payment of rental on the due date, such failure shall constitute a default by Lessee and Lessor may send notice to Lessee of such default, in which case lessee will have thirty (30) calendar days from receipt of such notice to cure the default. In the event Lessee fails to cure the default within such thirty (30) calendar days, Lessor, at its option may immediately terminate this Lease. Any extension of time for payment of rental beyond thirty (30) day grace period must be authorized by Lessor. The prevailing party in any case regarding the collection of rent shall be entitled to court costs and attorneys' fees. Except as set forth herein, Lessor shall have rights to exercise any rights it may have under the law.

6.5 All rent shall be paid to the Lessor at Lessor's Address.

Section VII **Security Deposit**

On or before the Commencement Date, the Lessee shall pay Lessor _____ (\$ _____), to be held by Lessor as a Security Deposit. This amount represents the first month's rent, plus one an one-half moths rent (\$ _____) at the initial sate of the Security Deposit, The parties' rights to claims, disputes and return of the Security Deposit shall be governed by New York State law in effect as of the Commencement Date, an the terms of this Lease. The Security Deposit shall not be used by Lessee for the payment of any rent, including without limitation the last month's rent.

Section VII **Condition of Leased Premises**

7.1 Lessor covenants and warrants that on the Commencement Date, the Leased Premises shall be in compliance with all applicable building, housing, health, safety and environmental laws, rules, regulations and codes and that the Leased Premises shall be clean, safe and sanitary condition, in repair, free, from rodents and vermin.

7.2 Notwithstanding anything to the contrary stated herein, Lessor shall deliver the Leased Premises in a broom-clean condition, cleaned carpets, and floors, interior lighting sufficient to permit Lessee to conduct operations in its usual and customary fashion, functioning and operational restroom facilities, utilities, meeting state and local building codes and a HVAC system capable of maintaining comfortable ambient air temperatures in the building at all times during the year.

7.3 Lessee has inspected the Premises, including the heating and air conditioning, and accepts the Premises in it's as-is condition as of the date of its execution of the Lease.

Section VIII **Air Conditioning/Heating**

Lessee shall be responsible for maintaining the heating and air conditioning during the term of the Lease, through a maintenance agreement, a copy of which shall be provided to Lessor, including replacement of the equipment in the event such is needed. In the event the equipment and labor is covered bay a warranty, Lessor shall ensure that such will benefit Lessee and remain in effect until its expiration.

Section IX **Maintenance and Repairs**

- 9.1 This Lease is intended to be a Triple Net Lease, with Lessee responsible for maintenance and repair of all items, improvements, structures, and equipment that are part of this Lease unless otherwise specifically designated as Lessor's responsibility. Lessor Covenants to keep Leased Premises in good structural repair as required by this Lease. Lessor shall maintain and keep in good repair the roof, structural walls, foundations, and sidewalks, unless such are damaged by Lessee, or its invitees, agents, employees, contractors, subcontractors, assigns, or sub-lessees.
- 9.2 Exterior maintenance, including without limitations, routine gardening, cutting , mulching, pruning, and similar maintenance of all foliage; routine and non-routine

- maintenance of parking areas (including cleaning, painting, striping, paving, and repairs). Common exterior areas shall be done by Lessor, at its expense.
- 9.3 Except as otherwise provided herein, Lessee shall provide for maintenance and repairs of the Premises in accordance with generally accepted good practices, including repainting, the replacement of worn or damaged floor covering and repairs or replacement of interior equipment as may be necessary due to normal usage. The Lessee shall, during the term of this Lease, keep the interior of the Leased Premises in as good a state of repair as it is at the time of the commencement of this Lease, reasonable wear and tear and unavoidable casualties excepted.
 - 9.4 Lessee shall be responsible for all interior pest control services, custodial costs and services related to the interior of the Leased Premises.
 - 9.5 Any repairs and/or maintenance to the Leased Premises not specifically described herein shall be the responsibility of the Lessee.
 - 9.6 During the term of the Lease, the Lessee shall be responsible for the exterior appearance of the building on the Premises, including without limitation paint, mold, mildew, and water stains. If the building requires repainting Lessee shall be responsible for such at its sole expense; provided that it shall obtain Lessor's approval in advance, the Lessor has the right to require changes to the paint and color at lessee's expense.
 - 9.7 If a party fails to timely make repairs or maintain the Leased Premises as it is required under the terms of this Lease, other than repairs necessitated by fire or other casualty which are addressed in Section XIV, then the breaching party shall be liable for any damages to property or loss thereby sustained by the other, and the non-breaching party may have such repairs made at the expense of the breaching party. If the Lessor is the breaching party, lessee may deduct it from the next month's rental payment. If the Lessee is the breaching party, the lessee shall pay additional rent at the next rental payment deadline. Each party may exercise its right to pay for the repairs not accomplished by the breaching party, upon presentation of a certified invoice detailing the repairs mad and the expense incurred, and verifying payment was made, as well as in the case of the Lessee making the repairs, providing the Lessor with releases of any liens placed on the Premises by any contractor or subcontractor performing the repairs on behalf of Lessee. The responsible party's time to cure shall be extended if the repairs are incapable of being completed within aforesaid time period and the repairing party has commenced diligent efforts to complete the repair or rectify the situation, in which case the cure period shall be extended as long as the repairing party makes a continuous, on-going, diligent effort to complete the repair or rectify the situation.

Section X **Utilities**

Lessor shall ensure that the Leased Premises has utilities necessary for the Lessee to conduct its business including but not limited to water, sewer, power, electric, telephone, and garbage collection. The Lessee shall be responsible for the cost of all utilities.

Section XI **Signage**

Lessee shall have the right to erect signage at its sole expense on the Leased Premises to appropriately identify the Lessee. And/or its use subject to the City of Cortland zoning regulations. Lessor will assist Lessee with all permitting necessary for such signage; provided that such assistance shall not include the payment of any costs or fees associated with the Lessee Improvements.

Section XII **Insurance**

Lessee shall insure the building and improvements, except Lessee's personal property, contents, and improvements and provide a Certificate of Insurance to Lessee of such coverage. Lessee shall be responsible for insuring all contents and personal property in the Leased Premises and show proof of insurance to Lessor for its contents and personal property. Lessee shall obtain and maintain policies of comprehensive general liability insurance coverage, and workers' compensation as required by state statute. Lessee's comprehensive general liability insurance coverage shall be in the amount not less than One million dollars (\$1,000,000.00) for personal injury, death, and property damage on the Leased Premises. If coverage is available to Lessee for Lessee's improvements, Lessee shall insure such improvements at Lessee's cost. If coverage is not available to Lessee, Lessor shall insure such improvements and Lessee shall reimburse Lessor for the cost of such coverage. Such policies of insurance shall name Lessee and Lessor as coinsureds. Lessee shall submit written evidence of having procured all insurance policies required herein prior to the effective date of this Lease and shall submit thereafter, upon request of Lessor, written evidence of maintaining such insurance policies to Lessee. Lessee shall purchase all policies of insurance from a financially responsible insurer duly authorized to do business in the State of New York. Lessee further agrees to immediately notify Lessor, and the insurer of any erection or removal of any structure or other fixed improvement on the Leased Premises and any changes affecting the value of improvements. Lessee shall be solely responsible for any changes in its contents and personal property insurance that result from changes in value to the improvements. Lessee shall be financially responsible for any loss due to Lessee's failure to obtain adequate insurance coverage, and the failure to maintain such policies or certificate in the amounts set forth shall constitute a breach of this Lease.

Section XIII **Peaceful Enjoyment**

Lessor covenants that if, and so long as Lessee is in compliance with the terms and conditions of this Lease, Lessee shall peaceably and quietly have, hold, and enjoy the Leased Premises for the term of this Lease.

Section XIV **Fire and other Hazards**

14.1 If the Leased Premises is damaged by fire or other casualty not caused in whole or part by Lessee, its invitees, agents, employees, contractors, subcontractors, assigns, or sub lessees, then within thirty (30) calendar days following the occurrence thereof, Lessor shall furnish to Lessee a written good faith statement (the "Restoration Notice") prepared by Lessor of the length of time required to substantially complete the restoration and repair of the portions of the Leased Premises for which the Lessor is responsible for insuring and maintaining, to substantially the same condition as the Leased Premises, except Lessee's improvements, enjoyed immediately prior to the occurrence of such casualty ("the Restoration"). Lessor shall within forty-five (45) days after the date of such damage commence to rebuild, repair the portions of the Leased premises for which Lessor is responsible for insuring and maintaining and proceed with reasonable diligence to restore portions of the Leased Premises for which the Lessor is responsible for insuring and maintaining to not less than substantially the same condition in which it was immediately prior to the casualty. Lessor shall not be required for insuring and maintaining, or the furniture, equipment, fixtures, and other improvements which may have been placed by Lessee in the Leased Premises. Unless the casualty is caused in part by Lessee, or its invitees, agents, employees, contractors, subcontractors, assigns, or sub lessees, the rental Thereon shall cease until Lessor's completion of the repairs for which it is responsible under this Section and the Lessor will immediately refund the pro rata part of any rentals paid in advance by the Lessee prior to such destruction; should the Leased Premises be only partly destroyed, so that the major part thereof is usable by the Lessee, then the rental shall abate to the extent the injured or damaged part bears to the whole of such Leased Premises and such injury or damage shall be restored by the Lessor as speedily as is

practicable and upon the completion of such repairs, the full rental shall commence and the Lease shall continue for the balance of the term. Any insurance which may be carried by Lessor or Lessee against loss or damage to the Leased Premises shall be for the sole benefit of the party carrying such insurance, except for insurance on Lessee's improvements carried under Lessor's policy that Lessee has reimbursed Lessor for the cost of such insurance, in which case such coverage shall solely benefit Lessee.

14.2 Lessee shall be responsible for maintenance and repair of all fire protection equipment necessary to conform to the requirements of the State Fire Code. The Lessor agrees that the Leased Premises shall be available for inspection prior to occupancy by the Lessee, and at any reasonable time thereafter.

14.3 Lessee shall not generate, store, produce, place, treat, release, or discharge any contaminants, pollutants, or pollution, including, but not limited to, hazardous or toxic substances, chemicals, or other agents on, into, or from the Leased Premises or any adjacent lands or waters in any manner not permitted by law. For the purposes of this Lease, "hazardous substances" shall mean and include those elements or compounds defined in 42 USC Section 9601 or which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency (EPA) or defined by any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance, material, pollutant or contaminant. In the event Lessee's actions directly result in the Leased Premises an affected off-site waters and lands to not be in full compliance with applicable federal, state or local statutes, laws, ordinances, codes, rules, regulations, orders and decrees for any reason other than the actions of Lessee, Lessor shall be the sole responsibility for restoring the Leased Premises to full compliance at Lessor's sole cost and expense. Upon discovery of a release of a hazardous substance or pollutant, or any contaminant, the party making such discovery shall report such violation to all applicable governmental agencies having jurisdiction, and to the other party, all within the reporting periods of the applicable agencies. Lessee's and Lessor's obligations set forth in this paragraph shall survive the termination or expiration of this Lease.

Section XV **Expiration of Term**

At the expiration of this Lease, or upon termination of this Lease, Lessee will peaceably yields up to the Lessor the Leased Premises in good condition and repair, reasonable wear and tear excepted. Lessee shall remove from the Leased Premises all personal property of the Lessee and all fixtures, machinery, equipment, appurtenances and appliances placed or installed on the Leased Premises by it, and shall restore the Leased Premises to as good a state of repairs as they were prior to the removal of such.

Section XVI **Subletting and Assignment**

- 16.1 This Lease shall not be assigned in whole or in part without the prior written consent of the Lessor. Should such assignment involve a Release of any of the Lessee's obligations under this Lease, the Lessor shall have the right to analyze the assignee's proposed use and ability to satisfy the obligations, including without limitation rental payments and maintenance obligations, of this Lease, and may reject the assignment if not satisfied with the results of such review. Any assignment made either in whole or in part without the prior written consent of the Lessor shall be void and without legal effect.
- 16.2 Lessee may sublease the Premises so long as the sub-lessee's use is permissible under the designated zoning for the Premises and complies with Section 2.1.2 herein, and the sub-lease does not affect the tax exempt status of the Lessor.

Section XVII
Not Consent to Sue

The provisions, terms, or conditions of this Lease shall not be construed as a consent of the Lessor to be sued because of said Leasehold.

Section XVIII
Waiver of Defaults

The waiver by either party of any breach of this Lease by the other party shall not be construed as a waiver of any subsequent breach of any duty or covenant imposed by this Lease.

Section XIX
Right of Lessor to Inspect

The Lessor, upon five (5) days written notice to Lessee, may enter into and upon the Leased Premises for the purpose of viewing the same and for the purpose of making any such repairs as they required to make under the terms of this Lease.

Section XX
Breach of Covenant/Termination

- 20.1 If the Lessee shall neglect or fail to perform or observe any material covenant herein contained, which on the Lessee's part is to be performed, and such default shall continue for thirty (30) days after the receipt of the written notice thereof from the Lessor to the Lessee, the Lessor lawfully may, immediately, or at any time thereafter, and without further notice or demand, enter into and upon the Leased Premises, or any part thereof, and repossess the same as of their former estate and expel the Lessee and remove its effects forcefully, if necessary, without being taken or deemed to be guilty of any manner of trespass and thereupon this Lease Agreement shall terminate but without prejudice to any remedy which might otherwise be used by the Lessor for arrears of rent or for any breach of the Lessee's covenants herein contained.
- 20.2 In the event that Lessor is in breach of any material term or condition of this Lease, Lessee shall provide Lessor with written notice of such breach describing the nature and extent of such breach. Lessor shall have the longer of thirty (30) days from receipt of such notice to cure any breach under this lease or such other amount of time mutually agreed upon, in writing, by the parties. In the event the Lessor fails to cure such breach within thirty (30) day period, Lessee reserves the right to immediately terminate this Lease for cause. Lessee reserves any and all remedies otherwise available in law or in equity. For purposes of this section, material terms or conditions include but are not limited to the following: requirements of any ordinance, code or law; remedying deficiencies on the items for which Lessor is responsible under the terms of this Lease.

Section XXI
Taxes

In addition to the rent payable pursuant to Section VI Lessee shall assume full responsibility for and shall pay all taxes and assessments that accrue to the Leased Premises or to the improvements thereon, including sales and property tax, any and all drainage and special assessments, and all mechanic's or material man's liens which may be hereafter lawfully assessed and levied against the Leased Premises.

Section XXII
Prohibition of Liens and Encumbrances

Lessee shall not cause any lien or encumbrance of any nature including, but not limited to, mortgages or construction liens, to be filed against the real property contained in the Leased Premises.

Section XXIII
Notices

All notices required to be served upon the Lessor shall be served by Registered or Certified Mail, Return Receipt Requested, at Lessor's Address, which is defined in Section 1.7, and all notices required to be served upon the Lessee shall be served by Registered or Certified Mail, Return Receipt Requested at Lessee's Address, which is defined in section 1.5.

Section XXIV
Indemnification

- 24.1 Lessee shall indemnify, defend, and hold Lessor, its officials, agents, servants, and employees, harmless from any and all liability, actions, causes of action, suits, trespasses, damages, judgments, executions, claims, and demands of any kind whatsoever, in law or in equity, which results from or arises out of the use of the Premises, and intentional or negligent acts or omissions of Lessee, its employees, agents, servants while acting within the scope of their employment and Lessee shall indemnify Lessee, its officials, agents, servants and employees, for damages, judgments, claims costs, expenses, including reasonable attorney's fees, which Lessor its officials, agents, servants and employees, might suffer in connection with or as result of the intentional or negligent acts of Lessee, it employees, agents, or servants while acting within the scope of their employment. For purposes of this provision, Lessor's employees shall not be deemed agents or servants of Lessee and Lessee employees shall not be deemed agents or servants of Lessor.
- 24.2 To the extent permitted by law, Lessor shall indemnify defend, and hold Lessee, its official, agents, servants and employees, harmless from any and all liability, actions, causes of action, suits, trespasses, damages, judgments, executions, claims, and demands of any kind whatsoever, in law or in equity, which results from or arises out of the intentional or negligent acts or omissions of Lessor its employees, agents, servants while acting within the scope of their employment and Lessor shall indemnify Lessee, its officials, agents, servants and employees, for damages, judgments, claims costs, expenses, including reasonable attorney's fees, which Lessee its officials, agents, servants and employees, might suffer in connection with or as result of the intentional or negligent acts of Lessor, it employees, agents, or servants while acting within the scope of their employment. For purposes of this provision, Lessor's employees shall not be deemed agents or servants of Lessor and Lessee's employees shall not be deemed agents or servants of Lessor. Lessor will be at all times be entitled to the benefits of sovereign immunity as provided in common law. Nothing contained in this Agreement shall be construed as a waiver of sovereign immunity.

Section XXV
Radon Gas

Lessor notifies Lessee as follows:

"Radon Gas: Radon is a naturally occurring radioactive gas that, once it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time.

Additional information regarding Radon and Radon testing may be obtained from the Cortland County Environmental Health unit.”

Section XXVI
Entire Agreement

This written Lease Agreement, including Exhibits A-B contains the sole and entire Agreement between the parties. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this Agreement or any representations including its execution and delivery except such representations as are specifically set forth in this writing, and the parties acknowledge that any statements or representations that may have been made by either of them to the other are void and of no effect and that neither of them has relied on such statements or representations in connection with its dealings with the other.

Section XXVII
Waiver or Modification of the Agreement

No waiver or modification of this Agreement or of any covenant, condition, or limitation contained herein shall be valid unless it is reduced to written and duly executed by the parties with the same formalities as contained herein. No evidence of any waiver or modification of the terms herein shall be offered or received in evidence in any proceedings, arbitration, or litigation between the parties arising, in any manner, out of this Agreement, unless such waiver or modification is in writing and duly executed by the parties.

Section XXVIII
Governing Law and Venue

It is the parties' intent that this Agreement and its performance, as well as, all suits and special proceedings relating to it, be construed in accordance with and pursuant to the laws of the State of New York. The laws of the State of New York shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which any legal action or special proceeding may be instituted, commenced, or initiated. Venue in any proceeding or action among the parties arising out of this Agreement shall be in Cortland County, New York.

Section XXIX
Successors and Assigns

The terms and conditions of this Agreement shall be binding upon Lessor and Lessee's successors and assigns, including sub lessees.

Section XXX
Miscellaneous Provisions

- 30.1 Prevailing Party. To the extent not inconsistent with Lessor's statutory sovereign immunity protections, in the event either Party brings an action against the other to enforce any condition or covenants of this Lease, the prevailing party in such action shall be entitled to recover their court costs and reasonable attorneys' fees, including paralegal fees, and appeals.
- 30.2 Each of the parties represents and warrants that it has dealt with no broker(s) in connection with the execution of this Lease.
- 30.3 The term Lease, Lease Agreement, or Agreement shall be inclusive of each other and shall also include any renewals, extensions or modifications of this Lease.
- 30.4 The terms Lessor and Lessee shall include the successors and assigns for the parties hereto.

- 30.5 Any approval(s) required pursuant to this Agreement shall not be unreasonably withheld.
- 30.6 The preparation of this Agreement has been a joint effort of the parties and the resulting document shall not solely as a matter of judicial construction, be construed more severely against one of the parties than the other.
- 30.7 In entering this Agreement, the parties represent that they have had a reasonable opportunity to seek and select legal advice and have relied upon the advice of their own legal representative, who is an attorney of their own choice, or have voluntarily chosen not to seek the advice of an attorney, and that the terms of this Agreement have been completely read and that those terms are fully understood and voluntarily accepted by them.
- 30.8 The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of the Agreement. All personal pronouns used in this Agreement shall include the other gender, and the singular shall include the plural, and vice versa, unless the context otherwise requires. Terms such as Herein, Hereof, hereunder, and hereinafter, refer to this Agreement as a whole and not to any particular sentence, paragraph, or section where they appear, unless the context otherwise requires.

In Witness Whereof, the parties hereto have executed this instrument for the purpose herein expressed, on the date(s) set forth below.

Witness as to Lessor:

County Of Cortland (Lessor)
Chairman, County Legislature

By: _____

By: _____

Date: _____

Date: _____

Approved as to form and legal sufficiency:

By: _____
County Attorney

Witness as to Lessee:

Lessee

By: _____

By: _____

Date: _____

Date: _____

CORPORATE SEAL:

APPENDIX A



TCCC Evaluation for new Horizon House location. March 5, 2009
22 West Court Street

THE SITE:

The site is accessible from the front (West Court) and rear (Orchard) streets. It is completely paved except for the grassy landscaped area in the front. The parking lot has approximately 20 cars indicated in a one way pattern from the front of the building on West Court Street exiting to Orchard Street in the rear. Handicapped spaces are provided.

THE EXTERIOR:

The exterior is constructed of brick masonry on the front (south side) and brick masonry on the east side. The brick masonry is in very good condition. The west and north sides have been resurfaced with a Dryvit exterior insulation system in very serviceable condition. All windows have been replaced with thermal broken aluminum sliders or fixed units. The front entry doors are newly installed aluminum doors and sidelites with handicapped controls and automatic closers. The roof was not accessible but evidence of a new fascia would mean either a new roof surface or full replacement. It is unknown as to how much insulation is contained in the roofing system.

THE INTERIOR & ENVIRONMENTAL CONCERNS:

Interior floor finishes are a combination of porcelain tile, carpet and an epoxy floor finish in the bathrooms. Original existing walls are constructed of wood studs with a plaster finish. New walls were constructed of metal studs with a painted drywall finish. Ceilings are 2x4 suspended acoustic tile and metal suspension grid. 6" fiberglass batt insulation has been placed above the acoustic ceiling system. No environmental concerns were visible but we would recommend a phase one environmental audit to confirm any possible issues.

MECHANICALS:

A 2" gas service is available to the facility. A 200 amp electric service is provided to the building. The heating system is a gas fired hot water boiler with perimeter baseboard radiation. Perimeter radiation is of a commercial type and in very serviceable condition. Air conditioning is provided by 2 vertical residential heat pump systems that have condensing units mounted on the roof. The heat pumps are electric based units. Mechanicals appear to be in very good condition. A 10 gallon electric hot water tank services the bathrooms.

STRUCTURAL:

The roof structural system is an exterior masonry wall bearing with bar joists and metal deck system.

FLOOR PLAN:

The main building floor plan is approximately 40 feet wide by 80 feet long or approximately 3200 gross square feet. It has a central corridor with classrooms off one side and service spaces off the other. Plan modifications would be necessary to accommodate the Horizon House program prepared in 2008. The chart below indicates the types of spaces necessary to accommodate the proposed program. Based upon the current program needs the move to this facility would be a lateral move from the current location and many spaces end up smaller than originally recommended. The building, structure, parking and physical conditions of the proposed facility are superior to the current building. However, there is no room for expansion of the current programs.

A review of the proposed plan should be consulted with the current director of the facility.



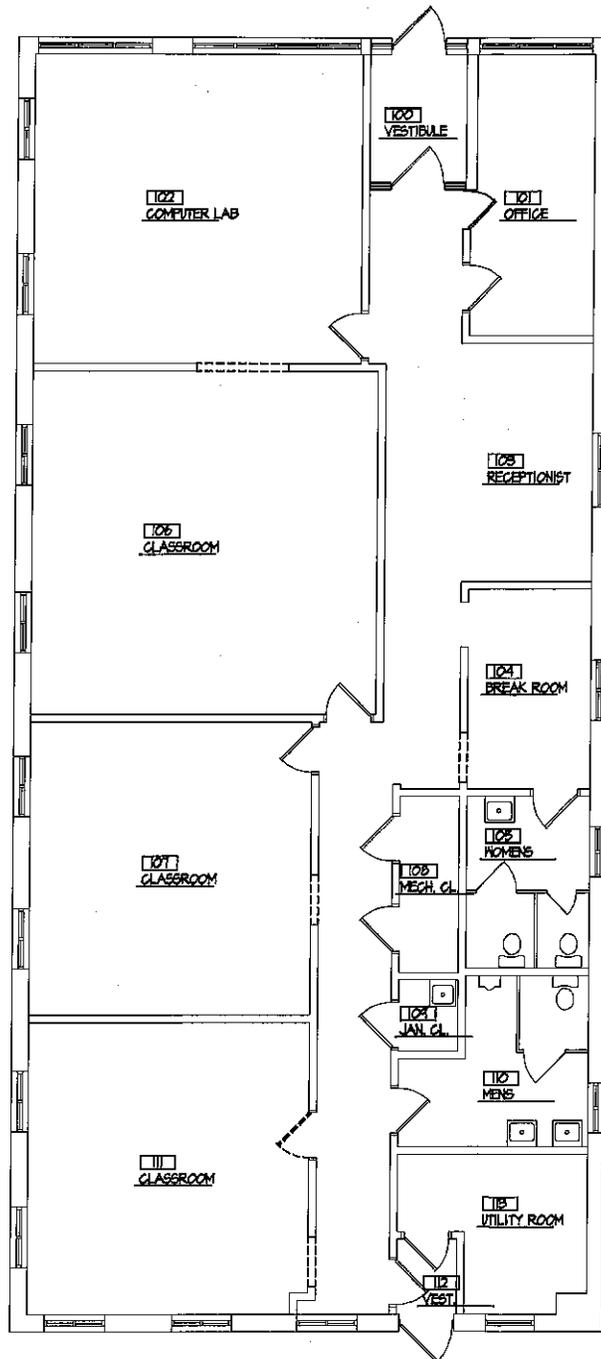
PROJECTED COSTS:

It is anticipated that the renovations necessary to accommodate the propose floor plan as well as construct a new commercial kitchen will cost approximately \$100,000.00 to \$125,000.00 as a County project with prevailing wage rates.

SPACE COMPARISONS NET SQUARE FEET PER ROOM/AREA

Room Name	2008 Program	22 W. Court	49 Grant St
Group Therapy/Café 28 capacity	420 SF	425 SF	522 SF
Small Group Room 15 capacity	225 SF	154 SF	143 SF
Reception/Waiting	150 SF	121 SF	197 SF
Kitchen	240 SF	255 SF	399 SF
Pantry Storage	40 SF	49 SF	35 SF
3 Computer Stations	45 SF	45 SF	45 SF
Director Office	145 SF	111 SF	153 SF
Med Service Worker w/files	200 SF	225 SF	132 SF
2 Social Workers Office	120 SF each	116 SF each	93 SF each
Day Treatment Office	120 SF	110 SF	105 SF
Nurse Office (PT)	81 SF	64 SF	88 SF
Medical Storage Room w/sink	35 SF	30 SF	40 SF
Conference Room	150 SF	120 SF	98 SF
Psych/Consult (PT)shared office	120 SF	65 SF	88 SF
Misc Storage	100 SF	100 SF	32 SF
	2311 SF	2106 SF	2263 SF

APPENDIX B



 EXISTING TCCC FLOOR PLAN

SCALE: 1/8" = 1'-0"