

MEMORANDUM

To: Mayor and Council, City of Sandy Springs
From: John McDonough, City Manager
Wendell Willard, City Attorney
Cecil G. McLendon, Jr., Assistant City Attorney
Date: April 24, 2014
Re: Proposed Amendments to City Hall Leases

Existing City Hall Leases

The City of Sandy Springs Public Facilities Authority currently holds three Leases for City facilities within the Morgan Falls Office Park as follows: ¹

1. City Hall occupies approximately 61,059 square feet of space in Building 500 pursuant to a Lease Agreement originally dated November 30, 2005 (as subsequently amended March 24, 2006, December 14, 2006, May 15, 2007, and April 13, 2011 (the “Building 500 Lease”));
2. The Police Department occupies 15,386 square feet in Building 300 pursuant to a Lease Agreement originally dated April 13, 2011 (the “Building 300 Lease”); and
3. The Police Department occupies 19,731 square feet in Building 400 pursuant to a Lease Agreement originally dated April 13, 2011 (the “Building 400 Lease”).

Each of the above leases will terminate on June 30, 2015 so it is necessary to address potential amendments of the Leases to meet the City’s future space needs.

Police Facilities

The City Manager and staff believe that the Building 300 and Building 400 spaces are functioning well in housing the Police Department. Accordingly, it is the City Manager’s recommendation that the Building 300 and Building 400 Leases be extended and continue in their current configuration as the City Police Facility.

Building 300

For the final July 1, 2014 - June 30, 2015 term of the Building 300 Lease, the rental rate is \$12.15 per square foot resulting in a Monthly Base Rental of \$16,033.95. Following negotiations with the Landlord, the rental rate for the initial July 1, 2015 - June 30, 2016 term of the Amended Building 300 Lease has been proposed at \$12.50 per square foot resulting in a

¹ The City subsequently subleases each of the buildings from the Public Facilities Authority in order to allow the City to enter into multiyear obligation with a non-governmental entity.

Monthly Base Rental Rate of \$16,495.83, with an annual escalation over the five (5) year term of the Lease as set forth in the proposed amendment. A copy of the proposed First Amendment to Lease Agreement for Building 300 is attached hereto as Exhibit "A".

Building 400

For the final July 1, 2014 - June 30, 2015 term of the Building 400 Lease, the rental rate is \$13.27 per square foot resulting in a Monthly Base Rental of \$21,819.20. Following negotiations with the Landlord, the rental rate for the initial July 1, 2015 - June 30, 2016 term of the Amended Building 400 Lease has been proposed at \$13.70 per square foot resulting in a Monthly Base Rental Rate of \$22,526.23, with an annual escalation over the five (5) year term of the Lease as set forth in the proposed lease amendment. A copy of the proposed First Amendment to Lease Agreement for Building 400 is attached hereto as Exhibit "B".

Tenant Work and Expenses Concessions

As a material provision of the proposed Building 300 and Building 400 amendments, the Landlords have agreed to provide a substantial Tenant Improvement Allowance which may be used for any costs under the Lease. Accordingly, this allowance effectively reduces the rental rate for the space.

As to the Building 300 Lease, the amendment provides for a one-time allowance not to exceed \$5.26 per square foot in the sum of \$83,297.36. As to the Building 400 Lease, the amendment provides for an allowance not to exceed \$5.26 per square foot in the sum of \$103,785.06. Accordingly, the total Tenant Improvement Allowance for Building 300 and Building 400 is in the sum of \$187,082.42 which effectively reduces the rental rate by approximately \$1.05 per square foot per year for each lease.

Pursuant to the terms of the Lease Amendments, one-half of the sum is payable to the City upon execution of the Amendment and the remainder upon the commencement of the initial term of the Amended Lease on July 1, 2015.

City Hall Facilities – Building 500

The City Hall Facilities are located in Building 500. A primary consideration regarding the renegotiation of the Building 500 Lease is to provide the City flexibility to eventually transition to the new City Hall Facility in City Center when it is completed.

Existing Lease and Amendment

For the final July 1, 2014 - June 30, 2015 term of the Building 500 Lease, the rental rate is \$11.88 per square foot resulting in a Monthly Base Rental of \$60,448.41. Following negotiations with the Landlord, the rental rate for the initial July 1, 2015 - June 30, 2016 term of the Amended Building 500 Lease has been proposed at \$12.50 per square foot resulting in a

Monthly Base Rental Rate of \$63,603.13, with an annual escalation over the five (5) year term of the Lease as set forth in the lease amendment. A copy of the proposed Fifth Amendment to Lease Agreement for Building 500 is attached hereto as Exhibit “C”.

Tenant Work and Expenses Concessions

As with Buildings 300 and 400, the Landlord has agreed to provide a substantial concession to the City in the form of a Tenant Improvement Allowance which may be used for any costs under the Lease. The proposed amendment provides for a one-time allowance not to exceed \$5.26 per square foot in the sum of \$321,170.34 which effectively reduces the rental rate by \$1.05 per square foot per year.² As with Buildings 300 and 400, one-half of the sum is payable to the City upon execution of the Amendment and the remainder upon the commencement of the initial term of the Amended Lease on July 1, 2015.

Partial Termination Option

In order to provide the flexibility to the City regarding potential relocation of the City Hall Facility, commencing with the July 1, 2017 term, upon six (6) months written notice, the City has the option to reduce the area occupied under the Lease by up to 50,307 square feet. This would allow the City to relocate all of the City Hall Facilities, other than the Municipal Court area. The amendment expressly provides that the City will continue to lease 10,752 square feet comprising the Municipal Court Facility through the entire period of the Lease.

Should the City not exercise the partial termination option for the term commencing on July 1, 2017, the option to exercise the partial termination will be available every three (3) months thereafter upon six (6) months’ notice.

Recommendation

The City Manager recommends entering into the Subleases with the Public Facilities Authority regarding the Amended Leases.

² If the Partial Termination Option is exercised after July 2017, the per square foot value of the Tenant Improvement Allowance would increase in relation to the smaller municipal court facility.

RESOLUTION NO. _____

STATE OF GEORGIA
COUNTY FULTON

**A RESOLUTION AUTHORIZING THE CITY OF SANDY SPRINGS, GEORGIA TO
EXECUTE SUBLEASES WITH THE CITY OF SANDY SPRINGS PUBLIC
FACILITIES AUTHORITY FOR SUITES 301 AND 401 OF
THE MORGAN FALLS OFFICE PARK**

WHEREAS, the City of Sandy Springs Public Facilities Authority (the “Authority”) anticipates being authorized to enter into Amended Leases for Suites 301 and 401 of the Morgan Falls Office Park for use as the City of Sandy Springs Police Department; and

WHEREAS, the Authority anticipates being authorized to enter into Subleases with the City of Sandy Springs, Georgia subleasing Suites 301 and 401 for use as the City Police Department; and

WHEREAS, pursuant to the terms of the proposed Subleases, the City agrees to abide by the terms and conditions of the Lease Agreements, as amended, between the Authority and the Landlords; and

WHEREAS, the proposed Subleases are attached hereto as Exhibits “A” and “B”;

NOW THEREFORE, BE IT RESOLVED by the City of Sandy Springs, Georgia while in regular session on May 6, 2014, at 6:00 p.m., as follows:

1. The Mayor is authorized to enter into Subleases for Suites 301 and 401 of the Morgan Falls Office Park with the City of Sandy Springs Public Facilities Authority subject to the review and approval of the Finance Department and the City Attorney’s Office; and

APPROVED AND ADOPTED this ____ day of _____.

Approved: _____

Russell K. Paul, Mayor

Attest:

Michael Casey, Clerk
(Seal)

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the "Sublease") is made and entered into as of this _____ day of _____, 2014, by and between the City of Sandy Springs Public Facilities Authority, a political subdivision of the State of Georgia ("Sublessor") and the City of Sandy Springs, a Georgia municipal corporation ("Sublessee");

WITNESSETH:

WHEREAS by virtue of that certain lease agreement originally dated April 13, 2011, Sublessor leased from Morgan Falls Realty, LP, a Georgia limited partnership (hereinafter referred to as "Landlord") premises known as Suite Number 301, measuring approximately 15,836 rentable square feet located at 7840 Roswell Road, Building 300, Sandy Springs, Georgia 30350 (the "Premises"); and

WHEREAS, the Lease will expire June 30, 2015, and the Landlord and Sublessor have agreed to amend the Lease to further extend the Lease Term and address certain other matters as set forth in that certain First Amendment to Lease Agreement attached hereto as Exhibit "A" (hereinafter "Lease Amendment"); and

WHEREAS, Sublessor and Sublessee desire that Sublessor sublease the Premises to Sublessee and that Sublessee will unconditionally and absolutely agree to accept and perform all of Sublessor's obligations under the Lease as amended by the Lease Amendment (hereinafter the "Amended Lease");

NOW THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE 1. SUBLEASE

1.1 Sublessee's Obligations. Sublessee unconditionally and absolutely agrees to accept and perform all of Sublessor's obligations under the Amended Lease to the fullest extent permitted under Georgia law. Sublessee is authorized to deal with Landlord directly in all matters related to the Amended Lease. Sublessee shall not do or permit to be done anything that would constitute a breach or default of Sublessor's obligations in the Amended Lease.

1.2 Sublessor's Obligations. Sublessor agrees to comply with all of Sublessor's obligations in the Amended Lease. Sublessor agrees not to do anything to disturb Sublessee's use of the Premises pursuant to this Sublease, provided Sublessee is not in breach or default or any obligation in this Sublease. Sublessor agrees that Landlord's acceptance of payments from Sublessee and direct communication with Sublessee shall not be deemed a release or waiver of Sublessor's duties under the Amended Lease, and Sublessor shall ratify and affirm any agreements as between Sublessee and Landlord with regard to the Premises, specifically including but not limited to any agreements as to repairs made by Landlord.

ARTICLE 2. TERM

The term of this Sublease shall be deemed to commence upon the Commencement Date of the Lease and upon request Sublessor and Sublessee shall execute an agreement affirming the Commencement Date. The Sublease shall expire on the expiration date as provided in the Amended Lease (subject to the exercise by Sublessor of any extension or other options set forth in the Lease), unless earlier terminated according to the terms of the Amended Lease or this Sublease.

ARTICLE 3. RENT

Sublessee shall pay all monetary obligations of Sublessor under the Amended Lease, and shall make such payments directly to Landlord upon the terms and conditions set forth in the

Amended Lease. Notwithstanding the Sublease, Sublessor shall remain liable for the payment of all amounts due under the Amended Lease and performance of all of its duties under the Amended Lease throughout the term of the Amended Lease.

ARTICLE 4. MISCELLANEOUS

Sublessee represents that it has read the Amended Lease and that the terms of the Sublease are subject and subordinate to the terms and provisions of the Amended Lease. As a material inducement to the approval by Landlord of the Sublease, Sublessor represents that in the event of a default by Sublessee under the Amended Lease or the Sublease, Sublessor shall exercise all available remedies under the Lease, the Sublease and Georgia law, as requested and approved by Landlord, to ensure payment and performance by Sublessee.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be duly executed as of the date first above written.

SUBLESSOR: City of Sandy Springs Public Facilities Authority

By: _____
Its: _____

Attest:
By: _____
Print Name: _____
Title: _____

SUBLESSEE: City of Sandy Springs

By: _____
Its: _____

Attest:
By: _____
Print Name: _____
Title: _____

(Consent of Landlord on Following Page)

Consent by Landlord: The undersigned as Landlord under the Lease hereby consents to the foregoing Sublease on the express conditions that :1) Sublessor shall be and continue to remain liable for the payment of all amounts due under the Lease and the performance of each and every term, covenant and condition of the Lease on the part of Tenant thereunder to be observed and performed; 2) nothing contained in the Sublease shall be taken or construed to in any way modify, alter or affect any terms or conditions of the Lease; 3) there shall be no further sublease of the Lease without the express consent of Landlord; 4) in consideration for Landlord's consent to the Sublease, in the event of a default by Sublessee, Sublessor shall exercise all rights and remedies available under the Lease, the Sublease and Georgia law, as requested and approved by Landlord, to ensure payment and performance by Sublessee of its obligations.

Consented to, Acknowledged, and Approved:
Landlord:

Morgan Falls Realty, LP
A Georgia limited partnership

Attest:
By: _____
Print Name: _____

By: Morgan Falls Realty General Partner, LLC
Its: General Partner

Title: _____

By: _____
A. Boyd Simpson
Its: Manager

Attest:
By: _____
Print Name: _____
Title: _____

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (hereinafter referred to as the “Amendment”) is made and entered into this _____ day of _____, 2014 by and between Morgan Falls Realty, LP, a Georgia limited partnership (hereinafter referred to as “Landlord”), and the City of Sandy Springs Public Facilities Authority, a political subdivision of the State of Georgia (hereinafter referred to as “Tenant”) and provides as follows:

WITNESSETH:

WHEREAS by virtue of that certain lease agreement originally dated April 13, 2011, Tenant leased from Landlord premises known as Suite Number 301, measuring approximately 15,836 rentable square feet located at 7840 Roswell Road, Building 300, Sandy Springs, Georgia 30350 (the “Premises”); and

WHEREAS, the Lease will expire June 30, 2015, and the parties hereto desire to amend the Lease to further extend the Lease Term, subject to the terms hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

- 1. Recitals. The parties acknowledge and agree that the recitals set forth above are true and correct, and are hereby incorporated in their entirety.
- 2. Lease Term. The term of the Lease is extended, commencing on July 1, 2015, for sixty (60) full months (the “Renewal Term”) so as to expire June 30, 2020.
- 3. Base Rental Rate. The Lease is amended to provide that Base Rent during the Renewal Term shall be as follows:

Months of Renewal Term	Rent Rate Per Square Foot	Annual Base Rent	Monthly Base Rent
July 1, 2015 – June 30, 2016	\$12.50	\$197,950.00	\$16,495.83
July 1, 2016 – June 30, 2017	\$12.75	\$201,909.00	\$16,825.75
July 1, 2017 – June 30, 2018	\$13.01	\$206,026.36	\$17,168.86
July 1, 2018 – June 30, 2019	\$13.27	\$210,143.72	\$17,511.98
July 1, 2019 – June 30, 2020	\$13.54	\$214,419.44	\$17,868.29

4. Additional Rent and Common Area Expense. In addition to the payment of Base Rental, Tenant affirms its duty to pay Common Area Expenses, as well as Additional Rent payments under the terms of the Lease (including Insurance and Taxes exceeding the Base Year set forth in the Lease Agreement) through the Renewal Term.

5. Security Deposit. Landlord and Tenant acknowledge that, at the signing of the Lease, Tenant did not pay any security deposit to Landlord and to date, no funds are being held as a Security Deposit.

6. Brokers. The parties acknowledge and agree that The Simpson Organization, Inc. (Landlord's Broker) represents Landlord in this transaction and Cresa Partners of Georgia, LLC (Tenant's Broker) represents Tenant in this transaction. Landlord's Broker and Tenant's Broker shall be paid by Landlord pursuant to a separate agreement. Tenant represents and warrants to Landlord that except for Tenant's Broker identified herein, no broker, agent, commission sales person or other person has represented Tenant in the negotiation of this Amendment and that no other commissions, fees or compensation of any kind is due and payable in connection herewith to any broker, agent, commission sales person or other person as a result of any act or agreement of Tenant. To the extent allowed by law, Tenant agrees to indemnify and hold Landlord harmless from any loss, liability, damage, claim, judgment, cost or expense including reasonable attorney's fees suffered or incurred by Landlord as a result of a breach by Tenant of this representation and warranty contained herein.

7. Tenant's Work and Expenses. Except as specifically set forth herein, Tenant acknowledges that it is currently in possession of the Premises, that Landlord has made no promise to improve or decorate the Premises in conjunction with this Amendment, and that any additional improvements shall be completed by Tenant pursuant to the terms of the Lease. In consideration for the extension of the Lease Term, Landlord shall provide Tenant a Tenant Improvement Allowance in the amount not to exceed \$5.26 per square foot (to wit: \$83,297.36, the "Allowance") which may be used by Tenant towards the cost of any improvements to the Premises, or toward any other of Tenant's costs and expenses related to the Premises whatsoever. Provided Tenant is not in default under the Lease, one-half (1/2) of the Allowance shall be disbursed to Tenant upon the full execution of this Amendment, and the remaining one-half (1/2) of the Allowance shall be disbursed to Tenant upon the commencement of the Renewal Term (July 1, 2015).

8. The parties agree that any renewal option set forth in the Lease is deleted, and of no further force and effect.

9. Landlord agrees that its landscapers shall not perform routine landscaping maintenance at the Building after 8:45 AM or before 5:00 pm, Monday- Friday.

10. Tenant, by execution of this First Amendment to Lease Agreement, acknowledges and affirms, to the best of its knowledge without inquiry or investigation, that Landlord is not in default under any term or condition of the Lease, and has fulfilled all of its obligations due thereunder as of the date hereof, including but not limited to the payment of any and all construction allowances. Nothing contained herein shall be deemed to constitute a waiver by Landlord of the requirement that Tenant strictly complies with the terms and conditions of the Lease, and Tenant hereby acknowledges its obligations in this regard.

11. Landlord, by execution of this First Amendment to Lease Agreement, acknowledges and affirms, to the best of its knowledge without inquiry or investigation, that Tenant is not in default under any term or condition of the Lease, and has fulfilled all of its obligations due thereunder as of the date hereof, including but not limited to the payment of any and all construction allowances. Nothing contained herein shall be deemed to constitute a waiver by Tenant of the requirement that Landlord strictly complies with the terms and conditions of the Lease, and Landlord hereby acknowledges its obligations in this regard.

12. All terms and conditions of the Lease remain in full force and effect except as specifically amended herein. Should any term of the Lease conflict with any term of this First Amendment to Lease, the term of this First Amendment to Lease shall be deemed controlling. The parties hereto ratify the terms and conditions of the Lease as amended herein.

13. This First Amendment to Lease shall be construed according to the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties hereto have executed and this First Amendment as of the date first above written.

LANDLORD: MORGAN FALLS REALTY, LP
By: Morgan Falls Realty General Partner, LLC
Its: General Partner
By: _____
Name: A. Boyd Simpson
Its: Manager

TENANT: City of Sandy Springs Public Facilities Authority,
a political subdivision of the State of Georgia
By: _____
Its: _____

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the "Sublease") is made and entered into as of this _____ day of _____, 2014, by and between the City of Sandy Springs Public Facilities Authority, a political subdivision of the State of Georgia ("Sublessor") and the City of Sandy Springs, a Georgia municipal corporation ("Sublessee");

WITNESSETH:

WHEREAS by virtue of that certain lease agreement originally dated April 13, 2011, Tenant leased from TSO Morgan Falls, LLC premises known as Suite Number 401, measuring approximately 19,731 rentable square feet located at 7840 Roswell Road, Building 400, Sandy Springs, Georgia 30350 (the "Premises"); and

WHEREAS, TSO Morgan Falls, LP, a Georgia limited partnership (hereinafter referred to as "Landlord"), is the successor-in-interest to TSO Morgan Falls, LLC; and

WHEREAS, the Lease will expire June 30, 2015, and the Landlord and Sublessor have agreed to amend the Lease to further extend the Lease Term and address certain other matters as set forth in that certain First Amendment to Lease Agreement attached hereto as Exhibit "A" (hereinafter "Lease Amendment"); and

WHEREAS, Sublessor and Sublessee desire that Sublessor sublease the Premises to Sublessee and that Sublessee will unconditionally and absolutely agree to accept and perform all of Sublessor's obligations under the Lease as amended by the Lease Amendment (hereinafter the "Amended Lease");

NOW THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE 1. SUBLEASE

1.1 Sublessee's Obligations. Sublessee unconditionally and absolutely agrees to accept and perform all of Sublessor's obligations under the Amended Lease to the fullest extent permitted under Georgia law. Sublessee is authorized to deal with Landlord directly in all matters related to the Amended Lease. Sublessee shall not do or permit to be done anything that would constitute a breach or default of Sublessor's obligations in the Amended Lease.

1.2 Sublessor's Obligations. Sublessor agrees to comply with all of Sublessor's obligations in the Amended Lease. Sublessor agrees not to do anything to disturb Sublessee's use of the Premises pursuant to this Sublease, provided Sublessee is not in breach or default or any obligation in this Sublease. Sublessor agrees that Landlord's acceptance of payments from Sublessee and direct communication with Sublessee shall not be deemed a release or waiver of Sublessor's duties under the Amended Lease, and Sublessor shall ratify and affirm any agreements as between Sublessee and Landlord with regard to the Premises, specifically including but not limited to any agreements as to repairs made by Landlord.

ARTICLE 2. TERM

The term of this Sublease shall be deemed to commence upon the Commencement Date of the Lease and upon request Sublessor and Sublessee shall execute an agreement affirming the Commencement Date. The Sublease shall expire on the expiration date as provided in the Amended Lease (subject to the exercise by Sublessor of any extension or other options set forth in the Lease), unless earlier terminated according to the terms of the Amended Lease or this Sublease.

ARTICLE 3. RENT

Sublessee shall pay all monetary obligations of Sublessor under the Amended Lease, and shall make such payments directly to Landlord upon the terms and conditions set forth in the

Amended Lease. Notwithstanding the Sublease, Sublessor shall remain liable for the payment of all amounts due under the Amended Lease and performance of all of its duties under the Amended Lease throughout the term of the Amended Lease.

ARTICLE 4. MISCELLANEOUS

Sublessee represents that it has read the Amended Lease and that the terms of the Sublease are subject and subordinate to the terms and provisions of the Amended Lease. As a material inducement to the approval by Landlord of the Sublease, Sublessor represents that in the event of a default by Sublessee under the Amended Lease or the Sublease, Sublessor shall exercise all available remedies under the Lease, the Sublease and Georgia law, as requested and approved by Landlord, to ensure payment and performance by Sublessee.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be duly executed as of the date first above written.

SUBLESSOR: City of Sandy Springs Public Facilities Authority

By: _____
Its: _____

Attest:
By: _____
Print Name: _____
Title: _____

SUBLESSEE: City of Sandy Springs

By: _____
Its: _____

Attest:
By: _____
Print Name: _____
Title: _____

(Consent of Landlord on Following Page)

Consent by Landlord: The undersigned as Landlord under the Lease hereby consents to the foregoing Sublease on the express conditions that :1) Sublessor shall be and continue to remain liable for the payment of all amounts due under the Lease and the performance of each and every term, covenant and condition of the Lease on the part of Tenant thereunder to be observed and performed; 2) nothing contained in the Sublease shall be taken or construed to in any way modify, alter or affect any terms or conditions of the Lease; 3) there shall be no further sublease of the Lease without the express consent of Landlord; 4) in consideration for Landlord's consent to the Sublease, in the event of a default by Sublessee, Sublessor shall exercise all rights and remedies available under the Lease, the Sublease and Georgia law, as requested and approved by Landlord, to ensure payment and performance by Sublessee of its obligations.

Consented to, Acknowledged, and Approved:
Landlord:

TSO Morgan Falls, LP
A Georgia limited partnership

Attest:
By: _____
Print Name: _____

By: Morgan Falls Realty General Partner, LLC
Its: General Partner

Title: _____

By: _____
A. Boyd Simpson
Its: Manager

Attest:
By: _____
Print Name: _____
Title: _____

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (hereinafter referred to as the "Amendment") is made and entered into this _____ day of _____, 2014 by and between TSO Morgan Falls, LP, a Georgia limited partnership (hereinafter referred to as "Landlord"), and the City of Sandy Springs Public Facilities Authority, a political subdivision of the State of Georgia (hereinafter referred to as "Tenant") and provides as follows:

WITNESSETH:

WHEREAS by virtue of that certain lease agreement originally dated April 13, 2011, Tenant leased from Landlord premises known as Suite Number 401, measuring approximately 19,731 rentable square feet located at 7840 Roswell Road, Building 400, Sandy Springs, Georgia 30350 (the "Premises"); and

WHEREAS, Landlord is the successor-in-interest to TSO Morgan Falls, LLC; and

WHEREAS, the Lease will expire June 30, 2015 and the parties hereto desire to amend the Lease to further extend the Lease Term, subject to the terms hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. The parties acknowledge and agree that the recitals set forth above are true and correct, and are hereby incorporated in their entirety.
2. Lease Term. The term of the Lease is extended, commencing on July 1, 2015, for sixty (60) full months (the "Renewal Term") so as to expire June 30, 2020.
3. Base Rental Rate. The Lease is amended to provide that Base Rent during the Renewal Term shall be as follows:

Months of Renewal Term	Rent Rate Per Square Foot	Annual Base Rent	Monthly Base Rent
July 1, 2015 – June 30, 2016	\$13.70	\$270,314.70	\$22,526.23
July 1, 2016 – June 30, 2017	\$13.97	\$275,642.07	\$22,970.17
July 1, 2017 – June 30, 2018	\$14.25	\$281,166.75	\$23,430.56
July 1, 2018 – June	\$14.54	\$286,888.74	\$23,907.40

30, 2019			
July 1, 2019 – June 30, 2020	\$14.83	\$292,610.73	\$24,384.23

4. Additional Rent and Common Area Expense. In addition to the payment of Base Rental, Tenant affirms its duty to pay Common Area Expenses, as well as Additional Rent payments under the terms of the Lease (including Taxes and Insurance exceeding the Base Year set forth in the Lease Agreement) through the Renewal Term.

5. Security Deposit. Landlord and Tenant acknowledge that, at the signing of the Lease, Tenant did not pay any security deposit to Landlord and to date, no funds are being held as a Security Deposit.

6. Brokers. The parties acknowledge and agree that The Simpson Organization, Inc. (Landlord’s Broker) represents Landlord in this transaction and Cresa Partners of Georgia, LLC (Tenant’s Broker) represents Tenant in this transaction. Landlord’s Broker and Tenant’s Broker shall be paid by Landlord pursuant to a separate agreement. Tenant represents and warrants to Landlord that except for Tenant’s Broker identified herein, no broker, agent, commission sales person or other person has represented Tenant in the negotiation of this Amendment and that no other commissions, fees or compensation of any kind is due and payable in connection herewith to any broker, agent, commission sales person or other person as a result of any act or agreement of Tenant. To the extent allowed by law, Tenant agrees to indemnify and hold Landlord harmless from any loss, liability, damage, claim, judgment, cost or expense including reasonable attorney’s fees suffered or incurred by Landlord as a result of a breach by Tenant of this representation and warranty contained herein.

7. Tenant’s Work and Expenses. Except as specifically set forth herein, Tenant acknowledges that it is currently in possession of the Premises, that Landlord has made no promise to improve or decorate the Premises in conjunction with this Amendment, and that any additional improvements shall be completed by Tenant pursuant to the terms of the Lease. In consideration for the extension of the Lease Term, Landlord shall provide Tenant a Tenant Improvement Allowance in the amount not to exceed \$5.26 per square foot (to wit: \$103,785.06, the “Allowance”) which may be used by Tenant towards the cost of any improvement to the Premises or toward any other of Tenant’s costs and expenses related to the Premises whatsoever. Provided Tenant is not in default under the Lease, one-half (1/2) of the Allowance shall be disbursed to Tenant upon the full execution of this Amendment, and the remaining one-half (1/2) of the Allowance shall be disbursed to Tenant upon the commencement of the Renewal Term (July 1, 2015).

8. The parties agree that any renewal option set forth in the Lease is deleted, and of no further force and effect.

9. Landlord agrees that its landscapers shall not perform routine landscaping maintenance at the Building after 8:45 AM or before 5:00 pm, Monday- Friday.

10. Tenant, by execution of this First Amendment to Lease Agreement, acknowledges and affirms that to the best of its knowledge, without inquiry or investigation, Landlord is not in default under any term or condition of the Lease, and has fulfilled all of its obligations due thereunder as of the date hereof, including but not limited to the payment of any and all construction allowances. Nothing contained herein shall be deemed to constitute a waiver by Landlord of the requirement that Tenant strictly complies with the terms and conditions of the Lease, and Tenant hereby acknowledges its obligations in this regard.

11. Landlord, by execution of this First Amendment to Lease Agreement, acknowledges and affirms that to the best of its knowledge, without inquiry or investigation, that Tenant is not in default under any term or condition of the Lease, and has fulfilled all of its obligations due thereunder as of the date hereof, including but not limited to the payment of any and all construction allowances. Nothing contained herein shall be deemed to constitute a waiver by Tenant of the requirement that Landlord strictly complies with the terms and conditions of the Lease, and Landlord hereby acknowledges its obligations in this regard.

12. All terms and conditions of the Lease remain in full force and effect except as specifically amended herein. Should any term of the Lease conflict with any term of this First Amendment to Lease, the term of this First Amendment to Lease shall be deemed controlling. The parties hereto ratify the terms and conditions of the Lease as amended herein.

13. This First Amendment to Lease shall be construed according to the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties hereto have executed and this First Amendment as of the date first above written.

LANDLORD: TSO MORGAN FALLS, LP
 A Georgia limited partnership

 By: The Simpson Organization, Inc.
 a Georgia corporation
 Its: Manager

 By: _____
 Name: A. Boyd Simpson
 Its: Authorized Signatory

(Signatures Continued on Following Page)

TENANT: City of Sandy Springs Public Facilities Authority,
a political subdivision of the State of Georgia

By: _____

Its: _____