

MORGAN FALLS OFFICE PARK

LEASE AGREEMENT

between

TSO MORGAN FALLS, LLC

("Landlord")

and

**CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY, a political subdivision of the
State of Georgia**

("Tenant")

dated

_____, 2011

for

Suite Number 401

at

**7840 Roswell Road, Building 400
Sandy Springs, Georgia 30350**

Term: Forty Eight (48) months

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<u>Exhibit "B"</u>	Tenant Acceptance Agreement
<u>Exhibit "C"</u>	Leasehold Improvements Agreement
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LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into this _____
day of _____, 2011, between Landlord and Tenant.

WITNESSETH:

1.1. **Certain Definitions.** For purposes of this Lease, the following terms shall have the meanings hereinafter ascribed thereto:

- (a) **Landlord:** TSO MORGAN FALLS, LLC, a Georgia limited liability company
- (b) **Landlord's Address and Address for Payments:**

c/o The Simpson Organization, Inc.
1401 Peachtree St.
Suite 400
Atlanta, Georgia 30309
- (c) **Tenant:** CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY, a political subdivision of the State of Georgia
- (d) **Tenant's Address:**

City of Sandy Springs Public Facilities Authority
7840 Roswell Rd
Building 500
Sandy Springs, Ga. 30328
- (e) **Property Address:**

7840 Roswell Road
Building 400
Sandy Springs, Georgia 30350
- (f) **Premises:** Suite Number: 401, as identified on Exhibit "A" (Site Plan)
Building Number: 400 (the "Building")
- (g) **Rentable Floor Area of Premises:** 19,731 square feet, measured pursuant to the standard for measuring floor area in single story office buildings of similar type in Atlanta, and pursuant to ANSI/BOMA Z65.1-1996; approved June 7, 1996
- (h) **Rentable Floor Area of Property:** 257,569 square feet.
- (i) **Tenant's Proportionate Share:** 7.66%. Landlord and Tenant acknowledge that Tenant's Proportionate Share has been obtained by dividing the Rentable Floor Area of the Premises by the Rentable Floor Area of the Property, and multiplying such quotient by 100. In the event

Tenant's Proportionate Share is changed during a calendar year by reason of (1) a change in the Rentable Floor Area of the Premises or (2) the Rentable Floor Area of the Property (provided, however, the Tenant's Proportionate Share shall not increase as a result of the loss of Rentable Floor Area of the Property), Tenant's Proportionate Share shall thereafter mean the result obtained by using the revised net Rentable Floor Area in the foregoing formula. For the purpose of this Lease, Tenant's Proportionate Share shall be determined on the basis of the number of days during such calendar year at each proportionate share.

- (j) **Lease Term:** Approximately Forty Eight (48) months (see Article 3);
Commencement Date: The Lease shall be effective and binding upon the parties as of the date of full execution of the Lease. Landlord estimates the date of delivery of the Premises to Tenant with all Leasehold Improvements substantially completed as provided in Exhibit "C" attached hereto to be on or before June 1, 2011. Tenant shall have access to the Premises for the purposes of final buildout in accordance with the terms of this Agreement between the dates of June 1, 2011 and July 1, 2011 provided however that all terms of the Lease shall be in effect, specifically including indemnifications and insurance provisions at any time prior to the Commencement Date during which Tenant shall have access to the Premises. The actual Commencement Date shall be July 1, 2011. The actual Commencement Date shall be confirmed upon occupancy by the parties' execution of a Tenant Acceptance Agreement in the form attached hereto as Exhibit "B".
Lease Expiration Date: June 30, 2015.
- (k) **Base Rental Rate:** See Article 6.
- (l) **Rental Commencement Date:** The Rental Commencement Date is the Commencement Date but is subject to the Abatement of Rent set forth in paragraph 6. Accordingly, by way of example, in the event the Lease Commencement Date shall be July 1, 2011, the Rental Commencement Date shall be July 1, 2011, however provided Tenant does not default under any term of the Lease the first actual payment of Base Rent and Additional Rent shall be due October 1, 2011. (Three month abatement)
- (m) **Tenant Improvement Allowance:** N/A – Landlord providing Improvements pursuant to Exhibit "C".
- (n) **Prepaid Rent & Security Deposit**
payable to TSO MORGAN FALLS, LLC
 - (i) No Prepaid Rent required.
 - (ii) \$0.00 [Article 41(b)] No security deposit required under this Lease.
- (o) **Broker(s):** **The Miller Richmond Company**, representing Tenant.
The Simpson Organization, Inc., representing Landlord.
- (p) **Base Year:** Calendar year 2011, for calculation of property tax and insurance pass throughs

- (q) **Common Area Expense**: Initial first Lease Year estimate is \$2.55 psf for 2011. See Article 9.

1.2 Additional Definitions. In addition to those terms defined in Article 1.1 and other articles of this Lease, the following defined terms when used in this Lease have the meanings indicated:

- (a) "Additional Rent" means the Rent payable according to Articles 7 and 9.
- (b) "Affiliates" means, with respect to any party, any persons or entities that own or control, are owned or controlled by, or are under common landlordship or control with, such party and such party's and each of such other person's or entity's respective officers, directors, shareholders, partners, venturers, members, managers, agents and employees. For purposes of this definition, a party is "owned" by anyone that owns more than 50% of the equity interests in such party and a party is "controlled" by anyone that owns sufficient voting interests to control the management decisions of such party.
- (c) "Building Standard" means the scope and quality of leasehold improvements, building systems and building services, as the context may require, which are reasonably determined by Landlord from time to time for the Buildings generally.
- (d) "Business Hours" means the hours from 8:00 a.m. to 6:00 p.m. on Monday through Friday and from 8:00 a.m. to 12:00 noon on Saturday, excluding statutory or legal holidays.
- (e) "Common Area" means certain interior and exterior common and public areas located in or around the Property as may be designated by Landlord for the nonexclusive use in common by Tenant, Landlord and other tenants, and their employees, agents and invitees.
- (f) "Expenses" means the aggregate of any and all reasonable costs (other than those expressly excluded below) incurred or accrued during each calendar year according to generally accepted accounting principles for operating, administering, equipping, protecting, lighting, repairing, replacing, renewing, maintaining, decorating, inspecting, removing trash from and providing irrigation and other utilities to, the Land, Buildings and Common Areas. Expenses will include a management fee for the Property equal to five percent (5%) of collected rents for the property. Expenses will not include (1) mortgage principal or interest; (2) ground lease payments; (3) leasing commissions or other marketing costs; (4) costs of advertising space for lease in the Property; (5) costs for which Landlord is reimbursed by insurance proceeds or from tenants of the Property (other than such tenants' regular contributions to Expenses); (6) any depreciation or capital expenditures (except as expressly provided above); (7) legal fees incurred for negotiating leases, collecting rents, dealing with any proposed sale or refinancing of all or any of the Property or any alteration or recapitalization of Landlord, or defending or participating in any legal proceeding; (8) costs attributable to the maintenance and operation of the entity that constitutes the Landlord; (9) vacant space utilities; (10) Taxes in excess of Taxes for the Base year; (11) premiums for Landlord's Insurance in excess of such premiums for the Base Year; (12) compensation paid to any employee of Landlord above the grade of property manager; (13) costs for tenant improvements or alterations to any leaseable space in the Buildings; (14) governmental fines or penalties; (14) free or reduced rent or other inducements to tenants or prospective tenants; or (15) any amount paid by Landlord to an affiliate of Landlord for any services or materials, to the extent such amount exceeds the amount that would have been paid on a

competitive basis to a person or entity not affiliated with Landlord. For each calendar year during the Term, the amount by which those Expenses that vary with occupancy would have increased had the Property been 95% occupied and operational during the relevant Base Year and each subsequent year and had all Property services been provided to all tenants, will be reasonably determined and the amount of such increase will be included in Expenses for such calendar year.

(g) "Encumbrance" means any ground lease, first mortgage or first deed of trust now or later encumbering the Property or Land, and all their renewals, modifications, supplements, consolidations and replacements.

(h) "Laws" means any and all present or future federal, state or local laws, statutes, ordinances, rules, regulations or orders of any and all governmental or quasi-governmental authorities having jurisdiction.

(i) "Lease Year" means each successive period of 12 calendar months during the Term, ending on the same day and month (but not year, except in the case of the last Lease Year) as the day and month on which the Expiration Date will occur. If the Commencement Date is not the first day of a month, the first Lease Year will be greater than 12 months by the number of days from the Commencement Date to the last day of the month in which the Commencement Date occurs.

(j) "Lender" means the ground lessor of any ground lease, the mortgagee of any mortgage or the beneficiary of any deed of trust, that constitutes an Encumbrance.

(k) "Prime Rate" means the rate of interest announced from time to time by J.P. Morgan Chase Bank, N.A., or any successor to it, as its prime rate. If J.P. Morgan Chase Bank, N.A., or any successor to it, ceases to announce a prime rate, Landlord will designate a reasonably comparable financial institution for purposes of determining the Prime Rate.

(l) "Rules and Regulations" shall mean the rules and regulations specified in Exhibit "D" attached hereto and made a part hereof, which are subject to change from time to time in accordance with the provisions of this Lease.

(m) "Rent" means the Base Rent, Additional Rent and all other amounts required to be paid by Tenant under this Lease.

(n) "Taxes" means the amount incurred or accrued during each calendar year according to generally accepted accounting principles for that portion of the following items that is allocable to the Property: all ad valorem real and personal property taxes and assessments, special or otherwise, levied upon or with respect to the Property, the personal property used in operating the Property, and the rents and additional charges payable by tenants of the Property, and imposed by any taxing authority having jurisdiction; all taxes, levies and charges which may be assessed, levied or imposed in replacement of, or in addition to, all or any part of ad valorem real or personal property taxes or assessments as revenue sources, and which in whole or in part are measured or calculated by or based upon the Property, the leasehold estate of Landlord or the tenants of the Property, or the rents and other charges payable by such tenants; capital and place-of-business taxes, and other similar taxes assessed relating to the Common Areas; and any reasonable expenses incurred by Landlord in attempting to reduce or avoid an increase in Taxes, including, without limitation, reasonable legal fees and costs. Taxes will not include any net income taxes of Landlord. Tenant acknowledges that Taxes may increase during the Term and that if the Property or Land, or both, are currently subject to a tax abatement program and such program ceases to benefit the Property or Land, or both, during the Term, Taxes will increase. Landlord acknowledges that the Premises are

intended to be used to provide municipal services of a governmental rather than proprietary nature. Landlord has determined that the Property is not entitled to any abatement or reduction of Taxes by reason of the municipal use of the Premises. In the event that the law shall change then Landlord shall apply for and attempt to obtain such abatement or reduction. Any such abatement or reduction of Taxes shall be applied, on an annual basis, first to reduce Tenant's Proportionate Share of any Additional Taxes (as defined in Article 7), and then to reduce Tenant's Proportionate Share of Expenses before any part of such abatement or reduction is applied to the benefit of Landlord or of any other tenant of the Property.

2. **Lease of Premises.** Landlord, in consideration of the covenants and agreements to be performed by Tenant, and upon the terms and conditions hereinafter stated, does hereby rent and lease unto Tenant; and Tenant does hereby rent and lease from Landlord, certain premises (the "Premises") in the building designated in Article 1.1 (f) herein (the "Building") located at 7840 Roswell Road, Sandy Springs, Georgia 30350, which Premises are indicated on the Site Plan attached hereto as Exhibit "A-1", with no easement for light, view or air included in the Premises or being granted hereunder, together with rights in common with other tenants to the parking spaces located on the Land. The term "Buildings," as used herein, collectively refers to the building in which the Premises is located and all other buildings on the Land. The Term "Land", as used herein, refers to the real property described on Exhibit "A". The "Property" is comprised of the Buildings, the Land, the Property's parking facilities, any walkways, covered walkways, tunnels or other means of access to the Property and the Property's parking facilities, all common areas of the Property, and any other improvements or landscaping on the Land. Landlord represents that the number of parking spaces available to the Buildings on the Property complies with applicable zoning and land use requirements, and covenants that Landlord will do nothing during the Lease Term, as it may be extended, to materially reduce the number of available parking spaces on the Property.

3. **Term.** The term of this Lease (the "Lease Term") shall commence on the date first hereinabove set forth (the "Commencement Date"), and, unless sooner terminated as provided in this Lease, shall end on the Lease Expiration Date designated in Article 1.1(j), which period shall commence on the Commencement Date. Promptly after the Commencement Date, Landlord and Tenant shall execute a Tenant Acceptance Agreement in the form of Exhibit "B" attached hereto and by this reference made a part hereof, specifying the Commencement Date, the date of expiration of the Lease Term in accordance with Article 1.1(j) above and certain other matters as therein set forth.

4. **Possession.** The obligations of Landlord and Tenant with respect to the initial leasehold improvements to the Premises, if any, are set forth in Exhibit "C" attached hereto and by this reference made a part hereof. Unless otherwise agreed between the parties in writing, taking of possession by Tenant shall be deemed conclusively to establish that Landlord's construction obligations with respect to the Premises, if any, have been completed in general accordance with the plans and specifications approved by Landlord and Tenant, that the rentable floor area of the Premises as set forth in Article 1.1(g) (or, if different, as set forth in the Tenant Acceptance Agreement) is accurate, and that the Premises, to the extent of Landlord's construction obligations with respect thereto, are in good and satisfactory condition, except for any "punch list" items (as that term is used in the construction industry) noted by Tenant in writing to Landlord within ten (10) days after the earlier to occur of (i) the Occupancy Date by Tenant (being defined as the date Tenant takes possession of the Premises from Landlord); or (ii) the Rental Commencement Date pursuant to any inspection of the Premises made by Tenant

within such ten (10) day period. Landlord shall complete the punch list items, if any, within a reasonable period following Landlord's receipt of Tenant's punch list. The existence of such punch list items shall not postpone the Rental Commencement Date or the obligation of Tenant to pay Rent (defined below) or any other charges due under this Lease.

5. **Rental Payments.**

(a) Commencing on the Rental Commencement Date, and continuing thereafter throughout the Lease Term, Tenant hereby agrees to pay all Rent due and payable under this Lease. As used in this Lease, the term "Rent" shall mean the Base Rental (as defined in Article 6 below), Tenant's Additional Rental (as defined in Article 1.2(a) above), and any other amounts that Tenant assumes or agrees to pay under the provisions of this Lease that are owed to Landlord, including, without limitation, any and all other reasonable sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant. Base Rental shall be due and payable in twelve (12) equal installments on the first day of each calendar month, commencing on the Rental Commencement Date and continuing thereafter throughout the Lease Term and any extensions or renewals thereof. Tenant's Additional Rental shall be due and payable monthly, immediately upon demand by Landlord, throughout the Lease Term and any extensions or renewals thereof. Tenant hereby agrees to pay such Base Rental, Tenant's Additional Rental, and such other Rent as may become due under this Lease (such other Rent being payable within five business days after demand by Landlord) to Landlord at Landlord's address as provided herein (or such other address as may be designated by Landlord from time to time). Tenant shall pay all Rent and other sums of money as shall become due from and payable by Tenant to Landlord under this Lease at the times and in the manner provided in this Lease, without demand or set-off (except as otherwise specifically and expressly set forth in this Lease).

(b) If the Rental Commencement Date is other than the first day of a calendar month or if this Lease terminates on a day other than the last day of a calendar month, then the installments of Base Rental and Tenant's Additional Rental for such month or months shall be prorated on a daily basis and the installment or installments so prorated shall be paid in advance. Also, if the Rental Commencement Date occurs on a day other than the first day of a calendar year, or if this Lease expires or is terminated on a day other than the last day of a calendar year, Tenant's Additional Rental shall be prorated for such commencement or termination year, as the case may be, by multiplying such Tenant's Additional Rental by a fraction, the numerator of which shall be the number of days of the Lease Term (from and after the Rental Commencement Date) during the commencement or expiration or termination year, as the case may be, and the denominator of which shall be 365, and the calculation described in Article 7 hereof shall be made as soon as possible after the expiration or termination of this Lease, Landlord and Tenant hereby agreeing that the provisions relating to said calculation shall survive the expiration or termination of this Lease.

6. **Base Rental.** Subject to adjustments in accordance with this Article, from and after the Rental Commencement Date, set forth in 1.1(f) above, Tenant shall pay to Landlord a base annual rental (herein called "Base Rental") equal to the Base Rental Rate set forth hereinbelow multiplied by the Rentable Floor Area of the Premises as set forth in Article 1(g) above.

<u>Months of Term*</u>	<u>Annual Base Rental PSF</u>	<u>Monthly Base Rental</u>
Commencement Date – June 30, 2012	\$12.50 psf	\$20,553.13

July 1, 2012 – June 30, 2013	\$12.75 psf	\$20,964.19
July 1, 2013 – June 30, 2014	\$13.01 psf	\$21,391.69
July 1, 2014 – June 30, 2015	\$13.27 psf	\$21,819.20

NOTWITHSTANDING THE FOREGOING, IT IS AGREED BY THE PARTIES THAT BASE RENT, AND COMMON AREA EXPENSES AS DEFINED IN PARAGRAPH 9, DUE FOR MONTHS 1-3 OF THE LEASE TERM SHALL BE ABATED (THE “ABATED RENT”) UNTIL THE END OF THE LEASE TERM. AT THE END OF THE LEASE TERM, PROVIDED TENANT IS NOT IN THEN DEFAULT UNDER ANY TERM OF THIS LEASE, THE ABATED RENT SHALL BE DEEMED WAIVED. ACKNOWLEDGING THAT THE ABATEMENT OF RENT IS GRANTED IN CONSIDERATION FOR TIMELY PERFORMANCE BY TENANT OF ALL TERMS OF THE LEASE, IN THE EVENT TENANT SHALL DEFAULT UNDER ANY TERM OF THE LEASE AT ANY TIME DURING THE LEASE TERM AND SHALL FAIL TO CURE SUCH DEFAULT IN A TIMELY MANNER, THEN IN ADDITION TO ALL OTHER RIGHTS AND REMEDIES OF LANDLORD UNDER THE LEASE, THE ABATED RENT SHALL, WITHOUT NOTICE BE DEEMED IMMEDIATELY DUE AND PAYABLE FROM TENANT TO LANDLORD.

7. **Additional Rent.** Tenant agrees to pay Landlord, as Additional Rent, in the manner provided below for each calendar year or part thereof subsequent to the Base Year that contains any part of the Term, Tenant’s Proportionate Share of (i) the amount by which Landlord’s Insurance (as defined in Section 17 (b)) for such calendar year exceeds Landlord’s Insurance for the Base Year (“Additional Insurance”); and (ii) the amount by which Taxes for such calendar year exceed Taxes for the Base Year (“Additional Taxes”).

(a) **Estimated Payments.** Prior to or as soon as practicable after the beginning of each calendar year subsequent to the Base Year, Landlord will notify Tenant of Landlord’s estimate of Tenant’s Proportionate Share of Additional Insurance and Additional Taxes for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year, Tenant will pay to Landlord, in advance, 1/12 of such estimated amounts, provided that until such notice is given with respect to the ensuing calendar year, Tenant will continue to pay on the basis of the prior calendar year’s estimate until the month after the month in which such notice is given. In the month Tenant first pays based on Landlord’s new estimate, Tenant will pay to Landlord 1/12 of the difference between the new estimate and the prior year’s estimate for each month which has elapsed since the beginning of the current calendar year. If at any time or times it appears to Landlord that Tenant’s Proportionate Share of Additional Insurance or Tenant’s Proportionate Share of Additional Taxes for the then-current calendar year will vary from Landlord’s estimate by more than 5%, Landlord may, by notice to Tenant, revise its estimate for such year and subsequent payments by Tenant for such year will be based upon the revised estimate, factoring the amount of the previous payments received by Landlord for the current calendar year.

(b) **Annual Settlement.** As soon as practicable after the close of each calendar year subsequent to the Base Year, Landlord will deliver to Tenant its statement of Tenant’s Proportionate Share of Additional Insurance and Additional Taxes for such calendar year. If on the basis of such statement Tenant owes an amount that is less than the estimated payments previously made by Tenant for such calendar year, Landlord will either refund such excess amount to Tenant or credit such excess amount against the next payment(s), if any, due from Tenant to Landlord. If on the basis of such statement Tenant owes an amount that is more than the estimated payments previously made by Tenant for such calendar year, Tenant will pay the deficiency to Landlord within 30 days after the delivery of such statement. If this Lease

commences on a day other than the first day of a calendar year or terminates on a day other than the last day of a calendar year, Tenant's Proportionate Share of Additional Insurance and Additional Taxes applicable to the calendar year in which such commencement or termination occurs will be prorated on the basis of the number of days within such calendar year that are within the Term.

(c) Final Payment. Tenant's obligation to pay the Additional Rent provided for in this Article which is accrued but not paid for periods prior to the expiration or early termination of the Term will survive such expiration or early termination. As soon as practicable after the close of the calendar year containing the date of such expiration or termination, Landlord will deliver to Tenant its statement of Tenant's Proportionate Share of Additional Insurance and Additional Taxes for the portion of such calendar year prior to the expiration or termination. If on the basis of such statement Tenant owes an amount that is less than the estimated payments previously made by Tenant for the portion of such calendar year, Landlord will refund such excess amount to Tenant within 30 days after the delivery of such statement. If on the basis of such statement Tenant owes an amount that is more than the estimated payments previously made by Tenant for the portion of such calendar year, Tenant will pay the deficiency to Landlord within 30 days after the delivery of such statement.

(d) Tenant's Proportionate Share Adjustments. In the event that Landlord is able to obtain individual tax assessments for each of the Buildings at the Property, the calculation of Tenant's Proportionate Share of Additional Taxes will be adjusted accordingly. In the event that Landlord is able to obtain individual insurance premiums for each of the Buildings at the Property, the calculation of Tenant's Proportionate Share of Additional Insurance will be adjusted accordingly.

8. **Tenant Taxes:** In addition to Tenant's Proportionate Share of Additional Taxes, Tenant shall pay promptly when due all taxes directly or indirectly imposed or assessed upon this Lease or Tenant's gross sales, business operations, machinery, equipment, trade fixtures and other personal property or assets, whether such taxes are assessed against Tenant, Landlord or the Property. In the event that such taxes are imposed or assessed against Landlord or the Property, Landlord shall furnish Tenant with all applicable tax bills, public charges and other assessments or impositions and Tenant shall forthwith pay the same either directly to the taxing authority or, at Landlord's option, to Landlord.

9. **Common Area Expenses:**

(a) Payment. During each month of the Lease Term, Tenant shall pay, along with its monthly installments of Base Rent and without demand, deduction or setoff, as Additional Rent to Landlord, Tenant's Proportionate Share as defined in article 1.1(i) of all Expenses incurred by Landlord as defined in article 2.1 (f) in advance based on estimates made by Landlord from time to time. Estimates shall be revised on the basis of actual Expenses for the preceding year of operations. As soon as practical after the close of each calendar year Landlord shall provide Tenant a reconciliation of actual Expenses for the immediately preceding calendar year. Should Expenses for the preceding calendar year be underestimated, Tenant shall pay any deficiency along with the payment of Base Rent next due and thereafter pay its adjusted proportionate share of Expenses in equal monthly installments as herein provided. Should Expenses for the preceding calendar year be overestimated, the excess payment shall be applied at Landlord's discretion to the next payment due from Tenant.

(b) Audit by Tenant. At any time within 120 days following Tenant's receipt of Landlord's reconciliation of Expenses for any calendar year, Tenant shall have the

right, during normal business hours and upon 10 days' advance notice to Landlord, to review or audit Landlord's books and records pertaining to Expenses, Taxes and premiums for Landlord's Insurance, Landlord's allocation of such items to the Building and Landlord's computation of Tenant's Proportionate Share thereof, the location of the audit to be designated in Landlord's reasonable discretion. If Tenant's review or audit discloses that an error has been made, Landlord's accountants and Tenant's accounting department shall endeavor to agree upon the matter, failing which the parties shall settle the dispute by judicial action or in such other manner as they agree. All costs incurred by Tenant in obtaining Tenant's accounting shall be paid for by Tenant unless Tenant's accountants discover an error, acknowledged by Landlord's accountants (or found to have occurred in a judicial action), of two percent (2%) or more in the computation of the total amount of Expenses, Taxes and premiums for Landlord's Insurance as set forth in the statement submitted by Landlord which is challenged, in which event Landlord shall pay the commercially reasonable costs incurred by Tenant in obtaining such audit and Tenant's reasonable costs and expenses (including reasonable attorneys' fees and court costs) incurred in any judicial action. Notwithstanding the pendency of any dispute over any particular statement, Tenant shall continue to pay Landlord the amount of the Estimated Expenses until the adjustment has been determined to be incorrect as aforesaid. If it shall be determined that any portion of the Expenses, Additional Taxes or Additional Insurance were not properly chargeable to Tenant, then Landlord shall promptly refund the appropriate sum to Tenant. Delay by Landlord in submitting any statement contemplated herein for any calendar year shall not affect the provisions of this paragraph or constitute a waiver of Landlord's rights as set forth herein for that calendar year or any subsequent calendar year.

10. **Payments.** All payments of Rent and other payments to be made to Landlord shall be made on a timely basis and shall be payable to Landlord or as Landlord may otherwise designate. All such payments shall be mailed or delivered to Landlord's Address designated in Article 1.1(b) above or at such other place as Landlord may designate from time to time in writing. If mailed, all payments shall be mailed in sufficient time and with adequate postage thereon to be received in Landlord's account by no later than the due date for such payment. Tenant agrees to pay to Landlord the greater of (i) three percent (3%) of the check amount or (ii) Fifty Dollars (\$50.00) for each check presented to Landlord in payment of any obligation of Tenant which is not paid by the bank on which it is drawn, together with interest from and after the due date for such payment at the rate of eighteen percent (18%) per annum on the amount due; provided, however, such fees shall not exceed those allowed by law. No payment or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent then due and payable; nor shall any endorsement or statement on any check or any letter or other writing accompanying any check or payment be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. Tender of Rent due after legal action has been commenced against Tenant for non-payment of Rent shall not be a defense to such action.

11. **Late Charges.** Any Rent or other amounts payable to Landlord under this Lease, if not paid by the fifth day of the month for which such Rent is due, or within ten (10) days after the due date specified on any invoices from Landlord for any other amounts payable hereunder, shall incur a late charge of five percent (5%) of the past due amount or \$250, whichever is greater, for Landlord's administrative expense in processing such delinquent payment and in addition thereto shall bear interest at the rate of eighteen percent (18%) per annum from and after the due date for such payment. Notwithstanding anything to the contrary contained in this Lease, it is agreed by the parties that the late charge and interest for a late payment as defined in this paragraph 11 shall not be charged for the first late payment during any

twelve month period, unless Tenant shall fail to make said payment within ten (10) days following the mailing of written notice from Landlord. Late charges and interest for the second and any subsequent late payment during the twelve month period shall be due as set forth herein without notice. In no event shall the rate of interest payable on any amount due under this Lease exceed the legal limits for such interest enforceable under applicable law. Furthermore, the second time, and any subsequent time thereafter, a check tendered by Tenant shall be a returned check, it shall be considered as unpaid rent and subject to a charge which is five percent (5%), and not less than \$50.00 together with interest from and after the due date for such payment at the rate of eighteen percent (18%) per annum on the amount due, provided, however, such fees shall not exceed those allowed by law.

12. Utilities.

(A) Landlord will provide, or cause to be provided, at points at the Premises the facilities necessary to enable Tenant to obtain for the Premises water, electricity, gas, telephone and sanitary sewer service, together with meters for all utilities except for water/sewer separate from Landlord or any other lessee of the Property, in a capacity necessary for Tenant's normal business operations at the Premises. Tenant shall be solely responsible for and shall promptly pay, as and when the same become due and payable, all charges for water, sewer, electricity, gas, telephone and any other utility used or consumed in the Premises and supplied by a public utility or public authority or any periodically other person, firm or corporation, including Landlord, supplying the same.

(B) Landlord shall pay for all water and sewer charges incurred at the Property and will bill Tenant periodically as Additional Rent, a portion of said payments. Such portion is calculated by multiplying the total paid water bill for the relevant period by a fraction, the numerator of which is the square footage of Tenant's Premises and the denominator of which is the weighted average of the area of all occupied premises at the Property (including Tenant's Premises) for the relevant billing period. Irrigation water/sewer charges are billed separately to Tenant as part of Common Area Expenses. Notwithstanding the preceding sentence, however, if any other tenant or occupant of the Property who obtains water through the same meter is engaged in a business or other activity that requires significantly more water than is required for normal office use, Landlord will install or require such other tenant or occupant to install a submeter to quantify the use of water by such other tenant or occupant, with the result that Tenant shares water and sewer expenses only with others whose usage of water is comparable to that of Tenant.

(C) Tenant shall not at any time overburden or exceed the capacity of the mains, feeders, ducts, conduits, or other facilities by which such utilities are supplied to, distributed in or serve the Premises. If Tenant desires to install any equipment which shall require additional utility facilities or utility facilities of a greater capacity than the facilities provided by Landlord, such installation shall be in compliance with all applicable laws, codes, ordinances and regulations and shall be subject to Landlord's prior approval of Tenant's plans and specifications therefore. If such installation is approved by Landlord and if Landlord provides such additional facilities to accommodate Tenant's installation, Tenant agrees to pay Landlord, on demand, the cost for providing such additional utility facilities or utility facilities of greater capacity; provided, that the preceding sentence shall not apply to any initial Landlord work as described on Exhibit "C". Landlord shall not be liable to Tenant in damages or otherwise (i) if any utility shall become unavailable from any public utility company, public authority or any other person or entity (including Landlord) supplying or distributing such utility, or (ii) for any interruption or curtailment in any utility service (including, without limitation, any heating, ventilation, or air-conditioning) caused by the making of any necessary repairs or

improvements or by any cause beyond Landlord's reasonable control, and the same shall not constitute a termination of this Lease or an eviction of Tenant, so long as Landlord has used and is using all commercially reasonable diligence to restore such utility service.

13. **Use Rules.** The Premises shall be used for executive, general administrative and office space purposes by Tenant d/b/a The City of Sandy Springs Police Department (the "SSPD"), including evidence and weapons storage (but not a firing range for weapons,) and including temporary holding areas (such areas to be operated so as to not violate any existing zoning or ordinances, and specifically not to include a jail or overnight housing facility) and no other purposes and in accordance with all applicable laws, ordinances, zoning requirements, rules and regulations of governmental authorities and the Rules and Regulations attached hereto and made a part hereof. Tenant covenants and agrees that it will, at its expense, comply with all laws (including the Americans with Disabilities Act; provided, however, that in accordance with Special Stipulation 9 Landlord shall deliver the Premises to Tenant in a condition which satisfies all Americans with Disabilities Act requirements), ordinances, orders, directions, requirements, rules and regulations of all governmental authorities (including Federal, State, county and municipal authorities), now in force or which may hereafter be in force, which shall impose any duty upon Landlord or Tenant with respect to the use, occupancy, or alteration of the Premises by Tenant (except as specifically set forth in the Lease), and of all insurance bodies applicable to the Premises or to the Tenant's use or occupancy thereof. Notwithstanding the foregoing, Tenant shall have no obligation to make any structural change to the Premises or the Building at any time, or to make any modification or alteration that would not have been required had the Premises and the Building complied with all such laws, ordinances, orders, directions, requirements, rules and regulations in force on the Commencement Date. Tenant covenants and agrees to abide by the Rules and Regulations in all respects as now set forth and attached hereto or as hereafter promulgated by Landlord. Landlord shall have the right at all times during the Lease Term to publish, promulgate, amend and enforce such rules and regulations or changes in the existing Rules and Regulations as it may reasonably deem necessary in its discretion to protect the tenantability, safety, operation, and welfare of the Premises and the Property; provided, however, the parties agree that any change which would materially adversely affect or hinder the Tenant's ability to utilize the Premise sfor the purposes st forth herein would not be reasonable as contemplated by this paragraph.

14. **Alterations.** Except for any initial improvement of the Premises pursuant to Exhibit "C", which shall be governed by the provisions of said Exhibit "C", Tenant shall not make, suffer or permit to be made any material or structural alterations, additions or improvements to or of the Premises or any part thereof, or attach any fixtures or equipment thereto, without first obtaining Landlord's written consent. With respect to any alteration, addition or improvement which does not affect the structure of the Building, does not affect any of the Building's systems (e.g., mechanical, electrical or plumbing), does not diminish the capacity of such Building systems available to other portions of the Building, is not visible from the exterior of the Building, and is in full compliance with all laws, orders, ordinances, directions, requirements, rules and regulations of all governmental authorities, Landlord's consent shall not be unreasonably withheld or delayed. Unless otherwise agreed in writing, all such alterations, additions and improvements shall become Landlord's property at the expiration or earlier termination of the Lease Term and shall remain on the Premises without compensation to Tenant unless Landlord elects by notice to Tenant to have Tenant remove such alterations, additions and improvements, in which event, notwithstanding any contrary provisions respecting such alterations, additions and improvements contained in Article 32 hereof, Tenant shall promptly restore, at its sole cost and expense, the Premises to its condition prior to the installation of such alterations, additions and improvements, normal wear and tear excepted.

15. **Repairs; Maintenance.**

(a) Landlord shall maintain in good order and repair, subject to normal wear and tear and subject to casualty and condemnation, the exterior walls, roof, and all structural portions of the Building (excluding the Premises and other portions of the Property leased to other tenants), the Property parking facilities, the public areas and the landscaped areas, and as set forth in special Stipulation 7, the heating, ventilating, and air conditioning systems so long as Tenant maintains contracts as required by Article 15(b) below. Tenant shall immediately provide Landlord written notice of any necessary repairs which are the responsibility of Landlord as set forth herein. Notwithstanding the foregoing obligation, the cost of any repairs or maintenance to the foregoing necessitated by the intentional acts or negligence of Tenant or its agents, contractors, employees, licensees, tenants or assigns, shall be borne solely by Tenant and shall be deemed Rent hereunder and shall be reimbursed by Tenant to Landlord upon demand. Notwithstanding anything in this Lease to the contrary, Landlord shall not be required to make any repairs or improvements to the Premises except as required within the Lease, or structural repairs necessary for safety and tenantability.

(b) Tenant shall keep the interior of the Premises, together with all doors, windows, and glass storefront of the Premises, and all electrical, plumbing, heating, ventilating, air conditioning, and any other mechanical installations serving the Premises or located therein, whether or not in or under the floor slab or on the roof of the Premises, in good working order and repair, at its expense. Notwithstanding the foregoing, Tenant shall promptly notify Landlord in writing of any structural repairs or repairs requiring any work on the roof, underneath the floor slab and Landlord shall have the right to make all structural repairs or repairs requiring any work on the roof, underneath the floor slab, at Tenant's expense if such repairs are required by any act (or otherwise are the responsibility of Tenant as set forth above). Tenant shall not perform any work in the Premises affecting the roof and the area beneath the floor slab, if any, except with Landlord's contractors or contractors specifically approved in writing by Landlord in advance of the commencement of such work. Tenant shall contract, and keep in force with a licensed service company reasonably acceptable to Landlord, a service contract for the monthly maintenance of the heating, ventilating and air conditioning equipment. A copy of the service contract shall be furnished to Landlord within ten (10) days after the Rental Commencement Date, and a copy of any subsequent contract(s) shall be furnished from time to time during the Lease Term. In the event Tenant shall fail to furnish such service contract, Landlord may procure such a contract and, upon receipt of an invoice, Tenant shall immediately reimburse Landlord the cost of the contract. Tenant shall promptly repair, at its expense, any damage to the Premises caused by bringing into the Premises any property for Tenant's use, or by the installation or removal of such property regardless of fault or by whom such damage may be caused, unless caused solely by the negligent acts or willful misconduct of Landlord, its agents or employees. In the event Tenant fails to make such repairs, Landlord may, at its option, make same and Tenant agrees to pay Landlord as additional rent the cost thereof promptly upon demand by Landlord. Tenant shall not overload the floor slab, electric wiring or utilities serving the Premises and shall have installed at Tenants sole expense, by a licensed electrician any additional electric wiring that may be required in connection with Tenant's apparatus, equipment or fixtures. Tenant shall be responsible for the cost of any and all additions, improvements, alterations, and repairs to or on the Premises, other than those required for the structural repair and maintenance of the roof, foundation, or exterior walls, which may at any time during the Lease Term be required or recommended by any lawful authorities, insurance underwriters, Inspection Rating Bureaus, or insurance inspectors designated by Landlord.

16. **Landlord's Right of Entry.** Except as set forth in Special Stipulation 13, Landlord may, at its option, retain duplicate keys to all doors of the Premises and Landlord and its agents, employees and independent contractors shall have the right to enter the Premises at reasonable hours to inspect and examine same, to make repairs, additions, alterations and improvements, to exhibit the Premises to mortgagees, prospective mortgagees, purchasers or tenants, and to inspect the Premises to ascertain that Tenant is complying with all of its covenants and obligations hereunder; provided, however, that Landlord shall, except in case of emergency, afford Tenant such prior notification of an entry into the Premises as shall be reasonably practicable under the circumstances, but in no event less than twenty four (24) hours. Landlord shall be allowed to take into and through the Premises any and all materials that may be required to make such repairs, additions, alterations or improvements, all without being liable to Tenant in any manner whatsoever for any damages arising therefrom; provided, however, subject to the provisions of Articles 18, 34 and 40 of this Lease, Landlord agrees to indemnify Tenant against any liability, cost, damage or expenses caused by the negligence or willful misconduct of Landlord or its agents or employees in making any such repairs, additions, alterations, and improvements, so long as such repairs, additions, alterations and improvements are not being made by Landlord as a result of the default by Tenant under this Lease. During such time as such work is being carried on, in or about the Premises, provided such work is carried out in a manner so as not to interfere unreasonably with the conduct of Tenant's business therein, the Rent provided herein shall not abate, and Tenant waives any claim or cause of action against Landlord for damages by reason of interruption of Tenant's business or loss of profits therefrom because of the prosecution of any such work or any part thereof. During the last three calendar months of the Lease, Landlord may enter the Premises to post a "For Lease" sign on the Premises.

17. **Insurance.**

(a) **Tenant's Insurance:** Tenant shall procure at its expense and maintain throughout the Lease Term a policy or policies of commercial property insurance, insuring the full replacement cost of its furniture, equipment, supplies and other property owned, leased, held or possessed by it and contained in the Premises, together with the excess value of the improvements to the Premises over the Tenant Improvement Allowance (with a replacement cost endorsement sufficient to prevent Tenant from becoming a co-insurer), and workers' compensation insurance as required by applicable law. Tenant shall also procure at its expense and maintain throughout the Lease Term a policy or policies of commercial general liability insurance, written on an occurrence basis and insuring Tenant against any and all liability for injury to or death of a person or persons and for damage to property occasioned by or arising out of any construction work being done on the Premises, or arising out of the condition, use or occupancy of the Premises, or in any way occasioned by or arising out of the activities of Tenant, its agents, contractors, employees, guests or licensees in the Premises, or other portions of the Building or the Property, the limits of such policy or policies to be in combined single limits for both damage to property and personal injury and in amounts not less than One Million Dollars (\$1,000,000.00) for each occurrence and Five Million Dollars (\$5,000,000.00) in the aggregate per policy year. Such insurance shall, in addition, extend to any liability of Tenant arising out of the indemnities provided for in this Lease. All insurance policies procured and maintained by Tenant pursuant to this Article 17 shall be carried with companies licensed to do business in the State of Georgia reasonably satisfactory to Landlord and shall be non-cancelable and not subject to material change except after twenty (20) day' written notice to Landlord. Such policies or endorsements of insurance with respect thereto, accompanied by proof of payment of the premium therefore, shall be delivered to Landlord prior to the Commencement Date, and renewals of such policies shall be delivered to Landlord at least thirty (30) days prior to the expiration of each respective policy term. Any insurance required to be maintained by Tenant may be in the form of a blanket

policy applicable to multiple locations, so long as the foregoing coverage requirements are satisfied without regard to any claim that may arise in connection with another location. With respect to any required coverage that is provided by a blanket policy, Tenant's provision of an underwriter's or insurance agent's certificate with respect to such coverage shall be equivalent to Tenant's provision of a copy of the policy or endorsements thereto. Actual policies may be reviewed at Tenant's offices with reasonable advance notice but may not be reproduced or removed in whole or in part.

(b) **Landlord's Insurance:** Landlord shall maintain fire and extended coverage insurance, insuring the Property including the Premises for 100% of replacement value and one year's loss of rents, as well as property owner's liability insurance with respect to any injury to person or property occurring on or about the Property, having single-occurrence limits of not less than \$10,000,000.

18. **Waiver of Subrogation.** Landlord and Tenant shall each have included in all policies of commercial property insurance, commercial general liability insurance, and business interruption and other insurance respectively obtained by them covering the Premises, the Property and contents therein, a waiver by the insurer of all right of subrogation against the other in connection with any loss or damage thereby insured against. Any additional premium for such waiver shall be paid by the primary insured. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action against the other for any loss or damage that may occur to the Premises or any improvements thereto, or any personal property of Landlord or Tenant, arising from any cause that (a) would be insured against under the terms of any property insurance required to be carried hereunder, or (b) is insured against under the terms of any property insurance actually carried, regardless of whether it is required hereunder. The foregoing waiver shall apply regardless of the cause or origin of the claim, including but not limited to the negligence of a party or that party's agents, officers, employees or contractors. The foregoing waiver shall not apply if it would have the effect, but only to the extent of such effect, of invalidating any insurance coverage of Landlord or Tenant.

19. **Default.**

(a) The following events shall be deemed to be events of default by Tenant under this Lease: (i) Tenant shall fail to pay any installment of Rent or any other charge or assessment against Tenant pursuant to the terms hereof on or before the due date thereof and such failure shall continue for ten (10) days after mailing of written notice of such failure of payment; (ii) Tenant shall fail to comply with any term, provision, covenant or warranty made under this Lease by Tenant, other than the payment of the Rent or any other charge or assessment payable by Tenant, and shall not cure such failure within thirty (30) days after notice thereof to Tenant, or, if such failure cannot reasonably be cured within such 30-day period, within such longer period as may, with the exercise of diligence by Tenant, be required to cure such failure; (iii) Tenant or any guarantor of this Lease shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy, or shall be adjudicated as bankrupt or insolvent, or shall file a petition in any proceeding seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or fail timely to contest the material allegations of a petition filed against it in any such proceeding; (iv) a proceeding is commenced against Tenant or any guarantor of this Lease seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, and such proceeding shall not have been

dismissed within ninety (90) days after the commencement thereof; (v) a receiver or trustee shall be appointed for the Premises or for all or substantially all of the assets of Tenant or of any guarantor of this Lease and such appointment shall not have been vacated or discharged within ninety (90) days thereafter; (vi) Tenant shall do or permit to be done anything which creates a lien upon the Premises or the Property and such lien is not removed or discharged within thirty (30) days after Tenant has knowledge of the filing thereof; (vii) Tenant shall fail to return a properly executed instrument to Landlord in accordance with the provisions of Article 27 hereof within the time period provided for such return following Landlord's request for same as provided in Article 27; (viii) Tenant shall fail to return a properly executed estoppel certificate to Landlord in accordance with the provisions of Article 28 hereof within the time period provided for such return following Landlord's request for same as provided in Article 28; (ix) a permitted transferee of this Lease refuses, upon request of Landlord, to execute a covenant of assumption of all liabilities under this Lease in a form acceptable to Landlord; or (x) a default by Tenant or any Tenant affiliate under any other lease agreement between Tenant or any Tenant affiliate, and Landlord for any premises in the Building, the Project or elsewhere.

(b) Upon the occurrence of any of the aforesaid events of default and the expiration of any applicable notice and cure period, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever: (i) terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord and if Tenant fails to do so, Landlord may without prejudice to any other remedy which it may have for possession or arrearages in Rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying said Premises or any part thereof in accordance with applicable legal procedures, without being liable for prosecution or any claim of damages therefore; Tenant hereby agreeing to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise, including without limitation, Landlord's unamortized leasehold improvement costs and unamortized commissions incurred by Landlord in connection with this Lease; (ii) terminate Tenant's right of possession (but not this Lease) and enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying said Premises or any part thereof in accordance with applicable legal procedures, without thereby releasing Tenant from any liability hereunder, without terminating this Lease, and without being liable for prosecution or any claim of damages therefore and, if Landlord so elects, make such alterations, redecorations and repairs as, in Landlord's reasonable judgment, may be necessary to relet the Premises, and Landlord may, but shall be under no obligation to do so, relet the Premises or any portion thereof in Landlord's name, but for the account of Tenant, for such term or terms (which may be for a term extending beyond the Lease Term) and at such rental or rentals and upon reasonable commercial terms, with or without advertisement, and by private negotiations, and receive the rent therefore, Tenant hereby agreeing to pay to Landlord the deficiency, if any, between all Rent reserved hereunder and the total rental applicable to the Lease Term hereof obtained by Landlord re-letting, and Tenant shall be liable for all reasonable costs incident to such re-letting, including reasonable broker's commissions and lease assumptions, other than costs recovered through increased rentals on reletting, and in no event shall Tenant be entitled to any rentals received by Landlord in excess of the amounts due by Tenant hereunder; or (iii) enter upon the Premises by appropriate lawful action, without being liable for prosecution or any claim of damages therefore, and do whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses including, without limitation, reasonable attorneys' fees which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise. Tenant shall remain liable for the payment of all

Rent accruing after any writ of possession as to the Premises is issued to Landlord and before the Lease is terminated.

(c) Pursuit of any of the foregoing remedies shall not preclude pursuit of any other remedy herein provided or any other remedy provided by law or at equity, nor shall pursuit of any remedy herein provided constitute an election of remedies thereby excluding the later election of an alternate remedy, or a forfeiture or waiver of any Rent or other charges and assessments payable by Tenant and due to Landlord hereunder or of any damages accruing to Landlord by reason of violation of any of the terms, covenants, warranties and provisions herein contained. No reentry or taking possession of the Premises by Landlord or any other action taken by or on behalf of Landlord shall be construed to be an acceptance of a surrender of this Lease or an election by Landlord to terminate this Lease unless written notice of such intention is given to Tenant. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. In determining the amount of loss or damage which Landlord may suffer by reason of termination of this Lease or the deficiency arising by reason of any reletting of the Premises by Landlord as above provided, allowance shall be made for the expense of repossession. Tenant agrees to pay to Landlord all costs and expenses incurred by Landlord in the enforcement of this Lease, including without limitation, the reasonable fees of Landlord's attorneys as provided in Article 25 hereof.

20. **Waiver of Breach.** No waiver of any breach of the covenants, warranties, agreements, provisions, or conditions contained in this Lease shall be construed as a waiver of said covenant, warranty, provision, agreement or condition or of any subsequent breach thereof, and if any breach shall occur and afterwards be compromised, settled or adjusted, this Lease shall continue in full force and effect as if no breach had occurred.

21. **Assignment and Subletting.** Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed (but which may reasonably be withheld based upon proposed change of use, or the financial condition or business reputation of the proposed assignee) , assign this Lease or any interest herein or in the Premises, or mortgage, pledge, encumber, hypothecate or otherwise transfer or sublet the Premises or any part thereof or permit the use of the Premises by any party other than Tenant. Consent to one or more such transfers or subleases shall not destroy or waive this provision, and all subsequent transfers and subleases shall likewise be made only upon obtaining the prior written consent of Landlord. Without limiting the foregoing prohibition, in no event shall Tenant assign this Lease or any interest herein, whether directly, indirectly or by operation of law, or sublet the Premises or any part thereof or permit the use of the Premises or any part thereof by any party if such proposed assignment, subletting or use would contravene any restrictive covenant (including any exclusive use granted to any other tenant of the Property prior to the date of the proposed assignment) or would contravene the provisions of Article 13 of this Lease. Unless otherwise agreed by the parties in writing assignees or transferees of the Premises for the balance of the Lease Term shall become directly liable to Landlord for all obligations of Tenant hereunder, without relieving Tenant (or any guarantor of Tenant's obligations hereunder) of any liability therefore, and Tenant shall remain obligated for all liability to Landlord arising under this Lease during the entire remaining Lease Term including any extensions thereof, whether or not authorized herein. If Tenant is a partnership, a withdrawal or change, whether voluntary, involuntary or by operation of law, of partners owning a controlling interest in Tenant shall be deemed a voluntary assignment of this Lease and subject to the foregoing provisions. If Tenant is a corporation, any dissolution or other termination of the existence of Tenant, or any reorganization of Tenant pursuant to a petition in bankruptcy, or the sale or transfer of a controlling interest in the capital

stock of Tenant, if such transaction would materially diminish Tenant's financial net worth, shall be deemed a voluntary assignment of this Lease and subject to the foregoing provisions. Landlord may, as a prior condition to considering any request for consent to an assignment or sublease, require Tenant to obtain and submit current financial statements of any proposed subtenant or assignee and such other financial documentation relative to the proposed subtenant or assignee as Landlord may reasonably require. Tenant shall pay to Landlord a fee in the amount of two thousand dollars (\$2,000.00) to consider Tenant's request to assign or sublease Tenant's Premises or any portion thereof. This fee is payable by Tenant whether or not Landlord approves said request. One half of any consideration, in excess of the Rent and other charges and sums due and payable by Tenant under this Lease and expenses incurred by Tenant in connection with such assignment or subletting (including but not limited to leasing commissions, costs of making the space ready for the assignee or subtenant, and related legal fees), paid to Tenant by any assignee of this Lease for its assignment, or by any sublessee under or in connection with its sublease, or otherwise paid to Tenant by another party for use and occupancy of the Premises or any portion thereof, shall be promptly remitted by Tenant to Landlord as additional rent hereunder and Tenant shall have no right or claim thereto as against Landlord. No assignment of this Lease consented to by Landlord shall be effective unless and until Landlord shall receive an original assignment and assumption agreement, in form and substance satisfactory to Landlord, signed by Tenant and Tenant's proposed assignee, whereby the assignee assumes due performance of this Lease to be done and performed for the balance of the then remaining Lease Term of this Lease. No subletting of the Premises, or any part thereof, shall be effective unless and until there shall have been delivered to Landlord an agreement, in form and substance satisfactory to Landlord, signed by Tenant and the proposed sublessee, whereby the sublessee acknowledges the right of Landlord to continue or terminate any sublease, in Landlord's sole discretion, upon termination of this Lease, and such sublessee agrees to recognize and attorn to Landlord in the event that Landlord elects under such circumstances to continue such sublease. Upon Landlord's receipt of a request by Tenant to assign this Lease or any interest herein or in the Premises or to transfer or sublet the Premises or any part thereof or permit the use of the Premises by any party other than Tenant, Landlord shall have the right, at Landlord's option, to exercise in writing any of the following options, subject to the other terms and conditions set forth in this Article 21: (a) to consent to the proposed assignment or sublease; or (b) to refuse to consent to the proposed assignment or sublease, which refusal shall be deemed to have been exercised unless Landlord gives Tenant written notice providing otherwise.

22. **Destruction.**

(a) If the Premises are damaged by fire or other casualty, the same shall be repaired or rebuilt as speedily as practical under the circumstances at the expense of Landlord, unless this Lease is terminated as provided in this Article 22, and during the period required for restoration, a just and proportionate part of Rent shall be abated until the Premises are repaired or rebuilt.

(b) If the Premises are (i) damaged to such an extent that repairs cannot, in Landlord's judgment, be completed within ninety (90) days after the date of the commencement of repair of the casualty, or (ii) damaged or destroyed as a result of a risk which is not insured under the insurance policies required hereunder, or (iii) damaged or destroyed during the last eighteen (18) months of the Lease Term to an extent such that the Premises are untenable, or (iv) if the Property or other portion(s) of the Property are damaged in whole or in part (whether or not the Premises are damaged) to such an extent that the Property or other portion(s) of the Property cannot, in Landlord's judgment, be operated economically as an integral unit, or (v) damaged to such extent and nature as substantially to handicap, impede or impair Tenant's use of

the balance of the Premises for a period exceeding ninety (90) days following the date of the casualty, then and in any such event Landlord may at its option terminate this Lease by notice in writing to Tenant within sixty (60) days after the day of such occurrence.

In the event that the Premises are damaged to the extent anticipated in clauses (i) and (v) hereinabove, such that the damages cannot in Landlord's reasonable judgment be completed within ninety (90) days following the date of the casualty, and provided Landlord does not either a) elect to terminate the Lease or b) make commensurate space available on the Property sufficient to allow Tenant to reasonably continue to have space required for the provision of law enforcement, then, within thirty days following the casualty, Landlord shall give Tenant written notice of its intent to commence repairs and its estimate of time in which to complete the repairs, and in such event Tenant may elect to terminate this Lease by notice in writing to Landlord within thirty (30) days after the date on which Tenant receives such notice. Furthermore, if the Premises are damaged during the final eighteen (18) months of the Lease Term to such an extent that Landlord would have the right to terminate this Lease pursuant to clause (iii) hereinabove, then in such event Tenant may elect to terminate this Lease by notice in writing to Landlord within thirty (30) days after the date of the casualty.

(c) If Landlord should elect or be obligated pursuant to subparagraph (a) above to repair or rebuild because of any damage or destruction, Landlord's obligation shall be limited to the original Property and any other work or improvements which were originally performed or installed at Landlord's expense as described in Exhibit "C" hereto or with the proceeds of the Tenant Improvement Allowance, if any. If the cost of performing such repairs exceeds the actual proceeds of insurance paid or payable to Landlord on account of such casualty, or if Landlord's mortgagee or the lessor under a ground or underlying lease shall require that any insurance proceeds from a casualty loss be paid to it, Landlord may terminate this Lease upon sixty (60) days written notice to Tenant.

23. **[Intentionally Omitted]**

24. **Landlord's Covenant of Quiet Enjoyment.** Provided Tenant performs the terms, conditions and covenants of this Lease, and subject to the terms and provisions hereof, Landlord covenants and agrees to take all necessary steps to secure and to maintain for the benefit of Tenant the quiet and peaceful possession of the Premises, for the Lease Term, without hindrance, claim or molestation by Landlord or any other person lawfully claiming under Landlord.

25. **Attorneys' Fees and Homestead.** In the event Tenant shall fail to make any payment of Rent or Additional Rent, appropriately payable pursuant to the terms of the Lease, Tenant shall reimburse Landlord all of its costs of collection under the Lease, including but not limited to reasonable attorney fees. In the event Landlord or Tenant defaults in the performance of any other of the terms, agreements or conditions contained in this Lease and the non-defaulting party places the enforcement of this Lease, or any part thereof, or the collection of Rent due or to become due hereunder, or the recovery of possession of the Premises, in the hands of an attorney, or files suit upon the same, and should such non-defaulting party prevail in such suit, the defaulting party, to the extent permitted by applicable law, agrees to pay the non-defaulting party all reasonable attorney's fees and court costs actually incurred by the non-defaulting party, all of which shall be awarded to the non-defaulting party by the court that enters judgment in such suit. Tenant waives all homestead rights and exemptions which it may have under any law as against any obligation owing under this Lease, and assigns to Landlord its homestead and exemptions to

the extent necessary to secure payment and performance of its covenants and agreements hereunder.

26. **Time.** Time is of the essence of this Lease and whenever a certain day is stated for payment or performance of any obligation of Tenant or Landlord, the same enters into and becomes a part of the consideration hereof. Unless specifically provided otherwise, all references to terms of days or months shall be construed as references to calendar days or calendar months, respectively.

27. **Subordination and Attornment.**

(a) Tenant agrees that this Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Property or any component thereof, to any mortgage (defined below) now or hereafter encumbering the Premises or the Property or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage; *provided*, that this Lease shall be subordinate to any lease or mortgage that does not presently exist only if the lessor or mortgagee has agreed in writing with Tenant, in a form that Tenant may record in the applicable real property records, that so long as Tenant is not in default under this Lease beyond any applicable cure period, this Lease will not be extinguished or terminated by the foreclosure or other enforcement of such lease or mortgage. The terms of this provision shall be self-operative and no further instrument of subordination shall be required. Tenant, however, upon request of any party in interest, shall execute promptly such instrument or certificates as may be reasonably required to carry out the intent hereof, whether said requirement is that of Landlord or any other party in interest, including, without limitation, any mortgagee. The term "mortgage", as used in this Lease, includes any deed to secure debt, deed of trust or security deed and any other instrument creating a lien in connection with any other method of financing or refinancing. The term "mortgagee", as used in this Lease, refers to the holder(s) of the indebtedness secured by a mortgage.

(b) If any mortgagee or lessee under a ground or underlying lease elects to have this Lease superior to its mortgage or lease and signifies its election in the instrument creating its lien or lease or by separate recorded instrument, then this Lease shall be superior to such mortgage or lease, as the case may be.

(c) In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage covering the Premises or the Property, or in the event the interests of Landlord under this Lease shall be transferred by reason of deed in lieu of foreclosure or other legal proceedings, or in the event of termination of any lease under which Landlord may hold title, Tenant shall, at the option of the transferee or purchaser at foreclosure or under power of sale, or the lessor of Landlord upon such lease termination, as the case may be (sometimes hereinafter called "such person"), and subject to the proviso in the first sentence of paragraph (a) above, attorn to such person and shall recognize and be bound and obligated hereunder to such person as the Landlord under this Lease; provided, however, that no such person claiming under a mortgage that predates this Lease shall be (i) bound by any payment of Rent for more than one (1) month in advance, except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease; (ii) bound by any amendment or modification of this Lease made without the express written consent of the mortgagee or lessor of Landlord, as the case may be; (iii) obligated to cure any defaults under this

Lease of any prior landlord (including Landlord); (iv) liable for any act or omission of any prior landlord (including Landlord); (v) subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord); or (vi) bound by any warranty or representation of any prior landlord (including Landlord) relating to work performed by any prior landlord (including Landlord) under this Lease. Tenant agrees to execute any attornment agreement consistent herewith requested by Landlord, the mortgagee or such person. Tenant's obligation to attorn to such person shall survive the exercise of any such power of sale, foreclosure or other proceeding. Tenant agrees that the institution of any suit, action or other proceeding by any mortgagee to realize on Landlord's interest in the Premises or the Property pursuant to the powers granted to a mortgagee under its mortgage, shall not, by operation of law or otherwise, result in the cancellation or termination of the obligations of Tenant hereunder. Landlord and Tenant agree that notwithstanding that this Lease is expressly subject and subordinate to any mortgages, any mortgagee, its successors and assigns, or other holder of a mortgage or of a note secured thereby, may sell the Premises or the Property, in the manner provided in the mortgage and may make such sale of the Premises or Property subject to this Lease.

28. **Estoppel Certificates.** Within ten (10) business days after request therefore by Landlord, Tenant agrees to execute and deliver to Landlord in recordable form an estoppel certificate addressed to Landlord, any mortgagee or assignee of Landlord's interest in, or purchaser of, the Premises or the Property or any part thereof, certifying (if such be the case) that this Lease is unmodified and is in full force and effect (and if there have been modifications, that the same is in full force and effect as modified and stating said modifications); that there are no defenses or offsets against the enforcement thereof or stating those claimed by Tenant; and stating the date to which Rent and other charges have been paid. Such certificate shall also include such other information as may reasonably be required by such mortgagee, proposed mortgagee, assignee, purchaser or Landlord. Any such certificate may be relied upon by Landlord, any mortgagee, proposed mortgagee, assignee, purchaser and any other party to whom such certificate is addressed.

29. **No Estate.** This Lease shall create the relationship of landlord and tenant only between Landlord and Tenant and no estate shall pass out of Landlord. Tenant shall have only a usufruct, not subject to levy and sale and not assignable in whole or in part by Tenant except as herein provided.

30. **Cumulative Rights.** All rights, powers and privileges conferred hereunder upon the parties hereto shall be cumulative to, but not restrictive of, or in lieu of those conferred by law.

31. **Holding Over.** If Tenant remains in possession after expiration or termination of the Lease Term with or without Landlord's written consent, Tenant shall become a tenant-at-sufferance, and there shall be no renewal of this Lease by operation of law. During the period of any such holding over, all provisions of this Lease shall be and remain in effect except that the monthly rental shall be 125% of the amount of Rent (including any adjustments as provided herein) payable for the last full calendar month of the Lease Term including renewals or extensions. The inclusion of the preceding sentence in this Lease shall not be construed as Landlord's consent for Tenant to hold over.

32. **Surrender of Premises.** Upon the expiration or other termination of this Lease, Tenant shall quit and surrender to Landlord the Premises and every part thereof and all alterations, additions and improvements thereto, broom clean and in good condition and state of repair, reasonable wear and tear and damage by fire or other casualty excepted. Tenant shall

remove all personalty and equipment not attached to the Premises which it has placed upon the Premises, and Tenant shall restore the Premises to the condition immediately proceeding the time of placement thereof. If Tenant shall fail or refuse to remove all of Tenant's effects, personalty and equipment from the Premises upon the expiration or termination of this Lease for any cause whatsoever or upon Tenant being dispossessed by process of law or otherwise, such effects, personalty and equipment shall be deemed conclusively to be abandoned and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without written notice to Tenant or any other party and without obligation to account for them. Tenant shall pay Landlord on demand any and all reasonable expenses incurred by Landlord in the removal of such property, including, without limitation, the cost of repairing any damage to the Building or Property caused by the removal of such property and storage charges (if Landlord elects to store such property). The covenants and conditions of this Article 32 shall survive any expiration or termination of this Lease.

33. **Notices.** All notices required or permitted to be given hereunder shall be in writing and shall be deemed to have been fully given, whether actually received or not, when delivered in person, by overnight commercial courier or other commercially reasonable delivery manner, or three (3) business days after being deposited, postage prepaid, in the United States Mail, certified, return receipt requested, and addressed to Landlord or Tenant at their respective address set forth hereinabove or at such other address as either party shall have theretofore given to the other by notice as herein provided.

34. **Damage or Theft of Personal Property.** All personal property brought into the Premises by Tenant, or Tenant's employees, agents, or business visitors, shall be at the risk of Tenant only, and Landlord shall not be liable for theft thereof or any damage thereto occasioned by any act of co-tenants, occupants, invitees or other users of the Property or any other person, unless such theft or damage is the result of a negligent act by Landlord or its employees and Landlord is not relieved therefrom by Article 18 hereof or by Exhibit "C" hereto. Landlord shall not at any time be liable for damage to any personal property in or upon the Premises, which results from gas, smoke, water, rain, ice or snow which issues or leaks from or forms upon any part of the Property or from the pipes or plumbing work of the same, or from any other place whatsoever, unless Landlord has failed to make repairs, after reasonable notice thereof, that would have avoided such damage within a reasonable time after Landlord had notice of the need for such repairs. Landlord is not, in any respect whatsoever, a provider of security to Tenant, Tenant's personhood, or Tenant's property.

35. **Eminent Domain.**

(a) If all or part of the Premises shall be taken for any public or quasi-public use by virtue of the exercise of the power of eminent domain or by private purchase in lieu thereof, this Lease shall terminate as to the part so taken as of the date possession is required to be surrendered to the condemning authority, and, in the case of a partial taking, either Landlord or Tenant shall have the right to terminate this Lease as to the balance of the Premises by written notice to the other within thirty (30) days after such date; provided, however, that a condition to the exercise by Tenant of such right to terminate shall be that the portion of the Premises taken shall be of such extent and nature as substantially to handicap, impede or impair Tenant's use of the balance of the Premises. If title to so much of the Property is taken that a reasonable amount of reconstruction thereof will not in Landlord's discretion result in the Property or other portion of the Property being a practical improvement and reasonably suitable for use for the purpose for which it is designed, then this Lease shall terminate on the date that the condemning authority actually takes possession of the part so condemned or purchased.

(b) If this Lease is terminated under the provisions of this Article 35, Rent shall be apportioned and adjusted as of the date of termination. Tenant shall have no claim against Landlord or against the condemning authority for the value of any leasehold estate or for the value of the unexpired Lease Term provided that the foregoing shall not preclude any claim that Tenant may have against the condemning authority for the unamortized cost of leasehold improvements, to the extent the same were installed at Tenant's expense (and not with the proceeds of the Tenant Improvement Allowance), or for loss of business, moving expenses or other consequential damages, in accordance with subparagraph (d) below.

(c) If there is a partial taking of the Property and this Lease is not thereupon terminated under the provisions of this Article 35, then this Lease shall remain in full force and effect, and Landlord shall, within a reasonable time thereafter, repair or reconstruct the remaining portion of the Property to the extent necessary to make the same a complete architectural unit; provided, that in complying with its obligations hereunder, Landlord shall not be required to expend more than the net proceeds of the condemnation award which are paid on account of Landlord's interest in the Property.

(d) All compensation awarded or paid to Landlord upon a total or partial taking of the Premises or the Property shall belong to and be the property of Landlord without any participation by Tenant. Nothing herein shall be construed to preclude Tenant from prosecuting any claim directly against the condemning authority for loss of business, for damage to, and cost of removal of, trade fixtures, furniture and other personal property belonging to Tenant, and for the unamortized cost of leasehold improvements to the extent the same were installed at Tenant's expense (and not with the proceeds of the Tenant Improvement Allowance); provided, however, that no such claim shall diminish or adversely affect Landlord's award.

(e) Notwithstanding anything to the contrary contained in this Article 35, if, during the Lease Term, the use or occupancy of any part of the Property or the Premises shall be taken or appropriated temporarily for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, this Lease shall be and remain unaffected by such taking or appropriation and Tenant shall continue to pay in full all Rent payable hereunder by Tenant during the Lease Term. In the event of any such temporary appropriation or taking, Tenant shall be entitled to receive that portion of any award which represents compensation for the loss of use or occupancy of the Premises during the Lease Term, and Landlord shall be entitled to receive that portion of any award which represents the cost of restoration and compensation for the loss of use or occupancy of the Premises after the end of the Lease Term.

36. **Parties.** The term "Landlord", as used in this Lease, shall include Landlord and its successors and assigns. It is hereby covenanted and agreed by Tenant that should Landlord's interest in the Premises cease to exist for any reason during the Lease Term, then notwithstanding the happening of such event, this Lease nevertheless shall remain in full force and effect, and Tenant hereby agrees to attorn to the then Landlord of the Premises. The term "Tenant" shall include Tenant and its heirs, legal representatives and successors, and shall also include Tenant's assignees and sublessees, if this Lease shall be validly assigned or the Premises sublet for the balance of the Lease Term or any renewals or extensions thereof. In addition, Landlord and Tenant covenant and agree that Landlord's right to transfer or assign Landlord's interest in and to the Premises, or any part or parts thereof, shall be unrestricted, and that in the event of any such transfer or assignment by Landlord which includes the Premises, Landlord's obligations to

Tenant hereunder shall cease and terminate as of the date of said transfer or assignment, and Tenant shall look only and solely to Landlord's assignee or transferee for performance thereof.

37. **Mutual Indemnity.** To the extent allowed by law Tenant hereby indemnifies Landlord from and agrees to hold Landlord harmless against, any and all liability, loss, cost, damage or expense, including, without limitation, court costs and reasonable attorneys' fees, imposed on Landlord by any person whomsoever, caused in whole or in part by any act or omission of Tenant, or any of its employees, contractors, servants, agents, subtenants, assignees, representatives or invitees, or otherwise occurring in connection with any default of Tenant hereunder. Subject to the provisions of Articles 18, 34 and 40 of this Lease, Landlord agrees to indemnify and hold Tenant harmless from any and all claims or liability for any injury or death to any person or damage to property caused by the negligence of Landlord or any of its agents, servants, employees, contractors or representatives acting within the scope of their agency, employment, contract or representation (but excepting those resulting wholly or substantially from the negligence of Tenant, its employees, contractors, servants, agents, representatives, invitees, subtenants, and assignees) occurring in the common areas of the Property, but only to the extent of the proceeds actually received by Landlord from Landlord's commercial general liability insurance with respect to the Property. The indemnity and hold harmless agreement in the preceding sentence shall not be applicable to any such liability, loss, cost, damage or expense imposed on Tenant by any employee, partner, agent, or contractor of Tenant unless such liability, loss, cost, damage, or expense was caused by the negligence of Landlord or any of its agents, servants, employees, contractors or representatives acting within the scope of their agency, employment, contract or representation and not wholly or substantially from the negligence of Tenant, its employees, contractors, servants, agents, representatives, invitees, subtenants, and assignees. The provisions of this Article 37 shall survive any expiration or termination of this Lease.

38. **Relocation of Premises.** Intentionally Deleted

39. **Force Majeure.** In the event of strike, lockout, labor trouble, civil commotion, Act of God, or any other cause beyond a party's control (collectively "force majeure") resulting in Landlord's inability to supply the services or perform the other obligations required of Landlord hereunder for less than fifteen days, this Lease shall not terminate and Tenant's obligation to pay Rent and all other charges and sums due and payable by Tenant shall not be affected or excused and Landlord's performance shall be excused for a period equal to such delay and during such period Landlord shall not be considered to be in default under this Lease. If, as a result of force majeure, Tenant is delayed in performing any of its obligations under this Lease, other than Tenant's obligation to take possession of the Premises on or before the Rental Commencement Date and to pay Rent and all other charges and sums payable by Tenant hereunder, Tenant's performance shall be excused for a period equal to such delay and Tenant shall not during such period be considered to be in default under this Lease with respect to the obligation, performance of which has thus been delayed.

40. **Landlord's Liability.** Landlord shall have no personal liability with respect to any of the provisions of this Lease. If Landlord is in default with respect to its obligations under this Lease, Tenant shall look solely to the equity of Landlord in and to the Property and the Land for satisfaction of Tenant's remedies, if any. It is expressly understood and agreed that Landlord's liability under the terms of this Lease shall in no event exceed the amount of its interest in and to said Land and Buildings. In no event shall any partner of Landlord nor any joint venturer in Landlord, nor any officer, director or shareholder of Landlord or any such partner or joint venturer of Landlord be personally liable with respect to any of the provisions of this Lease.

41. **Prepaid Rent and Security Deposit.** N/A.

42. **Condominium Acknowledgment.** The parties acknowledge that the Morgan Falls Office Park (the "Property") including the Premises, has been submitted to the condominium form of ownership and is operated as an office condominium. Tenant agrees to comply with the terms and conditions of any Declaration of Condominium applicable to the Property, Bylaws of the Condominium Association for said Property and any Rules and Regulations adopted pursuant to either the Declaration or Bylaws (collectively, the "Condominium Documents"), provided that the Condominium Documents shall not adversely affect Tenant's rights and obligations pursuant to this Lease.

43. **Hazardous Substances.** Tenant hereby covenants and agrees that Tenant shall not cause or permit any "Hazardous Substances" (as hereinafter defined) to be generated, placed, held, stored, used, located or disposed of at the Property or any part thereof, except for Hazardous Substances as are commonly and legally used or stored as a consequence of using the Premises for general office and administrative purposes, but only so long as the quantities thereof do not pose a threat to public health or to the environment or would necessitate a "response action", as that term is defined in CERCLA (as hereinafter defined), and so long as Tenant strictly complies or causes compliance with all applicable governmental rules and regulations concerning the use or production of such Hazardous Substances. For purposes of this Article 43, "Hazardous Substances" shall mean and include those elements or compounds which are contained in the list of Hazardous Substances adopted by the United States Environmental Protection Agency (EPA) or the list of toxic pollutants designated by Congress or the EPA which are defined as hazardous, toxic, pollutant, infectious or radioactive by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability (including, without limitation, strict liability) or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereinafter in effect (collectively "Environmental Laws"). To the extent allowed by law, Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, Landlord by any person, entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence in, or the escape, leakage, spillage, discharge, emission or release from, the Premises of any Hazardous Substances brought onto the Premises by Tenant, or its agents, representatives, or employees (including, without limitation, any losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act ["CERCLA"], any so-called federal, state or local "Superfund" or "Superlien" laws or any other Environmental Law); provided, however, that the foregoing indemnity is limited to matters arising solely from Tenant's violation of the covenant contained in this Article. The obligations of Tenant under this Article shall survive any expiration or termination of this Lease.

44. **Submission of Lease.** The submission of this Lease for examination does not constitute an offer to lease and this Lease shall be effective only upon execution hereof by Landlord and Tenant and upon execution of any required Guaranty Agreement annexed hereto and incorporated herein.

45. **Severability.** If any clause or provision of the Lease is illegal, invalid or unenforceable under present or future laws, the remainder of this Lease shall not be affected

thereby, and in lieu of each clause or provision of this Lease which is illegal, invalid or unenforceable, there shall be added as a part of this Lease a clause or provision as nearly identical to the said clause or provision as may be legal, valid and enforceable.

46. **Entire Agreement.** This Lease contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. No failure of either party to exercise any power given such party hereunder, or to insist upon strict compliance by the other party with any obligation of the other party hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of the right to demand exact compliance with the terms hereof. This Lease may not be altered, waived, amended or extended except by an instrument in writing signed by Landlord and Tenant. This Lease is not in recordable form, and Tenant agrees not to record or cause to be recorded this Lease. The parties shall, at the request of either of them, promptly execute and deliver for recording a short form or memorandum hereof.

47. **Headings.** The use of headings herein is solely for the convenience of indexing the various paragraphs hereof and shall in no event be considered in construing or interpreting any provision of this Lease.

48. **Broker.** The Brokers [as defined in Article 1.1(o)] are entitled to a leasing commission from Landlord by virtue of this Lease, which leasing commission shall be paid by Landlord to Brokers in accordance with the terms of a separate agreement between Landlord and Brokers. Tenant hereby authorizes Brokers and Landlord to identify Tenant as a tenant of the Property and to state the amount of space leased by Tenant in advertisements and promotional materials relating to the Property. Tenant represents and warrants to Landlord that [except with respect to any Broker identified in Article 1.1(o) hereinabove, which has acted as agent for Tenant (and not for Landlord) in this transaction] no broker, agent, commission salesperson, or other person has represented Tenant in the negotiations for and procurement of this Lease and of the Premises and that [except with respect to any Brokers identified in Article 1.1(o) hereinabove] no commissions, fees or compensation of any kind are due and payable in connection herewith to any broker, agent, commission salesperson or other person as a result of any act or agreement of Tenant. Tenant agrees to indemnify and hold Landlord harmless from all loss, liability, damage, claim, judgment, cost or expense (including reasonable attorneys' fees and court costs) suffered or incurred by Landlord as a result of a breach by Tenant of the representation and warranty contained in the immediately preceding sentence or as a result of Tenant's failure to pay commissions, fees or compensation due to any broker who represented Tenant, whether or not disclosed, or as a result of any claim for any fee, commission or similar compensation with respect to this Lease made by any broker, agent or finder [other than the Broker identified in Article 1.1(o) hereinabove] claiming to have dealt with Tenant, whether or not such claim is meritorious. The parties hereto do hereby acknowledge and agree that The Simpson Organization, Inc. has acted as agent for Landlord in this transaction and shall be paid a commission by Landlord in connection with this transaction pursuant to the terms of a separate written commission agreement. The Simpson Organization, Inc. has not acted as agent for Tenant in this transaction. Landlord hereby warrants and represents to Tenant that Landlord has not dealt with any broker, agent or finder other than The Simpson Organization, Inc. in connection with this Lease, and, Landlord hereby agrees to indemnify and hold Tenant harmless from and against any and all loss, damage, liability, claim, judgment, cost or expense (including, but not limited to, reasonable attorneys' fees and court costs) that may be incurred or suffered by Tenant because of any claim for any fee, commission or similar compensation with respect to this Lease made by any broker, agent or finder claiming to have represented Landlord.

49. **Governing Law.** The laws of the State of Georgia shall govern the construction, interpretation, validity, performance, and enforcement of this Lease.

50. **Authority.** If Tenant executes this Lease as a corporation, Tenant does hereby represent and warrant that Tenant is a duly incorporated or a duly qualified (if a foreign corporation) corporation and is (or will be not later than the Commencement Date) fully authorized and qualified to do business in the State in which the Premises are located, that the corporation has full right and authority to enter into this Lease, and that each person signing on behalf of the corporation is an officer of the corporation and is authorized to sign on behalf of the corporation. If Tenant signs as a partnership, joint venture or sole proprietorship or other business entity (each being herein called "Entity"), Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing Entity, that Tenant has full right and authority to enter into this Lease, that all persons executing this Lease on behalf of the Entity are authorized to do so on behalf of the Entity, and that such execution is fully binding upon the Entity and its partners, joint venturers or principal, as the case may be. Upon the request of Landlord, Tenant shall deliver to Landlord documentation satisfactory to Landlord evidencing Tenant's compliance with this Article, and Tenant agrees to promptly execute all necessary and reasonable applications or documents as reasonably requested by Landlord, required by the jurisdiction in which the Premises is located, to permit the issuance of necessary permits and certificates for Tenant's use and occupancy of the Premises.

51. **Miscellaneous.** If Tenant comprises more than one person, corporation, partnership or other entity, the liability hereunder of all such persons, corporations, partnerships or other entities shall be joint and several. The terms and provisions of this Lease shall not be construed against or in favor of a party hereto merely because such party is the "Landlord" or the "Tenant" hereunder or such party or its counsel is the draftsman of this Lease. Any claim, cause of action, liability or obligation arising under the terms of this Lease and under the provisions hereof in favor of a party hereto against or obligating the other party hereto shall survive the expiration or earlier termination of this Lease. Notwithstanding any other provision of this Lease to the contrary, in the event of any default by Landlord under this Lease, Tenant's sole and exclusive remedy shall be an action for actual damages (Tenant hereby waiving any right of deduction or setoff against Rent due Landlord), but prior to any such action Tenant will give Landlord (and any mortgagee to which Landlord has requested Tenant give such notices) written notice specifying such default with particularity, and Landlord shall then have thirty (30) days in which to cure any such default; provided, however, in the event any such default cannot with reasonable diligence be cured within such thirty day period, Landlord shall have such additional reasonable period of time as is necessary to cure such default so long as Landlord commences such cure within such thirty day period and shall diligently prosecute in good faith such cure to completion. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. Tenant agrees to accept the cure by Landlord's mortgagee if the mortgagee elects, in its sole discretion, to undertake the cure of such defaults within the time available to Landlord for such cure, but Tenant acknowledges that the mortgagee is under no obligation to do so. Prior to any action that Landlord has acted unreasonably in withholding, delaying or conditioning Landlord's consent to any request of Tenant under this Lease, Tenant shall give Landlord fifteen (15) day prior written notice and shall work in good faith to resolve the dispute. Nothing in this Lease is deemed to make or imply that Landlord and Tenant are partners or joint venturers. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation hereof or a termination by Landlord pursuant to the terms of this Lease, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies. This Lease may be executed in any

number of counterparts, each of which shall be deemed an original and any of which shall be deemed to be complete in itself and may be introduced into evidence or used for any purpose without the production of the other counterparts. Any claim, cause of action, liability or obligation arising under the term of this Lease and under the provisions of this Lease in favor of a party hereto against or obligating the other party hereto shall survive any expiration or termination of this Lease. The content of each and every exhibit which is referenced in this Lease is incorporated into this Lease as fully as if set forth in the body of this Lease.

52. **Patriot Act:** Tenant (which for this purpose includes its partners, members, principal stockholders and any other constituent entities) (i) has not been designated as a "specifically designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <<http://www.treas.gov/ofac/t11sdn.pdf>> or at any replacement website or other replacement official publication of such list; (ii) is currently in compliance with and will at all times during the term of this Lease (including any extension thereof) remain in compliance with the regulations of the Office of Foreign Asset Control of the Department of the Treasury and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto; and (iii) has not used and will not use funds from illegal activities for any payment made under the Lease.

52. **Special Stipulations.** To the extent the special stipulations attached hereto as Exhibit "E" (if none, so state) conflict with or are inconsistent with the foregoing provisions of this Lease or any exhibit to this Lease, the special stipulations shall control.

53. **Confidentiality.** Intentionally Deleted

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day, month and year first above written.

"LANDLORD":

TSO MORGAN FALLS, LLC

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

By: _____
Name: A. Boyd Simpson
Its: President

(Signatures continue on next page.)

TENANT:"

CITY OF SANDY SPRINGS PUBLIC FACILITIES
AUTHORITY, a political subdivision of the State
of Georgia

By: _____

Name: _____

Title: _____

EXHIBIT "A"

**SANDY SPRINGS PUBLIC FACILITIES AUTHORITY D/B/A THE SSPD
MORGAN FALLS OFFICE PARK
LEGAL DESCRIPTION**

All that tract or parcel of land lying in land lot 30 of the 17th District of Fulton County, Georgia, and being more particularly described as follows:

Commencing at the point of intersection of the northern right-of-way line of Morgan Falls Road (60 feet right-of-way) and the northwestern right-of-way line of Roswell Road (being a variable right-of-way); thence northeasterly along the northwestern right-of-way line of Roswell Road (being a variable right-of-way) north 34 degrees 17 minutes 48 seconds east 97.97 feet to a point; thence northeasterly along said right of way an arc length of 2.67 feet to a 5/8" rebar set, said curve having a chord of north 29 degrees 47 minutes 53 seconds east 2.67 feet and a radius of 2800.00 feet, to a 5/8" rebar set, said 5/8" rebar set being THE POINT OF BEGINNING; thence leaving said right-of-way north 75 degrees 38 minutes 51 seconds west 327.28 feet to a 5/8" rebar set; thence south 01 degrees 31 minutes 27 seconds west 153 .53 feet to a 5/8" rebar set on the eastern right-of-way of Brandon Mill Road (60 feet right-of-way); thence northwesterly along said right-of-way an arc length of 28.70 feet to a 5/8" rebar set, said curve having a chord of n 27 degrees 47 minutes 41 seconds west 27.62 feet and a radius of 30.00 feet, thence northwesterly along said right-of-way north 00 degrees 23 minutes 31 seconds west 364.27 feet to a 5/8" rebar set; running thence northwest along the said right-of-way an arc length of 246.19 feet to a 5/8" rebar set, said curve having a chord of north 16 degrees 47 minutes 37 seconds west 242.84 feet and a radius of 430.01; thence leaving said right-of-way of Brandon Mill Road north 35 degrees 38 minutes 54 seconds east 921.12 feet to a 5/8" rebar set; thence south 54 degrees 00 minutes 37 seconds east 164.34 feet to a 5/8" rebar set; thence north 34 degrees 33 minutes 06 seconds east 39.96 feet to a bolt found; thence south 54 degrees 09 minutes 48 seconds east 519.72 feet to a 5/8" rebar set on the northwestern right-of-way line of Roswell Road (being a variable right-of-way); thence southwest along said right-of-way of Roswell Road south 28 degrees 52 minutes 01 seconds west 40.28 feet to a 5/8" rebar set; thence southwest along said right-of-way of Roswell Road south 37 degrees 58 minutes 49 seconds west 307.02 feet to a 5/8" rebar set; thence southeast along said right-of-way of Roswell Road south 49 degrees 12 minutes 07 seconds east 40.00 feet to a point; thence southwest along said right-of-way of Roswell Road south 40 degrees 45 minutes 41 seconds west 400.02 feet to a point; thence northwest along said right-of-way of Roswell Road north 48 degrees 55 minutes 01 seconds west 40.15 feet to a 5/8" rebar set; thence southwest along the said right-of-way of Roswell Road an arc length of 357.10 feet, said curve having a chord of south 34 degrees 53 minutes 22 seconds west 356.86 feet and a radius of 2800.00feet to a 5/8" rebar set, thence southwest along the said right-of-way of Roswell Road an arc length of 65.80 feet, said curve having a chord of south 30 degrees 33 minutes 46 seconds west 65.79 feet and a radius of 2800.00feet to a 5/8" rebar set, said 5/8" rebar set being THE POINT OF BEGINNING.

Said tract or parcel containing 777,031 s.f. or 17.838 acres.

Together with those rights as contained in that certain Easement Agreement by and between Weight Watchers of Greater Atlanta and Morgan Falls Associates, a Georgia general partnership, dated October 29, 1986, filed for record December 31, 1986 at 2:34 p.m., recorded in Deed Book 10527, Page 19, Records of Fulton County, Georgia

EXHIBIT "A-1"
**SANDY SPRINGS PUBLIC FACILITIES AUTHORITY D/B/A THE SSPD MORGAN
FALLS OFFICE PARK
SITE PLAN**

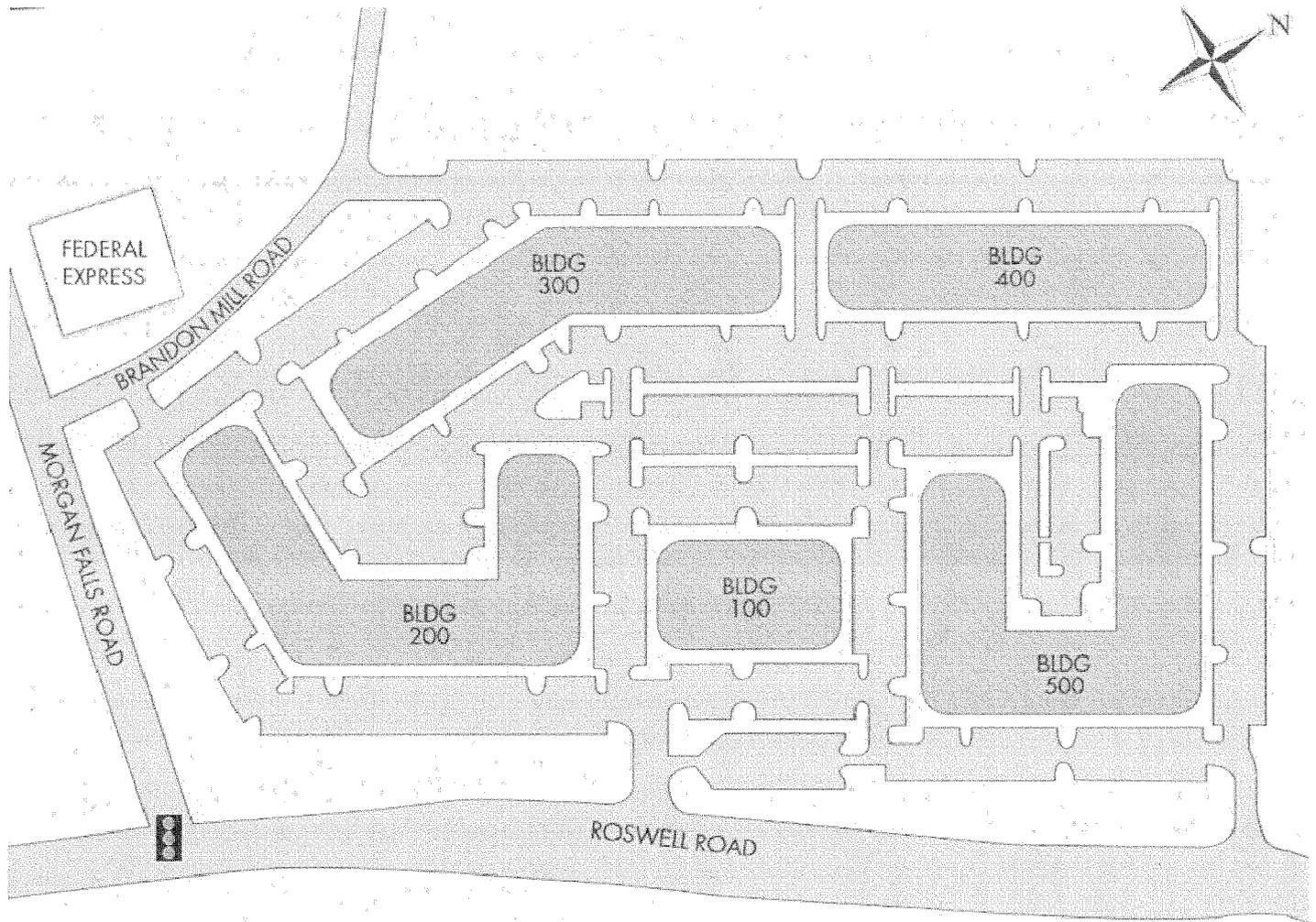


EXHIBIT "B"

**SANDY SPRINGS PUBLIC FACILITIES AUTHORITY D/B/A THE SSPD MORGAN
FALLS OFFICE PARK
TENANT ACCEPTANCE AGREEMENT**

This agreement is an amendment to the Lease Agreement (the "Lease") for space in the office park known as Morgan Falls Office Park, dated _____, _____ by and between TSO MORGAN FALLS, LLC as Landlord, and **SANDY SPRINGS PUBLIC FACILITIES AUTHORITY** as Tenant.

Pursuant to the provisions of Article 3 of the Lease, Landlord and Tenant hereby mutually agree that:

1. Tenant is in possession of, and has accepted the Premises. The Premises are tenantable, the Landlord has no further obligation for construction of the Tenant Improvements as provided in Exhibit "C" to this Lease, except for items listed on a punch list approved by both parties.
2. The Commencement Date of the Lease is hereby agreed to be _____.
3. The Rental Commencement Date of the Lease is hereby agreed to be _____.
4. The Expiration Date of the Lease is hereby agreed to be June 30, 2015.
5. The rentable square footage is hereby agreed to be 19,731 rsf.
6. All other terms and conditions of the Lease are hereby ratified and acknowledged to be unchanged.

Agreed and Executed this ____ day of _____, _____.

Tenant: **SANDY SPRINGS PUBLIC
FACILITIES AUTHORITY D/B/A THE
SSPD**

By: _____

Name: _____

Its: _____

(Witness)

Landlord: TSO MORGAN FALLS, LLC

By: The Simpson Organization, Inc.

Its: Manager

(Witness)

By: _____

Name: A. Boyd Simpson

Its: President

EXHIBIT C

**SANDY SPRINGS PUBLIC FACILITIES AUTHORITY D/B/A THE SSPD MORGAN
FALLS OFFICE PARK
LEASEHOLD IMPROVEMENTS AGREEMENT
(work done by Landlord)**

Landlord agrees to provide Tenant with Improvements as provided for in Exhibit (C-1) attached hereto.

I. Basic Terms

- (a) Date of Plans: Plans dated December 14, 2010
- (b) Date to Substantially Complete Work: Estimated June 1, 2011
- (c) Landlord Allowance: N/A
- (d) Other Defined Terms "Plans", "Development Plan", "Construction Drawings", "Planner", Landlord's Planner" and "Work" are defined in Article VIII.

II. Construction Representatives, Space Planner, Architect and Engineer

Landlord's and Tenant's construction representatives for coordination of planning, construction, approval of change orders, substantial and final completion, and other such matters (unless either party changes its representative upon written notice to the other), and the other parties involved in planning the Work, are:

Landlord's Representative: Cynthia Simms, The Simpson Organization
1401 Peachtree Street, Suite 400
Atlanta, Georgia 30309
(404) 872-3990 (phone)
(404) 875-7636 (fax)

Tenant's Representative: _____

Architect / Planner: Herring Troy Associates P. C.

Engineer: One or more licensed engineers designated by Landlord and hired by Landlord or Landlord's Planner.

III. PLANNING

- (a) Date to Complete All Plans. On or before the "Date To Complete All Plans" set forth in Article I above, and subject to Landlord Planning Delays, Tenant shall have: (i) provided Planner with all information concerning Tenant's requirements in order for the Planner to prepare all required Plans and Construction Drawings ("Plans"), (ii) arranged for

Planner to prepare such Plans, (iii) granted written approval thereof, and (iv) complied with Tenant's obligations herein for obtaining Landlord's written approval thereof.

(b) Landlord's Approval of Plans. Landlord shall either approve any Plans or revisions pursuant to this Exhibit or disapprove the same with suggestions for making the same acceptable within five (5) working days with respect to the Construction Drawings or revisions thereto, after receiving the same (provided Landlord shall have additional time as may be reasonably required in order to obtain any engineering or HVAC report or due to other special or unusual features of the work or Plans). Landlord shall not unreasonably withhold approval of the Plans if no modifications will be required for the Center's electrical, heating, air-conditioning, verification, plumbing, fire protection, life safety, or other systems or equipment, and will not require any structural modifications to the Office park, whether required by heavy loads or otherwise. Unless Tenant has objected to changes in the Plans proposed by Landlord, Landlord may request that Tenant approve Landlord's suggested changes in writing (such approval not to be unreasonably withheld).

(c) Governmental Approval of Plans. Landlord, or the Planner or General Contractor on behalf of Landlord shall apply for any building permits required for the Work, which are issued pursuant to the local building code. If the plans must be revised in order to obtain such building permits, Landlord shall promptly notify Tenant. In such case, Tenant shall promptly approve of any changes necessary for the Plans to be revised to satisfy the building permit requirements and shall submit the revised Plans to Landlord for approval as a Change Order under clause "d" below. Landlord shall have no obligation to apply for any zoning, parking or sign code amendments, approvals, permits or variances, or any other governmental approval, permit or action (except building permits as described above). If any such matters are required, Tenant shall promptly seek to satisfy such requirements or revise the Plans to eliminate such requirements. Delays in substantially completing the Work by the Commencement Date as a result of requirements for building permits or other governmental approvals, permits or actions shall be a Construction Delay and shall affect the Commencement Date to the extent provided in Article V below.

(d) Changes After Plans Are Approved. If Tenant shall desire any material changes, alterations, or additions to the Work after final Plans have been approved by Landlord and permitted, Tenant shall submit a written request or revised Plans (the "Change Order") to Landlord for approval. If reasonable and practicable and generally consistent with the Plans theretofore approved, Landlord shall not unreasonably withhold approval, but all costs in connection therewith, including, without limitation, construction costs, permit fees, and any additional plans, drawings and engineering reports or other studies or tests, or revisions of such existing items, changes or corrections for errors or omissions made by any space planner, architect, engineer or contractor recommended or engaged by Tenant, shall be paid by Tenant.

(e) Planning Delays. If the Plans have not been completed and approved by the Date To Complete All Plans set forth in Article I above, including any revisions reasonably required by Landlord pursuant to clause (b) above, and revisions by Tenant to reduce Tenant's Cost pursuant to Article IV below (collectively called "Planning Delays"), substantial completion of the Work and delivery of the Premises may be subject to postponement as a result. In such event, the Commencement Date set forth in the Lease for all purposes, including the commencement of Rent, shall only be postponed to the extent that substantial completion of the Work is delayed beyond such Commencement Date as a result of one or more of the following events (collectively called "Landlord Planning Delays"): (i) Landlord takes more time to approve or disapprove the Construction Drawings or revisions thereto than permitted under clause (b)

above, (ii) Landlord fails to approve the Construction Drawings after Tenant has made changes thereto requested by Landlord or otherwise as required by clause (b) above, or (iii) Landlord takes more than ten (10) working days to provide a preliminary cost estimate after receiving a /Development Plan sufficiently detailed for such purposes, or more than ten (10) working days to provide Tenant with a cost estimate after receiving Construction Drawings sufficiently detailed for such purposes (provided this clause (iii) shall apply only if Tenant makes a timely written request for such cost estimates, or if Landlord elects to provide such cost estimates, as further described under Article IV below).

IV. Cost of Plans and Work; Allowance

(a) Cost of Plans and Work Allowance. Landlord shall bear the Cost of Plans and Work pursuant to the Plans identified. The "Cost of Plans and Work" hereunder includes, without limitation, all costs for or relating to: (i) the Plans, including all revisions thereto, and related engineering reports, or other studies, reports or tests, and (ii) the Work including costs of labor, hardware, equipment and materials, contractors' charges for overhead and fees, and so-called "general conditions" (including rubbish removal, utilities, hoisting, field supervision, building permits, inspection fees, utility connections, bonds, insurance, sales taxes, and the like), and any air balancing or other such work in connection therewith.

(b) Competitive Bidding; Estimates and Payments. General contractor of Landlord's choosing.

(c) Tenant's Approval and Nature of Cost Estimates. N/A

(d) Landlord's Construction Management Fee. N/A

V. Construction

(a) Landlord to Arrange Work. Landlord shall use reasonable efforts to cause Landlord's contractor to substantially complete the Work by the Commencement Date set forth in the Lease, subject to the other provisions thereof.

(b) Substantial Completion, Walk-Through, and Punch List Items. Landlord shall be deemed to have "substantially completed" the Work for purposes hereof if Landlord has caused all of the Work to be sufficiently completed that Tenant can reasonably occupy the Premises or complete any improvements or changes to the Premises to be made by Tenant hereunder, and has caused a certificate of occupancy to be issued for the Premises. When Landlord notifies Tenant that the Work has been substantially completed, either party may request a joint walk-through inspection in order for Tenant to identify any necessary final completion or other "punch list" items. Neither party shall unreasonably withhold or delay approval concerning the identification of punch list items. If Tenant fails to participate in a walk-through as provided above, or otherwise fails to object to Landlord's notice of substantial completion in writing within ten (10) business days thereafter specifying in reasonable detail the items of work needed to be performed in order for substantial completion, Tenant shall be deemed conclusively to have agreed that the Work is substantially completed for purposes of commencing the Commencement Date and Rent under the Lease, except for defects reported to Landlord in writing within fifteen (15) days of knowledge thereof by Tenant, within twelve (12) months after the Commencement Date.

(c) Final Completion. Landlord shall use reasonable efforts to complete any punch list items promptly after substantial completion has occurred. If Landlord notifies Tenant in writing that the Work is fully completed, and Tenant fails to object thereto in writing within five (5) business days thereafter specifying in reasonable detail the remaining punch list items of work needed to be completed, Tenant shall be deemed conclusively to have accepted the Work as fully completed (or such portions as to which Tenant has not so objected).

(d) Construction Delays. If the Work has not been substantially completed by the Commencement Date set forth in the Lease due to casualty damage, acts of God, strikes, shortages of labor or materials, or any other reason other than Landlord's delays ("Construction Delays"), then Landlord's delivery of possession of the Premises (if applicable) shall be postponed as a result. In such case, subject to any contrary provisions in the Lease, the Commencement Date set forth in the Lease for all other purposes, including commencement of Rent, shall **be postponed**, except to the extent that substantial completion is delayed beyond the Commencement Date as a result of one or more of the following events (collectively called "Tenant Construction Delays"): (i) Planning Delays as described above (except for Landlord Planning Delays), (ii) Tenant's requests for changes to the Work or Change Orders under Article III, or otherwise, (iii) any upgrades, special work or other non-building standard items not customarily provided by Landlord to retail tenants, to the extent that the same involve longer lead times, installation times, delays or difficulties in obtaining building permits, requirements for any governmental approval, permit or action beyond the issuance of building permits (as described in Article III), or other delays not typically encountered in connection with Landlord's standard retail improvements, (iv) the performance by Tenant or Tenant's Contractors (as defined in Article (VI) of any work at or about the Premises or Office park, (v) any act or omission of Tenant or Tenant's Contractors, any breach by the Tenant or any provisions contained in this exhibit or in the Lease, or any failure by the Tenant to cooperate with Landlord or otherwise act with diligence and in good faith in order to cause the Work to be designed and performed in a timely manner.

(e) Landlord's Role. The parties acknowledge that neither Landlord nor its Construction Manager, The Simpson Organization, Inc., is an architect or engineer, and that the Work will be designed and performed by independent architects, engineers, and contractors. Landlord and its Construction Manager shall have no responsibility for construction means, methods or techniques or safety precautions in connection with the Work. Landlord's approval of the Plans shall not be deemed a warranty as to the adequacy or legality of the design, and Landlord does not guarantee that the Work will be free from errors, omissions or defects. In the event of material errors, omissions or defects caused by contractors engaged by Landlord which are identified in the punch list procedure described in Article V (b) above, Landlord shall use reasonable efforts to cause such contractors to reasonably cure such items as described therein (except to the extent caused by Tenant or Tenant's Contractors), and Landlord shall cooperate in any action Tenant desires to bring against such contractors.

VI Work Performed by Tenant. Landlord shall permit Tenant and any of Tenant's space planners, architects, engineers, contractors, suppliers, employees, agents and other such parties (collectively, "Tenant's Contractors") to enter the Premises prior to completion of the Work in order to make the Premises ready for Tenant's use and occupancy, subject to the other provisions hereof and of the Lease. Such permission is conditioned upon Tenant and Tenant's Contractor's working in harmony and not interfering with Landlord and Landlord's space planners, architects, engineers, contractors, suppliers, employees, agents and other such parties (collectively, "Landlord's Contractors") in doing the Work or with other tenants and occupants of the Office park. If at any time such entry shall, in Landlord's reasonable opinion, cause or

threaten to cause such disharmony or interference, Landlord shall have the right to withdraw such permission immediately upon oral or written notice to Tenant. Tenant agrees that any such entry into the Premises shall be deemed to be under all of the terms, covenants, conditions and provisions of the Lease (including without limitation, all insurance requirements under any original Lease, if Lease is an amendment thereto, as further described in Article IX) other than the obligation to pay Rent (in cash or by reduction of rent abatement), and further agrees that Landlord shall not be liable in any way for any injury, loss or damage which may occur to any decorations, fixtures, personal property, installations or other improvements or items of work installed, constructed or brought upon the Premises by or for Tenant or Tenant's Contractors prior to completion of the Work, all of the same being at Tenant's sole risk. Without limitation as to other provisions, Tenant hereby expressly acknowledges that Tenant's indemnity and related obligations under the Lease shall apply to all claims and matters arising from early entry to the Premises pursuant hereto.

VII Definitions. The following terms herein shall have the following meanings:

- (a) "Planner" means the space planner, architect and/or engineer, as the context implies.
- (b) "Landlord's Planner" means any planner or architect regularly used by the Landlord and with whom Landlord has a written contractual arrangement for services at the Office park, including a contractual arrangement for preparation of the Development Plan and/or Construction Drawings, as the case may be.
- (c) "Plans" means the "Development Plan" and/or "Construction Drawings" as the context implies. Upon Landlord's approval of any Construction Drawings, the term "Plans" shall refer to such Construction Drawings, which shall supersede the Development Plan. The Plans shall be signed or initialed by Tenant, if requested by Landlord.
- (d) "Development Plan" means, to the extent reasonably required by the nature of the Work, a detailed floor plan (including any so-called "Pricing Plan"), drawn to scale, showing: (i) demising walls, interior walls and other partitions, including type of wall partition and height, and any demolition or relocations of walls, (ii) doors and other openings in such walls or partitions, including type of door and hardware, (iii) any floor or ceiling openings, and any variations to Building Standard floor or ceiling heights, (iv) electrical outlets, and any restrooms, kitchens, computer rooms, file cabinets, file rooms and other special purpose rooms, and any sinks or other plumbing facilities, or other special electrical, HVAC, plumbing or other facilities or equipment, including all special loading, (v) location and dimensions of communications equipment room, and electrical and HVAC requirements therefore, (vi) special cabinet work or other millwork items, (vii) finish selections, and (viii) any other details or features reasonably required in order to obtain a preliminary cost estimate as described in Article IV, or reasonably requested by Architect, Engineer or Landlord in order for the /Development Plan to serve as a basis for preparing Construction Drawings.
- (e) "Construction Drawings" means, to the extent reasonably required by the nature of the Work, fully dimensioned architectural construction drawings and specifications, and any required engineering drawings (including mechanical, electrical, plumbing, air-conditioning, ventilation and heating), and shall include any applicable items described above for the Development Plan, and to the extent applicable: (i) electrical outlet locations, circuits and anticipated usage therefore, (ii) reflected ceiling plan, including lighting, switching, and any special ceiling specifications, (iii) duct locations for heating, ventilating and air-conditioning

equipment, (iv) details of all millwork, if any (v) dimensions of all equipment and cabinets to be built in (vi) furniture plan showing details of space occupancy, (vii) keying schedule, (viii) lighting arrangement, (ix) location of print machines, equipment in lunch rooms, concentrated file and library loadings and any other equipment or systems (with brand names wherever possible) which require special consideration relative to air-conditioning, ventilation, electrical, plumbing, structural, fire protection, life-fire-safety system, or mechanical systems, (x) special heating ventilating and air conditioning equipment and requirements, (xi) weight and location of heavy equipment, and anticipated loads for special usage rooms, (xii) demolition plan, (xiii) partition construction plan, (xiv) all governmental requirements, and (xv) final finish selections, and (xvi) any other details or features reasonably required in order to obtain a final cost estimate as described in Article IV, or reasonably requested by Landlord's Planner or Landlord in order for the Construction Drawings to serve as a basis for contracting the Work.

(f) "Work" means: (i) the improvements and items of work in the Premises shown on the final approved Plans (including changes thereto), (ii) any demolition, preparation or other work required in connection therewith, including without limitation, structural or mechanical work, additional HVAC equipment, or modifications to the center's mechanical, electrical, plumbing or other systems and equipment, either within or outside the Premises required as a result of the layout, design, or construction of the Work or in order to extend any mechanical distribution, fire protection or other systems from existing points of distribution or connection, or in order to obtain building permits for the work to be performed within the Premises (unless Landlord requires that the Plans be revised to eliminate the necessity for such work), (iii) installation of voice and data cabling, and (iv) installation of interior, exterior and monument signage. Notwithstanding the foregoing to the contrary: (1) the Work shall consist of such materials and finishes that Landlord currently uses as "Building Standard" including standard blinds or other window coverings (to the extent not already in the Premises), unless otherwise expressly specified in the Plans and approval is evidenced by Landlord's initials adjacent to such specifications, (2) Landlord reserves the right, at no additional cost to Tenant, to substitute comparable or better materials and items for those shown in the Plans, so long as they do not materially and adversely affect the appearance or function of the Premises, and (3) any personal property, trade fixtures or business equipment including, but not limited to, modular or other furniture, and cabling for communications or computer systems, whether or not shown on the Plans, shall be provided by Tenant, at Tenant's sole cost.

VIII. Miscellaneous

(a) General Matters. This Exhibit is intended to supplement and be subject to the provisions of the Lease, including, without limitation, those provisions requiring that any modification or amendment be in writing and signed by authorized representatives of both parties.

(b) Compliance with Laws. The Premises as delivered to Tenant upon completion of the Work shall be in compliance with all applicable laws, ordinances and regulations, including but not limited to the Americans with Disabilities Act.

(c) Tenant Costs. Tenant shall be solely responsible of any costs for improvements not included in the Plans, and cost associated with or resulting from Tenant Construction Delays or Change Orders.

(d) Work shall be completed by Landlord with finishes of reasonably similar quality to that of existing Unit 320 in Building 300. Landlord may utilize existing doors, blinds, and hardware provided same is in good appearance and working condition.

(e) HVAC. Landlord shall provide the HVAC in good working condition and suitable for the Premises.

Exhibit
Building 400 of Proposed Premises

Premises: Suite 401 (19,731 RSF)
Shown highlighted yellow below

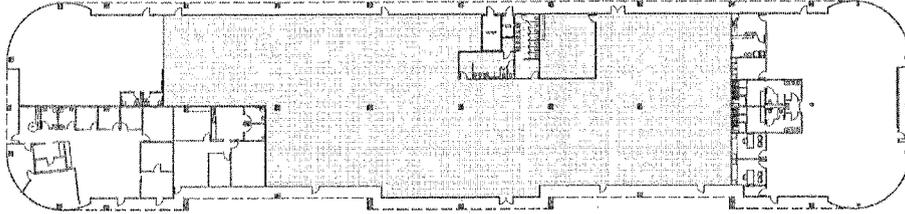


EXHIBIT "D"

**SANDY SPRINGS PUBLIC FACILITIES AUTHORITY D/B/A THE SSPD
MORGAN FALLS OFFICE PARK
RULES AND REGULATIONS**

1. No sign, picture, advertisement or notice visible from the exterior of the Premises shall be installed, affixed, inscribed, painted or otherwise displayed by Tenant on any part of the Premises or the Property unless the same is first approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed. Any such sign, picture, advertisement or notice approved by Landlord shall be painted or installed for Tenant at Tenant's cost or by a party approved by Landlord. No awnings, shall be attached to or hung in, or used in connection with any window or door of the Premises without the prior consent of Landlord, including approval by Landlord of the quality, type, design, color and manner of attachment, which consent and approval shall not be unreasonably withheld or delayed.
2. Tenant agrees that its use of electrical current shall not exceed the capacity of existing feeders, risers or wiring installation.
3. The Premises shall not be used for storage of merchandise held for retail sale to the general public provided, however, the Landlord acknowledges that incidental items on the Premises utilized for fundraising activities shall not be a violation of this Article. Tenant shall not do or permit to be done in or about the Premises or Property anything which shall increase the rate of insurance on said Property or obstruct or interfere with the rights of other lessees of Landlord or annoy them in any way, including, but not limited to, using any musical instrument, making loud or unseemly noises, or singing, etc. The Premises shall not be used for sleeping or lodging. No cooking or related activities shall be done or permitted by Tenant in the Premises except with permission of Landlord. Tenant will be permitted to use for its own employees within the Premises a small microwave oven and Underwriters' Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations. No part of said Property or Premises shall be used for gambling, immoral or other unlawful purposes. No intoxicating beverage shall be sold in said Property or Premises without the prior written consent of Landlord. No area outside of the Premises shall be used for storage purposes at any time.
4. No birds or animals of any kind shall be brought into the Building (other than those constituting evidence or contraband in any investigation and trained service dogs, including but not limited to police K-9 units, provided no K-9 units shall be housed in the Premises). No motorcycles or other motorized vehicles shall be brought into the Building.
5. The sidewalks, entrances, passages, corridors, halls and stairways, if any, in the Property shall not be obstructed by Tenant or used for any purposes other than those for which same were intended as ingress and egress. Upon completion of construction, no windows, floors or skylights that reflect or admit light into the Building shall be covered or obstructed by Tenant without the consent of Landlord which consent shall not be

unreasonably withheld or delayed if the need is based upon law enforcement requirements. Toilets, wash basins and sinks shall not be used for any purpose other than those for which they were constructed, and no sweeping, rubbish or other obstructing or improper substances shall be thrown therein. Any damage resulting to them, or to heating apparatus, from misuse by Tenant or its employees, shall be borne by Tenant.

6. Only one (1) key for the Premises will be furnished to Tenant without charge. Landlord may make a reasonable charge for any additional keys. Subject to special stipulation 13 regarding enhanced security areas, no additional lock, latch or bolt of any kind shall be placed upon any door nor shall any changes be made in existing locks without written consent of Landlord, which consent shall not be unreasonably withheld or delayed, and Tenant shall in each such case furnish Landlord with a key for any such lock. At the termination of the Lease, Tenant shall return to Landlord (1) all keys furnished to Tenant by Landlord, or otherwise procured by Tenant, and in the event of loss of any keys so furnished, Tenant shall pay to Landlord the cost thereof and (2) keys for any enhanced security area.
7. Landlord shall have the right to prescribe the weight, position and manner of installation of heavy articles such as safes, machines and other equipment brought into the Building. No safes, furniture, boxes, large parcels or other kind of freight shall be taken to or from the Premises or allowed in any hall or corridor except at times reasonably approved by Landlord. No hand trucks, except those equipped with rubber tires and side guards, shall be permitted in the Building. In no event shall any weight be placed upon any floor by Tenant so as to exceed four thousand (4,000) pounds per square foot.
8. Tenant shall not cause or permit any gases, liquids or odors to be produced upon or permeate from the Premises.
9. Cleaning service shall be furnished by Tenant's approved janitorial contractors at Tenant's sole cost and expense. Landlord shall not be responsible for any loss, theft, mysterious disappearance of or damage to, any property, however occurring.
10. No connection shall be made to the electric wires or gas or electric fixtures, without the consent in writing on each occasion of Landlord. All glass, locks and trimmings in or upon the doors and windows of the Premises shall be kept whole and in good repair. Tenant shall not injure, overload or deface the Property, the woodwork or the walls of the Premises, nor permit any noisome, noxious, noisy or offensive business.
11. If Tenant requires wiring for a bell or buzzer system, such wiring shall be done by a licensed electrician. If telephone service is desired, the wiring for same shall be approved by Landlord, which approval shall not be unreasonably withheld or delayed, and no boring or cutting for wiring shall be done unless approved by Landlord or its representatives, as stated. The electric current shall not be used for power or heating unless written permission to do so shall first have been obtained from Landlord or its representatives in writing, and at an agreed cost to Tenant.
12. Tenant and its employees and invitees shall observe and obey all parking and traffic regulations as imposed by Landlord. All vehicles shall be parked only in areas designated therefore by Landlord; provided, however that undesignated parking spaces in common areas shall be available to persons at the Premises on a first come first serve basis shared with all other Tenant's of and visitors to the Property.. Tenant will, if and

when so requested by Landlord, furnish Landlord with the license numbers of any vehicles of non law-enforcement, contractors and agents frequenting the Premises. Landlord may remove, at Tenant's expense, any vehicles which are parked or abandoned in violation of the rules and regulations promulgated by Landlord from time to time. Landlord reserves the right, at any time and from time to time, to close temporarily all or any portions of the parking areas when in Landlord's reasonable judgment any such closing is necessary or desirable (i) to make repairs or changes to effect construction, (ii) to prevent the acquisition of public rights in such area, (iii) to discourage unauthorized parking, or (iv) to protect or preserve natural persons or property. Landlord may do such other acts in and to the parking areas as in its judgment may be desirable to improve or maintain same for the benefit of the Building and its occupants, provided that such closure or other activities shall not impair ability of Tenant to conduct its normal business.

13. Canvassing, peddling, soliciting and distribution of handbills or any other written materials in the Property are prohibited, and Tenant shall cooperate to prevent the same.
14. Landlord shall have the right to change the name of the Building and/or Property and to change the street address of the Building and/or Property, provided that in the case of a change in the street address, Landlord shall give Tenant not less than 180 days' prior notice of the change, unless the change is required by governmental authority.
15. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular lessee, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other lessee, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the other lessees of the Property.
16. These Rules and Regulations are supplemental to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of any premises in the Property.
17. Landlord reserves the right to make such other and reasonable Rules and Regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Buildings and the Land, and for the preservation of good order therein so long as they do not impair ability of Tenant to conduct its normal business.

EXHIBIT "E"
MORGAN FALLS OFFICE PARK
SPECIAL STIPULATIONS

To the extent the special stipulations attached hereto conflict with or are inconsistent with the foregoing provisions of this Lease or any exhibit to this Lease, the special stipulations shall control.

1. Renewal Options: Tenant is hereby granted the right to renew this Lease for four (4) additional consecutive terms of ninety (90) days each, subject to the following conditions precedent: a) Tenant shall not be in default as of the date notice of intent to renew is given as hereinafter required, or anytime thereafter prior to the commencement of the renewal term being exercised; and b) Tenant shall give Landlord written notice not less than sixty (60) days prior to the expiration of the Lease Term (or the existing Renewal Term if a Renewal Term has been exercised); and, c) all terms of the Lease shall remain in effect during the renewal term(s) except Base Rent shall continue to annually escalate by 2%.

2. USE. The parties acknowledge that in conjunction with its use Tenant shall have emergency vehicles and police cars located at the Property, and shall transport persons in custody to the Premises. Tenant represents that it will use good faith efforts to minimize any interference with other tenants of the Property. Specifically, Tenant shall respect traffic patterns and maintain appropriate speed when driving on the Property. Except in emergency situations Tenant shall attempt to use the accessway which runs along the northeast boundary line of the Property, or Brandon Mill Road, to access Roswell Road

3. Signage. In addition to all rights to signage as set forth in the Lease, Tenant may at its sole cost and expense, install two (2) flag poles, and an entrance monument sign at the entrance of Suite 301 in a size, location and design approved by Landlord in its reasonable discretion, and subject to all applicable zoning and ordinances. Tenant may at its sole cost seek a signage variance as necessary, and Landlord shall cooperate with the procurement of the variance. Tenant shall also have the right to add "Sandy Springs Police Department" to the monument sign currently on Roswell Road used to identify the City of Sandy Springs.

4. Janitorial. Tenant shall arrange janitorial services be provided to the Premises.

5. Security. Acknowledging that Tenant's use of the Premises may include after hours access to the Premises, Tenant agrees to provide, at its sole cost and expense, such security as Landlord and/or its insurer deems reasonable, and Tenant agrees to indemnify and save harmless Landlord from any claims or damages attributable to Tenant's after-hours use of the Premises.

6. Tenant Entity. Tenant shall provide Landlord with documentation sufficient to establish that it has been established as a public authority in conformity with Georgia law.

7. HVAC. Tenant shall maintain the HVAC in the manner required in Section 15(b). Notwithstanding the provisions of paragraph 15(b), in the event that replacement of any of the HVAC units is reasonably required during the Lease Term, and the replacement is not due to negligence of Tenant, then Landlord shall replace the unit(s) at its sole cost and expense.

8. Notwithstanding anything herein to the contrary; it is agreed that upon completion of the Work by Landlord pursuant to Exhibit "C", the Premises shall be in compliance with all current codes, including the ADA.

9. This Lease is contingent upon the simultaneous execution of an Amendment to that certain Lease between Landlord and the City of Sandy Springs Public Facilities Authority, originally dated November 30, 2005, for Premises in the 500 Building, so as to extend the term of said Lease so as to expire contemporaneously with the expiration of the Lease Term set forth herein.

10. Subject to required handicap parking, Tenant shall have the right to mark as "Reserved for SSPD" those parking spaces identified on Exhibit "E-1", containing approximately 147 spaces, or approximately 4 per 1000. All other unmarked parking shall be available on a first come basis to all tenants subject to the Rules and Regulations, and Condominium approval as necessary.

12. Intentionally Deleted

13. Access to Premises: Notwithstanding anything to the contrary contained in this Lease, the Parties acknowledge that based upon the law enforcement use of the Premises, it is not practical for the Landlord to have keys and access to all areas of the Premises. Accordingly, the Tenant shall have the right to designate areas of the Premises as enhanced security areas, including but not limited to evidence rooms, weapon and ammunition storage areas, investigatory and administrative areas of the Premises for which Landlord shall not have keys for access. Tenant shall, however, provide personnel to allow Landlord accompanied access to any area of the Premises upon not more than 24 hours notice.

14. By execution hereof Landlord agrees it shall construct, at Tenant's sole cost and expense, the following improvements to the Premises:

a) a Chain link fence, with two gates; b) a ramp for access to the Premises; and c) a two vehicle car-port. The improvements (a), (b), and (c) shall be completed in the locations set forth on the Plans. Tenant shall reimburse Landlord the costs of the referenced improvements within ten (10) business days following the receipt from Landlord of invoices. At the expiration or earlier termination of the Lease Tenant shall, upon the request of Landlord and at Tenant's expense, remove the herein referenced improvements (a), (b), and (c), and return the common area to substantially the same condition as existed prior to the construction of said improvements.

15. At Lease expiration, or earlier termination, Tenant shall reimburse Landlord Landlord's cost for removal of the CMU block secured walls, installed by Landlord pursuant to the Plans adjacent to building glass walls, such that Landlord may use the Premises for traditional office use.

Exhibit "E-1"

Reserved Parking Conditioned on the final Premises being that proposed herein

