

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

7/22/10

LEASE NO. LLA16741

THIS LEASE, made and entered into this date by and between LBA-GSA COVINGTON, LLC

Whose address is 2733 ROSS CLARK CIRCLE
DOTHAN, ALABAMA 36301-3214

and whose interest in the property hereinafter described is that of OWNER

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:
A total of 11,360 rentable square feet (RSF) of office and related space, which yields 10,635 ANSI/BOMA Office Area square feet (USF) of space at a building to be constructed at the 64,000 block of Louisiana State Highway 434 Lacombe, LA 70445-3456 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 62 parking spaces for exclusive use of Government employees and patrons.
2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term that will be determined by supplemental lease agreement upon completion and acceptance of the work required by this lease and continuing for a period of fifteen (15) years, with a firm term of ten (10) years subject to termination and renewal rights as may be hereinafter set forth. The actual Lease commencement will be established in a Supplemental Lease Agreement at a later date.
3. The Government shall pay the Lessor annual rent of \$439,746.00 at the approximate rate of \$36,346.50 per month in arrears for years 1 – 10, which includes annual operating costs of \$53,088.00, annual amortized tenant improvements cost of approximately \$54,733.78 (which is \$4.82/RSF) and annual amortized Security costs of approximately \$1,525.09. The Lessor is amortizing \$375,936.62 of Tenant Improvement Allowance over 10 years at an Amortization rate of 8%.

Annual tenant improvement amortized payments will begin upon completion and acceptance of all tenant improvements to the 11,360 RSF. This date for acceptance and establishment of occupancy date will be established via a Supplemental Lease Agreement. The firm term of this lease will also begin on this date established for acceptance of all tenant improvements and occupancy of the total 11,360 RSF.

For years 11-15 the Government shall pay the Lessor annual rent of \$390,329.60 at the approximate rate of \$32,527.46 per month in arrears for years 11 – 15, which includes annual approximate shell rent of \$337,241.60, and annual operating costs of \$53,088.00

Rent for a lesser period shall be prorated. Rent shall be made payable to:

LBA-GSA COVINGTON, LLC
2733 ROSS CLARK CIRCLE
DOTHAN, ALABAMA 36301-3214

4. The Government may terminate this lease in whole or in part at any time on or after the tenth (10th) year, the date at which the firm term starts is established in Paragraph 2., by giving at least 60 days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. ~~This lease may be renewed at the option of the Government for the following rentals:~~

~~Provided notice is given in writing to the Lessor at least _____ days before the end of the original lease term or any renewal term, all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computer commencing with the first day after the date of mailing.~~

6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:

- A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 8LA2138 dated June 17, 2009, as amended August 14, 2009 and amended October 7, 2009,
- B. Build out in accordance with standards set forth in SFO 8LA2138 dated June 17, 2009, as amended August 14, 2009 and amended October 7, 2009, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2 and shall be established by a Supplemental Lease Agreement (SLA). The Lessor hereby waives restoration.
- C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.

7. The following are attached and made a part hereof:

- A. Solicitation for Offers 8LA2138 dated June 17, 2009, and Amendment #1 August 14, 2009 and Amendment #2 October 7, 2009.
- B. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05]).
- C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])
- D. Legal Description labeled as Attachment "A".

8. The following changes were made in this lease prior to its execution:

Paragraph 5. is deleted. Paragraphs nine (9) through twenty (20) are added.

9. The lease is subject to Real Estate Tax reimbursement. For tax adjustments, the percentage of occupancy is 100%. The base tax year statement will be submitted within 60 calendar days after Lessor's payment of taxes to establish the base tax year. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the Government shall occupy 100 % of the building. This is based on a rentable area of the demised premises of 11,360 SF divided by an entire building size of 11,360 SF.

10. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$4.67/RSF (\$53,088.00/annum).

11. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.068171 (11,360 RSF/10,635 USF).

12. Should the Government fail to utilize or occupy the facility, the Government shall remain responsible for the payment of the rental, subject to an Adjustment For Vacant Space. In accordance with paragraph 4.4 of the Solicitation, the Adjustment for Vacant Space is established at \$1.50 per ANSI/BOMA Office Area square feet (USF).

13. In accordance with the SFO Paragraph 4.5 entitled *Normal Hours; Services, utilities, and maintenance shall be provided daily, extending 7:00 a.m. to 5:00 p.m. except Saturdays, Sundays, and federal holiday*. The Lessor will not charge overtime on those days during those hours. In accordance with the SFO Paragraph 4.6 entitled *Overtime Usage*, the rate for overtime usage is established as \$10.00 per hour for the entire premises.

14. For the purposes of this SFO, Avant Properties a licensed real estate broker in the State of Louisiana and its cooperating licensed broker, The Crown Partnership, Inc (principal Small Business Sub-contractor to CB Richard Ellis Real Estate Services, Inc. - 'The Prime' Contractor') are the authorized real estate brokers representing GSA. The Lessor and Avant Properties as co-broker with The Crown Partnership, Inc. have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction (Commission Credit).

The commission credit is [REDACTED]. The first 50% of the entire commission shall be due upon Lease award and the remaining 50% less the commission credit shall be due upon acceptance of the space by the Government. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

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LESSOR GOVT

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted monthly rent:

- a) First month's rental payment \$36,346.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent.
- b) Second month's rental payment \$36,346.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent.
- c) Third month's rental payment \$36,346.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted third month's rent.
- d) Fourth month's rental payment \$36,346.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted fourth month's rent.

- 15. All questions pertaining to this lease shall be referred to the Contracting Officer of the General Service Administration (GSA) or his or her designees. The Government occupant is not authorized to administer this lease and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or any other cost authorized in writing by the GSA Contracting Officer. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to: repairs, changes in scope of work, alterations and overtime services with out the written authorization of a Contracting Officer. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.
- 16. In accordance with the SFO paragraph 3.2 A The tenant improvement allowance is \$35.35 per ANSI/BOMA Office Area square feet. Tenant Improvements in the total amount of \$375,936.62 (10,635 USF x \$35.35) shall be amortized through the rent for 10 years at the rate of 8.00%. The total annual cost of Tenant Improvements for the amortization period shall be \$54,733.78. Annual tenant improvements amortized payments will begin upon completion of all tenant improvements to 11,360 RSF.
- 17. Security costs in the total amount of \$10,475.00 shall be amortized through the rent at \$127.09 per month for 120 months (\$1,525.09 per year) at the rate of 8% per year.
- 18. It is mutually agreed to between the parties that the Lessor shall build out the space in accordance with the Solicitation for Offers and the Government approved Design Document. All questions concerning this lease shall be referred to the Contracting Officer of the General Services Administration (GSA) or his designee. The Government occupant is not authorized to administer the lease and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this lease or authorized in writing by the Contracting Officer or his designee.
- 19. The Lessor shall not be reimbursed for any services not provided for in the lease, including but not limited to repairs, alterations, or overtime services, nor will any rental be paid for occupancy, in whole, or in part, except as provided for in this lease.
- 20. The Government reserves the right to install and maintain its own security system. The system shall remain the property of the Government and the Lessor shall waive all rights of restoration as it pertains to the system.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR
LBA-GSA Covington, LLC

Member

(Title)

2733 Ross Clark Cir. Dothan, AL

(Address)

IN PRESENCE

UNITED STATES

BY

HEWSON
CONTRACTING OFFICER

Contracting Officer, General Services Administration

(Official Title)

(Signature)