

LEASE AGREEMENT

THIS LEASE AGREEMENT ("**Agreement**") is made this ___ day of June, 2012 (the "**Effective Date**"), by and between **ADKC REALTY HOLDINGS, LLC**, a Georgia limited liability company ("**Landlord**") and the **CITY OF PEACHTREE CORNERS, GEORGIA**, a municipal corporation of the State of Georgia ("**Tenant**").

RECITALS

A. Landlord is the owner of an office building located in Technology Park/Atlanta at 147 Technology Parkway NW, Norcross, Georgia 30092, commonly known as "147 Technology Parkway" (the "**Building**"), containing two stories and approximately 25,000 rentable square feet of office space.

B. Landlord desires to lease to Tenant upon the terms hereof, the premises commonly known as Suite 200 (the "**Premises**") consisting of approximately 8,076 rentable square feet being a portion of the second floor of the Building as outlined on Exhibit "A" attached hereto, and Tenant desires to so lease the Premises from Landlord.

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Tenant and Landlord agree as follows:

1. Demise. Landlord does hereby lease to Tenant and Tenant hereby rents and leases from Landlord the Premises together with the non-exclusive right to use the parking areas and all other common areas serving the tenants in the Building. Landlord makes no warranties or representations that the Premises are suitable for the use contemplated by this Agreement. Tenant has inspected the Premises, is familiar with the physical condition of the Premises, and shall accept the Premises "as is," "where is," without any warranty, express or implied, as to fitness or suitability, and without any agreement or obligation on the part of Landlord to perform or provide an allowance for or make any alterations, repairs or improvements as a condition to Tenant's obligations under this Agreement other than the following work to be completed by Landlord on or before the Rent Commencement Date (as hereinafter defined): (a) Landlord to paint the Premises with Building standard paint selected by Tenant (one color); (b) Landlord to repair and as necessary replace damaged or broken blinds and ceiling tiles in the Premises; (c) Landlord to carpet the Premises with Building standard carpet selected by Tenant; (d) Landlord to recoat existing reentrance ramp serving the Premises; and (e) Landlord to replace two doors in the Premises. Further, Tenant shall not be entitled to perform any improvement work in the Premises (whether cosmetic, decorative or otherwise) without the prior express written consent of Landlord. Tenant at Tenant's sole cost and expense, shall install its furniture, trade fixtures and equipment, and other personal property in the Premises as needed for Tenant's occupancy and business operations.

2. Term. The initial term of this Agreement (the "**Initial Lease Term**") shall commence on the Effective Date hereof (also referred to herein as the "**Commencement Date**") and shall continue for a period of five (5) full months, commencing on August 1, 2012 (the "**Rent Commencement Date**") and expiring on December 31, 2012 (the "**Initial Term Expiration**")

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Date"). Thereafter, following the Initial Lease Term, the term of this Agreement shall automatically renew for up to five (5) successive periods of one (1) calendar year each (each a "**Successive Renewal Lease Term**" and together with Initial Lease Term, the "**Lease Term**"), starting with calendar year 2013 and ending with calendar year 2017, subject to Tenant's right to terminate any such Successive Renewal Lease Term under this Agreement by delivering a written termination notice to Landlord in accordance with the notice provisions hereof no later than thirty (30) days prior to the commencement of the next Successive Renewal Lease Term. If for any reason Landlord cannot deliver possession of the Premises to Tenant on or before the Rent Commencement Date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Agreement or the obligations of the Tenant hereunder or extend the Lease Term hereof, but in such case, Tenant shall not be obligated to pay rent until possession of the Premises is tendered to Tenant.

3. **Use.** Tenant covenants and agrees that the Premises shall be used for the following and no other purpose whatsoever: general office and administrative use.

4. **Rent.**

A. **Base Rent.** Tenant shall pay for the use and occupancy of the Premises Base Rent in the amounts set forth in the schedule below. The payment for the initial term shall be payable in one lump sum on or before December 31, 2012 for the Initial Lease Term, and thereafter payable quarterly (on January 1, April 1, July 1 and October 1 of each calendar year) for each Successive Renewal Lease Term, in advance without setoff or demand, during the Lease Term. If any installment of rent or any other sum due from Tenant shall not be received by Landlord within ten (10) days after such amount is due, Tenant shall pay to Landlord a late charge of five (5%) percent of such overdue amount, plus and administrative fee of \$100.00.

Period	Rate Per Rentable Square Foot	Quarterly Base Rent
August 1, 2012 – December 31, 2012	\$9.00	\$30,285.00*
January 1, 2013 – December 31, 2013	\$9.23	\$18,635.37
January 1, 2014 – December 31, 2014	\$9.46	\$19,099.74
January 1, 2015 – December 31, 2015	\$9.69	\$19,564.11
January 1, 2016 – December 31, 2016	\$9.93	\$20,048.67
January 1, 2017 – December 31, 2017	\$10.18	\$20,553.42

*Lump Sum Payment for Period

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B. Additional Rent. All costs and expenses, other than Base Rent, which Tenant assumes or agrees to pay and any other sum payable by Tenant pursuant to this Agreement, including, without limitation, its pro rata share of Operating Expenses (which includes CAM expenses incurred to maintain and repair the common areas, together with all real property taxes and insurance expenses incurred by Landlord for the subject property), shall be deemed Additional Rent. Tenant's pro rata share shall be a stipulated percentage of 32.30% which the Parties conclusively agree is final and correct and which shall be revised only if either the area of the Premises and/or the area of the Building are changed after the Commencement Date. Base Rent, Additional Rent, and any other amounts of every nature which Tenant is or becomes obligated to pay Landlord under this Agreement are herein referred to collectively as "Rent", and all remedies applicable to the nonpayment of Rent shall be applicable thereto.

Landlord estimates that Landlord's aggregate Operating Expenses will be the sum of \$5.00 per rentable square foot for the calendar year in which the Commencement Date falls, and Tenant agrees to pay as Additional Rent Tenant's pro rata share of actual Operating Expenses. Landlord may invoice Tenant monthly or quarterly for Tenant's pro rata share of the estimated Operating Expenses for such calendar year and each calendar year thereafter, which amount shall be adjusted each calendar year based upon anticipated Operating Expenses determined by Landlord for such year. Within four (4) months following the close of each calendar year, Landlord shall provide Tenant an accounting showing in reasonable detail all computations of Additional Rent due under this paragraph. In the event the accounting shows that the total of the monthly/quarterly payments made by Tenant exceeds the amount of Additional Rent due by Tenant under this paragraph the Tenant shall receive a credit against Base Rent in such amount to be applied on the next succeeding payment(s) of Base Rent until fully applied. In the event the accounting shows that the total of the monthly/quarterly payments made by Tenant is less than the amount of Additional Rent due by Tenant under this paragraph, the account shall be accompanied by an invoice for the additional rent. Tenant agrees to pay such invoiced amount within ten (10) days of receipt thereof. Notwithstanding any provision herein to the contrary, the Parties further agree that Tenant's pro rata share of Operating Expenses shall never exceed \$5.00 per square foot during the Lease Term and that if Operating Expenses are less than \$5 per rentable square foot, Tenant shall receive a credit against Base Rent for the difference to be applied on the next succeeding payment(s) of Base Rent until fully applied.

5. Repairs and Maintenance. Tenant hereby covenants and agrees at its sole expense: i) to keep and maintain the Premises in good order, repair and condition throughout the Lease Term; and (ii) to promptly and adequately repair all damage to the Premises caused by Tenant and any of its employees, contractors or agents; and (iii) to comply with any federal state and municipal law, orders, rules, ordinances and regulations applicable and governing the Premises now or which may hereafter be in force. Notwithstanding the foregoing the, the Tenant shall have no liability for major systems on the property including but not limited to roof and building structure, HVAC systems, and repairs other than incidental maintenance for plumbing and electrical systems.

6. Insurance. Tenant shall during the Lease Term procure and keep in force the following insurance coverages (directly or under a blanket policy):

a. Personal Property Insurance. "All Risk" property insurance, including without limitation, coverage for earthquake and flood, on all equipment, trade fixtures, inventory, fixtures

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and personal property located on the Premises.

b. **Liability Insurance.** Commercial general liability insurance for the mutual benefit of Landlord and Tenant against any and all claims for personal injury, death or property damage occurring in, on or about the Premises or arising out of Tenant's use and occupancy of the Premises. Such insurance shall have a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence with a Two Million Dollar (\$2,000,000) aggregate limit. Such liability insurance shall be primary and not contributing to any insurance available to Landlord and Landlord's insurance shall be in excess thereto.

c. **Other Insurance.** Such other insurance, including worker's compensation, as Landlord deems necessary and prudent or required by Landlord's beneficiaries or mortgagees of any deed of trust or mortgage encumbering the Premises.

d. **Policies.** The policies required to be maintained by Tenant shall be with companies and on forms acceptable to Landlord. Certified copies of policies or certificates of insurance shall be delivered to Landlord prior to the commencement of the Initial Lease Term.

e. **Waiver of Subrogation.** Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for losses or damages insured by an insurance policy, and Tenant shall obtain any special endorsements whereby the insurer waives its rights of subrogation against Landlord.

Notwithstanding any provision herein to the contrary, Tenant shall have the option to self-insure against all risks in lieu of procuring the foregoing insurance coverages.

7. **Hazardous Materials.** Tenant shall not use, generate, manufacture, store, or dispose of, in, under, or about the Premises or the Building or transport to or from the Premises or the Building, any Hazardous Materials. For purposes of this Agreement, "Hazardous Materials" includes, but is not limited to: (i) flammable, explosive, or radioactive materials, hazardous wastes, toxic substances, or related materials; (ii) all substances defined as "hazardous substances", "hazardous materials", "toxic substances", or "hazardous chemical substances or mixtures" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended. 42 U.S.C. § 9601, et seq., as amended by Superfund Amendments and Re-authorization Act of 1986; the Hazardous Materials Transportation Act, 49 U.S.C. § 1901, et seq.; the Resource Conservation and Recovery Act. 42 U.S.C. § 6901, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; (iii) those substances listed in the United States Department of Transportation Table (49 C.F.R. 172.10 and amendments thereto) or by the Environmental Protection Agency (or any successor agent) as hazardous substances (40 CFR Part 302 and amendments thereto); (iv) any material, waste, or substance which is (A) petroleum. (B) asbestos. (C) polychlorinated biphenyls, (D) designated as a "hazardous substance" pursuant to § 311 of the Clean Water Act, 33 U.S.C. S 1251 et seq. (33 U.S.C. § 132 l) or listed pursuant to the Clean Water Act (33 U.S.C. § 1317); (E) flammable explosives; or (F) radioactive materials; and (v) all substances defined as "hazardous wastes" in the statutes of the state in which the Premises are located.

8. **Indemnification.** To the extent allowed by law, Tenant shall indemnify, defend and hold harmless Landlord and its officers, directors, agents and employees (collectively the "**Landlord Parties**") from all damages, costs and expenses (including reasonable attorneys' fees), judgments, injuries, liabilities, claims and losses (collectively "**Claims**"):

a. arising within the Premises;

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b. arising from Tenant's use or control of the Premises or the conduct of Tenant's business or from any activity, work or thing done, permitted or suffered by Tenant in or about the Premises or any part of the Building;

c. arising from any act, neglect, fault or omission of Tenant or of its agents, employees, or contractors;

d. arising out of any criminal act of any third party causing injury or damage to the property of Tenant or its agents, employees or invitees (it being agreed that, notwithstanding anything to the contrary, the Landlord Parties shall not be liable for any criminal act of a third party);

e. arising out of any breach of any provision of this Agreement by Tenant; provided, however, that Tenant's obligation to indemnify, defend and hold harmless shall not apply to Claims arising from the gross negligence or willful misconduct of any of the Landlord Parties;

f. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever except that which is caused by the gross negligence or willful misconduct of the Landlord Parties or any of them or Landlord's breach of this Agreement. Tenant hereby waives all its Claims in respect thereof against Landlord. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any damage, injury, death, breach or default occurring prior to such expiration or termination; or.

g. Tenant warrants and represents that other than Jackson Oats Shaw Corporate Real Estate, LLC, Landlord's agent, to Tenant's knowledge, there is no Real Estate Broker involved in the negotiation of this Agreement and that Tenant has had no dealing with any Real Estate Broker or salesman in the negotiation of this Agreement and Tenant shall, for any real estate agent or real estate broker hired by Tenant, indemnify, release and hold Landlord harmless from and against any and all damages, fines, penalties, liabilities, and expenses, including without limitation, attorney's fees, whether or not suit is brought, and if suit is brought, at pre-litigation, trial, post-judgment, and appellate levels, which may arise or be claimed against Landlord and/or its agents or employees, incurred in connection with or in any way relating to any claim for commissions, fees, compensation or otherwise, by any broker or salesperson whatsoever or any communications or negotiations with any broker or salesperson concerning the this Agreement and/or the consummation thereof, the Premises or any other premises in the Building, other than fees to Landlord's agent named above, which shall be Landlord's sole obligation.

9. Condition at Surrender. Upon the termination of this Agreement, Tenant shall (i) remove all personalty and leave the Premises clean and in substantially the same condition as it was delivered to Tenant, and (ii) return to Landlord all keys and other property of Landlord relating to the Premises. Tenant shall be responsible for all damages to the Premises.

10. Notice. Any notice which either party hereto may desire or be required to give to the other shall be deemed to be adequate and sufficient notice if given in writing and service is made by either (i) registered or certified mail, postage prepaid, in which case notice shall be deemed to have been received three (3) business days following deposit to U.S. mail, or (ii) nationally recognized overnight air courier, next day delivery, prepaid, in which case such notice

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shall be deemed to have been received one {1} business day following delivery to such nationally recognized overnight air courier. All notices shall be addressed to Landlord or Tenant at the following addresses or to such other place as any party may be notice in writing to the other parties designate as a place for service of notice:

LANDLORD: ADKC Realty Holdings, LLC
c/o Jackson Oats Shaw Corporate Real Estate, LLC
1455 Lincoln Parkway, Suite 425
Atlanta, GA 30346
Attention: Kevin Oats

TENANT: City of Peachtree Corners, Georgia
at the Premises
Attn: City Manager

11. Default.

A. Tenant Defaults: The occurrence of any of the following shall constitute a "default" by Tenant hereunder: (a) Tenant fails to pay within ten (10) days of when due any installment or other payment of Rent or any other amount owing to Landlord; or (b) Tenant fails to perform or observe any of the other covenants, conditions or agreements contained herein on Tenant's part to be kept or performed or breaches a representation made hereunder, and such failure shall continue for thirty (30) days after notice thereof is given by or on behalf of Landlord, or if such default is curable but cure cannot reasonably be effected within such thirty (30) day period, such default shall not be a default hereunder so long as Tenant promptly commences cure within ten (10) days and thereafter diligently prosecutes such cure to completion.

If any alleged default on the part of the Landlord hereunder occurs, Tenant shall give written notice to Landlord in the manner herein set forth and shall afford Landlord a reasonable opportunity to cure any such default. In addition, Tenant shall send notice of such default by certified or registered mail, postage prepaid, to the holder of any Mortgage whose address Tenant has been provided in writing, and shall afford such Mortgage holder a reasonable opportunity to cure any alleged default on Landlord's behalf. In no event will Landlord be responsible for any damages incurred by Tenant, including but not limited to, lost profits or interruption of business as a result of any alleged default by Landlord hereunder.

B. Landlord Remedies. The remedies provided Landlord under this Agreement are cumulative. Upon the occurrence of any default by Tenant, and in addition to any and all other rights provided a landlord under law or equity for breach of a lease or tenancy by a tenant, Landlord shall have the right to pursue one or more of the following remedies: (a) Landlord may serve notice on Tenant that the Lease Term and the estate hereby vested in Tenant and any and all other rights of Tenant hereunder shall cease on the date specified in such notice and on the specified date this Agreement shall cease and expire as fully and with the effect as if the Term had expired for passage of time; (b) Without terminating this Agreement in case of a default or if this Agreement shall be terminated for default as provided herein, Landlord may re-enter the Premises, remove Tenant, or cause Tenant to be removed from the Premises in such manner as Landlord may deem advisable, with legal process. In the event of re-entry without terminating this Agreement, Tenant shall continue to be liable for all Rents and other charges accruing or coming due under this Agreement which Rent shall automatically accelerate and become immediately due and payable; (c) Landlord may continue this

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Agreement in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations (and with the understanding that Landlord is under no obligation to relet the Premises under any condition so long as there is comparable space available in the Building for lease); (d) In any action to enforce the terms of this Agreement, including any suit by Landlord for the recovery of Rent or possession of the Premises, the losing party shall reimburse the successful party for reasonable attorneys' fees incurred in such suit and such attorneys' fees shall be deemed to have accrued prior to the commencement of such action and shall be paid whether or not such action is prosecuted to judgment; and (e) In addition to the above, Landlord shall have any and all other rights provided a landlord at law or in equity, including, but not limited to, those remedies provided for by laws, statutes, ordinances, governmental regulations or requirements of the United States, the State in which the Building is located or any local government authority or agency or any political subdivision thereof, now or hereafter in effect, for breach of a lease or tenancy by a tenant.

C. Tenant Remedies. Upon the occurrence of any default by Landlord, Tenant shall, except as otherwise expressly provided herein, have all rights and remedies provided hereunder and by law from time to time; provided, however, that Tenant shall in no event have the right to terminate this Agreement except as expressly provided herein or as provided by law.

12. Miscellaneous.

a. This Agreement may not be encumbered, assigned, or transferred by Tenant, nor may Tenant allow the Premises (or any part thereof) to be occupied by any other entity or person other than Tenant and Tenant's employees.

b. This Agreement shall not be deemed effective until both Landlord and Tenant shall have executed this Agreement and duplicate originals thereof shall have been delivered to the respective parties thereto. This Agreement may not be amended without the prior written consent of Landlord and Tenant.

c. This Agreement shall be construed without regard to any presumption or other rule required construction against the party drafting a document. It shall be construed neither for nor against Landlord or Tenant, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the parties. The agreements contained herein constitute the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, inconsistent herewith.

d. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart.

e. Each individual and entity represents and warrants that he, she or it has the capacity set forth in the signature pages of this Agreement with full power and authority to bind the party *on* whose behalf he, she or it is executing this Agreement to the terms hereof.

f. This Agreement shall be construed and enforced in accordance with, and the validity and performance hereof shall be governed by the laws of the State in which the Premises

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are located.

g. If any term or provision of this Agreement is declared invalid or unenforceable, the remainder of this Agreement shall not be affected by such determination and shall continue to be valid and enforceable.

i. Landlord and its authorized agents shall have free access to the Premises at any and all reasonable times to inspect the same and for the purposes pertaining to the rights of Landlord.

j. Tenant agrees to comply with all rules and regulations promulgated by Landlord concerning the use and enjoyment of the Premises.

[Signatures Commence on Next Page]

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IN WITNESS WHEREOF, the parties have executed this Addendum as of the day and year first written above.

Witnesses as to Landlord:

LANDLORD:

ADKC REALTY HOLDINGS, LLC, a Georgia limited liability company

Print Name _____

By: _____
Name: _____
Title: Authorized Signatory

Print Name _____

Witnesses as to Tenant:

TENANT:

CITY OF PEACHTREE CORNERS, GEORGIA, a municipal corporation of the State of Georgia

Print Name _____

By: _____
Name: _____
Title: Mayor

Print Name _____

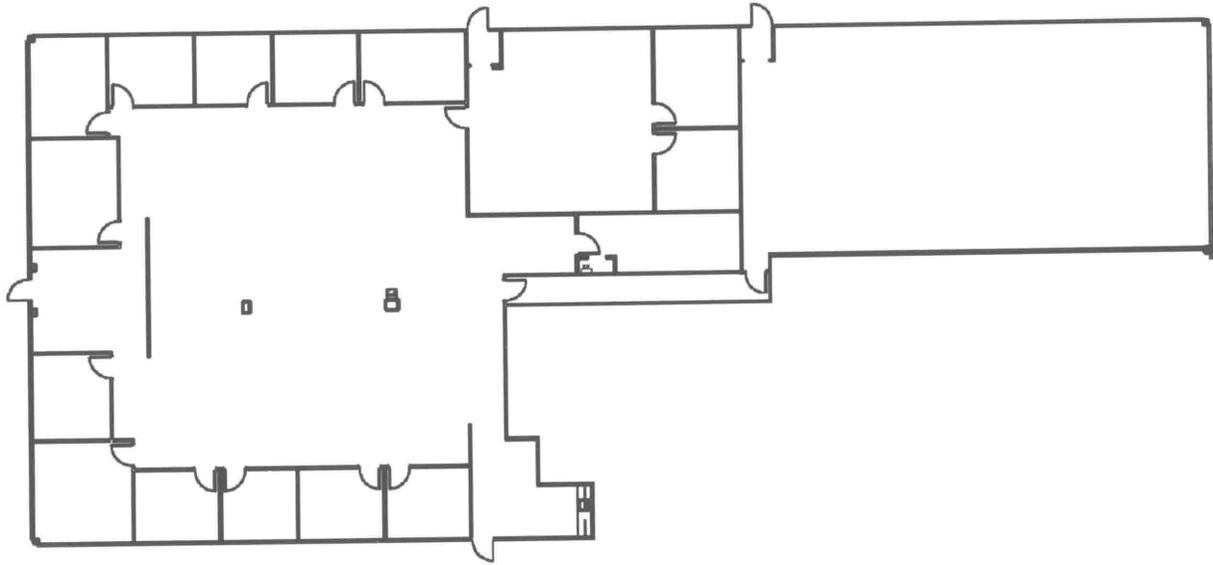
Approved as to Form:

By: _____
Name: _____
Title: City Attorney

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Exhibit "A"

Outline of Premises



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