

**Agenda Item Summary: Item #11-1119**

BOC Meeting Date

December 21, 2011

Commission Districts Affected

1, 2, 6 & 7

Fulton County, GA

Requesting Agency

General Services Department, Land Division

Requested Action (Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)

Request approval to amend existing lease agreement between Cobalt Industrial REIT and Fulton County to extend the lease term for the Fulton County Department Information Technology for office and warehouse space located at 3031 – 3037 Commerce Way Hapeville, Georgia.

Requirement for Board Action (Cite specific Board policy, statute or code requirement)

According to O.C.G.A. § 36-60-13, each County or municipality in this state shall be authorized to enter into multiyear lease, purchase, or lease purchase contracts of all kinds for the acquisition of goods, materials, real and personal property, services and supplies.

Is this Item Goal Related? (If yes, describe how this action meets the specific Board Focus Area or Goal)☐ Yes ☒ No**Summary & Background**

(First sentence includes Agency recommendation. Provide an executive summary of the action that gives an overview of the relevant details for the item.)

The Department of General Services - Land Division recommends approval:

The Fulton County Department of Information and Technology requires warehouse space and office space at this location to support the daily operations of the County. Leased space is used for storage of computers, computer parts and County records that are required to be maintained by law.

The Fifth Amendment To Lease will extend lease the term from January 1, 2012 until December 31, 2012. The lease agreement also includes (6) automatic annual renewals that will allow the lease to extend until December 31, 2018.

The current rent at this location is \$12,913.70 and the new proposed rent was lowered to a fixed monthly rental payment of \$11,985.99, which will remain the same throughout all terms contemplated in the Amendment.

Fiscal Impact / Funding Source

(Include projected cost, approved budget amount and account number, source of funds, and any future funding requirements.)

Annual rental amount of \$143,831.88 is to be paid from Funding Line # 100-220-2201-1121.

Exhibits Attached

(Provide copies of originals, number exhibits consecutively, and label all exhibits in the upper right corner.)

Exhibit 1 - Fifth Amendment to Lease

Exhibit 2 - Copies of Original Agreement and all previous Amendments

Source of Additional Information

(Type Name, Title, Agency and Phone)

Liza R. Cheek, Real Estate Specialist, Land Division, 404-612-7875

Agency Director Approval

Typed Name and Title

David L. Ricks, Director General Services/Public Works

Phone

404-612-5911

Signature

Date

9 DEC 2011

County Manager's
Approval



FULTON COUNTY BOARD OF COMMISSIONERS

Agenda Approval & Routing Form

Contract Attached: Yes	Previous Contracts: Yes	Procurement Type: Site Agreement	Proposed Action: Amendment
Solicitation Number:	Submitting Agency: 520 - General Services - Land Division	Staff Contact: Liza Cheek Real Estate Specialist	Contact Phone: 404-612-7875

Description: Request approval of a Fifth Amendment to Lease between Cobalt Industrial Reit, a Texas real estate investment trust and Fulton County to continue a Lease for the Information Technology Warehouse located at 3031 - 3037 Commerce Way a.k.a. 3025 I-75 South in Hapeville, GA. Proposed 5th Amendment to Lease commences on 1/1/2012 and expires on 12/31/2012 with six (6) one (1) year automatic renewals with either party have the right to terminate with 90 days written notice. The rental amount is set to be \$11,985.99 per month for all Lease terms ending on 12/31/2018.

CONTRACTOR INFORMATION

Other Contract Party(s):	Solicitation Information	NON-MFBE	MBE	FBE	TOTAL
	No. Bid Notices Sent:	N/A	N/A	N/A	
	No. Bids Received:	N/A	N/A	N/A	
Prime Contractor Information: Contractor Type: Non M/FBE Name: Address: City: State: Zip: Contact Name: Phone: Start Date: End Date: Upon Approval: <input type="checkbox"/> Amount:	Subcontractor Information: Contractor Type: Non M/FBE Name: Address: City: State: Zip: Contact Name: Phone: Start Date: End Date: Upon Approval: <input type="checkbox"/> Amount:				

FINANCIAL SUMMARY

Total Contract Value: Original Approved Amount: Previous Adjustments: This Request: TOTAL:	MBE/FBE Participation: Amount: N/A %: Amount: N/A %: Amount: N/A %: Amount: N/A %:	Grant Information Summary: Amount Requested: N/A <input type="checkbox"/> Cash Match Required: N/A <input type="checkbox"/> In-Kind Start Date: N/A <input type="checkbox"/> Approval to Award End Date: N/A <input type="checkbox"/> Apply & Accept Match Account #:	
Funding Line 1:	Funding Line 2:	Funding Line 3:	Funding Line 4:

KEY CONTRACT TERMS

Start Date:	End Date:	Contract Type: Amendment	Payment Terms: \$143,831.88 annually
Cost Adjustment:	Renewal/Extension Terms:	Termination Provisions: 90 days written notice	

ROUTING & APPROVALS

<input checked="" type="checkbox"/> Originating Department: Land Division	<i>C. Michael Gage</i>	Date: 12-9-11
<input checked="" type="checkbox"/> County Attorney:		Date:
<input checked="" type="checkbox"/> Information Technology:	<i>John Smith</i>	Date: 12/09/11
<input type="checkbox"/> General Services:		Date:
<input checked="" type="checkbox"/> Risk Management:	<i>Eldridge A. Morris</i>	Date: 12-9-11
<input type="checkbox"/> Grants Management:		Date:
<input type="checkbox"/> Purchasing/Contract Compliance:		Date:
<input type="checkbox"/> Finance/Budget:		Date:

FIFTH AMENDMENT TO LEASE

THIS FIFTH AMENDMENT TO LEASE (this "Amendment") is made this ____ day of December, 2011, between COBALT INDUSTRIAL REIT, a Texas real estate investment trust ("Landlord") and FULTON COUNTY GOVERNMENT, a political subdivision of the State of Georgia ("Tenant").

W I T N E S S E T H:

WHEREAS, Landlord, as successor-in-interest to M. D. Hodges Enterprises, Inc., and Tenant, as successor-in-interest to Fulton County Board of Commissioners, are parties to that certain Commercial Lease Contract dated June 26, 1990; as amended by that certain First Amendment to Lease dated February 22, 1995; further amended by that certain Second Amendment to Lease dated May 26, 2000; further amended by that certain Third Amendment to Lease dated October 4, 2001; and further amended by that certain Fourth Amendment to Lease ("Fourth Amendment") dated December 28, 2006 (collectively, the "Lease"), pursuant to which Tenant is currently leasing approximately 44,530 square feet (the "Premises") in the building located at 3025 I-75 South, Fulton County, Georgia (the "Building"); and

WHEREAS, Landlord is the current owner of the Building and the Landlord under the Lease; and

WHEREAS, the Lease expires on its own terms on December 31, 2011, and the parties desire to extend the term of the Lease and to otherwise modify the Lease as set forth herein; and

WHEREAS, any capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to them in the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Extension of Term.** Landlord and Tenant agree that upon execution of this Amendment, the term is hereby extended, subject to the provisions of this Paragraph 1 and Paragraph 4 below. Pursuant to O.C.G.A., Section 36-60-13: The term of this Amendment shall be for a total of twelve (12) months which shall begin on January 1, 2012 and shall expire at 11:59PM local time on December 31, 2012. If notice to terminate is not received by Landlord in compliance with the provisions of Paragraph 4 below, the term of this Lease shall automatically renew annually thereafter for six (6) optional one year terms which shall begin on January 1 of each year and expire on December 31 of each year at the Base Rent rate indicated in Paragraph 2 of this Amendment. The Lease, as herein amended, shall terminate absolutely and without further obligation on the part of the Tenant at the close of the calendar year in which it was executed and at the close of each succeeding calendar year for which it may be renewed. The total obligation of the Tenant for the calendar year of execution and the total obligation which will be incurred in each calendar year renewal term, if renewed, shall be limited to the Base Rent accrued to that point of the Lease, the Additional Rent, if any, that has accrued to that point of the Lease as determined and reconciled by Landlord pursuant to Paragraph 3 herein, any Unamortized Expense Payment due pursuant to the provisions of Paragraph 4 herein, as well as any Maintenance Costs due and payable pursuant to Paragraph 5 herein. In no event shall this Amendment extend the term of the Lease beyond December 31, 2018.

2. Base Rent. Prior to January 1, 2012, Tenant shall continue to pay Rental as set forth in the Fourth Amendment. From and after January 1, 2012, in addition to any other payments to be made under the Lease, including but not limited to the obligation to pay Additional Rent as set forth in Paragraph 3 of this Amendment, Tenant shall pay the following amounts as “Base Rent” under the Lease:

Period	Annual Base Rent PSF	Monthly Base Rent
1/1/12-12/31/12	\$3.23	\$11,985.99
1/1/13-12/31/13	\$3.23	\$11,985.99
1/1/14-12/31/14	\$3.23	\$11,985.99
1/1/15-12/31/15	\$3.23	\$11,985.99
1/1/16-12/31/16	\$3.23	\$11,985.99
1/1/17-12/31/17	\$3.23	\$11,985.99
1/1/18-12/31/18	\$3.23	\$11,985.99

3. Additional Rent. Notwithstanding anything to the contrary contained in the Lease, from and after January 1, 2012, Tenant shall pay to Landlord as additional rent its pro rata share of all Operating Expenses (defined below) incurred by Landlord for each calendar year during the Term of the Lease. Tenant’s pro rata share shall be 62.29%, calculated by dividing the square footage of the Premises by the square footage of the Building. Tenant shall pay an amount equal to 1/12 of Tenant’s pro rata share of Operating Expenses incurred with respect to each calendar year, as estimated from time to time by Landlord, concurrently with each payment of Base Rent. Following the close of each calendar year, Landlord shall deliver to Tenant a statement of actual Operating Expenses for such calendar year, and within thirty (30) days thereafter, Tenant shall pay to Landlord the amount, if any, by which the actual Operating Expenses for such calendar year exceed Landlord’s estimate, or Tenant shall receive a credit against payments of additional rental next due equal to the amount, if any, by which Landlord’s estimate exceeded the actual Operating Expenses. “Operating Expenses” shall mean all costs incurred by Landlord in operating, maintaining and repairing the Building and the common areas, including but not limited to ground maintenance costs, management fees, taxes (including, without limitation, ad valorem taxes, special assessments and all governmental charges), and insurance costs. Sections 11 and 41 of the Lease shall be of no further force or effect from and after January 1, 2012. Tenant’s pro rata share of Controllable Operating Expenses (defined below) shall not increase by more than eight percent (8%) per calendar year on a cumulative, compounding basis. For purposes hereof, “Controllable Operating Expenses” shall mean Operating Expenses other than taxes, utility costs, insurance costs and snow removal costs. The foregoing cap on increases in Operating Expenses shall not apply to Maintenance Costs (defined below). The term “Rent” refers to all Base Rent and additional rent due and payable by Tenant as provided herein. Tenant’s obligations hereunder shall survive the expiration or earlier termination of the Lease.

4. Termination Option. Provided that Tenant is not in default under the Lease, either on the date Tenant delivers its Termination Notice (as hereinafter defined) or on the Termination Date (as hereinafter defined), Tenant shall have the right to terminate the Lease with respect to the entire Premises by giving Landlord written notice of termination via certified mail (the “Termination Notice”) accompanied by a certified payment of a fee to Landlord as set forth on Exhibit B attached hereto (the “Unamortized Expense Payment”). Such Termination Notice, if (i) accompanied by the correct Unamortized Expense Payment and (ii) delivered to Landlord at least ninety (90) days prior to December 31 of any calendar year during the term of the Lease as extended herein, shall be effective to terminate the Lease as of December 31 of the calendar year in which the Termination Notice is given (the “Termination Date”). Tenant’s failure to deliver the Termination Notice at least ninety (90) days prior to December 31 or to pay such Unamortized Expense Payment simultaneously with Tenant’s delivery of its

Termination Notice shall render void any termination of the Lease for that calendar year and the Lease shall continue in full force and effect. Tenant shall pay all Rent due to and through the Termination Date and shall surrender the Premises to Landlord on or before the Termination Date in the manner and in the condition provided for in the Lease. Tenant shall permit Landlord or its agents, at any time and without notice, to enter the Premises, without charge therefore to Landlord and without diminution of Rent, to exhibit the same to prospective tenants after delivery of the Termination Notice. The Unamortized Expense Payment shall not be deemed to be Rent payable under the terms of the Lease, but rather shall be deemed liquidated damages payable by Tenant to Landlord in consideration of Landlord's agreement to terminate the Lease as herein provided. If Tenant exercises its option to terminate the Lease pursuant to this paragraph and a default occurs under the Lease after the Termination Notice is delivered, and such default is not cured by the earlier of (i) the time prescribed in Paragraph 18 of the Commercial Lease Contract dated June 26, 1990 or (ii) the Termination Date, Tenant's termination of the Lease pursuant to this paragraph shall immediately be deemed null and void and of no further force or effect.

5. Maintenance Costs. Landlord and Tenant agree that under the terms of the Lease, Tenant is solely responsible for maintenance of the HVAC system and warehouse lighting serving the Premises at Tenant's sole cost and expense. Landlord has agreed to undertake quarterly maintenance of the HVAC system and warehouse lighting, as well as the performance of necessary repairs thereto and replacements thereof, on behalf of and at the sole cost and expense of Tenant, and Tenant has agreed to promptly reimburse Landlord for all costs incurred by Landlord in performing such maintenance, repairs and replacements (collectively, "Maintenance Costs") as provided herein. If Landlord anticipates that Maintenance Costs for any particular quarter will exceed \$8,000.00, Landlord shall notify Tenant in writing and Tenant shall have the right to request that Landlord solicit competitive bids for the required repairs and replacements for such quarter. Landlord shall perform the first quarterly maintenance of the HVAC system and undertake any necessary repairs and/or replacements of the HVAC system within ninety (90) days following full execution of this Amendment, and Tenant shall reimburse Landlord for the Maintenance Costs incurred by Landlord in connection therewith. Maintenance Costs will not be included in Operating Expenses, but will be invoiced directly to Tenant as incurred by Landlord and due and payable by Tenant within thirty (30) days after delivery of such an invoice. Tenant's failure to pay any invoice for Maintenance Costs within thirty (30) days after delivery of such an invoice shall constitute a default under the Lease. The foregoing shall not be deemed to relieve Tenant of any of its other maintenance obligations under the Lease.

6. Brokers. Tenant and Landlord each represent that it has not had any dealings with a real estate broker, finder or other person with respect to this Amendment in any manner, except NAI Brannen Goddard, broker for Landlord (the "Broker"). Landlord shall pay any commissions or fees that are payable to the Broker with respect to this Amendment in accordance with the provisions of a separate commission agreement.

7. Acknowledgements of Tenant. **Tenant hereby acknowledges and agrees as follows: (i) Tenant does not have, and hereby waives any options to renew or further extend the Term of the Lease beyond December 31, 2018; (ii) except as provided in Paragraph 4 above, Tenant does not have, and hereby waives any options to terminate the Lease prior to the expiration of the Term as extended by this Amendment; (iii) Landlord does not have any obligation to complete or construct any improvements to the Premises, except that Landlord shall construct the improvements described on Exhibit A attached hereto on or before March 31, 2012; and (iv) Tenant is occupying the Premises, and shall continue to occupy the Premises in its "AS IS" "WHERE IS" condition, "WITH ALL FAULTS".**

8. This Amendment shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Amendment may be executed in counterparts, all of which shall constitute a single agreement.

9. Except as modified by this Amendment, the Lease and all terms, conditions, covenants and agreements thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed. For the avoidance of doubt, Landlord reserves all of its rights and remedies under the Lease and no provision of the Lease shall be waived, except by an instrument in writing (referring specifically to the Lease) executed by the party against whom waiver is sought.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date first above written.

LANDLORD:

COBALT INDUSTRIAL REIT,
a Texas real estate investment trust

By: _____
Name: Lewis D. Friedland
Title: President

WITNESS/ATTEST

TENANT:

FULTON COUNTY GOVERNMENT,
a political subdivision of the State of Georgia

By: _____
Name: _____
Title: _____

WITNESS/ATTEST

Approved As To Form:

By: _____
Name: _____
Office of the County Attorney

EXHIBIT A

Tenant Improvements

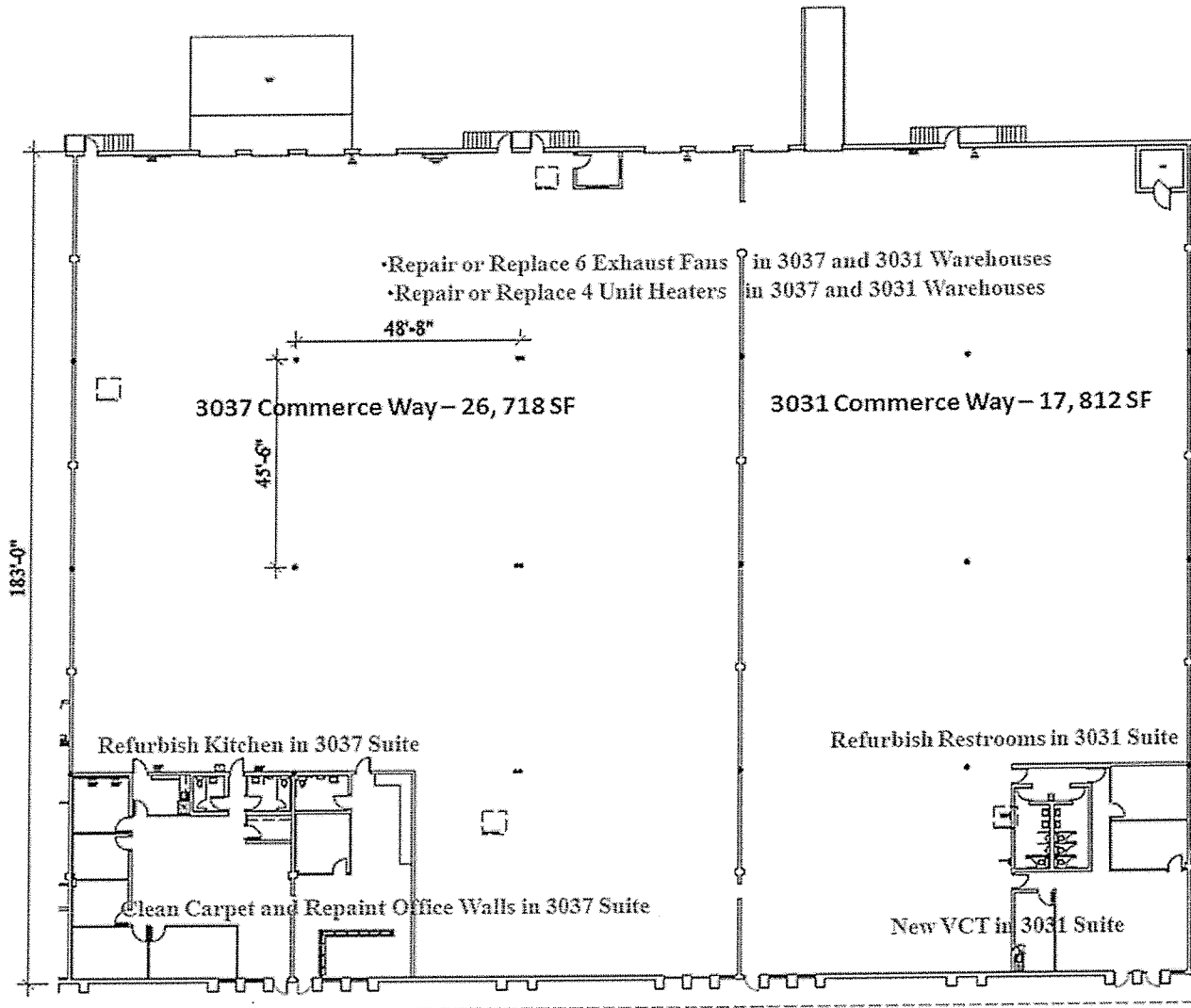


EXHIBIT B

Unamortized Expense Payment Schedule

In the event the lease term is terminated early by Tenant in accordance with the terms and conditions of the Termination Option outlined in Section 4 of this Amendment, the amount of the Unamortized Expense Payment owed by Tenant will be as follows in the below listed schedule:

Lease Termination Date	Unamortized Expense Payment
12/31/2012	\$83,048.20
12/31/2013	\$72,989.37
12/31/2014	\$61,654.84
12/31/2015	\$48,882.80
12/31/2016	\$34,490.94
12/31/2017	\$18,273.84

FOURTH AMENDMENT TO COMMERCIAL LEASE CONTRACT

THIS FOURTH AMENDMENT TO COMMERCIAL LEASE CONTRACT (the "Amendment") is made as of this 28 day of December, 2006 (the "Effective Date"), between COBALT INDUSTRIAL REIT, a Texas real estate investment trust (successor in interest to M.D. HODGES DEVELOPMENTS, LLC) (hereinafter referred to as "Landlord") and FULTON COUNTY GOVERNMENT, a political subdivision of the State of Georgia (successor in interest to FULTON COUNTY BOARD OF COMMISSIONERS) (hereinafter referred to as "Tenant"). In consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

W I T N E S S E T H:

WHEREAS, M.D. Hodges Enterprises, Inc. and Tenant entered into that certain Commercial Lease Contract dated June 26, 1990 (hereinafter referred to as the "Lease"), pursuant to which M.D. Hodges Enterprises, Inc. agreed to lease to Tenant and Tenant agreed to lease from M.D. Hodges Enterprises, Inc., certain Premises containing 17,812 rentable square feet described therein; and

WHEREAS, M.D. Hodges Enterprises, Inc. and Tenant entered into that First Amendment to Lease dated February 22, 1995 extending the term of the Lease for a period of five (5) years;

WHEREAS, M.D. Hodges Enterprises, Inc. and Tenant entered into that Second Amendment to Lease dated May 26, 2000 extending the term of the Lease for a period of five (5) years;

WHEREAS, M.D. Developments, LLC (successor in interest to M.D. Hodges Enterprises, Inc.) and Tenant entered into that Third Amendment to Lease dated October 4, 2001 expanding the Premises by 26,718 square feet and extending the Lease term through December 31, 2007;

WHEREAS, Landlord is the current owner of the Premises, currently described as 44,530 square feet of existing floor, office, and warehouse space including 5,292 square feet of existing office and toilet areas located at 3031 and 3037 Commerce Way [#966] in a building known as 3025 I-75 South containing 71,492 square feet in Fulton County, Georgia, and the landlord under the Lease;

WHEREAS, the parties hereto desire to modify the Lease as set forth herein; and

WHEREAS, any capitalized terms not otherwise defined in this Amendment shall have the meanings ascribed to them in the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Extension of Lease Term Landlord and Tenant agree that upon execution of this Amendment, the term of the Lease is hereby extended for a period of sixty (60) months.

Pursuant to O.C.G.A., Section 36-60-13: The extended term of this First Amendment to the Lease shall be for a total of five (5) years which shall begin on January 1, 2007 (the Commencement Date) and shall end at 11:59PM local time December 31, 2007 (the Termination Date). If notice to terminate is not received by Tenant at least ninety (90) days prior to the end of each lease year, this lease shall renew annually thereafter for four (4) optional one year terms which shall begin on January 1, 2008 and end on December 31 of each year at the indicated rate in Section 3 (Rental). In no event shall this Fourth

Amendment to Lease for the Extended Term extend beyond December 31, 2011 unless extended by mutual consent as provided for in this Amendment. If the termination date falls on a weekend or national holiday the Term shall be extended to midnight of the next business day provided the Tenant is not in default under the terms and conditions as outlined in the lease.

2. Optional Extension Term At the end of the above Extension Term this lease may be extended for an additional five (5) optional one year terms upon mutual agreement between Landlord and Tenant. Tenant shall provide notice to Landlord of Tenant's desire to extend the lease for the optional term on June 1, 2011. The lease shall remain in full force under the terms and conditions of the lease with a commencement date of January 1, 2012 and a Termination date of December 31, 2016. Yearly rent increases for the optional term shall be 3% of the yearly rent for the previous year as indicated in the schedule shown in Section 3 - Rental of this First Amendment.

3. Rental. During the Extension Term the Rental shall be as follows:

Lease Period	Rental PSF	Annual Rental	Monthly Rental
January 1, 2007 - December 31, 2007	\$3.09	\$137,597.7	\$11,466.48
January 1, 2008 - December 31, 2008	\$3.18	\$141,605.40	\$11,800.45
January 1, 2009 - December 31, 2009	\$3.28	\$146,058.40	\$12,171.53
January 1, 2010 - December 31, 2010	\$3.38	\$150,511.40	\$12,542.62
January 1, 2011 - December 31, 2011	\$3.48	\$154,964.40	\$12,913.70

4. Tenant's Termination. Provided that Tenant is not in Default under the Lease; the Tenant shall have the right to terminate the Lease, by providing written notice to Landlord no later than June 30 of each calendar year (the "Termination Notice"). Said Termination Notice shall be effective to terminate the Lease effective as of the expiration of the current Lease Period in which the Termination Notice is given.

5. Holdover. Paragraph 25 of the Lease shall be deleted and amended in its entirety by the following:

"In the event that Tenant shall not immediately surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, Tenant shall be deemed to be a tenant-at-will pursuant to the terms and provisions of this Lease, except during the holdover period, the monthly Rental shall be one hundred and fifty percent (150%) of the monthly Rental in effect on the Expiration Date or earlier termination of this Lease. Notwithstanding the foregoing, if Tenant shall hold over after the Expiration Date or earlier termination of this Lease, and Landlord shall desire to regain possession of the Premises, then Landlord may forthwith re-enter and take possession of the Premises without process, or by any legal process provided under applicable state law.

6. Brokers. Tenant and Landlord each represent that it has not had any dealings with a real estate broker, finder or other person with respect to this Amendment in any manner, except CB Richard Ellis, broker for Landlord (the "Broker"). Other than named broker, Landlord shall indemnify Tenant against all costs or liabilities for commissions or compensation claimed by any broker or agent claiming the same by, through, or under the Landlord. The Landlord shall pay any commissions or fees that are payable to the Broker with respect to this Amendment in accordance with the provisions of a separate commission agreement.

7. Anti-Terrorism Laws. Tenant represents and warrants to, and covenants with Tenant that (i) neither Tenant nor any of its owners or affiliates currently are, or shall be at any time during the term hereof, in violation of any laws relating to terrorism or money laundering (collectively, the "Anti-Terrorism Laws"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and regulations of the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) related to Specially Designated Nationals and Blocked Persons (SDN's (OFAC Regulations), and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act"); (ii) neither Tenant nor any of its owners, affiliates, investors, officers, directors, employees, vendors, subcontractors or agents is or shall be during the term hereof a "Prohibited Person" which is defined as follows: (1) a person or entity owned or controlled by, affiliated with, or acting for or on behalf of, any person or entity that is identified as an SDN on the then-most current list published by OFAC at its official website, <http://www.treas.gov/offices/eofac/ofac/sdn/t11sdn.pdf> or at any replacement website or other replacement official publication of such list; and (2) a person or entity who is identified as or affiliated with a person or entity designated as a terrorist, or associated with terrorism or money laundering pursuant to regulations promulgated in connection with the USA Patriot Act; and (iii) Tenant has taken appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented appropriate procedures to assure its continued compliance with such laws. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord, its officers, directors, agents and employees, from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing representations, warranties and covenants. At any time and from time-to-time during the term, Tenant shall deliver to Landlord within ten (10) days after receipt of a written request therefor, a written certification or such other evidence reasonably acceptable to Landlord evidencing and confirming Tenant's compliance with this paragraph 6.

8. Notices to Landlord and Tenant. Effective as of the date of this Amendment, all notices required to be given to Landlord or Tenant shall be provided to the following addresses:

Landlord's Notice

Cobalt Industrial REIT
c/o Asset Manager
5605 N. MacArthur Blvd., Suite 350
Irving, TX 75038

and to

USAA Real Estate Company
9830 Colonnade Boulevard, Suite 600
San Antonio, Texas 78230-2239
Attention: VP Real Estate Counsel

Tenant's Notice

Fulton County Government
Land Administrator
General Services Department - Land Division
141 Pryor Street, SW - Suite 8021
Atlanta, GA 30303

And to

Fulton County Government
Office of the County Attorney
141 Pryor Street, SW - Suite 4038
Atlanta, GA 30303

9. This Amendment shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Amendment may be executed in counterparts, all of which shall constitute a single agreement.

9. Except as modified by this Amendment, the Lease and all terms, conditions, covenants and agreements thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed. For the avoidance of doubt, Landlord reserves all of its rights and remedies under the Lease and no provision of the Lease shall be waived, except by an instrument in writing (referring specifically to the Lease) executed by the party against whom waiver is sought.

Special Stipulations:

In consideration of the Extended Term, Landlord shall make the following improvements to the Premises for Tenant at Landlord's sole cost and expense:

- 1) Paint existing walls in office and breakroom
- 2) Repair ceiling and exhaust fans in bathrooms
- 3) Repair damaged ceiling tile as needed
- 4) Remove existing heater above shelves
- 5) Reinstall heater to location determined by Landlord and Tenant
- 6) Furnish and install two electrical outlets in the office area.

LANDLORD:

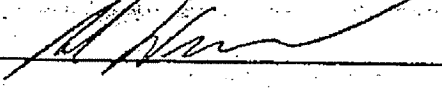
COBALT INDUSTRIAL REIT,
a Texas real estate investment trust

By: 

Name: Lewis Friedland

Title: President

WITNESS/ATTEST



TENANT:

FULTON COUNTY GOVERNMENT, a political sub-
division of the State of Georgia

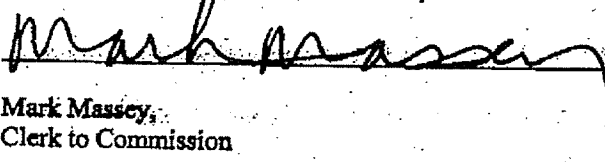
By: 

Name: Karen C. Handel

Title: Chair - Fulton County Government Board of
Commissioners

ITEM # 06-1201 RM 12/6/06
REGULAR MEETING

WITNESS/ATTEST


Mark Massey,
Clerk to Commission

Approved As To Form

By: 

Robert L. Martin

Office of the County Attorney

DEPT

THIRD AMENDMENT TO LEASE

THIS AGREEMENT, made and entered into by and between M.D. HODGES DEVELOPMENTS, L.L.C., (successor in interest to M.D. HODGES ENTERPRISES, INC.), (hereinafter referred to as "Landlord"), and FULTON COUNTY BOARD OF COMMISSIONERS, (hereafter referred to as "Tenant"), this 4th day of October, 2001.

WITNESSETH:

WHEREAS, under date of June 26, 1990, Landlord and Tenant entered into a Lease Contract (hereinafter referred to as "Lease"), for an original term of five (5) years, with a commencement date of August 1, 1990, and an expiration date of July 31, 1995, covering premises described as:

EXIST → 17,812 Square Feet of previously occupied office and warehouse space, including 1,810 Square Feet of existing air-conditioned office, toilet and corridor areas, all as located at 3031 I-75 SOUTH, Hapeville, Georgia, and being a portion of a building known as 3025 I-75 South containing 71,492 Square Feet. Said building is located on land in Land Lot 67 of the 14th District of Fulton County, Georgia.

WHEREAS, under a date of February 22, 1995, Landlord and Tenant entered into a First Amendment to Lease for the purpose of extending the term of the Lease for a period of five (5) years with a commencement date of August 1, 1995, and an expiration date of July 31, 2000.

WHEREAS, under a date of May 26, 2000, Landlord and Tenant entered into a Second Amendment to Lease for the purpose of extending the term of the Lease for a period of five (5) years with a commencement date of August 1, 2000, and an expiration date of July 31, 2005.

WHEREAS, Tenant has continued to occupy the Premises under the provisions of the Lease, as amended.

WHEREAS, Tenant now desires through this Third Amendment to Lease to expand the existing space into the adjacent space known as 3037 Commerce Way and to extend the term of the Lease through December 31, 2007. Said space (the "Expansion Space") is described as follows:

PLUS → 26,718 Square Feet of existing single floor office and warehouse space including 3,482 Square Feet of existing office and toilet areas located at 3037 COMMERCE WAY [#966], in a building known as 3025 I-75 South, containing 71,492 Square Feet. Said building is located on land in Land Lot 23 of the 14th District F.F., Fulton County, Georgia.

NOW THEREFORE, in consideration of One (\$1.00) Dollar paid by each party to the other, the parties do hereby agree as follows:

A. PREMISES - As of the January 1, 2002, the Leased premises, including the Expansion Space, shall consist of the following:

TOTAL → 44,530 Square Feet of existing single floor office and warehouse space including 5,292 Square Feet of existing office and toilet areas located at 3031 & 3037 COMMERCE WAY [#966], in a building known as 3025 Commerce Way, containing 71,492 Square Feet. Said building is located on land in Land Lot 23 of the 14th District F.F., Fulton County, Georgia.

B. EXTENDED TERM - The term of the Lease shall be extended through December 31, 2007.

C. RENTAL - As of January 1, 2002, the rental, payable in advance, for the 44,530 Square Feet shall be as follows:

\$13,359.00 monthly in advance	<u>JANUARY 1, 2002 THROUGH DECEMBER 31, 2002</u> THIRTEEN THOUSAND, THREE HUNDRED FIFTY-NINE AND 00/100 DOLLARS	Twelve (12) Months
\$13,730.08 monthly in advance	<u>JANUARY 1, 2003 THROUGH DECEMBER 31, 2003</u> THIRTEEN THOUSAND, SEVEN HUNDRED THIRTY AND 08/100 DOLLARS	Twelve (12) Months
✓ \$14,101.17 monthly in advance (\$13,805.17)	<u>JANUARY 1, 2004 THROUGH DECEMBER 31, 2004</u> FOURTEEN THOUSAND, ONE HUNDRED ONE AND 17/100 DOLLARS	Twelve (12) Months
\$14,472.25 monthly in advance	<u>JANUARY 1, 2005 THROUGH DECEMBER 31, 2005</u> FOURTEEN THOUSAND, FOUR HUNDRED SEVENTY-TWO AND 25/100 DOLLARS	Twelve (12) Months
\$14,843.33 monthly in advance \$4.00	<u>JANUARY 1, 2006 THROUGH DECEMBER 31, 2006</u> FOURTEEN THOUSAND, EIGHT HUNDRED FORTY-THREE AND 33/100 DOLLARS	Twelve (12) Months
\$15,214.42 monthly in advance	<u>JANUARY 1, 2007 THROUGH DECEMBER 31, 2007</u> FIFTEEN THOUSAND, TWO HUNDRED FOURTEEN AND 42/100 DOLLARS	Twelve (12) Months

D. UTILITY BILLS - As of January 1, 2002, Tenant shall be responsible for utilities for the Expansion Space.

E. ACCEPTANCE OF PREMISES - After proper execution of this Third Amendment to Lease, by Landlord and Tenant, Landlord shall furnish all labor and material as necessary to deliver the Expansion Space as shown on EXHIBIT "B" hereof, which plans identify the work to be completed by Landlord with respect to the requirements of this Third Amendment to Lease. Except for the foregoing, Tenant agrees to accept the Expansion Space under the provisions of this Third Amendment to Lease "WHERE IS, AS IS".

F. SITE PLAN - One sheet dated March 6, 1972, as revised through May 25, 1994, and showing Site Plan and existing building containing 71,492 Square Feet is attached hereto as EXHIBIT "A" and by this reference is made a part hereof. The premises as described in Section A. above are identified with "red" on the plan.

G. OFFICE FLOOR PLAN - One sheet dated July 6, 1975, as revised through September 6, 2001, and covering Floor Plan of 26,718 square feet of previously occupied office and warehouse space known as 3037 Commerce Way, including 3,482 square feet of offices, toilets and corridor areas covered by this First Amendment to Lease is attached hereto as EXHIBIT "B" and by this reference is made a part hereof.

H. EARLY TERMINATION OF LEASE—Paragraph D. of the Second Amendment to Lease is hereby terminated and replaced with the following:

The Lease, as amended, shall be terminated absolutely and without further obligation on the part of the Lessee at the close of calendar year 2002 and at the close of each succeeding calendar year for which it may be renewed. The Lease shall be automatically renewed for one-year terms on January 1, 2003, January 1, 2004, January 1, 2005, January 1, 2006, and January 1, 2007, unless no later than August 1st of the preceding term, Lessee shall have provided to Lessor written notice of Lessee's election not to renew this Lease for a succeeding term, such that Lessor shall have five (5) months' prior notice of Lessee's election not to renew.

Except as herein expressly modified or amended, the terms and conditions of the Lease are hereby ratified and confirmed; provided, however, that to the extent, if any, that the terms and the provisions of this Third Amendment to Lease conflict with the terms in the Lease, this Third Amendment to Lease shall control and supersede such Lease.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the date first above written.

Signed, sealed and delivered as to
Landlord, in the presence of:

M. D. HODGES DEVELOPMENTS, L.L.C.

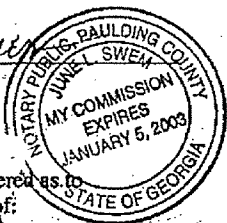
Unofficial Witness

By: Thomas J. Flanagan
Name: THOMAS J. FLANIGAN
Title: CHIEF OPERATING OFFICER/VICE

PRESIDENT

[CORPORATE SEAL]

Notary Public



Signed, sealed and delivered as to
Tenant, in the presence of:

FULTON COUNTY BOARD OF COMMISSIONERS

Unofficial Witness

By: [Signature]
Name: Mike Hunt, Chairman
Title: _____

[CORPORATE SEAL]

Notary Public

Chris G. Baker
Notary Public

Attest:

Justine Boyd
Fulton County Clerk

William H. Turner
OFFICE OF
THE COUNTY ATTORNEY

SECOND AMENDMENT TO LEASE

THIS AGREEMENT, made and entered into by and between M. D. HODGES ENTERPRISES, INC. (hereinafter referred to as "Landlord"); and FULTON COUNTY BOARD OF COMMISSIONERS (hereinafter referred to as "Tenant"), as of the 26th day of May, 2000.

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Commercial Lease Contract dated June 26, 1990, (hereinafter referred to as the "Lease"), for an original term of five years with a commencement date of August 1, 1990, and an expiration date of July 31, 1995, covering premises described as:

17,812 Square Feet of previously occupied office and warehouse space, including 1,810 Square Feet of existing air-conditioned office, toilet and corridor areas, all as located at 3031 I-75 SOUTH, Hapeville, Georgia, and being a portion of a building known as 3025 I-75 South containing 71,492 Square Feet. Said building is located on land in Land Lot 67 of the 14th District of Fulton County, Georgia.

WHEREAS, under a date of February 22, 1995, Landlord and Tenant entered into a First Amendment to Lease for the purpose of extending the term of the Lease for a period of five (5) years with a commencement date of August 1, 1995, and an expiration date of July 31, 2000.

WHEREAS, Tenant has continued to occupy the Premises under the provisions of the Lease, as amended.

WHEREAS, Landlord has agreed to extend the term of the Lease, as amended, through the end of calendar year 2000 and for five (5) succeeding terms as set forth below.

NOW THEREFORE, in consideration of One (\$1.00) Dollar paid by each party to the other and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

A. EXTENDED TERM - Provided the Lease, as amended, is in full force and effect at the expiration of its current extended term, and provided Tenant is not in default, said extended term shall be further extended on the same terms, covenants and conditions as set forth in the Lease, as amended, for the following time periods:

\$5,046.74 Monthly in advance	<u>AUGUST 1, 2000 THROUGH DECEMBER 31, 2000</u> FIVE THOUSAND, FORTY-SIX AND 74/100 DOLLARS	Five (5) Months
\$5,198.14 Monthly in advance	<u>JANUARY 1, 2001 THROUGH DECEMBER 31, 2001</u> FIVE THOUSAND, ONE HUNDRED NINETY- EIGHT AND 14/100 DOLLARS	Twelve (12) Months
\$5,354.08 Monthly in advance	<u>JANUARY 1, 2002 THROUGH DECEMBER 31, 2002</u> FIVE THOUSAND, THREE HUNDRED FIFTY- FOUR AND 08/100 DOLLARS	Twelve (12) Months
\$5,514.71 Monthly in advance	<u>JANUARY 1, 2003 THROUGH DECEMBER 31, 2003</u> FIVE THOUSAND, FIVE HUNDRED FOURTEEN AND 71/100 DOLLARS	Twelve (12) Months
\$5,680.15 Monthly in advance	<u>JANUARY 1, 2004 THROUGH DECEMBER 31, 2004</u> FIVE THOUSAND, SIX HUNDRED EIGHTY AND 15/100 DOLLARS	Twelve (12) Months
\$5,850.56 Monthly in advance	<u>JANUARY 1, 2005 THOROUGH JULY 31, 2005</u> FIVE THOUSAND, EIGHT HUNDRED FIFTY- AND 56/100 DOLLARS	Seven (7) Months

B. INDEMNITY- As of August 1, 2000, Paragraph 13 of the Lease, INDEMNITY, is deleted.

C. ATTORNEY'S FEES- As of August 1, 2000, Paragraph 26 of the Lease, ATTORNEY'S FEES AND HOMESTEAD, shall be modified by deleting, "ten percent (10%) thereof as attorney's fees" and inserting, "reasonable attorney's fees to the extent allowed by law."

D. EARLY TERMINATION OF LEASE- The Lease, as amended, shall be terminated absolutely and without further obligation on the part of the Lessee at the close of calendar year 2000 and at the close of each succeeding calendar year for which it may be renewed. The Lease shall be automatically renewed for one-year terms on January 1, 2001, January 1, 2002, January 1, 2003 and January 1, 2004 and for a seven-month term on January 1, 2005, unless no later than August 1st of the preceding term, Lessee shall have provided to Lessor written notice of Lessee's election not to renew this Lease for a succeeding term, such that Lessor shall have five (5) months' prior notice of Lessee's election not to renew.

Except as herein expressly modified or amended, the terms and conditions of the Lease are hereby ratified and confirmed provided, however, that to the extent, if any, that the terms of the provisions of this Second Amendment to Lease conflict with the terms in the Lease, as amended, this Second Amendment to Lease shall control and supersede such terms thereof.

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

Signed, sealed and delivered as to Landlord,
in the presence of:

Unofficial Witness

M. D. HODGES ENTERPRISES, INC.

By: _____
Name: _____
Title: _____

Notary Public

[CORPORATE SEAL]

Signed, sealed and delivered as to Tenant,
in the presence of:

Law E. Shell
Unofficial Witness Justin Boyd, Clerk

Brenda K. Harris
Notary Public

Notary Public, Fulton County, Georgia
My Commission Expires Sept. 16, 2002

FULTON COUNTY BOARD OF COMMISSIONERS

By: Mike Kern
Name: Mike Kern
Title: Chairman

[CORPORATE SEAL]

APPROVED AS TO FORM:

Larry W. Ramsey Jr.
LARRY W. RAMSEY JR.
SENIOR ATTORNEY

ITEM # 0828 RCM 0101.00 A.D. - RECESS ALL:

FIRST AMENDMENT TO LEASE

THIS AGREEMENT, made and entered into by and between
M. D. HODGES ENTERPRISES, INC. (hereinafter referred to as "Landlord"),
and FULTON COUNTY BOARD OF COMMISSIONERS (hereinafter referred to as
"Tenant"), this 22nd day of February, 1995.

W I T N E S S E T H:

WHEREAS, Landlord and Tenant entered into that certain Commercial
Lease Contract dated June 26, 1990, (hereinafter referred to as
"Lease"), for an original term of five (5) years, with a commencement
date of August 1, 1990, and an expiration date of July 31, 1995,
covering premises described as:

17,812 Square Feet of previously occupied office and warehouse
space, including 1,810 Square Feet of existing air conditioned
office, toilet, and corridor areas, all as located at 3031 I-75
SOUTH, Hapeville, Georgia, and being a portion of a building known
as 3025 I-75 South containing 71,492 Square Feet. Said building
is located on land in Land Lot 67 of the 14th District of Fulton
County, Georgia.

WHEREAS, Tenant has continued to occupy the Premises under the
provisions of the Lease.

WHEREAS, Tenant now desires to extend the term of the Lease for a
period of five (5) years ("Extended Term") pursuant to the Renewal
Option of Paragraph 45 of the Lease, with said Extended Term to commence
on August 1, 1995, and to terminate on July 31, 2000.

NOW THEREFORE, in consideration of One (\$1.00) Dollar paid by each
party to the other and for other good and valuable consideration, the
sufficiency of which is hereby acknowledged, the parties do hereby agree
as follows:

FIRST EXTENDED TERM (FIVE (5) YEARS) - Provided the Lease is
in full force and effect at the expiration of the original term of the
Lease on July 31, 1995, and provided Tenant is not in default
thereunder, said original term shall be extended pursuant to Paragraph
45 of the Lease (Renewal Option) for a period of five (5) years with
said Extended Term to commence on August 1, 1995 and to terminate on
July 31, 2000, on the same terms, covenants and conditions as set forth
in the Lease, except that the annual rental rate shall be \$3.30 per
square foot, payable monthly, in advance, in the amount of FOUR
THOUSAND, EIGHT HUNDRED NINETY-EIGHT AND 30/100 (\$4,898.30) DOLLARS.

Except as herein expressly modified or amended, the terms and conditions of the Lease are hereby ratified and confirmed; provided, however, that to the extent, if any, that the terms of the provisions of this First Amendment to Lease conflict with the terms in the Lease this First Amendment to Lease shall control and supersede such renewal thereof.

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

Signed, sealed and delivered
as to Landlord, in the
presence of:

H. D. HODGES ENTERPRISES, INC.

Miss L. Nottingham
Unofficial Witness

Melvin W. Lawrence
Landlord Vice President

Judy S. Crawford
Notary Public
Notary Public, Paulding County, Georgia
My Commission Expires March 7, 1995

Signed, sealed and delivered
as to Tenant, in the
presence of:

FULTON COUNTY BOARD OF COMMISSIONERS

Doris J. Baker
Unofficial Witness

Mitch J. Skandalakis
Tenant MITCH J. SKANDALAKIS, CHAIRMAN

Patricia A. James
Notary Public

Tenant
Lois E. Shell
Lois E. Shell, Acting Clerk

Approved as to form
FULTON COUNTY LEGAL DEPARTMENT
By ALB

~~ORIGINAL~~

COMMERCIAL LEASE CONTRACT

STATE OF GEORGIA

COUNTY OF FULTON

THIS LEASE, made this 26th day of June, 1990, by and

between M. D. HODGES ENTERPRISES, INC., first party, (hereinafter called "Landlord");
300 Great Southwest Parkway
Atlanta, Georgia 30336

and FULTON COUNTY BOARD OF COMMISSIONERS, second party, (hereinafter called "Tenant");
141 Pryor Street, SW
Atlanta, Georgia 30303

WITNESSETH:

Premises

1. The Landlord, for and in consideration of the rents, covenants, agreements, and stipulations herein-after mentioned, reserved, and contained, to be paid, kept and performed by the Tenant, has leased and rented, and by these presents does lease and rent, unto the Tenant, and the Tenant hereby agrees to lease and take upon the terms and conditions which hereinafter appear, the following described property (exclusive of any easement for light or air), hereinafter called "premises", to wit:

17,812 Square Feet of previously occupied office and warehouse space, including 1,810 Square Feet of existing air conditioned offices, toilets and corridor areas, all of which is located at 3031 I-75 SOUTH, Hapeville, Georgia, being a portion of a building known as 3025 I-75 South, containing 71,492 Square Feet. Said building is located on property in Land Lot 67 of the 14th District of Fulton County, Georgia.

ALSO SEE Term
SPECIAL
STIPULATIONS
PARAGRAPH 33.

2. To have and to hold the same for the term to commence on the 1st day of August 1990, and ending on the 31st day of July 1995, at midnight, unless sooner terminated as hereinafter provided.



Rental

3. The Tenant agrees to pay to the Landlord promptly on the first day of each month in advance, during the term of this lease, a monthly rental of SEE SPECIAL STIPULATIONS - PARAGRAPH 33

The aforesaid payments of rent are to be made to M. D. HODGES ENTERPRISES, INC.
300 Great Southwest Parkway
Atlanta, Georgia 30336

Construction of this Agreement

4. No failure of Landlord to exercise any power given Landlord hereunder, or to insist upon strict compliance by Tenant with his obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof. Time is of the essence of this agreement.

Definitions

5. "Landlord" as used in this lease shall include first party, his heirs, representatives, assigns and successors in title to premises. "Tenant" shall include second party, his heirs and representatives, and if this lease shall be validly assigned or sublet, shall include also Tenant assignees or sublessees, as to premises covered by such assignment or sublease. "Landlord", and "Tenant", include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

Utility Bills

6. Tenant shall pay water, sewer, gas, electricity, fuel, light, heat, power bills and sprinkler system service charges (if any) for leased premises, or used by Tenant in connection therewith. If Tenant does not pay the same, Landlord may pay the same and such payment shall be added to the rental of the premises.

Use of Premises

7. Premises shall be used for records management

purposes and no other. Premises shall not be used for any illegal purposes; nor in any manner to create any nuisance or trespass; nor in any manner to vitiate the insurance or increase the rate of insurance on premises.

Abandonment of Leased Premises

8. Tenant agrees not to abandon or vacate leased premises during the period of this lease, and agrees to use said premises for the purpose herein leased until the expiration hereof.

ALSO SEE
SPECIAL
STIPULATIONS
PARAGRAPH 42

Repairs by
Landlord

LANDLORD

9. The Landlord agrees to keep in good repair the roof, foundations, and exterior walls of the building on the premises and underground utility and sewer pipes outside of the exterior walls of said building; provided, however, the Landlord shall not be responsible for the repair of glass and exterior doors and any and all repairs rendered necessary by the negligence of Tenant, its agents, employees, or invitees. Landlord gives to Tenant exclusive control of premises and shall be under no obligation to inspect said premises. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair, and failure to so report such defects shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such defects.

ALSO SEE
SPECIAL
STIPULATIONS
PARAGRAPH 42.

Repairs by
Tenant

TENANT

10. Tenant accepts the leased premises in their present condition and as suited for the uses intended by Tenant. Tenant shall, throughout the initial term of this lease and all renewals thereof, at its expense, maintain in good order and repair the leased premises, including the building, heating and air conditioning equipment (including but not limited to replacement of parts, compressors, air handling units and heating units) and other improvements located thereon, except those repairs expressly required to be made by Landlord. Tenant further agrees to care for the grounds around the building, including the mowing of grass, paving, care of shrubs and general landscaping. In the event Tenant fails to make said repairs or maintain said grounds, then Landlord may, but shall not be obligated to, make such repairs or maintain said grounds, in which event, Tenant shall promptly reimburse Landlord for all expenses incurred thereby. If this is a multi-tenanted building, Tenant's responsibility to maintain said grounds shall be limited to all outside areas of the building adjacent or opposite to the exterior walls of the area covered by this Lease. Tenant agrees to return said premises to Landlord at the expiration, or prior termination, of this lease in as good condition and repair as when first received, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. Aside from the aforesaid repairs, Tenant shall not make any alterations, additions or improvements to the premises without the prior written consent of Landlord.

ALSO SEE
SPECIAL
STIPULATIONS
PARAGRAPH 41.

Tax
Escalation

TENANT

11. Tenant shall pay to Landlord upon demand, as additional rental during the term of this lease and any extension or renewal thereof, the amount by which all taxes (including, but not limited to, ad valorem taxes, special assessments and governmental charges) on the premises for each tax year exceeds all taxes on the premises for the first full tax year during the lease term. In the event the premises are less than the entire property assessed for such taxes for any such tax year, then the tax for any such year applicable to the premises shall be determined by proration on the basis that the rentable floor area of the premises bears to the rentable floor area of the entire property assessed. If the final year of the lease term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the lease term.

NO Destruction of,
or Damage to
Premises

12. If premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this lease shall terminate as of the date of such destruction, and rental shall be accounted for as between Landlord and Tenant as of that date. If premises are damaged but not wholly destroyed by any of such casualties, rental shall abate in such proportion as use of premises has been destroyed, and Landlord shall restore premises to substantially the same condition as before damage as speedily as practicable, whereupon full rental shall recommence.

Indemnity

13. Tenant agrees to indemnify and save harmless the Landlord against all claims for damages to persons or property by reason of the use or occupancy of the leased premises, and all expenses incurred by Landlord because thereof, including attorney's fees and court costs.

Governmental
Orders

14. Tenant agrees, at his own expense, to promptly comply with all requirements of any legally constituted public authority made necessary by reason of Tenant's occupancy of said premises. Landlord agrees to promptly comply with any such requirements if not made necessary by reason of Tenant's occupancy. It is mutually agreed, however, between Landlord and Tenant, that if in order to comply with such requirements, the cost to Landlord or Tenant, as the case may be, shall exceed a sum equal to one year's rent, then Landlord or Tenant who is obligated to comply with such requirements is privileged to terminate this lease by giving written notice of termination to the other party, by registered mail, which termination shall become effective sixty (60) days after receipt of such notice, and which notice shall eliminate necessity of compliance with such requirement by party giving such notice, unless party receiving such notice of termination shall, before termination becomes effective, pay to party giving notice all cost of compliance in excess of one year's rent, or secure payment of said sum in manner satisfactory to party giving notice.

Condemnation

15. If the whole of the leased premises, or such portion thereof as will make premises unuseable for the purposes herein leased, shall be condemned by any legally constituted authority or taken by private purchase in lieu thereof for any public use or purpose, then in either of said events the term hereby granted shall cease from the time when possession thereof is taken by public authorities, and rental shall be accounted for as between Landlord and Tenant as of that date. Such termination, however, shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damage caused by condemnation from the condemnor. It is further understood and agreed that neither the Tenant nor Landlord shall have any rights in any award made to the other by any condemnation authority.

Assignment and
Subletting

16. Tenant may not, without the prior written consent of Landlord which shall not be unreasonably withheld by Landlord, assign this lease or any interest hereunder, or sublease premises or any part thereof, or permit the use of premises by any party other than Tenant. Consent to one or more assignments or subleases shall not destroy or waive this provision. Subtenants and assignees shall become directly liable to Landlord for all obligations of Tenant hereunder without relieving Tenant's liability.

Removal of
Fixtures

17. Tenant may (if not in default hereunder), prior to the expiration of this Lease or any extension thereof, remove all fixtures and equipment which Tenant has placed in the premises; provided, however, that Tenant shall not remove: (a) air conditioning, air ventilating and heating fixtures; (b) lighting fixtures; (c) dock levels; and (d) carpeting. Upon removal of said fixtures and equipment which Tenant is allowed to remove as set forth in the preceding sentence, Tenant shall repair all damage to premises caused by such removal.

Cancellation of
Lease by Landlord

18. It is mutually agreed that in the event the Tenant shall default in the payment of rent herein reserved, when due, and fails to cure said default within five (5) days after written notice thereof from Landlord; or if Tenant shall be in default in performing any of the terms or provisions of this lease other than the provision requiring the payment of rent, and fails to cure such default within thirty (30) days after the date of receipt of written notice of default from Landlord; or if Tenant is adjudicated bankrupt; or if a permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty days after written notice from Landlord to Tenant to obtain such removal; or if, whether voluntarily or involuntarily, Tenant takes advantage of any debtor relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred; or if Tenant makes an assignment for benefit of creditors; or if Tenant's effects should be levied upon or attached under process against Tenant, not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof; then, and in any of said events, Landlord at his option may at once, or within six (6) months thereafter (but only during continuance of such default or condition), terminate this lease by written notice to Tenant; whereupon this lease shall end. After an authorized assignment or subletting of the entire premises covered by this lease, the occurring of any of the foregoing defaults or events shall affect this lease only if caused by, or happening to, the assignee or sublessee. Any notice provided in this paragraph may be given by Landlord, or his attorney, or Agent herein named. Upon such termination by Landlord, Tenant will at once surrender possession of the premises to Landlord and remove all of Tenant's effects therefrom; and Landlord may forthwith re-enter the premises and repossess himself thereof, and remove all persons and effects therefrom, using such force as may be necessary without being guilty of trespass, forcible entry or detainer or other tort.

Reletting by
Landlord

19. Landlord, as Tenant's agent, without terminating this lease, upon Tenant's failure to cure any default within the time permitted as set forth in paragraph 18 hereof, may at Landlord's option enter upon and rent premises at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper. Tenant shall be liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting.

Exterior
Signs

20. Tenant shall place no signs upon the outside walls or roof of the leased premises except with the written consent of the Landlord. Any and all signs placed on the within leased premises by Tenant shall be maintained in compliance with rules and regulations governing such signs and the Tenant shall be responsible to Landlord for any damage caused by installation, use, or maintenance of said signs, and Tenant agrees upon removal of said signs to repair all damage incident to such removal.

TENANT
LANDLORD

Entry for
Carding, etc.

Effect of
Termination
of Lease

Mortgagee's
Rights

No Estate
in Land

Holding Over

Attorney's Fees
and Homestead

Rights
Cumulative

Service of
Notice

Statement of
Acceptance

Special
Stipulations

21. Landlord may card premises "For Rent" or "For Sale" thirty (30) days before the termination of this lease. Landlord may enter the premises at reasonable hours to exhibit same to prospective purchasers or tenants and to make repairs required of Landlord under the terms hereof, or to make repairs to Landlord's adjoining property if any, after first securing from the Tenant a date and time as necessary for Landlord.

22. No termination of this lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.

23. Tenant's rights shall be subject to any bona fide mortgage or deed to secure debt which is now, or may hereafter be, placed upon the premises by Landlord, and Tenant agrees to execute and deliver such documentation as may be required by any such lender to effect any such subordination.

24. This contract shall create the relationship of Landlord and Tenant between the parties hereto; no estate shall pass out of Landlord. Tenant has only a usufruct, not subject to levy and sale, and not assignable by Tenant except by Landlord's consent.

25. If Tenant remains in possession of premises after expiration of the term hereof, with Landlord's acquiescence and without any express agreement of parties, Tenant shall be a tenant at will at rental rate in effect at end of lease; and there shall be no renewal of this lease by operation of law.

26. If any rent owing under this lease is collected by or through an attorney at law, Tenant agrees to pay ten percent (10%) thereof as attorneys' fees. Tenant waives all homestead rights and exemptions which he may have under any law as against any obligation owing under this lease. Tenant hereby assigns to Landlord his homestead and exemption.

27. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative but not restrictive to those given by law.

28. Tenant hereby appoints as his agent to receive service of all dispossession or distraint proceedings and notices thereunder, and all notices required under this lease, the person in charge of leased premises at the time, or occupying said premises; and if no person is in charge of, or occupying said premises, then such service or notice may be made by attaching the same on the main entrance to said premises. A copy of all notices under this lease shall also be sent to Tenant's last known address, if different from said premises.

29. After completion of the premises in accordance with the terms of this Lease Contract, Tenant will furnish Landlord with a written statement confirming Tenant's acceptance of the premises and confirming the commencement date of the term of this Lease.

In so far as the following stipulations conflict with any of the foregoing provisions, the following shall control:

30. SITE PLAN - One sheet dated 3/6/72, as revised through 9/10/73, and showing Site Plan and building containing 71,492 Square Feet is attached hereto as EXHIBIT "A" and by reference is made a part hereof. The premises as described in Paragraph 1 hereof are identified in "red" on the plan. Notwithstanding any other provision of this Special Stipulation or any plan mentioned herein, in no event shall any plan incorporated herein be effective to lease and rent more property than is described as the "premises" in Paragraph 1 of this Lease.

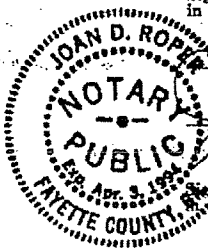
-----SPECIAL STIPULATIONS CONTINUED ON ATTACHED SHEETS-----

This lease contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied herein, shall be of any force or effect.

IN WITNESS WHEREOF, the parties herein have hereunto set their hands and seals, in triplicate, the day and year first above written.

Signed, sealed and delivered as to Landlord,
in the presence of:

M. D. HODGES ENTERPRISES, INC.



Joan D. Roper
Notary Public

Signed, sealed and delivered as to Tenant,
in the presence of:

Don White
Notary Public
Fulton County - Expires
April 2, 1991

[Signature] (SEAL)
Landlord, M. D. Hodges, President
(Landlord) (SEAL)

FULTON COUNTY BOARD OF COMMISSIONERS
[Signature] (SEAL)
[Signature] (SEAL)
(Tenant) Clerk

ITEM # 555, ROOM 2/18/90 A.M.

Approved as to form
[Signature]
ASSOCIATE COUNTY ATTORNEY

SPECIAL STIPULATIONS, CONTINUED
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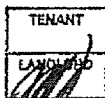
31. OFFICE FLOOR PLAN - One sheet dated 10/5/77, as revised 6/26/90, and covering 1,810 Square Feet of existing offices, toilets and corridor areas covered by this Lease, is attached hereto as EXHIBIT "B" and by reference is made a part hereof. Notwithstanding any other provision of this Special Stipulation or any plan mentioned herein, in no event shall any plan incorporated herein be effective to lease and rent more property than is described as the "premises" in Paragraph 1 of this Lease.

32. WAREHOUSE FLOOR PLAN - One sheet dated 10/5/77, as revised 6/26/90, and covering existing floor plan of 17,812 Square Feet is attached hereto as EXHIBIT "C" and by reference is made a part hereof. Notwithstanding any other provision of this Special Stipulation or any plan mentioned herein, in no event shall any plan incorporated herein be effective to lease and rent more property than is described as the "premises" in Paragraph 1 of this Lease.

33. TERM AND RENTAL SCHEDULE - The initial term of this Lease shall be for twelve (12) months beginning on August 1, 1990, and ending on July 31, 1991, unless sooner terminated as herein provided. The term of this Lease shall be automatically extended and renewed for four (4) consecutive successive periods of twelve (12) months each upon the terms and conditions herein contained unless the Tenant gives to the Landlord prior written notice that the Lease shall not be so extended and renewed at least one hundred twenty (120) days prior to the date of expiration of the original term or any extended term, with the first such extended term beginning August 1, 1991, and ending on July 31, 1992, and each successive term beginning and ending on the annual anniversary dates with the final Lease term ending July 31, 1995.

Tenant agrees to pay Landlord promptly on the first day of each month in advance during the term of this Lease a monthly rental of

\$4,453.00 Monthly In Advance	<u>AUGUST 1, 1990 THROUGH JULY 31, 1993</u> Four Thousand Four Hundred Fifty-Three and 00/100 Dollars	Thirty-Six (36) Months
\$4,898.00 Monthly In Advance	<u>AUGUST 1, 1993 THROUGH JULY 31, 1994</u> Four Thousand Eight Hundred Ninety-Eight and 00/100 Dollars	Twelve (12) Months
\$5,094.00 Monthly In Advance	<u>AUGUST 1, 1994 THROUGH JULY 31, 1995</u> Five Thousand Ninety-Four and 00/100 Dollars	Twelve (12) Months



34. ADVANCE RENT - Notwithstanding Paragraph 3 of this Lease, Landlord acknowledges receipt from Tenant of FOUR THOUSAND FOUR HUNDRED FIFTY-THREE AND 00/100 (\$4,453.00) DOLLARS rent, which rent Tenant has paid in advance for the first month's rent.

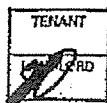
35. DRIVES AND PARKING AREAS - All driveways and all paved areas of the premises covered by this Lease are for the common use of all tenants of the building located in whole or in part thereon.

36. COMMENCEMENT OF RENT - It is understood by Tenant that the premises identified in Paragraph 1 hereof are presently occupied by the Office of Secretary of State and said occupant has verbally committed to vacate the premises on or about July 6, 1990. It is understood by Landlord that Tenant and the Office of Secretary of State have reached an agreement whereby Tenant is acquiring the existing warehouse racking/shelving system which shall remain in the premises. Said Racking/shelving is not presently and shall not become a property of Landlord and Tenant covenants and agrees that all said racking/shelving system shall be removed by Tenant upon the termination of this Lease.

Notwithstanding Paragraphs 2, 29 and 33 of this Lease, and providing that this Lease has been properly executed by Landlord and Tenant, rent shall commence upon the date of substantial completion for beneficial occupancy of all work covered by Paragraph 43 or upon occupancy of the premises by Tenant, whichever event first occurs. If the premises are not occupied until after August 1, 1990, or occupied prior to August 1, 1990, rent shall be accounted for at the rate of ONE HUNDRED FORTY-SIX AND 40/100 (\$146.40) DOLLARS per day for that month in which substantial completion of the premises or occupancy occurs; thereafter, rent shall be accounted for at the rate set forth in Paragraph 33 of the Lease.

This Lease shall be for a full five (5) year period beginning on the first day of the month following the date of completion of the premises or occupancy of the premises by Tenant, whichever event first occurs, unless sooner terminated as herein provided.

37. WAIVER OF SUBROGATION - Landlord shall waive all rights of recovery and all causes of action against Tenant for any loss occurring to the premises resulting from any of the perils insured against under such policy or policies of insurance carried by landlord regardless of cause including negligence of Tenant, and to the extent of any recovery under such policy or policies of insurance. Landlord will cause these policies of insurance to include an



endorsement to that effect. Tenant shall waive all rights of recovery and all causes of action against Landlord to the extent of any recovery under such policy or policies of insurance carried by Tenant, and Tenant will cause these policies of insurance to include an endorsement to that effect.

38. SPRINKLER SYSTEM - A sprinkler system for the premises, including existing offices, is included in this Lease Agreement.

39. UTILITY BILLS

(A) ELECTRICITY - Notwithstanding anything to the contrary in Paragraph 6 hereof, the premises covered by this Lease have been metered directly for electricity. All bills for electricity consumed on the premises covered by this Lease shall be received by Tenant, and Tenant shall be responsible for and pay directly to the utility for said services.

(B) NATURAL GAS - Notwithstanding anything to the contrary in Paragraph 6 hereof, the premises covered by this Lease have been metered directly for natural gas. All bills for natural gas consumed on the premises covered by this Lease shall be received by Tenant, and Tenant shall be responsible for and pay directly to the utility for said services.

(C) WATER - Notwithstanding anything to the contrary in Paragraph 6 hereof, Landlord has furnished one water meter with necessary piping to serve the building containing 71,491 Square Feet in which the 17,812 Square Feet covered by this Lease is located. Landlord shall be billed by the utility for all water consumed on the entire premises on which the 17,812 Square Feet is located, and Landlord shall promptly pay said bills. Landlord shall, however, invoice Tenant semi-annually for Tenant's share of water used based on a pro rata share of Tenant's leased portion of the entire building, and Tenant shall promptly pay said bills; provided, however, if Tenant's consumption of water is increased by manufacturing or other uses, exclusive of office, toilet areas, drinking fountains, and maintenance of grass and shrubbery, Tenant's share of the water billed shall take these extra uses into account. Conversely so, if in favor of Tenant.

(D) SPRINKLER SERVICE - Notwithstanding anything to the contrary in Paragraph 6 hereof, Landlord shall be billed directly by the utility for all sprinkler service charges, if any, for the entire building containing 71,492 Square Feet, as identified in Paragraph 1 hereof, and Landlord shall pay directly to the utility for all such charges. Landlord shall, however, invoice the Tenant semi-annually for Tenant's pro rata share of said charges, and Tenant shall promptly pay said bills.



40. SPRINKLER MAINTENANCE (VALVES AND ALARM SYSTEMS) - Tenant shall be responsible for maintaining sprinkler valves and alarm systems, if any, as located within the leased premises, and Tenant shall maintain written records, if any, that may be required by Landlord's Insurer covering testing of sprinkler valves and alarm systems located within the leased premises, and Tenant shall consistently maintain heat within the premises as necessary to avoid damage to the sprinkler system by freezing.

41. TAX ESCALATION - Notwithstanding anything to the contrary in Paragraph 11 hereof the first full tax year for the entire building identified in Paragraph 1 hereof shall be the calendar year 1989. Fulton County taxes for said building for the year 1989 were \$14,734.04. City of Hapeville taxes for said building for the year 1989 were \$3,831.00. A copy of Fulton County and city of Hapeville 1989 Tax Bills is attached hereto as EXHIBIT "D" and by this reference is made a part hereof.

Tenant's "tax stop" in the amount of \$4,625.42 has been allocated to the leased premises ($\$18,565.04 \times [17,812 + 71,492] 24.91\% = \$4,625.42$), with it being understood by the parties hereto that Tenant shall be responsible and pay for all taxes on the leased premises in excess of \$4,625.42.

42. PREPARATION OF PREMISES FOR OCCUPANCY - After proper execution of this Lease by Landlord and Tenant, Landlord shall furnish all labor and material as necessary to do the following work:

(A) Inspect heating and air conditioning equipment and make such repairs and/or replacement as required for good operating condition on the date of occupancy of the premises by Tenant.

(B) Inspect all existing plumbing fixtures and make such repairs and/or replacement as required for good operating condition on the date of occupancy of the premises by Tenant.

(C) Inspect all existing lighting fixtures in office and warehouse areas and make such repairs and/or replacement as required for good operating condition on the date of occupancy of the premises by Tenant.

(D) Repaint all existing office walls that previously received paint with color selection by Tenant.

(E) Clean all existing vinyl floor tiles in the office toilets and corridor areas and "broom clean" warehouse floors.



43. WARRANTIES (PLUMBING, HEATING AND AIR CONDITIONING)

Notwithstanding anything to the contrary in Paragraphs 9 and 10 hereof, Landlord, at Landlord's expense, agrees to keep in good repair and condition underground sanitary sewers within the building, water piping within and outside the building, natural gas piping from the meter to all fixtures and heating and air conditioning equipment.

Except as provided for above, all conditions of Paragraphs 9 and 10 hereof shall continue in full force and effect.

44. TENANT'S EXISTING LEASE (796 GREAT SOUTHWEST PARKWAY) - Tenant

is now in possession of the premises at 796 Great Southwest Parkway comprising 9,191 square feet under Lease dated August 27, 1980, as last amended on August 16, 1989, between M. D. Hodges Enterprises, Inc., as Landlord, and Fulton County Board of Commissioners, as Tenant. With respect to such Lease, the parties hereto agree as follows:

(A) The existing Lease will automatically terminate upon execution of the new Lease described herein. Tenant will continue to occupy said premises after August 1, 1990, and up until September 30, 1990, on a rent free basis.

(B) Any occupancy period beyond October 1, 1990 will be on a month-to-month basis and will be accounted for between Landlord and Tenant at \$79.48 per day. Tenant shall promptly "settle accounts" with respect to utilities and taxes and any other similar matters within thirty (30) days from the date the premises is vacated.

(C) Upon vacating of said existing Lease, Tenant shall return its existing premises at 796 Great Southwest Parkway to Landlord "broom clean" and in further accordance with Paragraph 10 of the existing Lease.

45. RENEWAL OPTION - Provided this Lease is in full force and effect at the expiration of the original five (5) year term of this Lease, and provided that Tenant is not in default, the original term shall be extended at the option of Tenant for an additional period of five (5) years, then next ensuing on the same terms, covenants and conditions as herein set forth, except that the Renewal Option provided for by this Special Stipulation shall not be part of the Lease during the extended period, and except that the annual rental shall be adjusted as of the termination date of the original term. The monthly rental rate for such extended term shall be negotiated by Landlord and Tenant, and if the parties reach an agreement, the resulting negotiated rental rate for the first extended term shall apply; provided, however, that said negotiations shall be concluded thirty days prior

SPECIAL STIPULATIONS, CONTINUED
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to Tenant exercising its option to extend its Lease term under this Lease Agreement. Tenant shall give Landlord six (6) months' written notice prior to the expiration of the original Lease term of the Tenant's desire to so extend such term; provided further that option to renew provided for herein shall be terminated if and when this Lease is terminated, or if and when the Tenant is in default hereunder at any time.

46. AGENT - This Lease was negotiated directly between Landlord and Tenant without benefit of an Agent or Real Estate Broker.