

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

6-3-2009

LEASE NO.

GS-07B-16639

THIS LEASE, made and entered into this date by and between Poydras Center, LLC

whose address is c/o Hertz Investment Group
1522 2nd Street
Santa Monica, CA 90401

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

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

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

1. The Lessor hereby leases to the Government the following described premises:

63,615 rentable square feet (55,318 ANSI/BOMA Office Area (usable) square feet) of space located on the sixteenth (16th), seventeenth (17th) and eighteenth (18th) floors of the building located at 650 Poydras Street, New Orleans, Louisiana and one hundred twenty-nine (129) structured parking spaces located in the building's garage and 601 Tchoupitoulas garage shall be provided as a part of rental consideration and to be used for such general office purposes as determined by the General Services Administration. The Common Area Factor is 1.15 (15.0%).

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning one hundred and twenty (120) calendar days of the Notice to Proceed with commencement of construction of the tenant improvements for a term through 10 years, subject to terms stated within.

3. The Government shall pay the Lessor rent as follows:

TERM	RATE PER SF	MONTHLY RENT	ANNUAL RENT
Year 1	\$28.62	\$151,721.75	\$1,820,661.00
Year 2	\$29.03	\$153,895.29	\$1,846,743.45
Years 3-10	\$29.43	\$156,015.79	\$1,872,189.45

Rent shall be paid monthly in arrears. The Lessor and Government both acknowledge and agree this shall be a full service lease agreement in accordance with SFO 8LA2019. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Poydras Center, LLC
c/o: Hertz Investment Group
1522 2nd Street
Santa Monica, CA 90401

4. ~~The Government may terminate this lease at any time after the 10th year by giving at least sixty (60) days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

DELETED WITHOUT SUBSTITUTION

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5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

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

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

- a. Facilities, services, utilities, maintenance and tenant improvements shall be provided within 120 calendar days from the Notice to Proceed, and in accordance with the terms of the attached Solicitation for Offers 8LA2019.
- b. One hundred twenty-nine (129) structured parking spaces located as follows: 63 spaces in the 650 Poydras garage and 66 spaces in the in the 601 Tchouitoulas Garage as part of the rental consideration.

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

Sheet 3 - 5 containing paragraphs 9 - 25 to Lease GS-07B-16639 (3 pages)

Solicitation For Offers 8LA2019 (44 pages)

_____ Design Guide (34 pages)

Amendment #1 to SFO 8LA2019 (3 pages)

Amendment #2 to SFO 8LA2019 (1 page)

_____ Specification (8 pages)

Space Requirements Worksheet (16 pages)

Adjacency Plan (1 page)

Exhibit A, Base Plans (3 pages)

Exhibit B, Legal Description (1 page)

General Clauses GSA Form 3517B (Rev. 11/05) (33 pages)

Representations and Certifications, GSA Form 3518A (Rev. 1/07) (7 pages)

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

Paragraphs 4 and 5 were deleted in their entirety without substitution

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

LESSOR POYDRAS CENTER, LLC

By:

Its:

BY

(Signature)

(Signature)

IN PRESENCE OF:

(Signature)

(Address)

UNITED STATES OF AMERICA

BY

(Signature)

GENERAL SERVICES ADMINISTRATION

Contracting Officer

General Services Administration

819 Taylor Street, Room 5C09

Fort Worth, Texas 76102

(Official title)

9. This lease will be supplemented to show the actual effective date and the exact amount of square footage after the space has been prepared, mutually measured and accepted by the Contracting Officer.

10. All questions pertaining to this lease shall be referred to the Contracting Officer of General Services Administration, or his/her designee. The Government occupant is not authorized to administer this lease, and General Services Administration assumes no responsibility for any cost incurred by the Lessor, except as provided by the terms of this lease, or authorized in writing by the Contracting Officer, or his/her designee.

11. The Lessor will not be reimbursed for any services not provided for in this lease, including but not limited to repairs, alterations, or overtime services, nor will any rental be paid for occupancy in whole or in part, except for the lease term specified herein.

12. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new leases/contracts not later than January 1, 1998. An enrollment form is attached to be completed and returned with this contract.

13. In addition, within 120 calendar days after the Notice to Proceed, the space shall be constructed and ready for occupancy and shall comply with fire safety and architectural specifications required in the solicitation and also:

(a) Properly seal all floor penetrations in telephone rooms and utility passages with noncombustible materials to provide a fire resistance rating equal to that of the floor.

(b) Install exit lights within the space.

(c) Install battery operated emergency lighting within the space.

(d) The space occupied by the Government under this lease shall be constructed with fire resistant materials and be fully sprinkled. The rental rate includes the cost of installing and maintaining the sprinkler system within the Government leased space.

14. Prior to the Government's acceptance of the space, Lessor agrees to correct the following deficiency items:

Stair Enclosures:

1. Rework locks on stair doors such that re-entry to the floors from the stair enclosures is available at least on every fourth floor.
2. Adjust doors, strike plates, closers, etc. on stair doors such that the doors close and latch automatically.
3. Remove computer wiring from the east stair enclosure on the 22nd and 23th floors.
4. Remove any conduits and wirings that do not serve lightings or equipment in the stair enclosures.
5. Seal penetrations with fire stopping material.
6. Either repair fire proofing insulation in wide flange beam, or enclosed it to provide the same fire resistance rating as the current proofing material.
7. Relocate the light fixture in the west stair between the 1st and 2nd floors to provide a minimum clearance for headroom is at least 6'-8".

Fire Alarm:

1. For 16th, 17th and 18th floors, install duct detectors for those AHUs with capacity of 2,000 cfm for the supply, and 15,000 cfm for the return. Ducts detector should be added on other floor as they are being renovated.

Sprinkler, Fire Pump, and Standpipe Systems:

1. All new sprinklers must be quick response type.
2. Install pressure gauges upstream and downstream of all pressure reducing valves.

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3. Install a pressure gauge at the top of the west standpipe.
4. Install/relocate sprinkler heads as noted in the inspection report by Jefferson Sprinkler.

In addition, the placement of notification devices (strobes/speakers) based on the new layout must be in compliance with NFPA 72, National Fire Alarm Code, current edition.

15. In accordance with provisions of Paragraphs 3.4 Tax Adjustments, 3.6 Operating Costs, 3.7 Operating Costs Base, and 3.14 Adjustment for Vacant Premises, of the Solicitation for Offers 8LA2019, the following parameters are established:

(a) The lease is subject to operating cost escalation. For operating cost adjustment, the operating costs are established at \$4.99 per rentable square foot. The base cost of services is established at \$317,439.00 based on \$4.99 for 63,615 rentable square feet.

(b) The lease is subject to real estate tax escalation. For tax escalation in accordance with terms of Paragraph 3.4, the percentage of occupancy is 14.035% (government leased space of 63,615 square feet divided by total building 453,255 square feet). The base year tax statement will be submitted within 60 calendar days after payment to establish the base year taxes. If the tax statement is for multiple parcels or buildings, the value of each property shall be defined.

(c) The Adjustment for Vacant space is \$2.54 per rentable square foot to be applied if the space is vacated in whole or part.

16. In accordance with Paragraph 7.3, Overtime Usage, the overtime HVAC services will be provided at the rate of \$104.87 per hour per floor. Overtime rates shall not be paid during normal building operation hours of 8:00 am to 6:00 pm Monday through Friday, and 8:00 a.m. to 1:00 p.m. Saturdays, and excluding Sundays, Federal holidays, and Mardi Gras Day.

17. The annual rental rate is firm and will not be adjusted based on the mutual measurement, except as provided in clause 552.270-20, page 12, paragraph 27 of the GSA Form 3517B. The rate per square foot and the base year service cost will be modified to reflect the final measurement.

18. The Lessor will provide 3 copies of a CAD "as built" disk to the contracting officer within thirty (30) days of completion of construction.

19. Cleaning shall be performed during tenant working hours, Monday through Friday 7:30 a.m. to 5:30 p.m. excluding federal holidays. Personnel performing cleaning services shall be employed with a licensed company. The employing company shall ensure that the employee is bonded, has been fingerprinted, and a local agency check for criminal record is completed.

20. The tenant buildout will conform to the specifications in SFO 8LA2019, and are to be provided by the Lessor as part of the total rental payment. The tenant buildout costs of \$2,071,659.00 are amortized for a period of 120 months at 7.5% (\$4.64/rsf/year). Tenant improvement rental adjustments shall be made in accordance with SFO Paragraph 1.11.

21. The shell rental rate includes \$2,330,500.00 (\$3.66/rsf/year) for relocation of tenants and related buildout. The shell rental rate of \$18.99/rsf includes this amount and will not increase based on the GSA Form 1364 dated June 2, 2009 which was corrected by Lessor to reflect this amount. Lessor will provide a relocation plan and schedule within 10 business days from award.

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22. The rental rate for Year 1 (\$28.62/rsf) includes a 20% abatement of parking cost (129 spaces at \$133.14/month). The rental rate for Year 2 (\$29.03/rsf) includes a 10% abatement of parking cost (129 spaces at \$149.79/month).

23. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for restoration arising from alteration or removal of any alteration by the Government during the term of this lease or any extensions. Alterations completed by either the Government or Lessor including initial build out of the lease space and / or any subsequent modifications required during the lease period. At the Government's sole discretion alterations will remain in the leased space after termination of the lease contract will become property of the Lessor.

24. In accordance with Paragraph 1.13 (Broker Commission and Commission Credit), Studley, Inc. ("Studley") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease, excluding parking expense included in the rental rate ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable ([REDACTED] when the Lease is awarded and [REDACTED] upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 1.13, only [REDACTED], which is [REDACTED] of the Commission, will be payable to Studley when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell portion of the annual rental payments until beginning in the first month and continuing until fully recaptured.

25. The following sections of SFO 8LA2019 are amended as follows:

- a. 1.3.B. Parking – 63 spaces will be provided in the Building Garage and 66 spaces shall be provided in the Landlord's garage located at Lafayette and Tchoupitoulas Street, adjacent to 400 Poydras Tower. All parking is included in Shell Rental.
- b. 4.10 Floor Load – The building floor load is 50 pounds per ANSI/BOMA office area square foot. Landlord has not included any allocation to increase floor load in the Shell Rental rate because there is no clear definition of the total floor area required for filing.
- c. 4.11 A. Lessor provides positive air pressure conditions and heat loss is not a factor.
B. Landlord will not install grates or grills at entryways.
- d. 5.8 – Lessor's building standard common area wall covering is 15 oz. All new wall covering will be replaced with 20 oz., but existing shall remain 15 oz.
- e. 6.6 A. Cleaning materials, equipment and supplies are not stored in the floor janitorial closets.
B. Chemical mixing is not done on site.
- f. 8.11 – The recycling storage area called for in this section shall be considered part of the leased premises.

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