

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

R.S. 9:2742

EXTRACT OF LEASE/OPTION/AMENDMENT

LESSOR'S NAME: MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

LESSEE'S NAME: LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

LEASE NUMBER: 12-10813

LEASE TERM: 04/01/2022 THROUGH 03/31/2027

BRIEF DESCRIPTION OF PROPERTY:

"2,006 square feet of usable space located at 7722 Office Park Blvd, 2nd Floor, Baton Rouge, Louisiana, to be used as an office, with adequate parking provided."

WITNESS: LESSOR: MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

Printed Name: _____

BY: _____

Date: _____

Printed Name: _____

LESSEE: LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

Printed Name: _____

BY: _____
JEFFERY LAGRANGE

Date: _____

Printed Name: _____

APPROVED:
This _____ day of _____, 2022.

Office of the Governor
Division of Administration

BY: _____
Jason D. Sooter, Director
Facility Planning and Control

LEASE

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

The following contract of lease is made and entered into this 8th day of February, 2022, by and between Municipal Police Employees' Retirement System, hereinafter referred to as "Lessor", and the State of Louisiana, Louisiana Sales and Use Tax Commission for Remote Sellers, herein represented by the undersigned, hereinafter referred to as "Lessee".

1.

For the consideration and upon the term and conditions hereinafter, the Lessor has this day rented, let and leased unto Lessee, here present and accepting the same, for a period of FIVE (5) years, commencing April 1, 2022, and ending March 31, 2027, the following described property:

"2,006 square feet of usable space located at 7722 Office Park Blvd, 2nd Floor, Baton Rouge, Louisiana, to be used as an office,
at the rate of \$22.00 per square foot per annum for the term of 4/1/2022 through 3/31/2023;
at the rate of \$22.44 per square foot per annum for the term of 4/1/2023 through 3/31/2024;
at the rate of \$22.89 per square foot per annum for the term of 4/1/2024 through 3/31/2025;
at the rate of \$23.35 per square foot per annum for the term of 4/1/2025 through 3/31/2026;
at the rate of \$23.81 per square foot per annum for the term of 4/1/2026 through 3/31/2027;

2.

The consideration of this lease is the payment by Lessee to Lessor of the sum of Two Hundred Twenty-Nine Thousand, Six Hundred Sixty-Six and 94/100 (\$229,666.94) DOLLARS in installments as follows:

4/1/2022 through 3/31/2023:

TWELVE (12) equal installments of Three Thousand, Six Hundred Seventy-Seven and 67/100 (\$3,677.67) DOLLARS each, the first installment being due and payable on the 1st day of April, 2022, and the remaining installments being due and payable, respectively on the 1st day of each month thereafter;

4/1/2023 through 3/31/2024:

TWELVE (12) equal installments of Three Thousand, Seven Hundred Fifty-One and 22/100 (\$3,741.22.00) DOLLARS each, the first installment being due and payable on the 1st day of April, 2023, and the remaining installments being due and payable, respectively on the 1st day of each month thereafter;

4/1/2024 through 3/31/2025:

TWELVE (12) equal installments of Three Thousand, Eight Hundred Twenty-Six and 45/100 (\$3,826.45) DOLLARS each, the first installment being due and payable on the 1st day of April, 2024, and the remaining installments being due and payable, respectively on the 1st day of each month thereafter;

4/1/2025 through 3/31/2026:

TWELVE (12) equal installments of Three Thousand, Nine Hundred Three and 34/100 (\$3,903.34) DOLLARS each, the first installment being due and payable on the 1st day of April, 2025, and the remaining installments being due and payable, respectively on the 1st day of each month thereafter;

4/1/2026 through 3/31/2027:

TWELVE (12) equal installments of Three Thousand, Nine Hundred Eighty and 24/100 (\$3,980.24) DOLLARS each, the first installment being due and payable on the 1st day of April, 2026, and the remaining installments being due and payable, respectively on the 1st day of each month thereafter;

3.

Lessor grants to the Lessee the option to extend this lease from the end of its term for an additional period of FIVE(5) years, on the same terms and conditions as specified in the primary lease upon giving sixty (60) days

written notice prior to the expiration date of this lease. The rental rate for the FIVE (5) year option (if exercised) will be as follows:

Year 6	\$23.81 psf
Year 7	\$24.29 psf
Year 8	\$24.29 psf
Year 9	\$24.78 psf
Year 10	\$24.78 psf

4.

The parties hereto agree that delivery of possession and occupancy hereunder shall not be deemed to commence until Lessor has provided Lessee with thirty (30) days prior written notice that the leased premises are ready for occupancy or at such time as Lessee takes occupancy thereof, whichever shall occur first. However, in no event shall Lessee accept occupancy prior to the commencement date established in paragraph one (1) herein, except by express consent of Lessor and approval of Division of Administration. Furthermore, under no circumstances shall occupancy be deemed to commence until the documentation provided for, relative to asbestos and the State Fire Marshal's Office requirements, elsewhere herein is furnished as required.

5.

Should the Lessor fail, for whatever reason, acts of God and military expedience excepted, to delivery possession and occupancy in accordance with specifications or negotiations by May 1, 2022, the Lessee shall be entitled to liquidated damages in the amount of the daily rental rate for every day thereafter that the Lessor fails to deliver possession and occupancy in accordance with specifications.

6.

Should the Lessor fail, for whatever reason, acts of God and military expedience excepted, to deliver possession and occupancy by June 1, 2022, the Lessee may, at its option and with the approval of the Division of Administration, cancel this lease at any time after expiration of such time. If the Lessee elects not to cancel the lease, the Lessee is entitled to liquidated damages in the amount of the daily rental rate for every day thereafter that the Lessor fails to deliver occupancy in accordance with the specifications until such time as occupancy is delivered or the Lessee cancels the lease.

7.

Should the Lessee be unable, for whatever reason, to maintain possession of the leased premises in accordance with the terms set forth herein, the Lessee shall be entitled to the remission of rent for such term during which the Lessee is deprived of possession.

8.

All monthly payments of rent as herein fixed shall be paid by Lessee to: **Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Baton Rouge, LA 70809**, until notified in writing differently by Lessor.

9.

LESSOR agrees that the building, grounds, and facilities herein leased shall comply with the requirement of La. R.S. 40:Part V. EQUAL ACCESS TO GOVERNMENTAL AND PUBLIC FACILITIES FOR DISABLED COMMUNITY, specifically Articles La. R.S. 40:1731 through 40:1744.

10.

Lessor further agrees to make, at Lessor's own expense, all changes and additions to the leased premises required by reason of any laws, ordinances, orders or regulations of any municipality, parish, state, federal, or other public authority including the furnishing of required sanitary facilities and fire protection facilities, and Lessor shall furnish and maintain all fire extinguishers and equipment necessary to comply with the order of the Louisiana State Fire Marshal. Lessor shall be responsible for all costs associated with any required periodic inspections and servicing of fire extinguishers and equipment.

11.

Prior to occupancy, Lessor must provide written evidence of compliance with all requirements of the State Fire Marshal's Office. Lessor further agrees to comply with any order issued during the lease term by the State Fire Marshal's Office within the timeframe mandated by that office. Failure to do so will constitute a breach of the terms of said lease.

12.

Lessor shall deliver the leased premises to the Lessee at the beginning of this lease in a thoroughly sanitary and tenantable condition, and, by assuming possession, Lessee admits that it has examined the leased premises and found them to be in good, safe, and acceptable condition. Provided, however, that Lessee shall provide to Lessor, no later than fifteen (15) days after occupancy, a list of all deficiencies in need of correction in order to bring the leased premises into compliance with the terms of the lease. Where Lessee already occupies these

premises under a prior lease, possession and occupancy under this lease shall not be deemed to occur until Lessee inspects the premises and certifies in writing to the Division of Administration that all requirements have been satisfied.

13.

Lessor further agrees to do painting of the interior of the leased premises and all hallways and corridors associated with such premises at not more than three (3) year intervals. All costs associated with this work will be the Lessor's responsibility, including, but not limited to, moving of all furniture and equipment.

14.

Should Lessor fail to keep the leased premises in good and tenantable condition, to make any of such repairs, replacements or changes, or to do painting or wall covering within thirty (30) days after written notice from Lessee of the necessity therefore, or should Lessor commit any other breach of the lease terms and conditions, the Lessee may at its option, with approval of the Division of Administration, correct the same and deduct the cost thereof from the rental payments, or Lessee may, with approval of the Division of Administration, quit and surrender possession of the premises without further liability to Lessor hereunder, upon sixty (60) days written notice. Provided, however, that in the event of conditions requiring immediate maintenance and/or repair, including but not limited to flooding, roof leaks, failure of electrical system, etc., Lessee may at its option, and with notice to the Division of Administration, correct the same and deduct the cost thereof from the rental payments after reasonable attempts to contact the Lessor.

15.

Lessor agrees to do at Lessor's expense such painting and other maintenance to the exterior of the building as is necessary to maintain the building in good condition and appearance. Exterior clean-up shall be maintained constantly to insure that areas outside of leased premises, including parking facilities are trash-free. All grass and weeds shall be cut weekly during growing season and otherwise as needed. Shrubberies shall be maintained in a neat condition, with pruning as necessary. Lessor shall have sole responsibility for all maintenance and repair to the heating and air conditioning systems, plumbing systems (including plumbing fixtures), sewerage disposal systems (including septic tanks), electrical systems, light fixtures (including replacement of light bulbs and fluorescent tubes), and all other equipment furnished by the Lessor.

The Lessor shall be responsible for maintaining the entire building and site in good condition throughout the term of the lease. Lessor shall make all such repairs to the premises as may become necessary because of breakage or other damages not attributable to the negligence of the Lessee, its agents, or its employees. Lessor shall be responsible for any damages to Lessee's employees, agents, invitees, visitors, and property and/or equipment that are a result of Lessor's negligence to properly maintain the premises.

16.

There is established under this lease a "Base Year", which for these purposes is the calendar year 2021. In the event that the Basic Costs (as hereinafter defined) of Lessor's operation of the Building during any calendar year after the Base Year shall differ from the Basic Costs of Lessor during the Base Year, Lessee shall pay its proportionate share of that year's increases in Basic Costs for such year in the proportion its usable area bears to 100% of the total area of the Building (Lessee's proportionate share"). Lessee's proportionate share of any such increases shall be calculated by multiplying said increase by a fraction; the numerator of which shall be the Leased Premises expressed in usable/rentable square feet, which shall be 2,006 square feet, and the denominator of which shall be 21,794 square feet, which is the agreed total square feet in the office portion of the building. This equates to 10.864 %. This increase in rental is herein referred to as "Lessee's Proportionate Share of Lessor's Basic Costs". Any increase payable to Lessor under this provision shall be deemed additional rent and Lessor shall, within the period of one hundred fifty (150) days (or as soon thereafter as possible) after the close of business of any calendar year after the Base Year, give Lessee a statement of such year's actual Basic Costs and a comparison with the Base Year's Basic Costs. If such year's Basic Costs are greater than the Base Year's Basic costs, Lessee shall pay Lessor, within thirty (30) days of statement receipt, Lessee's proportionate share of such increase. If Basic Costs for the year covered by such statement are less than the Base Year's Basic Costs, Lessee shall not be obligated for rental in excess of Base Rental.

"Basic Costs" as said term is used herein shall consist of all operating expenses of the Building, which shall be computed on the accrual basis and shall consist of all expenditures by Lessor to maintain all facilities in operation during the Base Year and such additional facilities in operation during the Base Year determined by Lessor to be necessary. All operating expenses shall be determined in accordance with generally accepted

accounting principles which shall be consistently applied. The term "operating expenses" as used herein shall mean all expenses, costs and disbursements (but not replacement of capital investment items nor specific costs especially billed to and paid by specific tenants) of every kind and nature which Lessor shall pay or become obligated to pay because of or in connection with the ownership and operation of the building, including but not limited to:

- 1) Wages and salaries of all employees engaged in operating and maintenance or security of the Building, including taxes, insurance and benefits relating thereto.
- 2) All supplies and materials used in operation and maintenance of the Building.
- 3) Cost of all utilities for the Building, including the cost of water and power, heating, lighting, air conditioning and ventilating of the Building.
- 4) Cost of all maintenance and service agreements for the Building and the equipment therein, including alarm service, window cleaning and elevator maintenance.
- 5) Cost of all insurance relating to the Building, including the cost of casualty and liability insurance applicable to the Building and Lessor's personal property used in connection herewith.
- 6) Cost of general maintenance (excluding repairs and general maintenance paid by proceeds of insurance or by Lessee or other third parties, and alterations attributable solely to tenants of the Building other than Lessee).
- 7) Installation of capital investment items which are primarily for the purpose of reducing operating costs.

Notwithstanding any other provision herein to the contrary, it is agreed that in the event the Building is not fully occupied during the Base Year or any subsequent year, an adjustment shall be made in computing the Basic Costs for such year so that the Basic Costs shall be computed for such year as though the Building had been fully occupied during such year.

Lessee, at its expense, shall have the right at all reasonable times to audit Lessor's books and records relating to this lease for the Base Year and any year or years for which additional rental payments become due, with forty five (45) days written notice, or, at Lessor's sole discretion, Lessor shall provide such audit prepared by a certified public accountant.

The maximum aggregate increase over the term of this lease is \$.75 per usable square foot.

17.

Any water intrusion in the building will require the following action by the Lessor:

Carpet: The following work shall be performed by a restoration contractor that is knowledgeable and experienced in remediation of wet carpet. Excess water shall be immediately vacuumed out of the carpet. The wet carpet shall be sanitized with a chemical approved for indoor use. Area fans shall be installed until the carpet is completely dry. If carpet is not professionally dried and sanitized within 24 hours of notification of the occurrence by Lessee, all areas of wet carpet and padding must be removed and replaced with new carpet and padding to match the existing.

Walls & Ceilings: The following work shall be performed by a restoration contractor that is knowledgeable and experienced in remediation of water damaged sheetrock. All sections of walls, baseboards, insulation and ceilings subjected to water intrusion shall be removed and replaced, within 24 hours of notification of the occurrence from Lessee and finished to match existing wall within 7 calendar days. The restoration contractor shall certify that the interior wall or ceiling cavities were completely dry prior to installing the replacement sheetrock.

Ceiling Tiles: All ceiling tiles subjected to water intrusion shall be removed and replaced within 24 hours of notification of the occurrence from the Lessee. Replacement ceiling tiles shall match existing.

18.

All communications desktop devices (intercom/paging instruments, line status indicators, computer terminals, radio/paging consoles, telephone answer-machines/consoles/sets, etc.) will be installed, maintained, and paid for by the Lessee.

Communications cable/wire shall be provided in the lease space by the Lessor.

All communications equipment (computer controllers, modems, multiplexers, telephone system controllers, etc.) will be installed, maintained, and paid for by the Lessee. The Lessor shall provide space and environment for this equipment. The Lessor's cable/wire shall terminate in the same space as the Lessee's equipment.

The Lessor shall have the local telephone company provide a service entrance cable into the leased space. The telephone company's service cable shall terminate in the same room/space as the Lessor's inside cable/wire and have a minimum capacity of one pair of twisted copper wires per 100 square feet of lease space to be occupied. The Lessor shall provide the pathway(s) (conduit, trench, etc.) for the service cable according to the telephone company's requirements.

The Lessee will order and pay for, through the Office of Telecommunications Management, dial tone and data services from the telephone company. The Lessor shall provide interconnection between the telephone company's RJ21X demarc and the Lessor's wiring connection demarc.

If the lease space has elevators, the Lessor shall provide each elevator that will be used by Lessee personnel with an emergency telephone as required by building codes. Charges for this line(s) (elevator dial tone service) shall be borne by the Lessor.

19.

LESSOR shall pay for all utilities such as electricity, gas, water, sewer, septic tank service, trash/garbage pickup and disposal.

20.

Complete janitorial services, including restroom and custodial supplies shall be provided by the LESSOR. LESSOR shall provide pest control services on a monthly basis.

21.

The parties hereto agree that no expense incurred as a result of Lessor originated changes, renovations or improvements made during the term of the lease shall be borne by the Lessee.

22.

Lessor herewith grants Lessee the right to add to or to install in the leased premises at its own expense any fixtures, appurtenances, appliances, coverings, or other such objects as Lessee may desire, provided that the installations and alterations made by Lessee do not diminish the value of the leased premises, and the right to remove at Lessee's expense upon the termination of this lease, all such fixtures, appurtenances, appliances, coverings or other improvements placed in or on the leased premises by Lessee, provided that the Lessee restores the leased premises to substantially the same condition as existed at the time of occupancy by Lessee.

23.

If, prior to the termination of this lease, through no fault, neglect or design of Lessee, the leased premises and/or said building be destroyed by fire or other casualty, or be unfit for occupancy, then this lease shall be cancelled ipso facto, unless the leased premises can be rendered fit for occupancy within one hundred twenty (120) days from the happening of such fire or other casualty and the Lessor commences the repairs to the damages within thirty (30) days of the occurrence. The Lessee shall be entitled to such reduction or remission of rent as shall be just and proportionate.

If this lease be cancelled for such cause, Lessee shall be entitled to a credit corresponding to the unexpired term of this lease, the unearned proportion of rent shall be annulled and returned to Lessee, and Lessor shall have the right to take possession of the leased premises, discharged of this lease.

If the leased premises and/or said building be only so slightly injured by fire or other casualty as not to render the leased premises unfit for occupancy, Lessor agrees that same shall be repaired with reasonable diligence, in which event Lessee shall not be entitled to any reduction or remission of rent whatever.

24.

Lessor agrees to carry Property Insurance to the replacement cost value of the building structure. Lessee agrees to carry commercial general liability insurance of \$1,000,000 per occurrence for Bodily Injury/Property Damage claims for those incidents in which the occurrence is the result of the negligence of the lessee.

For other than intentional and/or negligent acts of the Lessee, Lessor agrees to waive rights or claims against the Lessee, its agents, or employees for any loss to the premises that arises due to force majeure, Acts of God, and other conditions outside the control of Lessee.

25.

It is agreed that any assignment of this lease or the proceeds thereof must be approved in advance of such assignment, in writing, by the appropriate party. If the request to assign is by the Lessee, such assignment must be approved by the Lessor. If the request to assign is by the Lessor, such assignment must be approved by the Commissioner of Administration. Approval of requested assignment shall not be unreasonably or arbitrarily

withheld by either party. Provided, however, that the Commissioner may condition approval of an assignment of this lease or the proceeds of this lease upon receipt of reasonable assurances from assignee of his ability and willingness to assume responsibility for performance of the terms of the lease in the event of failure of performance by the assignor.

26.

It is agreed by both Lessee and Lessor that in the event the Lessee requires adjacent additional space which could not reasonably have been foreseen at the time of execution of the lease or of the exercise of Lessee's option to extend, it shall promptly notify Lessor in writing of such requirement. Lessor shall respond in writing within fifteen (15) days of receipt of such notification whether such additional space is available.

In the event such additional space is available, the Lessor shall provide such additional space on the same basis and at the same rate as for such comparable space under the then current lease.

27.

In the event the State of Louisiana provides the Lessee with adequate space in a building owned by the state or owned or leased by the Office Facilities Corporation established by LA R.S. 39:1798 et seq, the Lessor agrees to terminate said lease after sixty (60) days notice, provided, however, that this right of Lessee shall not be effective until (5) years from the date of occupancy.

28.

In the event that public funding for Lessee becomes inadequate to meet the obligations of this lease, Lessee may, with the approval of the Division of Administration, terminate the lease or reduce the space provided and the rental due by giving sixty (60) days written notice to Lessor. The rental payment due when such a reduction in space is exercised shall be on the same terms and at the same rate per square foot as for the original space under the then current lease.

29.

All notices required under this lease shall be in writing and shall be sent by United States Mail and in the case of notices to the Lessor shall be addressed as follows or in such manner as the Lessor shall from time to time make notification to the Lessee:

Municipal Police Employees
Retirement System
7722 Office Park Blvd.
Baton Rouge, LA 70809

Division of Administration
Facility Planning and Control
Real Estate Leasing Section
P. O. Box 94095, Capitol Station
Baton Rouge, LA 70804-9095

30.

All requirements of this section shall be in accordance with the Louisiana Administrative Code, Title 33, Part III, Chapter 27 (LAC 33:III, Chapter 27) Asbestos-Containing Materials (ACM) in Schools and State Buildings and any revisions to these regulations promulgated pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.) and the Louisiana Administrative Procedure Act (La. R.S. 49:951 et seq.). A copy of these regulations may be found on the Louisiana Department of Environmental Quality's (LDEQ) public website.

Pursuant to LAC 33:III, Chapter 27, if the Lessor has reason to believe that the facility being leased does not contain asbestos, the Lessor must provide appropriate documentation from the Architect, Engineer, or Contractor of Record of the proposed leased space that no asbestos containing building material was specified in any construction documents for the building, or, to the best of his or her knowledge, no asbestos containing building material was used in the building. In addition, the Lessor must provide any forms required by LAC 33:III, Chapter 27, and all required forms shall be properly completed as specified in the regulations. This documentation and any forms must be submitted to the Office of Facility Planning and Control, Real Estate Leasing Section for submittal to the LDEQ Office of Environmental Services, Public Participation and Permit Support Division for review and approval. If the documentation as mentioned above cannot be obtained, the Lessor shall conduct an asbestos inspection of the building in accordance with LAC 33:III, Chapter 27 indicating therein locations of all materials containing more than one (1) percent asbestos, as determined in accordance with LAC 33:III, Chapter 27. This inspection shall be performed by a LDEQ accredited Inspector with current accreditation. If any asbestos is detected (friable or non-friable) and allowed to remain while the building is occupied, the Lessor shall develop and maintain ASBESTOS MANAGEMENT PLAN WHICH

HAS BEEN APPROVED BY THE LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY.

All Asbestos Management Plans must be developed by an LDEQ accredited Management Planner and must be submitted in the format as outlined in the LDEQ document entitled “*Required Elements for Asbestos Management Plans for School and State Buildings , Form AAC-8*” located on the LDEQ public website. Prior to occupancy, the original and completed Form AAC-8 must be provided to Facility Planning and Control, Real Estate Leasing Section for submittal to the LDEQ for approval. Occupancy of the building cannot occur until the Asbestos Management Plan is approved by LDEQ. The Lessor, in accordance with LAC 33:III, Chapter 27, must maintain, update, and comply with the approved Asbestos Management Plan to keep it current with ongoing operations and maintenance, periodic surveillance, inspections, re-inspections, renovations, response action activities, and training of maintenance and custodial personnel. Any updates to the Asbestos Management Plan shall be submitted to the Division of Administration for record purposes. The Lessor must provide a copy of the Asbestos Management Plan and any updates to the Lessee to be maintained at the facility. Failure by the Lessor to maintain, update, and comply with any Asbestos Management Plans will be cause for automatic termination of the lease effective three (3) months after the anniversary date of the lease.

All documentation required under this section shall be forwarded to the Division of Administration, Facility Planning and Control, Real Estate Leasing Section by the Lessor PRIOR TO OCCUPANCY OF THE LEASED SPACE BY THE STATE OF LOUISIANA.

31.

The State is not liable for any costs incurred by any Lessor prior to the statutory approval of a lease by the Commissioner of Administration in accordance with LA R.S. 39:1641(A).

32.

When requested by the State, Lessor shall execute a Subordination of Lessor’s Lien with respect to equipment in favor of a third party, whenever the third party is financing the acquisition of the equipment. The State will supply the document to be executed.

IN WITNESS WHEREOF, the parties hereto have signed their names on the dates listed below, in the presence of the undersigned competent witnesses:

WITNESS:

LESSOR: MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

Printed Name: _____

BY: _____

Date: _____

Printed Name: _____

LESSEE: LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

Printed Name: _____

BY: _____
JEFFERY LAGRANGE

Date: _____

Printed Name: _____

APPROVED:

This _____ day of _____, 2022.

**Office of the Governor
Division of Administration**

BY: _____

**Jason D. Sooter, Director
Facility Planning and Control**