

# EXHIBIT 1

## Table of Contents to Lease Agreement

PREMISES.....	1
LEASE TERM/OPTIONS .....	1
RENT.....	2
USE OF PREMISES .....	5
ACCESS .....	5
COMMON AREA/USE .....	5
CONDITION OF PREMISES/SURRENDER.....	6
ALTERATIONS, IMPROVEMENTS, AND CONSTRUCTION.....	6
CASUALTY PROVISIONS.....	7
REPAIRS AND MAINTENANCE .....	8
ELEVATORS.....	9
UTILITIES AND SERVICES.....	9
BUILDING DIRECTORY; SIGNAGE .....	11
ENVIRONMENTAL.....	11
INSURANCE/INDEMNITY/WAIVER OF SUBROGATION .....	12
DAMAGE BY OTHER LESSEES.....	14
SALE AND ASSIGNMENT.....	14
SUBORDINATION.....	14
ESTOPPEL CERTIFICATE .....	15
ASSIGNMENT AND SUBLETTING .....	15
DEFAULT; LESSOR'S LIEN; ATTORNEYS' FEES.....	16
LESSOR'S DEFAULT.....	17
PEACEFUL POSSESSION .....	17
HOLDOVER.....	17
NOTICES.....	17
ACTIVITY ON PREMISES .....	18
COMPLIANCE/LAWS.....	18
SIDEWALKS; ELEVATORS; HALLWAYS .....	19
TAXES .....	19
WAIVER OF LESSOR'S PRIVILEGE .....	19
FLOOR LOADING.....	19
FREIGHT DELIVERY .....	19
CONDUIT AND CABLING .....	19
CHANGE OF NAME OF BUILDING .....	20
SECURITY DEPOSIT.....	20
RULES AND REGULATIONS .....	20
HEADINGS.....	20
NOTICE OF LEASE.....	20
COMMISSION .....	20
PROHIBITION AGAINST LEASEHOLD MORTGAGE .....	20
EMINENT DOMAIN.....	21
BANKRUPTCY COURT APPROVAL.....	21
MISCELLANEOUS.....	21

0 LESSEE INITIAL \_\_\_\_\_

LESSOR INITIAL \_\_\_\_\_

# Lease Agreement

This Lease Agreement (this "Lease") is made by and between **Security National Properties-Louisiana Limited Partnership**, a Delaware limited partnership ("Lessor") and **Piccadilly Restaurants, LLC**, a Delaware limited liability company, in its capacity as debtor and debtor-in-possession ("Lessee"),

FOR, and in consideration of the mutual covenants and obligations set forth hereafter and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

---

## 1. PREMISES:

(a) Subject to, and upon the terms, provisions, and conditions set forth herein, and each in consideration of the duties, covenants, and obligations of the other set forth herein, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, subject to Bankruptcy Court (defined herein) approval, the premises known and defined as Suite 100 and Suite 100R (collectively and individually, the "Leased Premises"), with Suite 100 being located on the first floor of the front Audubon Insurance Group Building (the "Front Building") and Suite 100R being located in the rear Audubon Insurance Group Building (the "Rear Building") and together with the Front Building and the tract of land on which the Front Building and Rear Building are situated, the "Property"). Suite 100 is shown in red on the drawing prepared by \_\_\_\_\_ and dated \_\_\_\_\_, which attached hereto as Exhibit A and made a part hereof. Suite 100R is shown in yellow on the drawing prepared by \_\_\_\_\_ and dated \_\_\_\_\_, which is attached hereto as Exhibit B and made a part hereof. The Front Building and the Rear Building are sometimes collectively referred to herein as the "Building"). The Property bears a municipal address of 4150 South Sherwood Forest Baton Rouge, Louisiana 70816.

(b) Lessor warrants that Suite 100 contains 16,359 rentable square feet and Suite 100R contains 3,319 rentable square feet and that such measurements were determined using the *Office Buildings: Standard Methods of Measurement* (ANSI/BOMA Z65.1 – 2010 – Method A), published by Building Owners and Managers Association International (BOMA Standards).

---

## 2. LEASE TERM/OPTIONS:

(a) This Lease is for a term of five (5) years commencing January 1, 2014 (the "Commencement Date") and expiring at 11:59 P.M. on December 31, 2018 (the "Initial Term").

(b) Lessee shall have the option of extending the Initial Term of the Lease for three (3) successive three (3) year periods (each an "Extended Term" and together with the Initial Term, collectively and individually, the "Term"), beginning immediately after the expiration date of the Initial Term or of an Extended Term and exercisable upon delivery of written notice to Lessor not less than one hundred eighty (180) days prior to the expiration date of the Initial Term or of an Extended Term. The same terms and conditions of this Lease shall apply to each Extended Term, except as to Rent (defined herein) as provided in this Lease and except for such terms and conditions as are inapplicable to an Extended Term.

(c) Lessor hereby grants to Lessee the right to occupy the Leased Premises and to use the Common Areas prior to the Commencement Date, which early occupancy date shall be on or after November 1, 2013 and continue until the Commencement Date, as determined by Lessee in

1 LESSEE INITIAL \_\_\_\_\_

LESSOR INITIAL \_\_\_\_\_

its sole discretion, with Lessor and Lessee being bound to, and benefitting from, all of the terms, provisions, and conditions of this Lease during such early occupancy period (including, without limitation, the terms, provisions, and conditions of Section 12 of this Lease), except that Lessee shall not be obligated to pay Rent or any other charges provided in this Lease during the early occupancy period. Said early possession shall not advance the expiration date of this Lease.

### 3. RENT:

(a) As used in this Lease "Annual Rent" means annual rent for Suite 100 and Suite 100R and "Monthly Rent" means monthly rent for Suite 100 and Suite 100R (Annual Rent and Monthly Rent are collectively and individually referred to herein as "Rent"). Beginning on the Commencement Date, Lessee shall pay Lessor Annual Rent in installments of Monthly Rent as provided in this Lease, together with other monies as may be due hereunder, in advance on the first business day after the first day of each month, by any of the following methods (in Lessee's sole discretion): (i) hand delivery; (ii) mail; (iii) by pre-authorized payments (debits) against Lessee's checking, savings, or other eligible accounts, Lessee hereby agreeing to promptly execute any bank forms that may be necessary to pre-authorize such debits; (iv) national overnight courier (e.g., FedEx); or (v) in any other manner that Lessor may accept. If the Commencement Date does not occur on the first day of a calendar month, Monthly Rent for the first partial month that Monthly Rent is due will be prorated based on the actual number of days after the Commencement Date within such calendar month. Monthly Rent for the first month or fraction thereof of the Initial Term shall be payable to Lessor upon execution of this Lease. If the Term expires or this Lease is terminated on a day which is not the last day of the calendar month, Monthly Rent for the final partial month that Monthly Rent is due will be prorated based on the actual number of days within such calendar month prior to the end of the Term or termination of this Lease.

(b) Any payments of Monthly Rent, or fraction thereof, which are hand delivered to Lessor shall be hand delivered to the following address: 3050 Westfork Drive, Baton Rouge, Louisiana 70816. Any payments of Monthly Rent, or fraction thereof, which are mailed or sent *via* national overnight courier service (such as Federal Express) to Lessor shall be sent to the following: SNP Louisiana, LP; c/o Security National Properties Dept., 3500 North Causeway Blvd., Suite #118, Metairie, Louisiana 70002.

(c) If Lessee fails to pay any installment of Monthly Rent or any other sums due under this Lease within ten (10) days after the date such payment is due and owing, then Lessor shall have the right to demand a late payment service charge ("Late Charge") covering administrative and overhead expenses equal to five percent (5%) of the amount due.

(d) Initial Term Rent. During the Initial Term, Lessee shall pay to Lessor the following rental amounts:

#### Suite 100 - Annual Rent and Monthly Rent

Lease Year	Dates	Suite 100 Annual Rent	Computation	Suite 100 Monthly Rent
1	January 1, 2014 through December 31, 2014	\$224,936.25	\$13.75/sq.ft. x 16,359 sq.ft.	\$18,744.69
2	January 1, 2015 through December 31, 2015	\$229,026.00	\$14.00/sq.ft. x 16,359 sq.ft.	\$19,085.50
3	January 1, 2016 through December 31, 2016	\$233,115.75	\$14.25/sq.ft. x 16,359 sq.ft.	\$19,426.31

2 LESSEE INITIAL \_\_\_\_\_

LESSOR INITIAL \_\_\_\_\_

4	January 1, 2017 through December 31, 2017	\$237,205.50	\$14.50/sq.ft. x 16,359 sq.ft.	\$19,767.13
5	January 1, 2018 through December 31, 2018	\$241,295.25	\$14.75/sq.ft. x 16,359 sq.ft.	\$20,107.94

#### Suite 100R - Annual Rent and Monthly Rent

Lease Year	Dates	Suite 100R Annual Rent	Computation	Suite 100R Monthly Rent
1	January 1, 2014 through December 31, 2014	\$19,914.00	\$6.00/sq.ft. x 3,319 sq.ft.	\$1,659.50
2	January 1, 2015 through December 31, 2015	\$20,743.75	\$6.25/sq.ft. x 3,319 sq.ft.	\$1,728.65
3	January 1, 2016 through December 31, 2016	\$21,573.50	\$6.50/sq.ft. x 3,319 sq.ft.	\$1,797.79
4	January 1, 2017 through December 31, 2017	\$22,403.25	\$6.75/sq.ft. x 3,319 sq.ft.	\$1,866.94
5	January 1, 2018 through December 31, 2018	\$23,233.00	\$7.00/sq.ft. x 3,319 sq.ft.	\$1,936.08

#### Suite 100 and Suite 100R – Annual Rent and Monthly Rent

Lease Year	Dates	Annual Rent	Monthly Rent
1	January 1, 2014 through December 31, 2014	\$244,850.25	\$20,404.19
2	January 1, 2015 through December 31, 2015	\$249,769.75	\$20,814.15
3	January 1, 2016 through December 31, 2016	\$254,689.25	\$21,224.10
4	January 1, 2017 through December 31, 2017	\$259,608.75	\$21,634.06
5	January 1, 2018 through December 31, 2018	\$264,528.25	\$22,044.02

(e) **Extended Term Rent.** Should Lessee elect to extend the Initial Term or any Extended Terms, Lessee shall pay to Lessor the following rental amounts during the Extended Terms:

#### First Extended Term

##### Suite 100 – Annual Rent and Monthly Rent

Dates	Suite 100 Annual Rent	Computation	Suite 100 Monthly Rent
January 1, 2019 through December 31, 2019	\$245,385.00	\$15.00/sq.ft. x 16,359 sq.ft.	\$20,448.75
January 1, 2020 through December 31, 2020	\$249,474.75	\$15.25/sq.ft. x 16,359 sq.ft.	\$20,789.56
January 1, 2021 through December 31, 2021	\$253,564.50	\$15.50/sq.ft. x 16,359 sq.ft.	\$21,130.38

##### Suite 100R– Annual Rent and Monthly Rent

Dates	Suite 100R Annual Rent	Computation	Suite 100 Monthly Rent
January 1, 2019 through December 31, 2019	\$24,062.75	\$7.25/sq.ft. x 3,319 sq.ft.	\$2,005.23
January 1, 2020 through December 31, 2020	\$24,892.50	\$7.50/sq.ft. x 3,319 sq.ft.	\$2,074.38

3 LESSEE INITIAL \_\_\_\_\_

January 1, 2021 through December 31, 2021	\$25,722.25	\$7.75/sq.ft. x 3,319 sq.ft	\$2,143.52
---	-------------	-----------------------------	------------

#### Suite 100 and Suite 100R – Annual Rent and Monthly Rent

Dates	Annual Rent	Monthly Rent
January 1, 2019 through December 31, 2019	\$269,447.75	\$22,453.98
January 1, 2020 through December 31, 2020	\$274,367.25	\$22,863.94
January 1, 2021 through December 31, 2021	\$279,286.75	\$23,273.90

#### Second Extended Term

#### Suite 100 – Annual Rent and Monthly Rent

Dates	Suite 100 Annual Rent	Computation	Suite 100 Monthly Rent
January 1, 2022 through December 31, 2022	\$257,654.25	\$15.75/sq.ft. x 16,359 sq.ft.	\$21,471.19
January 1, 2023 through December 31, 2023	\$261,744.00	\$16.00/sq.ft. x 16,359 sq.ft.	\$21,812.00
January 1, 2024 through December 31, 2024	\$265,833.75	\$16.25/sq.ft. x 16,359 sq.ft.	\$22,152.82

#### Suite 100R – Annual Rent and Monthly Rent

Dates	Suite 100R Annual Rent	Computation	Suite 100 Monthly Rent
January 1, 2022 through December 31, 2022	\$25,722.25	\$7.75/sq.ft. x 3,319 sq.ft.	\$2,143.52
January 1, 2023 through December 31, 2023	\$26,552.00	\$8.00/sq.ft. x 3,319 sq.ft.	\$2,212.67
January 1, 2024 through December 31, 2024	\$27,381.75	\$8.25/sq.ft. x 3,319 sq.ft.	\$2,281.82

#### Suite 100 and Suite 100R – Annual Rent and Monthly Rent

Dates	Annual Rent	Monthly Rent
January 1, 2022 through December 31, 2022	\$283,376.50	\$23,614.71
January 1, 2023 through December 31, 2023	\$288,296.00	\$24,024.67
January 1, 2024 through December 31, 2024	\$293,215.50	\$24,434.63

#### Third Extended Term

#### Suite 100 – Annual Rent and Monthly Rent

Dates	Suite 100 Annual Rent	Computation	Suite 100 Monthly Rent
January 1, 2025 through December 31, 2025	\$269,923.50	\$16.50/sq.ft. x 16,359 sq.ft.	\$22,493.63
January 1, 2026 through December 31, 2026	\$274,013.25	\$16.75/sq.ft. x 16,359 sq.ft.	\$22,834.44

4 LESSEE INITIAL \_\_\_\_\_

January 1, 2027 through December 31, 2027	\$278,103.00	\$17.00/sq.ft. x 16,359 sq.ft.	\$23,175.25
---	--------------	--------------------------------	-------------

#### Suite 100R – Annual Rent and Monthly Rent

Dates	Suite 100R Annual Rent	Computation	Suite 100 Monthly Rent
January 1, 2025 through December 31, 2025	\$28,211.50	\$8.50/sq.ft. x 3,319 sq.ft.	\$2,350.96
January 1, 2026 through December 31, 2026	\$29,041.25	\$8.75/sq.ft. x 3,319 sq.ft.	\$2,420.10
January 1, 2027 through December 31, 2027	\$29,871.00	\$9.00/sq.ft. x 3,319 sq.ft.	\$2,489.25

#### Suite 100 and Suite 100R – Annual Rent and Monthly Rent

Dates	Annual Rent	Monthly Rent
January 1, 2025 through December 31, 2025	\$298,135.00	\$24,844.58
January 1, 2026 through December 31, 2026	\$303,054.50	\$25,254.54
January 1, 2027 through December 31, 2027	\$307,974.00	\$25,664.50

**4. USE OF PREMISES:** During the Term and the early occupancy period, Lessee shall use the Leased Premises as office space and for any lawful purpose associated or incidental therewith including, without limitation, the use of portions of the Leased Premises as a classroom training center for Lessee's employees.

**5. ACCESS:** During the Term and the early occupancy period, Lessee and Lessee's agents, employees, contractors or invitees shall have access to the Leased Premises and Common Areas (defined herein) twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) day a year. Lessee shall have the right, at no cost to Lessee, to use the existing access control system for the Leased Premises and/or the Building. Lessee, at its cost, may reprogram or update the existing access control system for the Leased Premises and/or the Building. Lessor shall bear the cost of replacing the access control system for the Leased Premises and/or the Building if such replacement is necessitated by the fault of Lessor.

#### **6. COMMON AREA/USE:**

(a) "Common Areas" shall be those areas of the Property provided for the common use or benefit of lessees generally and/or the public from time to time, including, without limitation, entryways, lobbies, corridors, hallways, public/common restrooms, janitorial closets, stairways, elevators, windows, closets, roadways, walkways, driveways, sidewalks, trash facilities, landscaped areas, parking lots, and parking areas. The Common Areas within the Front Building only are shown in green on Exhibit A.

(b) Lessor hereby grants unto Lessee, at all times during the Term and the early occupancy period and at no extra cost or charge, an irrevocable right of use, in common with others, of the Common Areas. Lessor may make such changes to the Common Areas as do not unreasonably

5 LESSEE INITIAL \_\_\_\_\_

interfere with or diminish Lessee's access to the Common Areas or the Leased Premises or Lessee's intended use of the Common Areas or the Leased Premises.

(c) Lessor grants to Lessee the right to use, at no additional cost, and in common with other lessees in the Building entitled to similar use thereof, the parking areas for parking vehicles of Lessee's employees, agents, contractors, and invitees, which parking areas shall consist of paved areas immediately adjacent to the Building. The number of parking spaces for Lessee's use will never be less than the number of parking spaces required by the Unified Development Code for the Parish of East Baton Rouge, State of Louisiana, as same may be amended or redesignated from time to time and/or any newly enacted parking requirements, with a sufficient number of handicap parking spaces to satisfy the requirements of applicable laws, rules, regulations, ordinances, or the like. No charge will ever be made (or permitted) by Lessor to Lessee's employees, agents, contractors, and invitees for the privilege of parking vehicles in the parking areas. Lessor represents and warrants that the parking areas will have adequate unobstructed entrances and exits to thoroughfares adjacent to the Property.

---

**7. CONDITION OF PREMISES/SURRENDER:**

(a) The Leased Premises, its fixtures and appurtenances, including, but not limited to, glass, locks, keys, and other fastenings are received and acknowledged by Lessee to be in good order and condition, except for defects to the Leased Premises known by Lessor. Taking possession of the Leased Premises shall not constitute Lessee's acceptance of any material latent defect. Lessor represents and warrants that the foundation, flooring and structural components of the Leased Premises are sufficient to support loads common to Lessee's business and that the HVAC system, elevators, electrical system, plumbing system, fire prevention system, roofs, foundations and all structural components of the Building are in good working order and conditions, are fit for their intended purposes, and, subject to the provisions of Section 10 of the Lease, will be maintained in good working order and condition by Lessor throughout the term of the Lease

(b) At the expiration or earlier termination of this Lease, Lessee will surrender the Leased Premises to Lessor in a "broom clean" condition consistent with the condition of the Leased Premises as of the Commencement Date except for: (i) ordinary wear and tear, or (ii) Alterations made pursuant to Section 8 of this Lease, (iii) damage by the elements, fire, and other casualty, or force majeure, (iv) condemnation, and/or (v) any other damages arising from any cause not required to be repaired or replaced by Lessee.

---

**8. ALTERATIONS, IMPROVEMENTS, AND CONSTRUCTION:**

(a) "Alterations" as used in this Lease means: alterations, improvements, changes, installations, additions and/or substitutions to the Leased Premises performed after completion of Lessee's initial improvements to the Leased Premises.

(b) All Alterations to the Leased Premises elected to be performed by Lessee: (i) shall be at Lessee cost and expense; (ii) which affect the Building's structure or mechanical and electrical systems, will not be made without first obtaining Lessor's written consent, which consent shall not be unreasonably withheld, conditioned, or delayed; (iii) shall be performed in accordance with all applicable laws, codes, ordinances, and regulations; (iv) will not materially and permanently interfere with the occupancy of Lessor or any other lessee in the Building; or (v) will not impose any material additional expense on Lessor. Lessor shall notify Lessee, in writing, in

6 LESSEE INITIAL \_\_\_\_\_



advance of any Alteration which will cause an increase in the cost of Lessor's insurance covering the Building. Lessor's failure to notify Lessee of the increase in cost of Lessor insurance caused by an Alteration will result in Lessor solely paying the increased insurance cost. Lessee agrees to provide Lessor with notice of any planned Alterations prior to performing same, along with a complete set of plans and specifications for the Alterations.

(c) Lessee may make nonstructural Alterations to the interior of the Leased Premises without the prior written consent of Lessor, provided the Alterations do not exceed the sum of Twenty Thousand and no/100 Dollars (\$20,000.00) per Alteration.

(d) Lessee may not make Alterations to the interior of the Leased Premises which exceed Twenty Thousand and no/100 Dollars (\$20,000.00) per Alteration without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed.

(e) All Alterations to the Leased Premises shall be owned by Lessor. Nevertheless, upon expiration or earlier termination of this Lease, Lessee, in its discretion, may elect to remove from the Leased Premises and retain all trade fixtures installed by or on behalf of Lessee pursuant hereto, at no fee cost or charge to Lessee other than Lessee's cost to repair any damage to the Leased Premises caused by such removal.

(f) Lessee shall at all times keep the Leased Premises free from all liens and claims of any contractors, subcontractors, materialmen, suppliers, or any other parties employed by Lessee to work on the Leased Premises. In the event such a lien is filed, Lessee shall not be in default hereunder if it is contesting the lien in good faith and by appropriate proceedings or bonds or otherwise insures over such lien within thirty (30) days after Lessee receives notice that the lien has been filed of public record.

---

## 9. CASUALTY PROVISIONS:

(a) In the event the Leased Premises, or any portion thereof, or any portion of the Property are damaged or destroyed by fire or other casualty, Lessor shall engage the services of a third-party qualified and reputable construction consultant (the "Construction Consultant") to inspect the damaged or destroyed property and render a written opinion concerning the repair of the damaged or destroyed property.

(b) If the Construction Consultant renders his/her written opinion within thirty (30) days from the date of the damage or destruction indicating that the repair of damage or destruction can be completed within one hundred twenty (120) days from the date of such damage or destruction, then this Lease shall remain in full force and effect, except that Rent and all other sums due Lessor under this Lease shall be equitably abated for such portion of the Leased Premises and/or the Property as shall be rendered unusable (from damage, inaccessibility, or otherwise) by Lessee (as determined in Lessee's reasonable discretion) in the conduct of Lessee's business or Lessee's enjoyment during the time such portion is so unusable from the date of the damage or destruction.

(c) If the Construction Consultant does not render his/her written opinion within the thirty (30) day period provided in Section 9(b) above or if repair of the damage or destruction cannot, in the opinion of the Construction Consultant, be completed within one hundred twenty (120) days from the date of the damage or destruction, Lessee may, in its sole discretion, elect by notice to Lessor within forty-five (45) days after the date of such damage or destruction, to terminate this Lease as of the date of such damage or destruction and all amounts of Rent and other sums due Lessor under this Lease (unless equitably abated) shall be paid (and prorated if necessary) by

7 LESSEE INITIAL \_\_\_\_\_

Lessee to the date of such termination. Should Lessee elect not to terminate this Lease as provided in this Section 9(c), Rent and all other sums due Lessor under this Lease shall be equitably abated for such portion of the Premises and/or the Property as shall be rendered unusable (from damage, inaccessibility, or otherwise) by Lessee (as determined in Lessee's sole discretion) in the conduct of its business or enjoyment during the time such portion is so unusable from the date of the damage or destruction.

(d) In the event that this Lease remains in full force and effect under this Section 9 and should Lessor fail to commence repairs of the damage or destruction within sixty (60) days after the date of the damage or destruction or fail to complete such repairs and replacements within one hundred fifty (150) days after the damage and destruction, Lessee may, in its sole discretion, terminate this Lease effective as of the date of the lease termination notice and all amounts of Rent and other sums due Lessor under this Lease (unless equitably abated) shall be paid (and prorated if necessary) by Lessee to the date of such termination.

(e) The total destruction of the Building shall automatically terminate this Lease.

(f) All repairs made to the Property by Lessor, or anyone on Lessor's behalf, following such damage or destruction shall be made at Lessor's sole cost and expense and shall be made such that the Property is restored the same to a condition substantially equal to or better than which existed prior to the damage or destruction.

(g) Any repairs made by Lessee to its movable property owned and used in Lessee's business and found in, on, or about the Leased Premises, following such damage or destruction, will restore same to a condition substantially equal to or better than which existed prior to the damage or destruction.

---

**10. REPAIRS AND MAINTENANCE:**

**(a) Repairs and Maintenance by Lessor**

(i) Lessor, at its sole cost and expense, shall maintain (in a clean and sanitary condition) and make all necessary structural and/or non-structural repairs and replacements to the Property (which includes the Building, Leased Premises, and Common Area) and all improvements located thereon or therein; and

(ii) Lessor shall maintain the Building in a manner comparable to a first-class office building in Baton Rouge, Louisiana, with all such maintenance and repair work being equal to or exceeding the class or quality of the original work or improvements and which shall be completed as promptly as possible.

(iii) If, within ten (10) days of notice from Lessee (or such shorter term as may be reasonable under the circumstances such as an emergency or potential damage to Persons or property or potential liability to the business or the customers of Lessee) of the need for any such repairs, Lessor fails to commence to make such requested maintenance or repairs and thereafter diligently pursue such requested maintenance or repairs as required herein, Lessee may, but shall not be obligated to, cause such repairs to be done, as Lessee deems reasonably necessary, and Lessor shall, within ten (10) days after notice thereof from Lessee, pay to Lessee all reasonable costs related thereto. In the event Lessor fails to pay such costs within such ten (10) day period, Lessee shall have the right to deduct the amounts expended against Monthly Rent and all other sums due Lessor under this

8 LESSEE INITIAL \_\_\_\_\_

LESSOR INITIAL \_\_\_\_\_

Lease.

- (iv) Lessor shall be entitled at any time, and from time to time, during reasonable hours and after reasonable notice, to enter upon and inspect the Leased Premises and to make such repairs and maintenance to the Building as they shall deem necessary or appropriate.
- (v) Lessor shall give Lessee reasonable notice before making any inspections, repairs, or maintenance required hereunder and Lessor shall not interrupt or disrupt Lessee's business operations during any such inspections, repairs, or maintenance.

**(b) Maintenance by Lessee**

- (i) Lessee, at its cost and expense, agrees to keep the interior of the Leased Premises in a neat and sanitary condition, normal wear and tear, casualty, Act of God, and condemnation excepted.
- (ii) Should Lessee, after ten (10) days notice from Lessor, fail to perform with reasonable promptness, its obligations under Subsection 10(b)(i) of this Lease, Lessor may, but shall not be obligated to, enter the Leased Premises and perform the maintenance necessary to restore the Leased Premises to neat and sanitary condition; provided, however, that Lessor shall not interrupt or disrupt Lessee's business operations during any such maintenance. Within ten (10) days of Lessor's demand, the out-of-pocket cost of such necessary maintenance actually paid by Lessor, as evidenced by paid receipts or invoices, shall be due and payable by Lessee to Lessor.

---

**11. ELEVATORS:** Lessor reserves the right to regulate elevator at all times. Lessor reserves the right to stop the elevator between 12:05 a.m. and 5:55 a.m. and at any time in cases of breakage, repair or replacement of machinery or any emergency or accident.

---

**12. UTILITIES AND SERVICES:**

(a) During the Term, Lessor covenants and agrees with Lessee to furnish Lessee the following, at no cost or expense to Lessee:

- (i) electricity and gas to the Leased Premises and hot and cold water sufficient for drinking, lavatory, toilet, and ordinary cleaning purposes, all of the above to be supplied in such amount(s) necessary for Lessee to operate its business in the Leased Premises, twenty-four (24) hours per day, seven (7) days per week, three hundred sixty five (365) days per year;
- (ii) heating, ventilation and air conditioning ("HVAC") for Suite 100, with the exception of the computer/server room, from 6:00 a.m. to 8:00 p.m. Monday through Friday and 6:00 a.m. to 5:00 p.m. on Saturday. Should Lessee require overtime HVAC, Lessee shall contact Lessor in advance at an hourly rate of \$70.00/hour. With respect to Suite 100 only, with the exception of the computer/server room, there is a four (4) hour minimum if scheduled overtime HVAC does not immediately follow regular operating hours and no minimum if the overtime HVAC usage immediately follows regular business hours;

9 LESSEE INITIAL \_\_\_\_\_

- (iii) HVAC for the computer/server room located within Suite 100, twenty-four (24) hours an day, seven (7) days per week, three hundred sixty five (365) days per year;
  - (iv) HVAC for Suite 100R, twenty-four (24) hours an day, seven (7) days per week, three hundred sixty five (365) days per year;
  - (v) replacement of lighting tubes, lamp ballasts, starters, and bulbs in the Common Areas;
  - (vi) an initial set of keys, control cards or other entry devices sufficient in number to provide each of Lessee's employees who work at the Leased Premises with a key, control card, or other entry means to the Building and/or Leased Premises in order to enable Lessee access to the Building and/or Leased Premises;
  - (vii) janitorial service to the Leased Premises Area five (5) nights each week, exclusive of holidays. Janitorial service will not include cleaning or polishing of furniture or any personal service;
  - (viii) trash dumpster of sufficient size to handle Lessee's needs and regular weekly trash removal from said trash dumpster; and
  - (ix) extermination and pest control services to the Leased Premises at regular intervals, such work to be performed after normal working hours.
- (b) If Lessee's electrical consumption in the Leased Premises exceeds the amount of electrical consumption used by a similarly situated business (in terms of the nature/type of work being performed, number of employees, etc.), Lessor may require Lessee to pay for the extra use of electricity; provided, however, that any such payment amount for the extra electricity consumption shall be agreed upon by Lessor and Lessee.
- (c) No additional locks shall be allowed on any door of the Leased Premises (which includes the computer/server room), without the prior consent of Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed. Upon expiration or earlier termination of this Lease, Lessee shall surrender to Lessor all suite/building access cards of the Leased Premises, and give to Lessor the combination of all locks for safes, safe cabinets, and vault doors, if any, in the Leased Premises.
- (d) Lessor shall use its best efforts to maintain customary Building security and to control access to the Building, but Lessor shall not be liable to Lessee for losses due to theft or burglary, or for damages done by unauthorized Persons on the Leased Premises unless due to the negligent or willful act or omission of Lessor, or Lessor's agents, employees, contractors, or invitees.
- (e) Should any essential services (such as HVAC, electricity, water, reasonable access, or the like) supplied by Lessor be interrupted, and the interruption is not the result of the negligence or willful misconduct of Lessee, its employees, agents, contractors or invitees, Lessee shall be entitled to an abatement of Rent. The abatement of Rent shall begin on the fourth (4<sup>th</sup>) consecutive business day of the interruption or when Lessee stops using the Leased Premises or any portion thereof because of the interruption, whichever is later. The abatement shall end when the services are restored. If such interruption in service unreasonably and materially interferes with Lessee's use of or access to the Leased Premises for more than ten (10) days, Lessor shall be responsible for and shall pay all fees, costs and expenses incurred by Lessee in connection with

10 LESSEE INITIAL \_\_\_\_\_

any temporary relocation of Lessee's business operations. Lessee shall have the option to cancel this Lease upon notice to Lessor if the interruption unreasonably and materially interferes with Lessee's use of or access to the Leased Premises for more than ninety (90) days. To exercise this option, Lessee must give Lessor notice of cancellation within ten (10) days from the end of the ninety (90) day period. During any interruption, Lessor shall use commercially reasonable efforts to restore the services.

---

**13. BUILDING DIRECTORY; SIGNAGE:** Lessor will maintain a Building Directory in the entrance lobby of the Front Building with names and addresses of the lessees of the Building. Lessor shall pay all costs and expenses associated with installing the initial listings in such directory and all subsequent maintenance, changes and revisions of such directory, except that Lessee shall pay for the cost of any subsequent Lessee requested changes in Lessee's listing thereon. Lessor will, at its cost and expense, provide lobby and suite signage for Lessee, with such signage being subject to the Lessee prior approval. It is specifically agreed and understood that Lessee shall be prohibited from placing any signs or other forms of advertisement on the inside or outside of any exterior windows. Lessee, at Lessee's cost and expense, shall be allowed to place logo signage on the Property's exterior monument sign.

---

**14. ENVIRONMENTAL:**

(a) Lessor agrees to indemnify, defend, and hold Lessee and its officers, employees, contractors, and agents harmless from any claims, suits, demands, judgments, damages, penalties, fines, expenses, liabilities, or losses arising after Lessor's acquisition of the Property and arising out of or in any way relating to the presence, release, or disposal of toxic or hazardous materials, chemicals, or substances, "Hazardous Substances," "Pollutants," or "Contaminants" (collectively and individually, "Hazardous Substances") (as such terms are defined under any and all federal, state, or local environmental laws, ordinances, statutes, codes, rules, regulations, judgments, rulings, orders and decrees, or the like, enacted, promulgated, or decreed by the United States, the states, the counties, the parishes, the cities, or any other political subdivisions properly exercising jurisdiction over the owner of the Property, the Property or the use of the Property relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release, or threatened release of Hazardous Substances into the environment (including, without limitation, ambient air, surface water, groundwater, land, or soil), as all of the above may be amended from time to time and any newly enacted laws, ordinances, statutes, codes, rules, regulations, judgments, orders, and decrees, or the like, that would otherwise impose new liabilities for environmental problems affecting the Property (the "Environmental Laws")), unless the Hazardous Substances are present solely as a result of the actions of Lessee, or Lessee's employees, contractors, or agents. This indemnity shall include, without limitation, all costs incurred in connection with:

- (i) Hazardous Substances present or suspected to be present in the soil, groundwater, or soil vapor on or under the Leased Premises;
  - (ii) Hazardous Substances that migrate, flow, percolate, diffuse, or in any way move onto or under the Leased Premises from areas surrounding the Leased Premises; and
  - (iii) Hazardous Substances present on or under the Leased Premises as a result of any discharge, dumping, or spilling (accidental or otherwise) onto the Leased Premises by any Person other than Lessee, or Lessee's employees, contractors, or agents.
- (b) The indemnification as provided by Section 14(a) above shall also specifically include,

11 LESSEE INITIAL \_\_\_\_\_

without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision or other third party because of the presence or suspected presence of Hazardous Substances in the soil, groundwater, or soil vapor on or under the Leased Premises, unless the Hazardous Substances are present solely as a result of the actions of Lessee, or Lessee's employees, contractors, or agents. Those costs may include, but are not limited to, diminution in the value of the Leased Premises, damages for the loss or restriction on use of rentable or usable space of the Leased Premises, and sums paid in settlement of claims, reasonable attorneys' fees, consultants' fees, and experts' fees. The foregoing environmental indemnity shall survive the expiration or termination of this Lease and/or any transfer of all or any portion of the Leased Premises to any Person, or of any interest in this Lease. Notwithstanding any other provision of this Lease, Lessor shall be personally liable without limitation on recourse, for performance of its obligations as stated herein.

---

**15. INSURANCE/INDEMNITY/WAIVER OF SUBROGATION:**

**(a) Lessor's Insurance.** At all times during the Term, Lessor will carry and maintain:

Special form insurance covering the Property, including any leasehold improvements, in an amount equal to one hundred percent (100%) of full replacement cost and containing no co-insurance provisions or containing an Agreed Amount Endorsement;

Commercial General Liability insurance with the following limits:

\$1,000,000 Each Occurrence; and  
\$2,000,000 General Aggregate Limit; and

Such other insurance as Lessor reasonably determines as necessary, from time to time.

Such insurance shall exclude coverage for Lessee's trade fixtures, furnishings, equipment, signs, or other items of personal property of Lessee.

**(b) Lessee's Insurance.** At all times during the Term, Lessee will carry and maintain, at Lessee's expense, the following insurance, in the amounts specified:

Commercial General Liability insurance with the following limits:

\$1,000,000 Each Occurrence; and  
\$2,000,000 General Aggregate Limit.

Insurance covering all of Lessee's movable property owned and used in Lessee's business and found in, on, or about the Leased Premises.

**(c) Insurance Criteria.** All insurance policies required by this Lease shall:

(i) Be issued by insurance companies licensed to do business in Louisiana with general policyholders' ratings of at least A and a financial rating of at least IX in the most current *Best's Insurance Reports*, or such other rating as is reasonably acceptable to Lessor and Lessee;

(ii) Name Lessor and Lessee as additional insureds under each party's respective

12 LESSEE INITIAL \_\_\_\_\_

insurance policies. Upon request, each party will provide the other with an additional insured endorsement to its Commercial General Liability insurance policy, reasonably acceptable in form and substance to the requesting party, indicating the requesting party as an additional insured. Such additional insured endorsement shall provide insurance coverage to the additional insured to the fullest extent permitted by applicable law. Each party's applicable insurance policies shall not exclude this Lease as an insured contract under the respective insurance policy(ies);

(iii) Provide that the insurance not be canceled unless the respective insurance company(ies) provide thirty (30) days advance to Lessor or Lessee, as applicable, and to Lessor's mortgagee, provided such mortgagee has timely (i) requested such notice from Lessee and (ii) supplied Lessee with mortgagee's address for notice. Upon request, each party shall provide the other party with a copy of such endorsement(s);

(iv) Be primary policies not contributing with, or in excess of, the coverage that other parties may carry; and

(v) Be maintained during the entire Term.

(d) **Failure to Maintain Insurance.** In the event a party fails to maintain and keep in full force and effect the insurance policies required by this Lease, the other party shall have the right to terminate this Lease upon notice to the offending party (the "Insurance Notice") if such insurance coverage(s) is/are not put in place within twenty (20) days of receipt of the Insurance Notice.

(e) **Waiver of Subrogation.** Each party, notwithstanding any other provisions of this Lease to the contrary, hereby waives any rights of recovery (including any deductible amount or self-funded retention cost) against the other, its agents, officers, partners (either general or limited), officers, directors, shareholders, members, managers, employees, or contractors for injury or loss due to hazards or liability covered by insurance required to be covered under this Lease (whether such insurance is actually carried or not). To the extent that the respective insurance policies do not contain a waiver of subrogation, Lessor and Lessee shall each procure an endorsement on any applicable insurance policy required to be carried under this Section 15, denying/waiving the insurer's right of subrogation against the other parties to the extent rights have been waived by the insured party prior to the occurrence of injury or loss.

(f) **Indemnification**

(i) Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence on the Leased Premises occasioned by any act or omission of Lessee, Lessee's employees, agents, or contractors (collectively and individually (including Lessee), "Lessee Parties") during the Term of the lease, but excluding such claims, actions, damages, liability, and expense arising out of or connected with the sole negligence, intentional, or willful acts or omissions, or the gross negligence, of Lessor or Lessor's, employees, agents, or contractors (collectively and individually (including Lessor), "Lessor Parties"). When the claim is caused by the joint negligence or willful misconduct of (i) the parties, or (ii) Lessee and a third party unrelated to Lessee, except Lessee Parties, Lessee's duty to indemnify and hold Lessor harmless shall be in proportion to Lessee's allocable share of the joint negligence or willful misconduct.

13 LESSEE INITIAL \_\_\_\_\_

- (ii) Lessor shall indemnify, defend, and hold Lessee harmless from any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence on the Property occasioned by any act or omission of Lessor Parties during the Term of the Lease, but excluding such claims, actions, damages, liability, and expense arising out of or connected with the sole negligence, intentional, or willful acts or omissions, or the gross negligence, of Lessee Parties. When the claim is caused by the joint negligence or willful misconduct of (i) the parties, or (ii) Lessor and a third party unrelated to Lessor, except Lessor Parties, Lessor's duty to indemnify and hold Lessee harmless shall be in proportion to Lessor's allocable share of the joint negligence or willful misconduct.
- (iii) The obligations of Lessee and Lessor under this Section 15 arising by reason of any occurrence taking place during the Term shall survive the expiration or earlier termination of this Lease and/or any transfer of all or any portion of the Leased Premises to any Person, or of any interest in this Lease.
- (iv) Either party shall notify the other party in writing immediately upon discovery of any claim or possible claim relating to the aforementioned insurance and indemnification provisions.

---

**16. DAMAGE BY OTHER LESSEES:** Lessor shall not be responsible to Lessee for any damage resulting from the failure of any other lessee in the Building, its agents, employees, or visitors, to observe the terms of this Lease or any other Lease, unless such failure was consented to, allowed, or acquiesced, by Lessor or such damage to Lessee was caused by the action or inaction of Lessor.

---

**17. SALE AND ASSIGNMENT:** If Lessor sells or assigns its interest in and rights to this Lease to any other Person capable of accepting such sale or assignment, Lessor's lease obligations and liabilities accruing after the transfer shall be the sole responsibility of the new owner if: (i) the new owner expressly covenants and agrees to accept and assume all the covenants, conditions, obligations and stipulations of the Lease and to comply with and be bound thereby, (ii) at the time of the proposed assignment, the new owner's or assignee's financial solvency is equal to or better than Lessor's financial solvency, and (iii) the Security Deposit is delivered to the new owner. Should Lessor sell or assign its interest in and rights to this Lease to a competitor of Lessee or to a Person holding a controlling interest in a competitor of Lessee, then Lessee shall have the option, at its sole discretion, to terminate this Lease upon thirty (30) days written notice.

---

**18. SUBORDINATION:**

- (a) This Lease is subject and subordinate only to the lien of any consensual mortgage granted by Lessor (but not with respect to non-consensual mortgages or encumbrances including, without limitation: legal mortgages, judicial mortgages, materialman's liens, labor liens, or the like) now or hereafter encumbering or affecting the Property, and to all renewals, modifications, consolidations, replacements and extensions thereof. In confirmation of such subordination however, Lessee shall, at Lessor's request, execute, within ten (10) Business Days of request by Lessor, any reasonable certificate or instrument that Lessor may request acknowledging such subordination. In the event of the enforcement by the holder of any such instrument of the remedies provided for by law or by such mortgage, Lessee will, upon request of any other Person or party succeeding to the interest of Lessor as a result of such enforcement, automatically

14 LESSEE INITIAL \_\_\_\_\_

LESSOR INITIAL \_\_\_\_\_



become the Lessee of such successor-in-interest.

(b) The provisions of Section 18(a) shall only be operative if the holder of any mortgage to which the Property is subject has entered into a subordination, non-disturbance, and attornment agreement in favor of Lessee ("SNDA"). Such SNDA shall provide that so long as Lessee is not in Default (defined herein), the mortgagee (and those holding under mortgage), and any other transferee shall not disturb Lessee's use, possession, occupancy, or business operations of the Lessee at the Leased Premises and shall recognize this Lease notwithstanding any foreclosure of the mortgaged property or delivery of a *dation en paiement*, or other transfer. Upon request by Lessee, Lessor shall promptly obtain a SNDA from its current mortgagee and/or Lessor, as applicable, in a form and on such terms acceptable to Lessee. Upon the written request of Lessee, Lessor shall obtain a SNDA from any future mortgagee and/or transferee or nominee and/or Lessor, as applicable, on terms and conditions which are acceptable to Lessee.

---

**19. ESTOPPEL CERTIFICATE:**

(a) Lessor and Lessee shall execute and deliver to each other, within ten (10) days from any request therefor by the other party, a certificate stating:

- (i) whether or not this Lease is in full force and effect;
- (ii) whether or not this Lease has been modified or amended in any respect, and submitting copies of such modifications or amendments; and
- (iii) whether or not there are any existing defaults hereunder known to the party executing the certificate, and specifying the nature thereof.

(b) In the event of a conflict between any provision(s) of an estoppel certificate and this Lease, the provision(s) of this Lease shall control.

---

**20. ASSIGNMENT AND SUBLETTING:** Lessee may assign this Lease or sublet the Leased Premises or any part thereof with the written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed (based only on financial, business, use and other reasonable considerations). In the event Lessee should desire to so assign or sublet, Lessee shall give Lessor notice of same and all details of such proposal, at least thirty (30) days in advance of the date of which Lessee desires to make such assignment or sublease. Lessee's said notice shall state the name and address of the proposed sublessee or assignee and a true and complete copy of the proposed sublease or assignment shall be delivered to Lessor with said notice. Lessor shall then have a period of fifteen (15) days following receipt of such notice within which to notify Lessee of Lessor's approval or disapproval of such proposal. In the event Lessor does not respond to Lessee's notice within such fifteen (15) day period, Lessor will be deemed to have approved same. In the event of such assignment or sublease, assignee's or sublessee's business shall be in accordance with the use set forth in this Lease, and shall assume all of the obligations of this Lease. A duplicate original of said sublease or assignment (and any amendments thereto) shall be delivered to Lessor within five (5) days of its execution. Notwithstanding anything to the contrary contained herein, Lessee shall be entitled to assign or transfer this Lease in connection with the sale of its business (*i.e.*, asset, stock, equity, merger or consolidation) without the prior written consent of Lessor. Lessor's prior consent or approval shall not be required for the sale of an interest in the stock, membership or other equity interest of Lessee in connection with a public offering of Lessee's parent or subsidiary companies stock, membership or other equity interest on the NYSE,

15 LESSEE INITIAL \_\_\_\_\_

NASDAQ or other similar stock exchange. Lessee shall remain bound under this Lease and remain liable for the obligations of Lessee hereunder following the assignment of this Lease or the sublease of all or a portion of the Leased Premises unless and until Lessor expressly releases Lessee in writing from the Lease and Lessee's obligations under the Lease.

---

**21. DEFAULT; LESSOR'S LIEN; ATTORNEYS' FEES:**

(a) **Lessee Default.** Lessee shall be in default of Lease ("Default") if Lessee:

- (i) fails to pay Monthly Rent or other sums due under this Lease within fifteen (15) days after the Lessee receives notice thereof from Lessor;
- (ii) fails to observe or perform any nonmonetary obligation required under this Lease and shall not cure such failure within thirty (30) days after receipt of a written notice from Lessor regarding such failure or if such failure shall be of such a nature that the same cannot be completely cured within the said thirty (30) day period and Lessee shall not have commenced to cure such failure within such thirty (30) day period and shall not thereafter with reasonable diligence and good faith proceed to cure such failure; or
- (iii) abandons or vacates the Leased Premises for more than fifteen (15) consecutive business days.

(b) **Lessor Remedies.** Lessor may, at its option, upon the occurrence of a Default:

- (i) provide Lessee notice of Lessor's intent to terminate this Lease on the earliest date permitted by law and proceed for past due installments of Monthly Rent and other sums due and owing under this Lease;
- (ii) not terminate this Lease and proceed only for past due installments and other sums due and owing under this Lease, including Late Charges as provided herein, reserving its right to later proceed for the remaining installments of Monthly Rent, as same becomes due and owing; or
- (iii) re-enter the Leased Premises upon an unjustified abandonment of the Leased Premises and let them for such price and on such terms as may be immediately obtainable and apply the net amount realized on the payment of the Monthly Rent and other sums due and owing under this Lease.

Should Lessor elect to re-enter, Lessor shall use commercially reasonable efforts from time to time to re-let the Leased premises or any part of the Leased Premises for the account of Lessee, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and on such conditions and upon such other terms as Lessor, in its reasonable discretion, may determine. Lessor reserves the right following any such re-entry or re-letting to exercise its right to terminate this Lease by giving Lessee such notice, in which event this Lease will terminate as specified in such notice. Lessor shall be required to credit against Monthly Rent and other sums due and owing under this Lease by Lessee all amounts received from the re-letting of the Leased Premises, less all reasonable and necessary expenses, including real estate commissions, actually incurred and paid for by Lessor in the re-letting of the Leased Premises.

---

16 LESSEE INITIAL \_\_\_\_\_

LESSOR INITIAL \_\_\_\_\_

**22. LESSOR'S DEFAULT.** If Lessor shall fail to perform any duty or obligation imposed upon it by this Lease and such default shall continue for a period of thirty (30) days after written notice thereof has been given to Lessor by Lessee, or if Lessor shall fail to make any payment Lessor agrees to make under this Lease and such default shall continue for a period of ten (10) days after written notice thereof has been given to Lessee by Lessor, then Lessee, without being obligated to and without thereby waiving such default, shall have the following remedies, which remedies shall be cumulative and shall be in addition to those remedies Lessee may have at law or in equity or otherwise in this Lease:

- (i) Perform Lessor's obligations hereunder, and deduct the reasonable costs and expenses incurred by Lessee in doing so against Monthly Rent or any all other amount due under this Lease until Lessee has been fully reimbursed for amounts expended; or
- (ii) Terminate this Lease and receive a return of the Security Deposit.

---

**23. PEACEFUL POSSESSION.** Lessor hereby covenants and agrees that Lessee shall have at all times during the Term or early occupancy period peaceable and exclusive possession and enjoyment of the Leased Premises, and non-exclusive possession and enjoyment of the Common Areas, without any manner of hindrance or deprivation by Lessor or any Person or Persons claiming the Leased Premises or Common Area, or any interest therein, by, through or under Lessor, of Lessee's leasehold interest.

---

**24. HOLDOVER:**

(a) In the event Lessee continues occupying the Leased Premises with Lessor's consent after expiration or termination of this Lease, this Lease shall reconduct on a month-to-month basis on the same terms and conditions of this Lease, with the Monthly Rent being equal to the Monthly Rent due for the last full month immediately preceding the end of the then current Term. Lessor's consent to the reconduction of the Lease shall be presumed unless Lessor provides Lessee with written notice otherwise.

(b) In the event Lessee continues occupying the Leased Premises without Lessor's consent after expiration or termination of this Lease, then Lease shall pay as stipulated damages an amount equal to one hundred twenty-five percent (125%) of the Monthly Rent due for the last full month immediately preceding the end of the then current Term.

---

**25. NOTICES:** Any and all notices, requests, demands, deliveries or communications required to be given to another party to this Agreement shall be in writing and shall be delivered (i) personally, (ii) by a nationally recognized overnight carrier that guarantees next day delivery and provides a receipt, or (iii) United States first class certified mail, return receipt requested. Any notice or delivery shall be effective only upon receipt (or refusal by the intended recipient to accept delivery). Rejection or other refusal to accept, or inability to deliver because of change of address of which proper notice was not given under this Agreement to the other Party, shall be deemed to be receipt of the notice, request, demand or communication. Either Party may change its address for notice from time to time by delivery of at least ten (10) days prior written notice of such change to the other Party hereto in the manner prescribed herein.

Lessor: Security National Properties  
3050 Westfork Drive  
Baton Rouge, Louisiana 70816

17 LESSEE INITIAL \_\_\_\_\_

Telephone: (225) 292-2686 or (225) 296-6847  
Attention: Real Estate Dept

Lessee: Piccadilly Restaurants, LLC  
3232 South Sherwood Forest Boulevard  
Baton Rouge, Louisiana 70816  
Attention: Chief Executive Officer and Risk/Real Estate Manager (separate  
notices for each)  
Telephone: (225) 296-8369

with a duplicate copy, which shall not constitute notice, to:

Gordon, Arata, McCollam, Duplantis & Eagan, LLC  
One American Place  
301 Main Street, Suite 1600  
Baton Rouge, Louisiana 70801-1916  
Attention: Peter A. Kopfinger, Esq.  
Telephone: (225) 381-9643

---

**26. ACTIVITY ON PREMISES:** Lessee shall not conduct any auction sale in the Leased Premises; Lessee shall not sell or advertise to sell goods upon an installment plan, and shall not solicit, nor cause, or permit to be solicited any customers by any Person stationed in or about the entrance or corridors of the Leased Premises, or on the sidewalk or street in the neighborhood of the Building. Lessee agrees not to, and agrees not to permit any of Lessee's agents, employees, contractors, or invitees to routinely make any excessively loud noises, outside the normal course of its business in the Leased Premises, that disturbs any other lessee of the Building. Lessee agrees not to cause or permit any unusual and unpleasant odors to be produced in the Leased Premises. No animals or birds shall be brought or kept in or about the Building.

---

**27. COMPLIANCE/LAWS:**

(a) Lessor warrants and represents to Lessee that to the best of its knowledge: (i) Lessor is the owner of the Property and has the full power, right, and authority to enter into, execute, and deliver this Lease; (ii) there are no zoning, laws, statutes, or restrictions which, in any way, would limit the use of the Leased Premises as an office building; (iii) neither entering into this Lease nor Lessor's compliance with the terms and conditions of this Lease will result in any violation of any agreement or contractual provision to which Lessor is a party or otherwise is or may be bound, nor does it require the consent of a third party; and (iv) the Property, as of the Commencement Date, is in compliance with all applicable laws, ordinances, rules, codes, and regulations of governmental authorities, or the like, (including, without limitation, the Environmental Laws and the Americans With Disabilities of 1990, as amended (the "ADA")), as all of the above may be amended or redesignated from time to time and any newly enacted laws regulations, orders, rules, codes, ordinances ("Applicable Laws").

(b) Lessee shall comply will all Applicable Laws: (i) regarding the physical condition of the Leased Premises, but only to the extent the Applicable Laws pertain to the particular manner in which Lessee uses the Leased Premises; or (ii) that do not relate to the physical condition of the Leased Premises but relate to the lawful use of the Leased Premises and with which only occupant can comply, such as laws governing maximum occupancy, workplace smoking, and illegal business operations.

18 LESSEE INITIAL \_\_\_\_\_

LESSOR INITIAL \_\_\_\_\_

(c) Lessor warrants and represents that any Alterations made to the Property will comply with the provisions of the ADA.

(d) Notwithstanding the provisions of Section 27(b), Lessee agree to conduct its occupancy and use of the Leased Premises in accordance with the applicable provisions of the ADA. Lessee warrants and represents that any Alterations Lessee elects to make to the Leased Premises during the Term will comply with the provisions of the ADA.

(e) Lessor and Lessee agrees to indemnify, defend, and hold each other harmless from and against any claims, damages, costs and liabilities arising out of a party's failure, or alleged failure, as the case may be, to comply with such party's obligations to comply ADA as such obligations are provided in this Lease, which indemnification obligation shall survive the expiration or termination of this Lease.

---

**28. SIDEWALKS; ELEVATORS; HALLWAYS:** With the exception of Lessee's customary and normal usage in connection with the permitted use under this Lease, including delivering or construction, neither Lessee, its agents, employees, contractors, or invitees, shall obstruct or use the sidewalks, entries, passages, vestibules, halls, elevators, or stairways of the Building for any other purpose than ingress and egress to and from the Leased Premises or throw or sweep or put anything out of the windows or doors, or in the passages or corridors of the Building. Lessee shall not allow anything to be placed on the outside window ledges of the Leased Premises, nor shall Lessor, its agents or employees, throw anything out of the windows of the Building, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed.

---

**29. TAXES:** Lessee shall pay all taxes, assessments, liens, and license fees, or the like ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, on Lessee's movable property located on the Leased Premises. Lessor shall pay all Taxes with respect to the Property (including the Building), including any Taxes resulting from a reassessment of the Property or Building due to a change of ownership or otherwise.

---

**30. WAIVER OF LESSOR'S PRIVILEGE:** Lessor hereby waives Lessor's privilege on Lessee's movable property located within the Leased Premises created by Louisiana Civil Code article 2707 or any other applicable law, all as may be amended or redesignated from time to time.

---

**31. FLOOR LOADING:** Lessor reserves and shall have the right and power (but not the obligation) to prescribe the weight and position of iron safes, files, equipment, and any other heavy objects in order the distribute the weight properly so that no damage is done from overloading of floors.

---

**32. FREIGHT DELIVERY:** No freight, furniture, packages, or bulky matter of any description will be received in the Building outside of the normal business hours when Lessee customarily receives same.

---

**33. CONDUIT AND CABLING:** Without Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, neither Lessee, its clerks, agents or servants, shall run any gas pipes or any telephone, telegraph, or electric wires into the Building for any purpose.

19 LESSEE INITIAL \_\_\_\_\_

---

**34. CHANGE OF NAME OF BUILDING** Lessor shall have the right and privilege to change the name of the Building, and in such event it is understood and agreed that prior to effective date of change, Lessor shall give to Lessee in writing three (3) months notice of such change in name. Lessor shall have exclusive control over all graphics or other wall ornamentation or displays in the entrance lobby and in all Common Areas in the Building, except such as is allowed by Lessee.

---

**35. SECURITY DEPOSIT:** At no time will a security deposit be required under this Lease, or any amendment thereto.

---

**36. RULES AND REGULATIONS:** Lessee shall comply with rule (the "Rules" or "Rule") adopted by Lessor for the safety, proper care and cleanliness of the Common Areas and/or the Building, or to preserve, maintain or promote the character and reputation of the Building, so long as any such Rules do not materially interfere with Lessee's conduct of its business or Lessee's use or enjoyment of the Leased Premises and do not require payment of any moneys. Lessor shall not enforce any Rules against Lessee in an unreasonable or discriminatory manner. If any Rule conflicts with a provision of this Lease, the Lease provision controls. As of the Commencement Date, there are no Rules governing the Common Areas and/or Building.

---

**37. HEADINGS:** The headings of the sections, subsections, and paragraphs of this Lease are inserted for convenience of reference only and shall not be deemed to constitute a part hereof.

---

**38. NOTICE OF LEASE:** The parties agree that this Lease will not be recorded. Lessor and Lessee hereby agree to execute and deliver a Notice of Lease in recordable form stipulating to the matters required by La. R.S. 9:2742, as may be amended or redesignated. Lessee hereby vests Lessee with a limited mandate fully authorizing and empowering Lessee to sign Lessor's name to a Notice of Lease if Lessor fails to sign and/or deliver the Notice of Lease to Lessee within two (2) business days after Lessee delivers such Notice of Lease to Lessor for Lessor's signature and delivery to Lessee.

---

**39. COMMISSION:** During the Initial Term only, Lessor shall pay Kurz & Hebert Commercial Real Estate, Inc. ("Broker"), a leasing commission equal to four percent (4%) of the Monthly Rent, with such payment to be made to Broker the on or before the tenth (10<sup>th</sup>) day of every month during the Term in which Monthly Rent is required to be paid. Broker shall not be entitled to any commission in any way related to this lease after the expiration of the Initial Term. Lessor and Lessee hereby represent and covenant that there are no other brokers, agents, or any other Persons entitled to a commission resulting from Lessor's lease to Lessee of the Leased Premises contemplated by this Lease. Lessor and Lessee shall indemnify, defend and hold harmless the other party from and against any and all claims, actions, liabilities, losses, damages, and expenses, including reasonable attorneys' fees and disbursements, which may be asserted against or incurred by a party arising from a breach of the other party's representation contained in this Section 39.

---

**40. PROHIBITION AGAINST LEASEHOLD MORTGAGE:** Lessee shall not, without Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, grant,

20 LESSEE INITIAL \_\_\_\_\_

LESSOR INITIAL \_\_\_\_\_

assign, create or confer a security interest in Lessee's leasehold right, title and interest in this Lease or the Leased Premises, other than the mortgage and/or lien and/or security right(s) in favor of any existing lender(s) or an affiliates of any existing lender (s) or assignee(s) of such lender(s), and any renewals, modifications, consolidations, replacements, and extensions thereof.

---

**41. EMINENT DOMAIN:**

(a) Lessor and Lessee mutually covenant and agree that if the whole or any part of the Property shall be taken by Federal, State, Parish, City, or other authority for public use, or under any statute or by right or power of eminent domain, Lessor and Lessee may each pursue any award to which it is entitled to by applicable law. Lessor shall promptly notify Lessee of any known or contemplated expropriation of the Property, or any portion thereof.

(b) If the entirety of the Property is expropriated, then this Lease shall automatically terminate as of the date of the expropriation.

(c) In the event of a portion of the Property (including any portion of the Building, Leased Premises, or Common Areas) is expropriated such that, in Lessee's reasonable judgment, the portion of the Property (including any portion of the Building, Leased Premises, or Common Areas) remaining after the expropriation will be insufficient to operate for office building purposes in an economically viable manner as prior to the expropriation or insufficient to continue Lessee's business at substantially the same scope as existed prior to the expropriation, then Lessee may terminate this Lease, by giving notice to Lessor, effective as of the date of the expropriation.

(d) In the event an expropriation occurs and this Lease is not terminated as provided in this Section 41, then Rent shall be reduced in a fair and equitable manner with respect to the nature, value and extent of the portion of the Property (including the Building, Leased Premises, Common Areas) expropriated. If Lessee does not terminate this Lease, the Property (including the Building, Leased Premises, and Common Areas) shall be repaired and restored by Lessor to the extent necessary for Lessee to use, enjoy and operate from the Leased Premises, use and enjoy the Common Areas and for the Building to be and remain a complete architectural unit.

---

**42. BANKRUPTCY COURT APPROVAL:** On September 11, 2012, Lessee commenced that certain bankruptcy case pending in the United States Bankruptcy Court, Western District of Louisiana, Lafayette Division (the "Bankruptcy Court") styled: *In re Piccadilly Restaurants, LLC, et al.*, Case No. 12-51127 (the "Bankruptcy Case"). Approval by the Bankruptcy Court is necessary with respect to Lessee entering into, executing, and delivering this Lease under its terms, provisions, and conditions. Promptly upon the agreement of the parties to the terms, provisions, and conditions of this Lease, Lessee will file a motion with the bankruptcy court substantially in the form entitled: *Motion for an Order Authorizing and Approving the Execution of a Lease Agreement with Security National Properties-Louisiana Limited Partnership, Covering a New Headquarters, Training Center and Certain Storage Facilities, Pursuant to Sections 363 and 365 of the Bankruptcy Code* (the "Motion"). Seller will attach the then agreed upon form of this Lease as an exhibit to the Motion.

---

**43. MISCELLANEOUS**

(a) This Lease shall be binding upon and inure to the benefit of the successors, heirs, and

21 LESSEE INITIAL \_\_\_\_\_

assigns of Lessor, and shall be binding upon and inure to the benefit of Lessee, its heirs, legal representatives, and successors, and to the extent assignment may be approved by Lessor hereunder, Lessee's assigns.

(b) No officer, member, manager, employee of, or attorney for, Lessee shall have any personal liability under this Lease, at law, in equity or otherwise. Lessor agrees to look solely to the assets of Lessee in the event Lessee defaults under this Lease.

(c) This Lease is the mutual product of the parties hereto and each provision hereof has been subject to the mutual consultation, negotiation and agreement of each of the parties, and shall not be construed for or against any party hereto.

(d) If any action or proceeding is necessary to enforce any of the terms, provisions, or conditions of this Lease, including any claim or demand, or to interpret this Lease, the prevailing party shall be entitled to reasonable attorneys' fees and costs, reasonable paralegal fees and costs, fees and costs of any consultants and experts, any court costs, or the like, in addition to any other relief to which it may otherwise be entitled, whether or not such action or proceeding is prosecuted to final judgment.

(e) This Lease constitutes the entire agreement between Lessor and Lessee with respect to the subject matter herein and supersedes any prior agreements with respect to the subject matter herein, which are hereby declared null and void.

(f) Each and every exhibit referred to or otherwise mentioned in this Lease shall be construed to be made a part of this Lease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full at length every time it is referred to or otherwise mentioned.

(g) This Lease shall not be modified or amended in any respect except by written instrument executed by or on behalf of the parties in the same manner as this Lease is executed.

(h) Except as other expressly provided for in this Lease, there are no third party beneficiaries of this Lease and thus, no provision of this Lease is intended or shall be construed to confer upon or to give any person other than the parties to this Lease, any rights, basis for reliance, or remedies under or by reason of this Lease, or to create a cause of action for enforcement thereof.

(i) Each party to this Lease hereby warrants, represents, and covenants that all action of the respective governing bodies of Lessor and Lessee has been taken to authorize the entering into and execution of this Lease and that the undersigned representative of Lessor and Lessee is fully and completely authorized, empowered, and directed by the governing body of each respective entity to sign this Lease, for, on behalf of, and in the name of, each respective entity.

(j) The term "Business Days" means Monday through Friday inclusive, excluding legal holidays.

(k) The term "Person" includes an individual, partnership, proprietorship, trust, unincorporated association, joint venture, corporation, or limited liability company.

(l) Nothing contained in this Lease shall be deemed or construed by the parties or by any third party to create the relationship of principal and agent, partnership, joint venture, or any association between Lessor and the Lessee other than the relationship of Lessor and Lessee.

22 LESSEE INITIAL \_\_\_\_\_



(m) The specified remedies to which Lessor or Lessee may resort under the terms of this Lease are cumulative, and are not intended to be exclusive of any other remedies or means of redress to which Lessor or Lessee may be lawfully entitled, in case of any breach or threatened breach by Lessee or Lessor, as the case may be, of any provision of this Lease. The failure of Lessor or Lessee to insist upon the strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver in the future of such covenant or option. No waiver by Lessor or Lessee of any provision of this Lease shall be deemed to have been made, unless expressed in writing, and signed by the other party. In addition to the other remedies provided in this Lease, Lessor and Lessee shall be entitled to seek an injunction against any violation or threatened violation of any of the covenants, conditions or provisions of this Lease.

(n) Lessor and Lessee shall be excused from performing any obligation or undertaking provided for in this Lease for such period of time as such performance is prevented or delayed, retarded or hindered by an Act of God, war, invasion, insurrection, riot, mob violence, terrorism, strike, lockout, action of labor unions, requisition, laws, orders of government or of civil, military or naval authorities, or any other cause, whether similar or dissimilar to the foregoing, and which are not reasonably foreseeable by Lessor or the Lessee (the "Event"). A condition to either party's claim to the benefit of this Subsection 43(n) is for such claiming party to give notice to the other party within two (2) days after the occurrence of the Event. If the occurrence of the Event causes interruption of all methods of giving notice under this Lease, notice shall be deemed given on the second day of reasonably prominent news coverage of the Event reasonable being able to be recognized as affecting the Leased Premises. Nothing in this Subsection 43(n) shall impair or affect the rights and remedies of Lessee contained in this Lease or otherwise in law or equity.

(o) If any term or provision of this Lease, or any portion thereof, is declared illegal, null or void by a court of competent jurisdiction, the remaining terms, provisions or portions thereof, and conditions of this Lease shall remain enforceable as written, as if such illegal, null, or void term or provision had not been included herein.

(p) This Lease is a Louisiana contract and shall be construed in accordance with the applicable laws, ordinances, and regulations of the State of Louisiana without regard to conflicts of law principles.

(q) Each party waives any right to trial by jury in any action, matter, or proceeding regarding this Lease or any provision thereof.

(r) This Lease may be executed simultaneously in one or more counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument.

[End of Text]

23 LESSEE INITIAL \_\_\_\_\_

[One Signature Page Follows]

24 LESSEE INITIAL \_\_\_\_\_

**SIGNED** by Lessor in the physical presence of the undersigned competent witnesses.

**WITNESSES FOR LESSOR:**

**LESSOR:**

**Security National Properties-Louisiana Limited Partnership,**  
a Delaware limited partnership

By: **Security National Properties Servicing Company, LLC,**  
an Alaska limited liability company, its manager

\_\_\_\_\_  
(Print Name)

By: \_\_\_\_\_

Its: Senior Vice President Real Estate

\_\_\_\_\_  
(Print Name)

Date: \_\_\_\_\_

**SIGNED** by Lessee in the physical presence of the undersigned competent witnesses.

**WITNESSES FOR LESSEE:**

**LESSEE:**

**Piccadilly Restaurants, LLC,**  
a Delaware limited liability company  
(in its capacity as debtor and debtor-in-possession)

\_\_\_\_\_  
(Print Name)

By: \_\_\_\_\_  
Thomas J. Sandeman, CEO

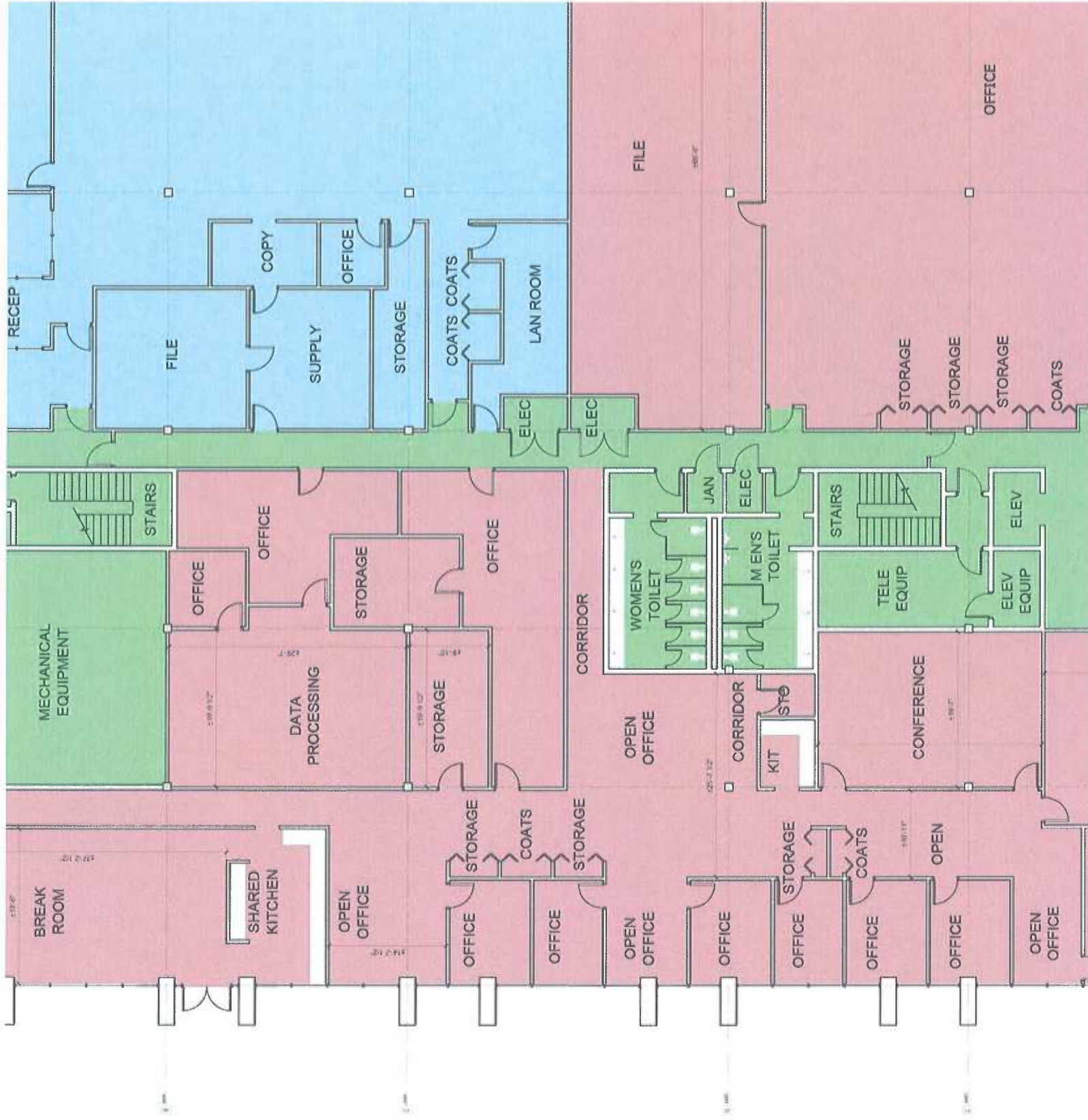
\_\_\_\_\_  
(Print Name)

Date: \_\_\_\_\_

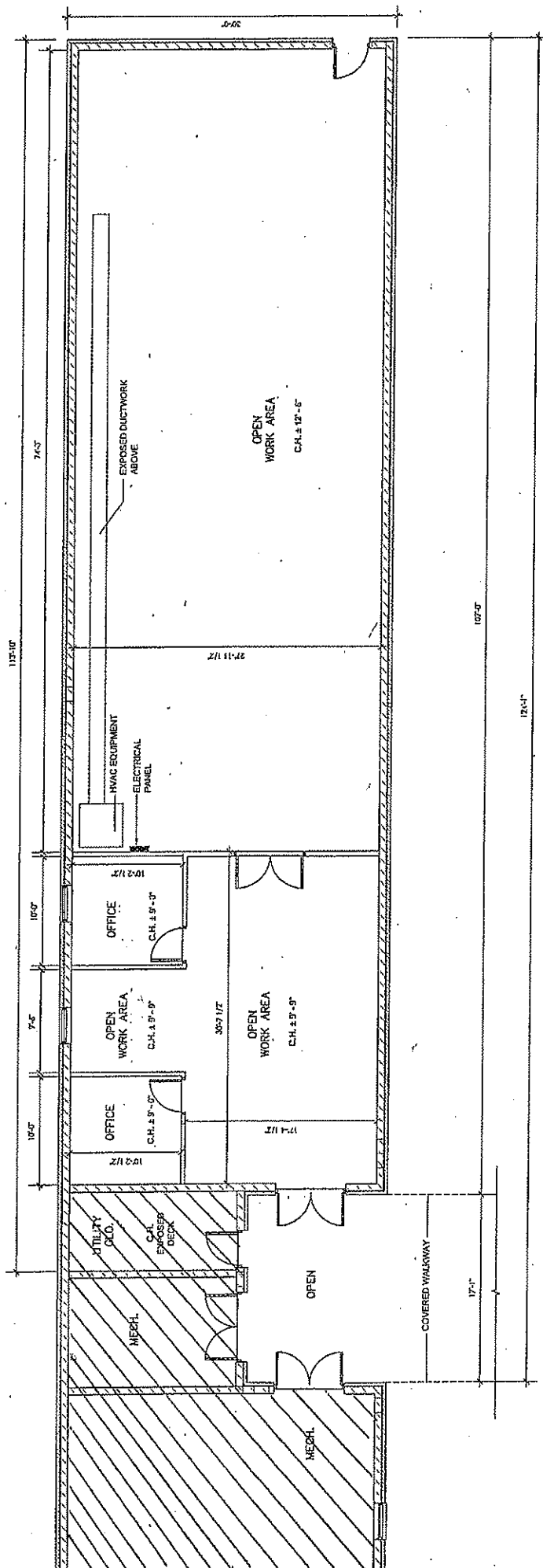
25 LESSEE INITIAL \_\_\_\_\_

LESSOR INITIAL \_\_\_\_\_

359 RENTABLE SF  
RENTABLE SF



FIRST FLOOR  
JUDGE, LA



**WALL LEGEND:**

WOOD/METAL STUDS  
8" CMU W/BRICK

Suite 100R - 3319 RSF

**FLOOR PLAN**

3/15" = 1'-0"