

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

3-24-2010

LEASE NO.

GS-07B-16726

THIS LEASE, made and entered into this date by and between **ARTESIA DEVELOPMENT COMPANY, LLC**

whose address is **800 W. Sam Houston Parkway N**
Building 12, 3rd Floor
Houston, TX 77066 24

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

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

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

1. The Lessor hereby leases to the Government the following described premises: Approximately 71,100 rentable square feet of space to produce 63,000 ANSI/BOMA Office Usable square feet of space in a building to be constructed, along with 298 parking spaces for the Government's use, on Tract G, northwest corner of Crick Ave. and Watson Dr., Mesa Del Sol Innovation Park II, Albuquerque, New Mexico,

to be used for such purposes as determined by General Services Administration

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on 16 months following notice to proceed with tenant improvements through 15 years, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$2,740,905 at the rate of \$228,408.75 per month in arrears. Annual rent is comprised of \$2,298,663 base rent including amortized tenant improvements and BSAC, and \$442,242 operating expenses. Rent for less than 1 month shall be prorated. Rent shall be made payable to:

Artesia Development
800 W. Sam Houston Parkway N
Building 12, 3rd Floor
Houston, TX 77066 24

4. The Government may terminate this lease at any time after 10 years of occupancy by giving at least 120 days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

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

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


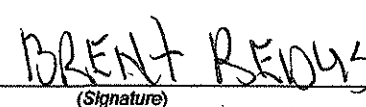
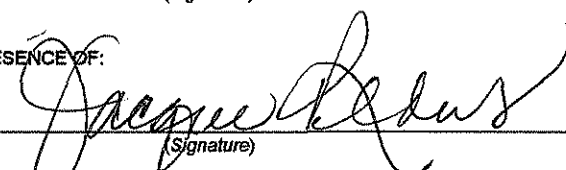
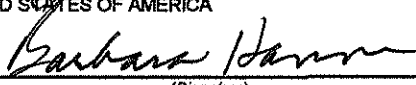
Gov't	Lessor
B	ML

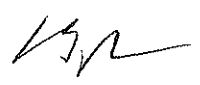
6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
- Facilities, services, utilities, maintenance, and tenant improvements in accordance with provisions of Solicitation for Offers 8NM2119, and as proposed by the Lessor in response thereto.
 - In accordance with Solicitation for Offers 8NM2119, paragraph 3.2, the rental rate includes a tenant improvement allowance of \$38.29644, which is to be amortized over a period of 10 years at an interest rate of 7.5%.
 - Building Specific Amortized Costs estimated at \$1,593,500 may be amortized in rent for 10 years at an interest rate of 7.5%, or the Government may elect to pay lump-sum, in which case annual rent shall be reduced accordingly.
 - In accordance with Solicitation for Offers 8NM2119, paragraph 4.2, this lease is subject to adjustment of ad valorem real estate taxes; the Government occupies 100% of the building for such purposes. Base year taxes are established as \$186,066
 - In accordance with Solicitation for Offers 8NM2119, paragraph 4.3, this lease is subject to adjustment of operating costs; the base for adjustment is \$6.22 per rentable square foot.
 - In accordance with Solicitation for Offers 8NM2119, paragraph 4.4, the adjustment for vacant space is \$5.10 per usable square foot.
 - The Government shall pay \$1.79 per hour per 2,000 rentable square feet for overtime HVAC when ordered in accordance with Solicitation for Offers 8NM2119, paragraph 4.6. The Government shall not be charged for overtime HVAC during normal building hours of operation of 7:00 a.m. to 5:00 p.m. Monday through Friday, excluding Federal holidays.
 - In accordance with Solicitation for Offers 8NM2119, paragraph 4.1.C, the common area factor is 1.12857.

7. The following are attached and made a part hereof:
See paragraph 9 on Sheet 3

8. The following changes were made in this lease prior to its execution:
Paragraph 5 was deleted without substitution; paragraph 7 was deleted and replaced by paragraph 9

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

LESSOR ARTESIA DEVELOPMENT COMPANY, L.L.C	
BY  (Signature)	 (Signature)
IN PRESENCE OF:  (Signature)	800 W. Sam Houston PARKWAY N. BUILDING 12, 3RD FLOOR HOUSTON, TX 77024 (Address)
UNITED STATES OF AMERICA	GENERAL SERVICES ADMINISTRATION
BY  (Signature)	819 Taylor Street, Ft. Worth, TX 76102 Contracting Officer (Official title)



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

Sheet 3 containing paragraphs 9-13
Solicitation for Offers 8NM2119 (59 pages)
Assignable Option to Purchase (282 pages)
Amendment 1 (2 pages)
Amendment 2 (119 pages)
Amendment 3 (1 page)
Amendment 4 (1 page)
Amendment 5 (1 page)
GSA Form 3517, General Clauses (33 pages)
GSA Form 3518, Representations and Certifications (7 pages)
Proposed design (19 pages)

10. Fees applicable to tenant improvements shall be:

- 1) General Conditions: 3% of construction cost of tenant improvements
- 2) General Contractor Fee: 5% of construction cost of tenant improvements
- 3) A/E fees: 7% of construction cost of tenant improvements
- 4) Lessor's project management fees: 3% of cost of tenant improvements

11. In accordance with provisions of paragraph 2.3 of Solicitation for Offers 8NM2119, as amended by Amendment 2, 35% of the contingency not used shall accrue to the government.

12. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new lease contracts after January 1, 1998. Lessor shall submit a properly completed SF3881, ACH Vendor/Miscellaneous Payment Enrollment Form to the Contracting Officer.

13. All questions pertaining to this Lease shall be referred to the Contracting Officer of the General Services Administration (GSA) or his/her designee. The Government occupant is not authorized to administer this lease and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or any other cost authorized in writing by the GSA Contracting Officer. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to; repairs, changes in scope of work, alterations, and overtime services without the written authorization of a Contracting Officer. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.

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