

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

August 17, 2009

LEASE NO.

GS-07B- *16635*

THIS LEASE, made and entered into this date by and between VAQUILLAS REALTY LTD

Whose address is 5810 SAN BERNARDO, SUITE 490
LAREDO, TX 78041

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 considerations hereinafter mentioned, covenant and agree as follows:

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

A total of 10,350 rentable square feet (RSF) of office and related space, which yields 9,000 ANSI/BOMA Office Area square feet (USF) of space at Walker Plaza, 5810 San Bernardo, Laredo, TX to be used for such purposes as determined by the General Services Administration. The legal description of the property is also provided in attachment D to the lease. Included in the rent at no additional cost to the Government are 30 secured parking spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on December 1, 2009 and continuing through November 30, 2024, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$271,586.00 (\$26.24/RSF - \$30.17/USF) at the rate of \$22,632.00 per month in arrears for years 1 - 5, \$ 296,217.00 (\$28.62/RSF - \$32.91/USF) at the rate of \$24,684.75 per month arrears for years 6 - 10, and \$ 276, 655.50 (\$26.73/RSF - \$30.73/USF) at the rate of \$23,054.63 per month arrears for years 11 - 15.

Rent for a lesser period shall be prorated. Rent shall be made payable to:

VAQUILLAS REALTY, LTD
5810 SAN BERNARDO, STE 490
LAREDO, TX 78041-2932

4. The Government may terminate this lease in whole or in part at any time on or after November 30, 2019 by giving at least 60 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. Paragraph 5 is INTENTIONALLY DELETED

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

LESSOR
VAQUILLAS REALTY, LTD

BY

[Signature]
(Signature)

IN PRESENCE OF

[Signature]
(Signature)

Owner/Manager
(Title)

5810 San Bernardo Suite 490
Laredo, Texas 78041
(Address)

UNITED STATES OF AMERICA

BY

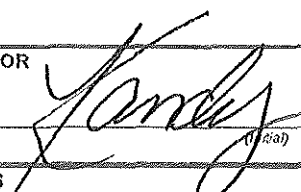
[Signature]
(Signature)

Contracting Officer, General Services Administration

6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 7TX2265 dated September 12, 2008, as amended in Amendments 1-3, dated October 20, 2008, November 17, 2008, and March 13, 2009 respectively.
 - B. Build out in accordance with standards set forth in SFO 7TX2265 dated September 12 2008, as amended, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.
 - C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
 - D. The Lessor shall provide janitorial services each tenant workday during normal working hours.
7. The following are attached and made a part hereof:
- A. Solicitation for Offers 7TX2265 dated September 12, 2008, and Amendments 1-3, dated October 20, 2008, November 17, 2008, and March 13, 2009 respectively.
 - B. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [9/01])
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [9/01])
 - D. Legal Description of Property, Exhibit D
 - E. Paragraphs 9 through 18 were added.
8. The following changes were made in this lease prior to its execution:
- A. Paragraph 5 was intentionally deleted.
9. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$344,700.00 (9,000 USF x \$38.30) shall be amortized through the rent for 10 years at the rate of 7.00%. The total annual cost of Tenant Improvements for the amortization period shall be \$48,027.12.
10. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 15.45%. This lease is subject to real estate tax adjustments under the provisions of SFO Paragraph 3.4--Tax Adjustment (SEP 2000). Only ad valorem taxes shall be considered in determining real estate tax adjustments.
11. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$6.7057/RSF (\$69,403.00/annum).
12. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.15 (10,350 RSF/9,000 USF).
13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$3.3528/RSF for vacant space (rental reduction).
14. In accordance with the SFO Paragraph entitled *Overtime Usage*, The rate for overtime usage is established as \$48.00 per hour for the entire building or any portion thereof. If ordered and authorized by the Contracting Officer, or his designated representative, the Lessor will provide overtime HVAC services beyond the normal building hours of 8:00 a.m. to 6:00 p.m. Monday through Friday, and 8:00 a.m. to 1:00 p.m. on Saturday of each week, except for federal holidays.
15. The Lessor hereby waives restoration.

LESSOR

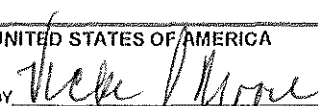
BY



(Initial)

UNITED STATES OF AMERICA

BY



(Initial)

16. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] percent of the commission that it is entitled to receive in connection with this lease transaction (Commission Credit). The Commission Credit is [REDACTED]. The Lessor agrees to pay the commission less the Commission Credit to the broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent.

First Month's Rental Payment of \$22,632.00 minus one half of the Commission Credit [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$22,632.00 minus the outstanding balance of the Commission Credit [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

17. All questions pertaining to this Lease shall be referred to the Contracting Officer of the General Services Administration (GSA) or their 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 authorized cost 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 of 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.
18. 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. An enrollment form is attached to be completed and returned with this contract.

INITIALS: LESSOR [Signature] & GOV'T [Signature]