

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

2-25-10

LEASE NO.

GS-07B-16676

THIS LEASE, made and entered into this date by and between **Vaquillas Realty, LTD**

whose address is **5810 San Bernardo Ave, Suite 490  
Laredo, Texas 78041-2918**

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:

A total of 7,405 rentable square feet (RSF) of office and related space, which yields 6,543 ANSI/BOMA Office Area square feet (USF) of space at 5810 San Bernardo, Laredo, TX (see exhibit F, legal description) to be used for such purposes as determined by the General Services Administration. Included in the rent, at no additional cost to the Government, are 15 surface parking spaces.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon completion and acceptance of the work required by this lease and continuing for a period of ten (10) years, with a firm term of five (5) years, subject to termination and renewal rights as may be hereinafter set forth. The actual lease term dates will be established by Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$205,913.49 (\$27.8073/RSF - \$31.4708/USF) at the rate of \$17,159.46 per month in arrears for years 1 - 5, which consists of annual shell rent of 106,076.63 (\$14.3250/RSF - \$16.2122/USF) at the rate of \$8,839.72 per month; annual operating costs of \$58,314.38 (\$7.8750/RSF - \$8.9125/USF) at a rate of \$4,859.53 per month; and annual amortized tenant improvements of \$41,522.48 (\$5.6074/RSF - \$6.3461/USF) at a rate of \$3,460.21 per month.

Annual tenant improvement amortized payments will begin upon completion and acceptance of all tenant improvements to the 7,405 RSF. This date for acceptance and establishment of occupancy date will be established via a Supplemental Lease Agreement. The firm term of this lease will also begin on this date established for acceptance of all tenant improvements and occupancy of the total 7,405 RSF.

For years 6-10, the Government shall pay the Lessor annual rent of \$164,391.01 (\$22.20/RSF - \$25.1247/USF) at the rate of \$13,699.25 per month in arrears, which consists of annual shell rent of \$106,076.63 (\$14.3250/RSF - \$16.2122/USF) at the rate of \$8,838.72 per month; annual operating costs of \$58,314.38 (\$7.8750/RSF - \$8.9125/USF) at a rate of \$4,859.53 per month.

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

Vaquillas Realty, LTD  
5810 San Bernardo, Suite 490  
Laredo, TX 78041-2918

4. The Government may terminate this lease in whole or in part at any time on or after the fifth (5th) year by giving at least 90 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. The date upon which the entire 7,405 RSF is accepted by the Government for occupancy after completion of all Tenant Improvements will be the date used to begin timing for the five year firm term.

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

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

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 8TX2049 dated September 12, 2008.

B. Build out in accordance with standards set forth in SFO 8TX2049 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.

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

Exhibit A: Solicitation for Offers 8TX2049 dated September 12, 2008 (pages 1-50).

Exhibit B: GSA Form 3517 entitled GENERAL CLAUSES (Pages 1-2)]

Exhibit C: GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (pages 1-7)

Exhibit D: Special Requirements for Solicitation for Offers 8TX2049 dated September 12, 2008; (1) Design and construction requirements (pages 1-74); (2) Addendum to [REDACTED] Security requirements (pages 1-49).

Exhibit E: Pre-Lease Security Plan (pages 1-6)

Exhibit F: Legal description

Exhibit G: Electronic Funds Transfer

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

Paragraph five is deleted. Paragraphs nine through eighteen are added.

9. The Government shall occupy swing space prior to the commencement of and during tenant improvement construction. During this time, the Government shall pay **shell rent and operating expenses only** to the Lessor at the amount specified in paragraph three of this lease. Shell and operating rent payments shall commence upon the date the swing space is accepted for occupancy via a Supplemental Lease Agreement. The actual square footage of the swing space will be specified in the Supplemental Lease Agreement.

10. The lease is subject to Real Estate Tax reimbursement. For tax adjustments the percentage of occupancy is 10.55%. The base year tax statement will be submitted within 60 calendar days after Lessor's payment of taxes to establish the base tax year. If the statement is for multiple parcels or building, the value of each property shall be defined.

11. In accordance with the SFO paragraph entitled Operating Costs Base, the escalation base is established as \$7.8750/RSF (\$58,314.38/annum).

12. In accordance with the SFO paragraph entitled Common Area Factor, the common area factor is established as 1.1317 (7,405 RSF/6,543 USF).

13. In accordance with the SFO paragraph entitled Adjustment for Vacant Premises, the adjustment is established as \$3.94/USF 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 this 7,405/RSF leased space or any portion thereof. OT rates shall not be paid during normal business hours.

Initials  
GOVT thj

LESSOR [Signature]

15. Per Debt Collection Improvement ACT, effective July 27, 1996, Electronic Funds Transfer (EFT) (See exhibit G) shall be required on all existing and new lease/contract not later than January 1, 1998. An enrollment form is attached. Please complete and return with this contract.
16. The Lessor and the Broker have agreed to a cooperating lease commission. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. There is no commission credit payment due to the expedited status of this Broker lease procurement.
17. 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.
18. In accordance with the SFO paragraph entitled Tenant Improvement Rental Adjustment, Tenant Improvements in the total amount of \$178,981.15 (6,54327 USF x \$27.3546) shall be amortized through the rent for 5 years at the rate of 6.00%. The total annual cost of Tenant Improvements for the amortization period shall be \$41,522.48. Annual tenant improvement amortized payments will begin upon completion and acceptance of all tenant improvements to the 7,405 RSF. Any additional TI costs associated with this build out will be paid via lump sum by GSA upon completion of the work and receipt of an invoice from the Lessor. This additional amount, if needed, will be specified and agreed too in a Supplemental Lease Agreement to the original lease.

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)

(Address)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION

BY

(Signature)

Leasing Contracting Officer

(Official title)