

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

9/20/10

LEASE NO.

GS-07B-16793

THIS LEASE, made and entered into this date by and between GUME TRANSPORT & STORAGE, INC.

Whose address is 10208 UNION PACIFIC BLVD
LAREDO, TX 78045-9412

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 107,100 rentable square feet (RSF) of warehouse and office space, which yields 100,000 ANSI/BOMA square feet (USF) of warehouse space and 5,000 USF of office space at 311 Union Pacific Blvd., Laredo, TX 78045, and further described at Lots 14, 15, and 16, Block 2, Milo Distribution Center, Phase I, 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 a minimum of 45 surface 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 upon completion and acceptance of the work required by this lease and continuing for a period of fifteen (15) years, subject to termination and renewal rights as may be hereinafter set forth.

3. For years 1 – 5, the Government shall pay the Lessor annual rent of \$726,787.07 at the rate of \$60,565.59 per month in arrears, which includes annual shell rent of \$520,506.00 at the rate of \$43,375.50 per month; annual operating cost base of \$97,461.00 at the rate of \$8,121.75 per month, subject to annual CPI adjustments; annual amortized tenant improvement allowance of \$99,423.24 at the rate of \$8,285.27 per month; and annual amortized security costs of \$9,396.83 at the rate of \$783.07 per month.

For years 6 – 10, the Government shall pay the Lessor annual rent of \$807,112.07 at the rate of \$67,259.34 per month in arrears, which includes annual shell rent of \$600,831.00; annual operating cost base of \$97,461.00, subject to annual CPI adjustments; annual amortized tenant improvement allowance of \$99,423.24; and annual amortized security costs of \$9,396.83.

For years 11 – 15, the Government shall pay the Lessor annual rent of \$778,617.00 at the rate of \$64,884.75 per month in arrears, which includes annual shell rent of \$681,156.00 and annual operating cost base of \$97,461.00, subject to annual CPI adjustments.

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

GUME TRANSPORT & STORAGE, INC.
10208 UNION PACIFIC BLVD
LAREDO, TX 78045-9412

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

LESSOR
GUME TRANSPORT & STORAGE, INC.

BY

(Signature)

IN PRESENCE OF

(Signature)

Owner

(Title)

10208 Union Pacific Blvd.
LAREDO, TEXAS 78045-9412

(Address)

UNITED STATES OF AMERICA

BY

(Signature)

Contracting Officer, General Services Administration

(Official Title)

4. The Government may terminate this lease in whole or in part at any time on or after Year 10 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.

~~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 XX 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. THIS PARAGRAPH IS DELETED.~~

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9TX2650 dated March 26, 2010, as amended.

B. Build out in accordance with standards set forth in SFO 9TX2650 dated March 26, 2010, as amended, and the design intent drawings. 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 acceptance, if different from the date identified in Paragraph 2.

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:

A. Solicitation for Offers 9TX2650 dated March 26, 2010 and Amendment 1 dated June 10, 2010.

B. Agency Special Requirements dated June 30, 2009.

C. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05).

D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 01/07).

E. Attachment 1, Deed of Trust (including Legal Description) dated October 14, 2008.

F. Attachment 2, Floor Plan.

8. The following change was made to this Lease prior to its execution:

A. Paragraph 5 was intentionally deleted in its entirety.

9. The tenant buildout shall conform to the specifications in SFO 9TX2650 and is to be provided as part of the rental consideration. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$690,378.045 (105,000 USF x \$6.575029) shall be amortized through the rent for 10 years at the rate of 7.75%. The total annual cost of Tenant Improvements for the amortization period shall be \$99,423.24.

10. The space shall comply with the handicap accessibility requirements of SFO 9TX2650.

11. The lease is subject to real estate tax reimbursement. In accordance with the terms of SFO Paragraph 4.2 entitled *Tax Adjustment*, the percentage of Government occupancy is established as 70.54% (Government leased space of 107,100 RSF divided by total building square footage of 151,833 RSF). In order to establish the base year taxes, the Lessor shall submit the base year tax statement within 60 days after payment. If the tax statement is for multiple parcels or buildings, the value of each property shall be defined. The tax base year is hereby established as the first full year of Government occupancy.

12. In accordance with the provisions of SFO Paragraph 4.3 entitled *Operating Costs*, the escalation base is established as \$0.91/RSF. The base cost of services is established as \$97,461.00/annum based on \$0.91/RSF for 107,100 RSF.

13. In accordance with Subsection C of SFO Paragraph 4.1 entitled *Measurement of Space*, the common area factor is established as 1.02 (107,100 RSF/105,000 USF).

14. In accordance with SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.50/LSE for vacant space (rental reduction).

LESSOR

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BY

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15. In accordance with SFO Paragraph 4.6 entitled *Overtime Usage*, the rate for overtime usage is established as \$12.00 per hour for the entire building or any portion thereof. Overtime rates shall not be paid during normal building operating hours of 7:00 a.m. to 5:00 p.m. Monday through Friday, except federal holidays.

16. Security costs in the total amount of \$65,250.00 shall be amortized through the rent for 120 months at the rate of 7.75%.

17. 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 full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent.

First full Month's Rental Payment of \$60,565.59 minus one half of the Commission Credit [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$60,565.59 minus one half of the Commission Credit [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment of \$60,565.59 minus one half of the Commission Credit ([REDACTED]) equals [REDACTED] adjusted Third Month's Rent.

18. 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.

19. 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.

20. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for restoration arising from alteration or removal of any alteration by the Government during the term of this lease or any extensions, and for alterations completed by either the Government or Lessor including initial build out of the lease space and/or any subsequent modifications required during the lease period. At the Government's sole discretion, alterations that remain in the leased space after termination of the lease contract will become property of the Lessor.

21. The Lessor agrees that, during the term of the Lease and any future extensions, no portion of the building may be leased to any other entity or individual without the express written approval of the General Services Administration.

22. The Lessor will provide two (2) copies of a CAD "as built" disk to the contracting officer within fifteen (15) days of completion of construction.

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(Initial)

23. In order to meet the Government's fire and life safety requirements, the Lessor agrees to perform the following:

- a. The leased premises shall have a minimum of two exits from the building.
- b. The exit doors shall swing outward, in the direction of egress travel.

LESSOR

BY

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UNITED STATES OF AMERICA

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