

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

10/18/2011

LEASE NO.

LTX16923

THIS LEASE, made and entered into this date by and between **Brownsville Investment Group No. 1, L.P.**

Whose address is: 3549 E 14th St.
Brownsville, TX 78521-3268

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 4,610 rentable square feet (RSF) of office and related space, which yields 4,610 ANSI/BOMA Office Area square feet (USF) of space on the first floor of the building located in Brownsville Business park, 3549 East 14th Street Brownsville, TX 78523-3817 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 three (3) surface parking spaces for the exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for ten (10) years one (1) year firm, subject to termination and renewal rights as may be hereinafter set forth. Actual lease term dates will be established by Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$25,769.90 at the rate of \$2,147.49 per month in arrears for year 1, which includes annual operating cost of \$0. Building Specific Security Cost are not included and will not be amortized over the firm term.

The Government shall pay the Lessor annual rent of \$27,060.70 at the rate of \$2,255.06 per month in arrears for years 2-5, which includes annual operating cost of \$0.

The Government shall pay the Lessor annual rent of \$29,596.20 at the rate of \$2,466.35 per month in arrears for years 6-10, which includes annual operating cost of \$0.

Rent shall be adjusted in accordance with the provisions of the Solicitation for Offers and General Clauses. Rent for a lesser period shall be prorated. Rent shall be made payable to:

Brownsville Investment Group No. 1, L.P.
P.O. Box 3817
Brownsville, TX 78523-3817

4. The Government may terminate this lease in whole or in part at any time after the first (1st) year by giving at least sixty (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. ~~"This lease may be renewed at the option of the government for the following rentals:~~

~~Provided notice shall 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 of the rental consideration, the following:
A. Those facilities, services, supplies, utilities and maintenance in accordance with SFO OTX2362 dated November 18, 2010.
B. Buildout in accordance with standards set forth in the SFO OTX2362 dated November 18, 2010, and the Government's Design Intent Drawings.
C. The Lessor hereby waives restoration of the leased premises.
D. 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 OTX2362 dated November 18, 2010;
 - B. Special Requirements to Solicitation for Offers OTX2362 dated September 21, 2009 (Pages 1);
 - C. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05) (Pages 1-33);
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07);
 - E. Exhibit A – Site Plans;
 - F. Exhibit B – Legal Description;
 - G. Exhibit C – Floor Plans
8. "The following changes were made in the lease prior to it's execution:

"Paragraph 5, 6, 16, 18, and 19 is intentionally omitted and has been struck through."
9. Rent does not include a Tenant Improvement Allowance to be amortized through the rent over the firm term of the Lease. In accordance with SFO Paragraph 3.3 *Tenant Improvements Rental Adjustment*, has been deleted in its entirety.
10. In accordance with SFO paragraph 2.4, *Broker Commission and Commission Credit*, CB Richard Ellis, Inc. ("CBRE") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and CBRE have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable per the commission agreement. Due to the Commission Credit described in 2.4B only [REDACTED] which is [REDACTED] of the Commission, will be payable to CBRE when the Lease is awarded. The remaining [REDACTED] which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments and shall be reduced to fully recapture this Commission Credit. Notwithstanding paragraph 3 of this Standard Form 2, the reduction in shell rent shall commence with the first full month of the rental payments and continue until the credit has been fully recaptured.
11. In accordance with SFO Paragraph 4.1, *Measurement of Space*, the common area factor is established as 1.0 (4,610 RSF / 4,610 USF).
12. In accordance with SFO Paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 100%. Tax base is \$1,018.27 (\$.22 USF / \$.22 RSF).
13. In accordance with SFO paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$0/USF for vacant space (rental reduction).
14. In accordance with the SFO paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$0.00 per hour beyond the normal hours of operation of 8:00AM to 6:00PM. Areas that require 24/7 is established as \$0.00 per rsf.
15. In accordance with SFO paragraph 10.5 Roof access and security for HVAC Systems is by virtue of no roof access ladders are being installed. 10 (5) B is limited to this existing method.
- ~~16. In accordance with SFO paragraph 10.12 CCTV video is used by USDA per section 10.15 of the SFO. Lessor includes electric lock with intercom, controlled by remote access and key pad only.~~
17. In accordance with SFO paragraph 10.13 Shut down of A/C system is by turning off thermostat in the Government's space.
- ~~18. In accordance with SFO paragraph 10.15 Lessor allows CCTV monitoring and recording, that is installed and maintained by GSA. Lessor only posts warning signs per 10.16.~~
- ~~19. In accordance with SFO paragraph 11.1 Lenel System is installed and maintained by the Government at its expense. Lessor only prepares the space.~~
20. In accordance with SFO paragraph 6.7 Ceiling, the maximum height of the ceiling in the existing office area is limited to the same height as is presently in place.
21. The Government is responsible for moving any items of the way and coordinating with the construction work, as needed.

22. The Lessor hereby forever and unconditionally waives 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. 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 will remain in the leased space after termination of the Lease contract and will become property of the Lessor.
23. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of federal agencies other than the officers or employees of the U.S. General Services Administration or personnel authorized by the Contracting Officer.
24. Unauthorized Improvements: All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and Brownsville Business Park. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the term of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation if the improvements remain in place after the Government's acceptance of the space."**
25. Within thirty (30) days of lease occupancy, the Lessor shall provide the tenant agency representative (with a copy forwarded to the GSA Government Representative), on site, a copy of the name and phone number of maintenance personnel in order that maintenance problems can be taken care of immediately.
26. The total ANSI/BOMA square foot area referred to in Paragraph 1 of the SF-2 herein is subject to an adjustment with the actual number of ANSI/BOMA square feet delivered to be determined by mutual field measurements in accordance with provision of 4.1 in the SFO. However it is mutually agreed that the total ANSI/BOMA office area square feet must meet the minimum requirement of 4,610 ANSI/BOMA office area square feet as stated in Paragraph 1.1 of the SFO.
- If the actual number of ANSI/BOMA square feet differs from Paragraph 1 of the SF-2, the Lease shall be amended by Supplemental Lease Agreement after field measurement to establish the square footage in compliance with the terms of this paragraph.
- Rental is subject to a physical mutual measurement and will be based on the rate, per ANSI/BOMA Office Area square foot (USF) as noted in Paragraph 1 of the SF-2, and the actual USF in accordance with Paragraph 5 "PAYMENT" of the GENERAL CLAUSES.
27. The Government is acquiring space in AS IS condition. The space is contiguous, and a temporary opening will be made in the existing demising wall in the warehouse for the [REDACTED] forklift to be driven through, to help facilitate the move.

Lessor: Brownsville, Investment Group No. 1, L.P

SIGNATURE

NAME OF SIGNER

STEPHEN M. GAWO

ADDRESS

P.O. BOX 3817 BROWNSVILLE, TEXAS 77019

IN THE PRESENCE OF (SIGNATURE)

NAME OF SIGNER

UNITED STATES OF AMERICA

SIGNATURE

NAME OF SIGNER

Thomas Abraham

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

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Previous edition is not usable

STANDARD FORM 2 (REV. 12/2006)

Prescribed by GSA - FPR (41 CFR) 1-16.60