

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

11/5/10

LEASE NO.

GS-07B-16807

THIS LEASE, made and entered into this date by and between DIAMOND L ENTERPRISES CO.

Whose address is 1070 TEMPLIN ROAD
SAN ANGELO, TX 76904 4113

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 5,499 rentable square feet (RSF) of office and related space, which yields 4,782 ANSI/BOMA Office Area square feet (USF) of space at 3745 S. Jackson Street, San Angelo, Texas, 76903-9241 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 twenty (20) on-site surface parking spaces and six (6) on-site fenced parking spaces for exclusive use of Government employees and patrons. An additional 2,011 RSF of space indicated as "Free Space" on the attached Exhibit A - Base Plan will be provided for use by the Government throughout the term of lease at no additional cost to the Government. The total premises occupied is therefore 7,510 RSF.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon acceptance of the space by the Government and continuing for a term of fifteen (15) years subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent at the following rate:

Months 1-120, annual rent is \$137,298.90 (\$11,441.58).
Months 121-180, annual rent is \$107,931.79 (\$8,994.32).

Rent shall be paid monthly in arrears. The Lessor and Government both acknowledge and agree this shall be a full service lease agreement in accordance with SFO 8TX2330. Rent for a lesser period shall be prorated. Rent shall be made payable to:

DIAMOND L ENTERPRISES CO.
1070 TEMPLIN ROAD
SAN ANGELO, TX 76904-4113

4. The Government may terminate this lease at any time after the 10th year by giving at least ninety (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.

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

LESSOR

DIAMOND L ENTERPRISES CO.

BY

[Redacted Signature]

President

IN PRESENCE OF

[Redacted Address]

[Redacted Address]

(Address)

UN

BY

[Redacted Signature]

MARY L. HEWSON
Contracting Officer, General Services Administration

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.~~
~~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, maintenance, space improvements, and special requirements in accordance with SFO 8TX2330. This is a fully-serviced lease in accordance with SFO 8TX2330.

B. Twenty (20) on-site surface parking spaces and six (6) on-site fenced parking spaces.

C. Build out in accordance with standards set forth in SFO 8TX2330, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed within the scheduled timeframes stated in SFO 8TX2330. Lease term will commence on date of occupancy. The Lessor hereby waives restoration.

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 8TX2330. (52 pages)
- B. Amendment No. 1 to SFO 8TX2330 (1 page)
- C. [REDACTED] Special Requirements Attachment (19 pages)
- D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05]) (34 pages)
- E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (7 pages)
- F. Exhibit A – Base Plan and Site Plan (2 pages)
- G. Exhibit B – Legal Description (1 page)

8. The following changes were made in this lease prior to its execution:
Paragraph 5 was deleted in its entirety without substitution.

9. In reference to the SFO paragraph 3.3 entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$178,773.25 shall be included in the gross rental rate. The tenant buildout costs of \$178,773.25 shall be amortized for a period of 120 months at 7.00%.

10. In accordance with the SFO paragraph 4.1 entitled *Measurement of Space*, the common area factor is established as 1.15 (5,499 RSF/4,782 USF).

11. In accordance with the SFO paragraph 4.2 entitled *Tax Adjustment*, this lease is subject to real estate tax adjustment. The percentage of occupancy is 36.6% based on 5,499 RSF in the Government area and 15,020 RSF of total building area. If the amount of square footage exceeds the 5,499/RSF in the Government premises, the additional tax amount for the surplus square footage will be at no additional cost to the Government.

12. In accordance with the SFO paragraph 4.3 entitled *Operating Costs*, the lease is subject to operating cost escalation. The escalation base is established as \$38,000.00/per annum for the Government area of 5,499/RSF. If the amount of square footage exceeds the 5,499/RSF in the Government premises, the additional operating expense for the surplus square footage will be at no additional cost to the Government.

13. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$5.50/USF for vacant space (rental reduction).

LESSOR

UNITED STATES OF AMERICA

BY

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(Initial)

BY

[Signature]

(Initial)

14. In accordance with the SFO Paragraph 4.6 entitled *Overtime Usage*, the rate for overtime usage is established as \$6.50 per hour. Overtime shall not be charged during normal building hours of operation or during the hours of operation set forth in the SFO paragraph entitled "Normal Hours."

15. Areas that require 24 hour HVAC service will be charged on the basis of \$3,912.50 per 250/RSF per year.

16. Security costs in the total amount of \$32,000.00 shall be amortized through the rent for a period of 120 months at the rate of 7.00%.

17. The Lessor shall provide cleaning/maintenance within Tenant's space during tenant working hours, Monday through Friday excluding Federal Holidays.

18. The total square footage of 5,499 referred to in paragraph 1, Standard Form 2, is the total amount of space under lease by the Government. The additional 2,011 RSF of space indicated as "Free Space" on the attached Exhibit A - Base Plan will be provided for use by the Government throughout the term of lease at no additional cost to the Government. The Government will not incur any charges for rent, operating expenses, or taxes that are attributable to the Free Space.

19. In accordance with Paragraph 2.5 (Broker Commission and Commission Credit), Studley, Inc. ("Studley") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.5, only [REDACTED], which is [REDACTED] of the Commission, will be payable to Studley when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the Government as follows:

The shell rental portion of the annual rental payments (\$69,931.76 / 12 months = \$5,827.65 per month) due and owing 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 until fully recaptured throughout the fifth full month of rental payment in the lease term.

20. 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.

21. All questions pertaining to this Lease shall be referred to the Contracting Officer of 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 authorized **in writing** by Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to: repairs, alterations and overtime services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.

LESSOR

UNITED STATES OF AMERICA

BY

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(Initial)

BY

[Signature]
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