

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

12/7/10

LEASE NO.

GS-07B-16808

THIS LEASE, made and entered into this date by and between G.B.N., INC.

Whose address is 2307 CARINDA AVE
WICHITA FALLS, TX 76308-1201

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 7,490 rentable square feet (RSF) of warehouse and office space which yields 6,508 ANSI/BOMA Office Area square feet (USF), as well as 2,000 USF of fenced wareyard contiguous to the premises at the Michna Lake Building Center Business Park, 5816 Ashleyanne Circle, Wichita Falls, TX 76310-1613, and further described in Attachment 1, "Warranty Deed With Vendor's Lien," included in Paragraph 7(E) below, 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 8 secured, covered parking spaces and 16 general 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 1-7, the Government shall pay the Lessor annual rent of \$134,229.20 at the rate of \$11,185.77 per month in arrears, which includes annual shell rent of \$59,395.70 at the rate of \$4,949.64 per month; annual operating cost base of \$23,368.80 at the rate of \$1,947.40 per month, subject to annual CPI adjustments; annual amortized tenant improvement allowance is \$44,064.43 at the rate of \$3,672.04 per month; and annual amortized security costs of \$7,400.27 at the rate of \$616.69 per month.

For years 8-11, the Government shall pay the Lessor annual rent of \$95,872.00 at the rate of \$7,989.33 per month in arrears, which includes annual shell rent of \$72,503.20 at the rate of \$6,041.93 per month, and annual operating cost base of \$23,368.80 at the rate of \$1,947.40 per month, subject to annual CPI adjustments.

For years 12-15, the Government shall pay the Lessor annual rent of \$108,979.50 at the rate of \$9,081.63 per month in arrears, which includes annual shell rent of \$85,610.70 at the rate of \$7,134.23, and annual operating cost base of \$23,368.80 at the rate of \$1,947.40 per month, subject to annual CPI adjustments.

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

LESSOR
G.B.N., INC.

BY

[Redacted Signature]

President
(Title)

IN PRESENCE OF

[Redacted Signature]

[Redacted Signature]

UNITED STATES OF AMERICA

BY

[Redacted Signature]

MARY L. HEWSON
CONTRACTING OFFICER Contracting Officer, General Services Administration

Years 1 - 7		
	Annual	Monthly
Shell	\$59,395.70	\$4,949.64
Opex	\$23,368.80	\$1,947.40
TI	\$44,064.43	\$3,672.04
BSAC	\$7,400.27	\$616.69
Total Rent	\$134,229.20	\$11,185.77

Years 8 - 11		
	Annual	Monthly
Shell	\$72,503.20	\$6,041.93
Opex	\$23,368.80	\$1,947.40
Total Rent	\$95,872.00	\$7,989.33

Years 12 - 15		
	Annual	Monthly
Shell	\$85,610.70	\$7,134.23
Opex	\$23,368.80	\$1,947.40
Total Rent	\$108,979.50	\$9,081.63

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

G.B.N., INC.
2307 CLARINDA AVE
WICHITA FALLS, TX 76308-1201

4. The Government may terminate this lease in whole or in part at any time after Year 7 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.~~

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 8TX3070 dated April 1, 2010.
 - B. Build out in accordance with standards set forth in SFO 8TX3070 dated April 1, 2010, and the Government's approved 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.
 - 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 8TX3070 dated April 1, 2010
 - B. Agency Space Requirements Package
 - C. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05)
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
 - E. Attachment 1, Warranty Deed With Vendor's Lien (March 31, 1997) (includes legal description)
 - F. Attachment 2, Floor Plan

LESSOR

UNITED STATES OF AMERICA

BY

(Initial)

BY

(Initial)

8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$243,299.11 (6,508USF x \$37.384620) shall be amortized through the rent for seven years at the rate of 7.0%. The total annual cost of Tenant Improvements for the amortization period shall be \$44,064.42.

9. In accordance with Subsection B(9) of the SFO paragraph entitled *Tax Adjustment*, the percentage of Government occupancy is established as 43%.

10. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$3.12/RSF (\$23,368.80/annum).

11. In accordance with Subsection C of the SFO paragraph entitled *Measurement of Space*, the common area factor is established as 1.150891 (7,490 RSF/6,508 USF).

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

13. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage will be metered and established at a rate of \$0.10 per kwh for the entire building or any portion thereof.

14. Security costs in the total amount of \$40,860 shall be amortized through the rent for 84 months at the rate of 7.0%.

15. 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] 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 \$11,185.77 minus one third of the Commission Credit [redacted] equals [redacted] adjusted First Month's Rent.

Second Month's Rental Payment of \$11,185.77 minus one third of the Commission Credit [redacted] equals [redacted] adjusted Second Month's Rent.

Third Month's Rental Payment of \$11,185.77 minus one third of the Commission Credit [redacted] equals [redacted] adjusted Third Month's Rent.

16. 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.

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17. 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.

18. 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.

LESSOR

UNITED STATES OF AMERICA

BY



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