

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

4/20/11

LEASE NO.

GS-07B-16853

THIS LEASE, made and entered into this date by and between A-S 56 IH-45 SOUTH-FM 646, LP

Whose address is 8827 W SAM HOUSTON PKWY N STE 200
HOUSTON, TX 77040-5369

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 10,922 rentable square feet (RSF) of office and related space, which yields 10,325 ANSI/BOMA Office Area square feet (USF) of space at Bay Colony Town Center Phase 2, 2835 Gulf Freeway South, League City, TX 77573-6781 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 12 parking spaces for exclusive use of Government employees and patrons, in lieu of any additional parking specified elsewhere in this Lease.

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, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$337,007.29 at the rate of \$28,083.94 per month in arrears for years 1 – 5, which includes annual operating costs of \$79,730.60 at the rate of \$6,644.22 per month. Tenant Improvements in the total amount of \$356,212.50 shall be amortized through the rent for five years at the rate of 6.75%.

For years 6 – 10, the Government shall pay the Lessor annual rent of \$267,807.44 at the rate of \$22,317.29 per month in arrears, which includes annual operating costs of \$79,730.60 at the rate of \$6,644.22 per month.

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

A-S 56 IH-45 SOUTH-FM 646, LP
8827 W SAM HOUSTON PKWY N, SUITE 200
HOUSTON, TX 77040-5369

to subscribed their names as of the date first above written.

Manager of A-S 56, L.C., general partner
(Title)

(Address)

Ray L. Hewson

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 five 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 of the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9TX2150 dated October 21, 2010.
 - B. Build out in accordance with standards set forth in SFO 9TX2150 dated October 21, 2010, 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.
 - 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 9TX2150 dated October 21, 2010
 - B. Supporting SFO Information, [REDACTED] dated September 3, 2010
 - C. [REDACTED] Special Requirements Attachments, dated September 10, 2010
 - D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05)
 - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
 - F. Attachment 1, Floor Plan
 - G. Attachment 2, Legal Description

- 8. The following change was made to this Lease prior to its execution:
 - A. Paragraph 5 was intentionally deleted in its entirety.

9. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$356,212.50 (10,325 USF x \$34.50) shall be amortized through the rent for five years at the rate of 6.75%.

10. In accordance with Subsection B(9) of the SFO paragraph entitled *Tax Adjustment*, the percentage of Government occupancy is established as 39.00% (10,922 RSF/28,005 RSF).

11. In accordance with the SFO paragraph entitled *Operating Costs*, the escalation base is established as \$79,730.60/annum.

12. In accordance with the SFO paragraph entitled *Measurement of Space*, the common area factor is established as 1.057820 (10,922 RSF/10,325 USF).

13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$6.44/USF for vacant space (rental reduction).

14. In accordance with the SFO paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$8.83 per hour for the entire leased space or any portion thereof. The rate for overtime usage shall not be charged during the agency's Normal Operating Hours or anytime the building is open and these services are provided to the other tenants at no charge.

LESSOR

UNITED STATES OF AMERICA

BY _____

(Initial)

BY _____

(Initial)

15. Security costs in the total amount of \$8,800.00 shall be amortized through the rent for 60 months at the rate of 6.75%.

16. 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 FOR 2 MONTHS IN EQUAL INSTALLMENTS UNTIL FULLY RECAPTURED.

17. 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.


18. 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.

19. 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.

20. Notwithstanding anything in the Lease to the contrary, the Government does not require a dedicated monument sign; however, the Government shall be entitled to the third panel space on the highway side of the 36-foot pylon sign located closest to the Government's premises. The Government may also post its hours of operation on one of the storefront windows at the front of its leased space.

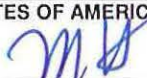
21. The Lessor and Government agree that the location of the existing visitor entrance shall not be changed. Notwithstanding anything to the contrary in Paragraph 10.7 of the Supporting SFO Information, entitled *Exits and Access*, (a) a canopy shall be installed at the rear entrance in lieu of a contiguous extension of the roof system that is an integral part of the building, and (b) no vestibules or covers shall be required at public entrances beyond those already in place.

LESSOR


(Initial)

BY _____

UNITED STATES OF AMERICA


(Initial)

BY _____