

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

3/17/11

LEASE NO. GS-07B-16859

THIS LEASE, made and entered into this date by and between

whose address is MIDLAND BUSINESS CENTER, L.L.C.
602 N BAIRD STE 200
MIDLAND, TX 79701-4772

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 2,034 rentable square feet (RSF) of office and related space, which yields 1,835 ANSI/BOMA Office Area square feet (USF) of space on the first (1st) floor of the building located at the Executive Plaza, 602 N. Baird Street, Midland, Texas 79701-4772 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 four (4) on site reserved, 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 six (6) years, subject to termination rights as may be hereinafter set forth. The Lessor shall furnish the space to the Government, within **thirty (30) days** of the Government-issued notice to proceed with tenant improvements, as detailed in the Government-approved design intent drawings, to be finalized after full execution of this SF2 and incorporated into this lease by a future Supplemental Lease Agreement (SLA).

3. The Government shall pay annual rent of **\$37,934.10** for years 1-5. Annual rent includes shell, amortized Tenant Improvement Allowances, and **\$7,403.39** per year for operating costs, plus adjustments per the lease. Rent will be paid monthly in arrears. The Government shall pay annual rent for year 6 of **\$23,248.62**. Annual rent includes shell and **\$7,403.39** operating costs, plus adjustments per the lease.

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:

MIDLAND BUSINESS CENTER, L.L.C.
602 N BAIRD STE 200
MIDLAND, TX 79701-4772

4. The Government may terminate this lease in whole or in part at any time after the fifth (5th) 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.

S CENTER, L.L.C.

NAME OF SIGNER

Patricia (Pat) Jones

602 N. Baird, Ste 200 Midland, TX 79701

NAME OF SIGNER

Chris Meade

NAME OF SIGNER

MARY HEWSON

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

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:
- Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO.
 - Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.
 - Deviations to the approved space layouts furnished by the GSA to the Lessor subsequent to award will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer or Contracting Officer's Designee. **Should the Lessor make changes without approval, the Government will not be responsible for the cost of those changes and the Lessor will not be reimbursed.**
7. The following are attached and made a part hereof:
- Solicitation for Offers 7TX2113 dated 9/10/10;
 - Amendment 1 to SFO 7TX2113, dated 11/3/10;
 - Amendment 2 to SFO 7TX2113, dated 12/6/10;
 - GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05);
 - GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07);
 - SFO Attachments: [REDACTED] and Review Special Requirements (12 pages); Attachments 1-4 (4 pages); Additional Requirements [REDACTED], Midland, TX (2 pages); Statement of Work (2 pages); Phone, Lock and Hearing Room Table diagram attachments (9 pages);
 - Exhibit A – Base Plans;
 - SFO Exceptions: Building ceiling height is eight (8) feet. The building does not include slab to slab walls;
 - Legal Description.
8. The following paragraphs were intentionally deleted prior to execution:
- Paragraph 5 intentionally stricken
9. Rent includes a Tenant Improvement Allowance of \$63,307.50 to be amortized through the rent over the firm term of the Lease, sixty (60) months, at the rate of 6%. In accordance with SFO paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.
10. In accordance with SFO Paragraph 2.3, *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]. Due to the Commission Credit described in Paragraph 2.3, 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 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 in equal installments 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 1.10845% (2,034 RSF / 1,835 USF).
12. In accordance with SFO Paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 9.09909% (2,034 RSF/20,527 Building RSF). Percentage of occupancy is subject to revision based on actual measurement of Government occupied space at time of final inspection, not to exceed the maximum ABOASF stated in the SFO, and in accordance with GSA Form 3517, GENERAL CLAUSES.
13. In accordance with SFO Paragraph 4.3, *Operating Costs Base*, the Operating Cost Base is established as \$7,403.39 per annum.

14. In accordance with SFO Paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$1.34/USF for vacant space (rental reduction).
15. In accordance with SFO Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$5.00 per hour beyond the normal hours of operation of 6:00 AM to 4:00 PM. Areas requiring 24/7 HVAC will be provided at \$0.25 per rentable square foot.
16. Cleaning services requiring access to the Government's leased space shall be performed in accordance with SFO Paragraph 4.9, *Janitorial Services*. Cleaning shall be performed during tenant working hours.
17. In accordance with SFO Paragraph 6.1, *Accessibility*, restrooms shall meet Architectural Barriers Act Accessibility Standard (ABAAS) and any required upgrades to the leased space to meet the requirement are shell or lessor cost.
18. 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.
19. **Mutual Termination:** Upon the effective date of this lease, Lessor and Government agree that the existing lease, GS-07B-14208 is terminated in the entirety effective the day preceding the effective date of this lease.

INITIALS: Pg LESSOR & MR GOV'T