

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

May 24, 2011

LEASE NO.

GS-07B-16867

THIS LEASE, made and entered into this date by and between **City of El Paso**

whose address is **6701 Convair Road
El Paso, TX 79925-1091**

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 consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 4,932 rentable square feet (RSF) of office and related space, which yields 4,932 ANSI/BOMA Office Area square feet (ABOA) of space located the El Paso International Airport, 6701 Convair Road, El Paso, TX 79925 (see Exhibit "C" - Legal Description) 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 80 surface and 3 surfaced/reserved parking spaces.

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, with a firm term of five (5) years, subject to termination rights as may be hereinafter set forth. The actual lease term dates will be established by a subsequent Supplemental Lease Agreement.
3. For years 1 through 5, the Government shall pay the Lessor annual rent of \$232,286.30 (\$47.10/RSF - \$47.10/ABOA) at the rate of \$19,357.19 per month in arrears. The total annual rent consists of annual Shell rent of \$205,960.32 (\$41.76/RSF - \$41.76/ABOA) at the rate of \$17,163.36 per month; annual Operating Costs of \$24,117.48 (\$4.89/RSF - \$4.89/ABOA) at a rate of \$2,009.78 per month; and annual amortized Tenant Improvements of \$2,208.50 (\$.48/RSF - \$.48/ABOA) at a rate of \$184.04 per month.

For years 6 through 10, the Government shall pay the Lessor total annual rent of \$264,059.28 (\$53.54/RSF - \$53.54/ABOA) at the rate of \$22,004.94 per month paid in arrears. The total annual rent consists of annual Shell rent of \$239,941.80 (\$48.65/RSF - \$48.65/ABOA) at the rate of \$19,995.15 per month plus annual Operating Costs of \$24,117.48 (\$4.89/RSF - \$4.89/ABOA) at a rate of \$2,009.78 per month.

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

El Paso International Airport
P.O. Box 971278
El Paso, TX 79997-1278

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) year of this lease by giving at least sixty (60) days' prior notice, in writing, to the Lessor. No rental shall accrue after the effective date of the termination. Said notice shall be computed commencing with the day after the date of the mailing.
5. This lease may be renewed at the option of the Government for 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, and maintenance in accordance with SFO 9TX2770 dated January 21, 2011.

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B. Tenant Improvements in accordance with standards set forth in SFO 9TX2770 dated January 21, 2011. The Lessor shall provide all the materials, labor, and services required to provide for the completion of the Tenant Improvements. All tenant alterations and improvements shall be completed by the date identified under Paragraph 9 of this SF-2.

C. The Lessor hereby waives restoration of the leased premises.

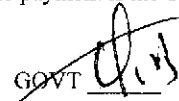

7. The following are attached and made a part hercof:

Solicitation for Offers (SFO) 9TX2770 dated January 21, 2011
GSA Form 3517B entitled GENERAL CLAUSES (Rev. [11/05])
GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])
Exhibit "A": Special Requirements for Solicitation for Offers 9TX2770 dated January 21, 2011
Exhibit "B": Pre-Lease Security Plan
Exhibit "C": Legal description
Exhibit "D": Floor Plan

8. The following changes were made in this lease prior to its execution:

Paragraph 5 is omitted and has been struck through. Paragraphs nine (9) through sixteen (16) are added.

9. **Tenant Improvement Construction Schedule:** Upon full execution and delivery of this SF-2, the Lessor can consider this as a Notice to Proceed with the construction of the tenant improvements. The Lessor shall have 60 working days from lease award to complete the tenant improvements and have the space available for inspection and acceptance by the Government. Upon the completion of the Tenant Improvements and the acceptance thereof by the Government, the rent commencement date and the rent schedule (including the Shell Rent, Operating Costs, and the amortized Tenant Improvement Cost) shall be established by a subsequent SLA.
10. **Tenant Improvement Allowance:** In accordance with the SFO paragraph entitled Tenant Improvement Rental Adjustment, Tenant Improvements in the total amount of \$9,752.50 (4,932 ANSI/BOMA Office Area x \$1.98) shall be amortized through the rent for 5 years at the rate of 5%. The total annual cost of Tenant Improvements for the amortization period shall be \$2,208.50. Annual tenant improvement amortized payments will begin upon completion and acceptance of all tenant improvements to the leased premise.
11. **Operating Cost:** In accordance with the SFO paragraph entitled "Operating Costs," the escalation base is established as \$4.89/RSF or \$24,117.48 (4,932 rsf X \$4.89).
12. **Common Area Factor:** In accordance with the SFO paragraph entitled "Common Area Factor," the common area factor is established as 1.00 (4,932 RSF/4,932 ABOA).
13. **Adjustment for Vacant Premise:** In accordance with the SFO paragraph entitled "Adjustment for Vacant Premises," the adjustment shall be a reduction of \$0.00/ANSI-BOMA Office Area for vacant space.
14. **Overtime HVAC Usage:** In accordance with the SFO Paragraph entitled Overtime Usage, the rate for Overtime Heating and Cooling is established at \$0.00 per hour for the entire Government leased premise. The Lessor shall not charge the Government for Overtime Heating and Cooling if the building is open and the Heating and Cooling is operating for all other tenants beyond the Normal Hours stipulated in this agreement. The Overtime Heating and Cooling Usage rate shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the lease agreement.
15. **Central Contractor Registration (CCR):** In accordance with the SFO paragraph entitled "Central Contractor Registration," the Lessor shall register by the time of the full execution of this Lease Agreement.
16. **Unauthorized Tenant Improvements:** All questions pertaining to this Lease shall be referred, in writing, to the Contracting Officer of the General Services Administration (GSA) or his/her designee. The Government's occupant of the leased premise is not authorized to administer this lease or make commitments to the Lessor that are not followed-up with a written agreement to the Lease. GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or any other cost authorized, 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 in scope of work, alterations, and overtime services without the written authorization of a Contracting Officer. If Lessor delivers space with Tenant Improvements not authorized, in writing, by the GSA Contracting Officer, then the Lessor shall not be entitled to compensation or payment if the Tenant Improvements remain in place after the Government's acceptance of the space.

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

LESSOR

BY

City Manager

Title

JACQUELINE S. LEYVA

City State Zip

SERVICES ADMINISTRATION

Contracting Officer

(Official title)

Thomas Bell

STANDARD FORM 2

APPROVED AS TO FORM:

Director of Aviation