

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

September 30, 2011

LEASE NO.

GS-07B-16975

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

Whose address is 9101 N. 23rd Street  
McAllen, TX 78504-1963

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 10,752 rentable square feet (RSF) of office and related space, which yields 9,350 ANSI/BOMA Office Area square feet (USF) of space on the first floor of The Cano Building, 101 N. Ware Road, McAllen, TX 78504-1963 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 thirty-five (35) reserved parking spaces with a minimum of five (5) secured onsite parking spaces.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the leased premises but not to exceed ninety (90) calendar days following the Government's issuance of Tenant Improvement Notice to Proceed 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:

Term Years	Shell	Base Operating Cost	Amortized Tenant Improvement Allowance	Amortized Building Specific Sec.	Annual Rent	Monthly Rent Payable in Arrears
Years 1-10	\$232,673.28	\$77,952.00	\$54,806.25	\$2,897.30	\$368,328.83	\$30,694.06
Years 11-15	\$290,382.57	\$77,952.00	\$0.00	\$0.00	\$368,334.57	\$30,694.55

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

CANO FAMCO  
9101 N. 23<sup>rd</sup> Street  
McAllen, TX 78504-1964

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

Eddie R. Cano, President  
(Printed Name and Title)

9101 N. 23<sup>rd</sup> McAllen TX  
(Address)

(Signature) ALLEVA GUERRA

UNITED STATES OF AMERICA

Nancy Lopez  
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 the tenth (10<sup>th</sup>) year 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 has no renewal options.

6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:

A. Those facilities, services, supplies, utilities, maintenance, shell improvements and parking. This is a fully-serviced lease in accordance with SFO 9TX3069 dated June 10<sup>th</sup>, 2010.

B. Build out in accordance with standards set forth in SFO 9TX3069 dated June 10<sup>th</sup>, 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. The Lessor hereby waives restoration.

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 9TX3069 dated June 10<sup>th</sup>, 2010 (54 pages)
- B. Special Requirements: Facility Space Program (99 pages)
- C. Amendment 1 (2 pages)
- D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05]) (33 pages)
- E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (7 pages)
- F. Exhibit A – Base Plan (2 pages)
- G. Exhibit B – Legal Description (1 page)

8. In accordance with SFO Paragraph 3.2 entitled Tenant Improvement Rental Adjustment, Tenant Improvements in the total amount of \$376,434.37 shall be amortized through the rent for ten (10) years at the rate of 8%.

9. In accordance with the SFO paragraph 4.2 B.9. entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 59% (10,752/18,150).

10. In accordance with the SFO paragraph 4.3 entitled *Operating Costs* are \$7.25/RSF (\$77,952.00/annum).

11. In accordance with the SFO paragraph 4.1 C. entitled *Common Area Factor*, the common area factor is established as 1.149946524 (10,752 RSF/9,350 ANSI/BOMA).

12. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$5.71/USF (rental reduction).

13. In accordance with the SFO Paragraph 4.6 entitled *Overtime Usage*, the Lessor shall install sub-meters for the assessment of HVAC usage after normal building hours. Overtime shall not be charged during normal building hours or during the hours of operation set forth in the SFO paragraph 4.5 entitled "Normal Hours."

14. Security costs in the total amount of \$19,900 shall be amortized through the rent for ten (10) years at the rate of 8%.

15. In accordance with the SFO paragraph 4.2 entitled "Tax Adjustment," this lease is subject to real estate tax adjustment. The base amount is established as \$30,360, based on 59% percentage of occupancy.

16. Fees applicable to Tenant Improvements shall not exceed:

- General Conditions – 2.0%
- General Contractor – 10.0%
- Architectural/Engineering – 6%
- Lessor Project Management Fee – 5%

LESSOR

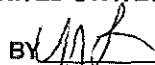
UNITED STATES OF AMERICA

BY



(Initial)

BY



(Initial)

17. In accordance with Paragraph 2.4 (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 of [REDACTED] of the firm term value of this lease ("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 2.4, 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 [REDACTED] 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 throughout the fifth month of the lease term as indicated in the following schedule of adjusted Monthly Rent:

Month 1:	\$30,694.06 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.
Month 2:	\$30,694.06 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.
Month 3:	\$30,694.06 minus prorated Commission Credit of [REDACTED] 5 equals [REDACTED] adjusted Third Month's Rent.
Month 4:	\$30,694.06 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's Rent.
Month 5:	\$30,694.06 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth Month's Rent.

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. 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 \_\_\_\_\_

  
(Initial)

BY \_\_\_\_\_



(Initial)