

**U.S. GOVERNMENT LEASE FOR REAL PROPERTY**

DATE OF LEASE

*August 20, 2011*

LEASE NO.

GS-07B-16992

THIS LEASE, made and entered into this date by and between **Frost National Bank Trustee**

whose address is 7800 IH 10 West, Suite ~~525~~ *435* <sup>61</sup> *KH*  
San Antonio, TX 78230-4700

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 49,030 rentable square feet (rsf) of office and related space, which yields 42,318 ANSI/BOMA Office Area (ABOA) square feet of space located on floors 2, 3, 4 and 7 (See Exhibit A) of the offices at 7800 IH 10 West, San Antonio, TX 78230-4700 (See Exhibit B), 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 one hundred four (104) onsite, non-reserved, structured parking spaces and fifty (50) onsite, non-reserved, surface parking spaces for use by employees and visitors. Within thirty (30) days from the effective date of this lease, the Government will provide the Lessor the name of an agency parking advisor.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a term of ten (10) years, five (5) years firm, beginning on September 1, 2011 and continuing through August 31, 2021, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor rent monthly in arrears in accordance with the following table:

Years	Annualized		
	Full Service Rent	Building Specific Security	Total Annual Rent
1 - 5	\$ 1,090,917.50	\$ 31,956.96	\$ 1,122,874.46
6 - 10	\$ 1,090,917.50	\$ -	\$ 1,090,917.50

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

[Redacted] *KH*

4. The Government may terminate this lease in whole or in part effective at any time after August 31, 2016, by giving at least 90 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.

[Redacted]	<b>LESSOR</b>	[Redacted]
	NAME OF SIGNER	<i>Teresa L. Corbin</i>
[Redacted]	NAME OF SIGNER	
	<b>UNITED STATES OF AMERICA</b>	
[Redacted]	NAME OF SIGNER	<b>Kelly Hantz</b>
	OFFICIAL TITLE OF SIGNER	<b>CONTRACTING OFFICER</b>

*[Handwritten signature]*

5. ~~This lease may be renewed at the option of the Government for the following rentals:~~

~~Provided notice shall 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 9TX3091 dated 5/4/2011.
- B. Repainting of approximately 19,000 square feet of the leased premises in accordance with the "Painting" paragraph of the ARCHITECTURAL FINISHES section of this Solicitation for Offers 9TX3091 dated 5/4/2011.
- C. Re-carpeting of approximately 19,000 square feet of the leased premises in accordance with the "Floor Coverings and Perimeter" paragraph of the ARCHITECTURAL FINISHES section of this Solicitation for Offers 9TX3091 dated 5/4/2011.
- D. In accordance with Paragraph 10.17 of Solicitation for Offer 9TX3091 dated 5/4/2011, Lessor shall complete the installation of [REDACTED].
- E. All work to be completed by the Lessor pursuant to this Paragraph 6, shall be completed within thirty (30) days of Lease Award Date as set forth in Paragraph 2 or in accordance with an improvement schedule to be provided by Lessor and approved by the Government.
- F. The Lessor hereby waives restoration of the leased premises.

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

Solicitation for Offers (SFO) 9TX3091 dated 5/4/2011  
 GSA Form 3516A entitled SOLICITATION PROVISIONS (Rev. [12/03])  
 GSA Form 3517B entitled GENERAL CLAUSES (Rev. [11/05])  
 GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])  
 Exhibit A: Floor Plans  
 Exhibit B: Legal Description

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

Paragraph 5 is intentionally deleted and Paragraphs nine (9) through twenty-three (23) are added.

- 9. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 31.53% (49,030 RSF/155,490 RSF).
- 10. In accordance with the SFO paragraph entitled *Operating Costs*, the escalation base is established as \$287,806.10 per annum. Operating Costs shall be subject to annual CPI adjustments.
- 11. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.158609 (49,030 RSF/42,318 ABOA).
- 12. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment shall be a reduction of \$2.50/ABOA for vacant space (rental reduction).
- 13. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for Overtime Heating and Cooling is established at \$35.00 per hour for the entire building or any portion thereof. Overtime usage will not apply to the building standard operating hours of 7:00 a.m. to 5:00 p.m., Monday through Friday. Lessor will provide utilities after the standard operating hours, as set forth in this paragraph, for the operation of the Government's HVAC equipment in the computer room located in Suite 400. Notwithstanding the overtime usage rates set forth in this paragraph, the Government's use of after-hours utilities in connection with the computer room

located in Suite 400 will be measured by a sub-meter. Lessor will submit to the Government a monthly invoice for the after-hours utilities, which will include the sub-meter reading, the calculation sheet and a copy of the utility bill received by lessor. The Government agrees to pay such invoice within ten (10) days of receipt thereof.

14. In accordance with the *Broker Commission and Commission Credit* paragraph in the SFO, CB Richard Ellis ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Broker have agreed to a cooperating lease commission of [REDACTED] ( [REDACTED] ) of the firm term value of this lease ("Commission"). The total amount of the Commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. In accordance with the Commission Credit described in Paragraph 2.4 of the SFO, the Government is entitled to a Commission Credit of \$0.00.
15. All questions pertaining to this Lease shall be referred, in writing, to the Contracting Officer of the General Services Administration (GSA) or their designee. The Government's occupant of the leased premise 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 in 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.
16. Building Specific Amortized Security Costs (BSAC) in the total amount of \$129,801.55 shall be amortized through the rent for 60 months at the rate of 8.5%. The total annual cost of BSAC is \$31,956.96.
17. Paragraph 8.2 of the SFO is hereby amended to read as follows: *Once annually, upon written request by the Government, Lessor shall furnish to GSA as part of shell rent, a report by a registered professional engineer(s) showing that the building and its systems as designed and constructed will satisfy the requirements of this lease.*
18. Paragraph 10.4.B of the SFO is hereby amended to read as follows: *Tenant Improvement: Emergency power to agency special equipment is a tenant improvement that shall be installed and maintained at the sole cost and expense of the Government.*
19. Paragraph 10.14.B of the SFO is hereby deleted in its entirety.
20. Clause 6 of GSA Form 3517B is hereby amended to read as follows: *The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the lease, so long as the Government's use of the Premises complies with the provisions of the lease and all applicable laws, and the use is permitted under the zoning ordinance in effect for the Premises as of the execution date of the lease.*
21. Clause 15 of GSA Form 3517B is hereby amended to read as follows: *The covenant to pay rent and the covenant to provide any service, utility, maintenance, or repair required under this lease are interdependent. In the event of any failure by the Lessor, after receipt of prior written notice from the Government, to provide any service, utility, maintenance, repair or replacement required under this lease the Government may, by contract or otherwise, perform the requirement and deduct from any payment or payments under this lease, then or thereafter due, the resulting cost to the Government, including all administrative costs. If the Government elects to perform any such requirement, the Government and each of its contractors shall be entitled to access to any and all areas of the building, access to which is necessary to perform any such requirement, and the Lessor shall afford and facilitate such access. Alternatively, the Government may deduct from any payment under this lease, then or thereafter due, an amount which reflects the reduced value of the contract requirement not performed. No deduction from rent pursuant to this clause shall constitute a default by the Government under this lease. These remedies are not exclusive and are in addition to any other remedies which may be available under this lease or at law.*
22. Upon the effective date of this lease, Lessor and Government agree the existing lease, GS-07B-14129, is terminated in its entirety effective the day preceding the effective date of this lease.

23. This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible to contradict the provisions of this Lease. Wherever there is a conflict between the SF-2 and the SFO, the SF-2 shall take precedence.

INITIALS: JG LESSOR & KH GOV'T