

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE SUPPLEMENTAL LEASE AGREEMENT		SUPPLEMENTAL AGREEMENT NO 1	DATE <i>7/31/12</i>
ADDRESS OF PREMISES: 220 W. Hillside Rd Laredo, TX 78041		TO LEASE NO. GS-07B-17057	
<p>THIS AGREEMENT, made and entered into this date by and between Palacios Cerda & Associates Realty CO whose address is 220 W. Hillside Rd Ste 3C Laredo, TX 78041-6903 hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:</p> <p>WHEREAS, the parties hereto agree to supplement the above Lease.</p> <ol style="list-style-type: none"> 1.) establish the Lease Term; and 2.) establish the Square Footages of the leased space; and 3.) provide the annual Rental amounts; and 4.) address Parking; and 5.) address Broker Commission; and 6.) establish the Adjustment for Vacant Space; and 7.) address Consumer Price Index adjustments; and 8.) establish Tenant Improvement Costs; and 9.) address Building Specific Amortized Costs (BSAC); and 10.) establish the R/U Factor; and 11.) establish Percentage of Occupancy; and 12.) all other terms and conditions are in full force and effect. <p>IN WITNESS WHEREOF, the parties subscribe their names as of the above date.</p>			
[Redacted] Realty CO _____ <i>Terde</i>		_____ <i>D/owner</i> Title	
Printed Name: <i>Gabriel A. Palacios</i> <i>Tonie M. Cerda</i>		_____ Title	
[Redacted] _____ <i>Jennifer N. Marz</i>		_____ City, State, Zip	
[Redacted]		General Services Administration 819 Taylor St., Room 5A18 Fort Worth, TX 76102 Contracting Officer (Official Title)	

Supplemental Lease Agreement No. 1

GS-07B-17057

220 W. Hillside Road
Laredo, TX 78041

1.) The total term of the lease agreement is ten (10) years with a firm term of five (5) years. The commencement date of the rental payments shall start upon acceptance by the Government. The acceptance date shall be determined in a future Supplemental Lease Agreement (SLA).

2.) The total office space square footage shall be 1,021 rentable square feet, yielding 887.89 ANSIBOMA Office Area (ABOA). The total warehouse square footage shall be 1,863 rentable square feet, yielding 1,620.11 ANSIBOMA Office Area (ABOA). The total square footage for this lease shall be 2,884 rentable square feet, yielding 2,508 ANSIBOMA Office Area (ABOA).

3.) Upon acceptance, estimated to be August 31, 2012, the Government shall pay the Lessor the total annual rent as follows:

From August 31, 2012 through August 30, 2017 the total annual rental shall be \$49,470.40 at the rate of \$4,122.53 paid monthly in arrears. The total annual rent consists of annual Operating Costs \$15,919.68, Shell Rent annual cost of \$30,153.90, and amortized Tenant Improvement annual cost of \$3,396.82.

From August 31, 2017 through August 30, 2022 the total annual rental shall be \$51,693.17 at the rate of \$4,307.76 paid monthly in arrears. The total annual rent consists of annual Operating Costs \$15,919.68 and Shell Rent annual cost of \$35,773.49.

A.) For the office space the Government shall pay:

From August 31, 2012 through August 30, 2017 the total annual rental shall be \$22,754.98 at the rate of \$1,896.25 paid monthly in arrears. The total annual rent consists of annual Operating Costs \$5,635.92, Shell Rent annual cost of \$ 13,722.24, and amortized Tenant Improvement annual cost of \$3,396.82.

From August 31, 2017 through August 30, 2022 the total annual rental shall be \$22,462.70 at the rate of \$1,871.89 paid monthly in arrears. The total annual rent consists of annual Operating Costs \$5,635.92, Shell Rent annual cost of \$ 16,826.78.

B.) For the warehouse space the Government shall pay:

From August 31, 2012 through August 30, 2017 the total annual rental shall be \$26,715.42 at the rate of \$2,226.29 paid monthly in arrears. The total annual rent consists of annual Operating Costs \$10,283.76 and Shell Rent annual cost of \$16,431.66.

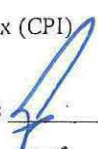
From August 31, 2017 through August 30, 2022 the total annual rental shall be \$29,230.47 at the rate of \$2,435.87 paid monthly in arrears. The total annual rent consists of annual Operating Costs \$10,283.76, Shell Rent annual cost of \$18,946.71.

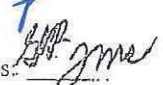
4.) The total parking spaces provided in the lease shall be 8 surface spaces. Parking is provided at no charge to the Government.

5.) The lessor agrees to pay the Government's broker a commission amount of [REDACTED] payable to Jones Lang LaSalle. There is [REDACTED] broker commission credit.

6.) The adjustments for vacant space is \$5.52 per rentable square foot.

7.) The base cost of services is \$15,919.68 per annum. This lease is not subject to Consumer Price Index (CPI) adjustments.

Gov't Initials 

Lessor Initials 

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8.) The total tenant improvement costs is \$15,000.00. The tenant improvement cost shall be amortized in the rent at 5% (five percent) for 5 (five) years. The tenant improvement cost shall apply to the office space, only. The total annual tenant improvement cost is \$3,396.82 for the office space.

9.) This lease is not subject to Building Specific Amortized Capital (BSAC) costs.

10.) The R/U factor for this lease is 1.1499203.

11.) The Government's percentage of occupancy is 65%.

12.) All other terms and conditions of the lease shall remain in full force and effect.

Gov't Initials

Lessor Initials:

Handwritten initials in blue ink. The top signature is a stylized 'L' or 'S' over a horizontal line. The bottom signature is a cursive signature over a horizontal line.