

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

3-26-10

LEASE NO. GS-07B-16706

THIS LEASE, made and entered into this date by and between 15109 Heathrow Forest, LLC

whose address is 2537 S. Gessner Road, Suite 220
Houston, TX 77063-2027

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:

12,041 rentable square feet (10,471 ANSI/BOMA Office Area square feet) of fully serviced space located on the first (1st) floor of the building at 15109 Heathrow Forest Pkwy, Houston, Texas, 77032-3884, along with thirty (30) on-site reserved surface parking spaces, more particularly described in Exhibit A, Floor Plans and Exhibit B, Designation of Reserved Parking and to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon completion of improvements and the acceptance by the Government, and continuing for a term through 15 years, subject to termination rights as may be hereinafter stated. Lessor shall complete improvements within ninety (90) calendar days following the date the Notice to Proceed is issued by the Government.

3. The Government shall pay the Lessor rent as follows:

TERM	RATE PER SF	MONTHLY RENT	ANNUAL RENT
Years 1-10	\$24.28	\$24,362.96	\$292,355.48
Years 11-15	\$29.97	\$30,072.40	\$360,868.77

Rent shall be paid monthly in arrears. Rent for a lesser period shall be prorated. Rent payments shall be made payable to:

15109 Heathrow Forest, LLC
2537 S. Gessner Road, Suite 220
Houston, TX 77063-2027

4. The Government may terminate this lease at any time after the 10th 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 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.~~

PARAGRAPH 5 IS DELETED WITHOUT SUBSTITUTION

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[Signature] [Signature]

6. The Lessor shall furnish to the Government, as part of the rental consideration the following:
- A. Facilities, all services, utilities, maintenance, and tenant improvements in accordance with solicitation for offers 8TX2342.
 - B. Full life/fire safety and handicapped accessibility as specified in solicitation for offers 8TX2342.

7. The following are attached and made a part hereof:
- Sheet 3 - 5 containing paragraphs 9 - 21 to Lease GS-07B-16706 (3 pages).
 - Solicitation For Offers 8TX2342 (43 pages).
 - Space Requirements (1 page).
 - Floor Plans, Exhibit A (1 page).
 - Designation of Reserved Parking, Exhibit B (1 page).
 - Legal Description, Exhibit C (1 page).
 - General Clauses GSA Form 3517B (Rev. 11/05) (33 pages).
 - Representations and Certifications, GSA Form 3518A (Rev.1/07) (7 pages).

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

Paragraph 5 was struck through in its entirety without substitution

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

LESSOR 15109 Heathrow Forest, LLC
By: DON WEAVER
MANAGER OF G.P.

BY 
(Signature)


(Signature)

IN PRESENCE OF:


(Signature)

2535 Gessner #220 Houston TX 77063
(Address)

UNITED STATES OF AMERICA

BY 
(Signature)

GENERAL SERVICES ADMINISTRATION
Contracting Officer
General Services Administration
819 Taylor Street,
Fort Worth, Texas 76102
(Official title)

9. The space shall comply with the handicap accessibility requirements of the solicitation.

10. Section 1.4 – Unique Requirements of Solicitation for Offers 8TX2342 is hereby amended to the following:

A. Space offered must be contiguous and located on one level without being split by a corridor. Space must have potential for an efficient layout. Space should be located in a professional office setting. The Government requires a fully serviced lease including a total of 30 on-site reserved parking spaces. The parking requirements stated above are in addition to onsite visitor parking. The Government requires building access and availability of in-suite services on a 24 hour, 7 day a week basis. All services, supplies, utilities, partitioning and tenant alterations are desired as part of the rental consideration. Space shall not be located within a base (100-year) flood plain or wetland unless the Government has determined it to be the only practicable alternative. Subleases will not be considered. Space must be fully handicapped accessible.

11. In accordance with provisions of Paragraphs 3.4 Tax Adjustments, 3.6 Operating Costs, 3.7 Operating Costs Base, and 3.13 Adjustment for Vacant Premises, of the Solicitation for Offers 8TX2342, the following parameters are established:

(a) The lease is subject to real estate tax reimbursement. In accordance with terms of Paragraph 3.4, the percentage of occupancy is 18.93% (government leased space of 12,041 square feet divided by total building 63,594 square feet). The base year tax statement will be submitted within 60 days after payment to establish the base year taxes. If the tax statement is for multiple parcels or buildings, the value of each property shall be defined. The tax base year is hereby established as 2010.

(b) The lease is subject to operating cost escalation. For operating cost adjustment, the operating costs are established at \$5.57 per rentable square foot. The base cost of services is established at \$67,068.37 based on \$5.57 for 12,041 rentable square feet.


(c) The amount for Adjustment for Vacant Premises in accordance with Paragraph 3.13 is \$2.00/rsf.

(d) The shell rental rate including taxes for Years 1-10 is established at \$188,714.36 per annum based on \$15.67 per rentable square foot for 12,041 rentable square feet. The shell rental rate including taxes for Years 11-15 is established at \$293,800.40 based on \$24.40 per rentable square foot for 12,041 rentable square feet.



12. Solicitation for Offers 8TX2342 Paragraph 7.2, Normal Hours, is hereby amended with the following.

(a) Normal building operation hours are established as 7:30 am to 5:30 pm Monday through Friday excluding federal holidays, or the buildings normal operating hours if greater.

(b) Overtime HVAC services will be provided at the rate of \$50.00 per hour. Overtime HVAC rates shall not be paid during any Normal Building Hours.

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1. The Government shall have access to the leased space at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.
 2. If heating or cooling is required on an overtime basis, such services will be ordered orally or in writing by the Contracting Officer or the GSA Buildings Manager, or a designated Tenant Agency official. When ordered, services shall be provided at the hourly rate established in the contract, which shall include all the Lessor's administrative costs. Costs for personal services shall only be included as authorized by the Government.
 3. When the cost of service is \$2,000 or less, the service may be ordered orally. An invoice shall be submitted to the official placing the order for certification and payment. Orders for services costing more than \$2,000 shall be placed using GSA Form 300, Order for Supplies or Services, or other approved service requisition procurement document. The two clauses from GSA Form 3517, General Clauses, 552.232-75, *Prompt Payment*, and 552.232-70, *Invoice Requirements (Variation)*, apply to all orders for overtime services.
 4. All orders are subject to the terms and conditions of this lease. In the event of a conflict between an order and this lease, the lease shall control.
 5. **Failure to submit a proper invoice within 120 days of providing overtime utilities shall constitute a waiver of the Lessor's right to receive any payment for such overtime utilities pursuant to this lease.**
- (c) 24/7/365 Overtime HVAC and maintenance rates for the required 200 SF LAN room will be established at \$0.91 per hour for overtime hours outside of the Normal Hours range above.
13. The Lessor will provide 3 copies of a CAD "as built" disk to the contracting officer within thirty (30) days of completion of construction.
 14. Janitorial service will be performed during tenant working hours 7:30 a.m. to 5:30 p.m., Monday through Friday, excluding federal holidays.
 15. In accordance with Section 3.10 Common Area Factor of SFO 8TX2342, the Common Area Factor is established as 1.1500.
 16. In the event the actual amount of space exceeds 10,471 usable square feet, there shall be no additional cost to the Government.
 17. A tenant improvement allowance of \$301,025 has been included as part of the full service rental rate and will be amortized over the first 120 months at 4%. The amortization of the tenant improvement amount during years 1 -10 is established as \$3.04 per rentable square foot. The tenant buildout will conform to the specifications in SFO 8TX2342.
 18. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for restoration arising from alteration or removal of any alteration by the

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Government during the term of this lease or any extensions, and for 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 will become property of the Lessor.

19. In accordance with the revised Paragraph 1.13, 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) [REDACTED] when the Lease is awarded and (ii) [REDACTED] 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 1.13, 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 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** month of the rental payments and continue until the credit has been fully recaptured.

First Month's Rental Payment of \$24,362.96 minus the prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$24,362.96 minus the prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

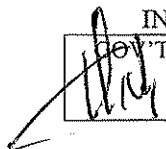
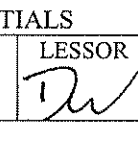
Third Month's Rental Payment of \$24,362.96 minus the prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

Fourth Month's Rental Payment of \$24,362.96 minus the prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's Rent.

In the event that the rental rate is adjusted due to an increase or decrease to the tenant buildout amount, square footage, or other item resulting in a change to the gross rental amount, the Total Broker's Commission, Remaining Broker's Commission and Commission Credit shall be recalculated based on the revised base rental rate. The Remaining Broker's Commission is payable to:

Studley, Inc.
15303 N. Dallas Parkway, Suite 1200
Addison, Texas 75001

20. 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

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Sheet 6, Attached to and made part of Lease GS-07B-16706
15109 Heathrow Forest Pkwy, Houston, TX 77032-3884

services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.

21. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new leases/contracts not later than January 1, 1998. An enrollment form is attached to be completed and returned with this contract.

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