

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

8-24-09

LEASE NO.

GS-07B-16638

THIS LEASE, made and entered into this date by and between **ES & L, LLC**

whose address is **1474 W. Price Road Suite #7
Brownsville, Texas 78520**

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:
Approximately **5,510 rentable square feet** (RSF) of office and related space, which yields approximately **4,791 ANSI/BOMA** Office area square feet (USF) of space at 1121 E. Austin, Harlingen, Texas 78505, 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 20 secured parking spaces.
2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on **DELIVERY DATE** for a period of **TEN (10) YEARS**, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent for:
Years 1 through 3: **\$171,379.28 (\$31.10/RSF - \$35.77/USF)** at the rate of **\$14,281.61** per month in arrears;
Years 4 through 5: **\$175,924.70 (\$31.93/RSF - \$36.72/USF)** at the rate of **\$14,660.39** per month in arrears;
Years 6 through 7: **\$136,169.72 (\$24.71/RSF - \$28.42/USF)** at the rate of **\$11,347.48** per month in arrears;
Years 8 through 10: **\$139,779.10 (\$25.37/RSF - \$29.17/USF)** at the rate of **\$11,648.26** per month in arrears.
Rent for a lesser period shall be prorated. Rent checks shall be made payable to:
**ES & L, LLC
1474 W. Price Road, Suite #7
Brownsville, Texas 78520**
4. The Government may terminate this lease after the **FIFTH** 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. 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 the 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.
6. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new lease/contracts not later than January 1, 1998. An enrollment form is attached to be completed and returned with this contract.
7. The Lessor shall correct all deficiencies noted in the Vanguard Engineering report (attached) dated March 16, 2009 including repairs to the parapet wall, the roof and any roof flashing that is damaged.

GOVT

Initials

LESSOR

ES
L

8. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
 - A. Such facilities, utilities, service, maintenance and tenant improvements shall be provided in accordance with the terms of the attached Solicitation for Offers (SFO) 8TX2071 dated 09/04/2008.
 - B. TWENTY (20) secured parking spaces shall be provided on a paved, fence enclosed, with security gate and lighted parking as part of the rental condition.
 - C. Services, utilities and maintenance shall be provided daily extending from 7:00 AM to 5:00PM except Saturdays, Sundays and Federal Holidays.
 - D. This lease is subject to a base operating rate adjustments as established in Paragraphs 4.3 Operating Cost Base of SFO 8TX2071. The base Operating Cost is established at \$8.15 per rentable square foot, \$44,952.00 per annum.
 - E. In accordance with Paragraph 4.6 *Overtime Usage* of SFO 8TX2071, the overtime HVAC services shall be provided at the rate of \$5.00 per hour. Overtime rates shall not be paid during normal building hours of operation 7:00 AM to 5:00 PM.
 - F. The amount of the Adjustment for Vacant Premises in accordance with Paragraph 4.4 *Adjustment for Vacant Premises* of SFO 8TX2071 is \$1.00 per RSF.T
 - G. This lease is subject to real estate tax adjustment as established in Paragraph 4.2 Tax Adjustment of SFO 8TX2071. The percentage of occupancy has been established at EIGHTY-EIGHT POINT SEVEN ONE percent (88.71%) (5510 SFR/6200 RSF)
 - H. In accordance with Paragraph 4.1 *Measurement of Space* Section C. *Common Area Factor* of SFO 8TX2071, the common area factor is established as 1.14 (5,510 RSF/ 4710 RSF)

9. In accordance with Paragraph 3.3 of SFO 8TX2071, Tenant Improvement Rental Adjustment, Tenant Improvements in the amount of \$165,332.04 shall be amortized through the rent for 5 years at the rate of 7.5%. The total annual cost of Tenant Improvements for the amortization period shall be \$39,754.98.

10. The following are attached and made a part hereof:
 - A. Solicitation for Offer 8TX2071, dated 09/04/2008, 49 pages.
 - B. General Clauses, GSA Form 3517B, 33 pages, (rev 11/05)
 - C. Representations and Certifications, GSA Form 3518, 7 pages, (rev 7/04).

11. The following changes were made in this lease prior to its execution: the Government will amend this lease, with a Supplemental Lease Agreement, to establish occupancy/effective date upon completion of the required alterations and acceptance of the space. A mutual measurement will all be made at the time the space is completed and the lease will be amended to establish the actual square footage under the lease. The rental rate for years 1-3 will be adjusted based upon the annual rate of \$28.145 per rentable square foot of space.

IN _____ hereto have hereunto subscribed their names as of the date first

LESSOR

BY _____

(Signature)

IN PRESENCE OF _____

1474 W. Price Rd, Suite 7, Bille, Tx 78520
(Address)

UNITED STATES GOVERNMENT SERVICES ADMINISTRATION

Thomas Bell

Contracting Officer

(Signature)

(Official title)