

STANDARD FORM 2
FEBRUARY 1965
EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41 CFR) 1-16.601

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

9-30-10

LEASE NO.

GS-07B-16764

THIS LEASE, made and entered into this date by and between CULLEN CONTINENTAL II CO LP

Whose address is 600 JEFFERSON
HOUSTON, TX 77002-7363

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 21,279 rentable square feet (RSF) of office and related space, which yields 18,191 ANSI/BOMA Office Area square feet (USF) of space at Continental Center 2, 600 Jefferson Street, 9th Floor, Houston, TX 77002, and further described in Paragraph 7(F) below, "Attachment 1, Legal Description," attached to and forming part of this Lease, 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 eight (8) structured parking spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon completion and acceptance of the work required by this lease and continuing for a period of ten (10) years, subject to termination and renewal rights as may be hereinafter set forth.

3. For years 1 - 5, the Government shall pay the Lessor annual rent of \$699,849.23 at the rate of \$58,320.77 per month in arrears, which includes annual shell rent of \$361,743.00 at the rate of \$30,145.25 per month, annual operating cost base of \$146,612.31 at the rate of \$12,217.69 per month, annual amortized tenant improvement allowance of \$159,842.45 at the rate of \$13,320.20 per month, and annual amortized security costs of \$31,651.47 at the rate of \$2,637.62 per month.

For years 6 - 10, the Government shall pay the Lessor annual rent of \$550,913.31 at the rate of \$45,909.44 per month in arrears, which includes annual shell rent of \$404,301.00 at the rate of \$33,691.75 per month, and annual operating cost base of \$146,612.31 at the rate of \$12,217.69 per month.

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

CULLEN CONTINENTAL II CO LP
1600 SMITH STREET, SUITE 4280
HOUSTON, TX 77002-7380

4. The Government may terminate this lease in whole or in part at any time on or after Year 5 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.

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

LESSOR

CULLEN CONTINENTAL II CO LP

By: Cullen Continental II GP, LLC,
its general partner

BY

IN

VP Leasing
c/o Brookfield Properties
1200 SMITH, SUITE 1200 HOUSTON TX
(Address)

UN

BY

Contracting Officer, General Services Administration

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 XX 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 of the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 8TX2339 dated June 16, 2009, as amended.
 - B. Build out in accordance with standards set forth in SFO 8TX2339 dated June 16, 2009, as amended, 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.
 - 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 8TX2339 dated June 16, 2009, Amendment 1 dated July 13, 2009, and Amendment 2 dated January 8, 2010.
 - B. Agency Special Requirements dated January 29, 2009.
 - C. Agency Relocation Requirements dated January 29, 2009.
 - D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05).
 - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07).
 - F. Attachment 1, Legal Description.
 - G. Attachment 2, Floor Plan.
 - H. Attachment 3, Small Business Subcontracting Plan dated July 2, 2010.

8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$688,995.04 (18,191 USF x \$37.8756) shall be amortized through the rent for 5 years at the rate of 6.0%. The total annual cost of Tenant Improvements for the amortization period shall be \$159,842.45.

- 9. The following change was made to this Lease prior to its execution:
 - A. Paragraph 5 was intentionally deleted in its entirety.

10. In accordance with Subsection B(9) of the SFO paragraph entitled *Tax Adjustment*, the percentage of Government occupancy is established as 4.74%.

11. In accordance with the SFO paragraph entitled *Operating Costs*, the escalation base is established as \$6.89/RSF (\$146,612.31/annum).

12. In accordance with Subsection C of the SFO paragraph entitled *Measurement of Space*, the common area factor is established as 1.16975 (21,279 RSF/18,191 USF).

13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.00/USF for vacant space (rental reduction).

14. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$50.00 per hour for the entire ninth (9th) floor or any portion thereof. Overtime usage shall only apply outside the building's normal hours of HVAC operation. The building's normal hours are 7:00 a.m. to 7:00 p.m. Monday through Friday, and 8:00 a.m. to 1:00 p.m. Saturday.

LESSOR

UNITED STATES OF AMERICA

BY

(Initial)

BY

(Initial)

15. Security costs in the total amount of \$136,432.50 shall be amortized through the rent for 60 months at the rate of 6.0%.

16. The Lessor and the Broker have agreed to a cooperating lease commission of [redacted] of the firm term value of this lease. The total amount of the commission is [redacted]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [redacted] of the commission that it is entitled to receive in connection with this lease transaction (Commission Credit). The Commission Credit is [redacted]. The Lessor agrees to pay the commission less the Commission Credit to the broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease 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 as indicated in this schedule for adjusted Monthly Rent.

First Month's Rental Payment of \$58,320.77 minus one half of the Commission Credit [redacted] equals [redacted] adjusted First Month's Rent.

Second Month's Rental Payment of \$58,320.77 minus one half of the Commission Credit [redacted] equals [redacted] adjusted Second Month's Rent.

17. Notwithstanding General Clause 6, 552.270-25, "Substitution of Tenant Agency (Sep 1999)," 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, with the exception of the following agencies: [redacted] (b)(6)

18. All questions pertaining to this Lease shall be referred to the Contracting Officer of the 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 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 of 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.

19. 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.

20. 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 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 that remain in the leased space after termination of the lease contract will become property of the Lessor.

21. In order to meet the Government's fire and life safety requirements, the Lessor agrees to perform the following:

- a. Fully install a fire sprinkler system on the 9th floor during build-out of the Government leased space.
- b. Enhance speaker and speaker strobe coverage on the 9th floor to NFPA 72 compliance.
- c. Provide corridor smoke detection on unsprinklered lower floors.
- d. Provide additional exit signage at the stair discharge areas into the main building lobby.

LESSOR

BY [Signature]
(Initial)

UNITED STATES OF AMERICA

BY [Signature]
(Initial)

22. Approximately 250 square feet of the ANSI/BOMA Office Area space required above will be used for the operation of a vending facility(ies) by the blind under the provisions of the Randolph-Sheppard Act (United States Code 20 USC 107 et. seq.). The Government will control the number, kind, and locations of vending facilities and will control and receive income from all automatic vending machines. The Lessor is required to provide necessary utilities and to make related alterations. The cost of the improvements will be negotiated, and payment will be made by the Government either on a lump-sum basis or a rental increase.

The Government will not compete with other facilities having exclusive rights in the building. The Offeror shall advise the Government if such rights exist. During the term of the lease, the Lessor may not establish any vending facilities within the leased space that will compete with the Randolph-Sheppard vending facilities.

LESSOR

P.A.S. / smc

(Initial)

UNITED STATES OF AMERICA

[Signature]

(Initial)

BY _____

BY _____