

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

11-15-10

LEASE NO.

GS-07B-16815

THIS LEASE, made and entered into this date by and between SPECIALTY PROPERTY, LTD.

Whose address is 900 AUSTIN AVE
WACO, TX 76701-1902

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 4,081 rentable square feet (RSF) of office and related space, which yields 3,530 ANSI/BOMA Office Area square feet (USF) of space at Triangle Tower, 510 North Valley Mills Drive, Waco, TX 76710 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 five surface 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 fifteen (15) years, subject to termination and renewal rights as may be hereinafter set forth.

3. For years 1 - 10, the Government shall pay the Lessor annual rent of \$88,424.29 at the rate of \$7,368.69 per month in arrears, which includes annual shell rent of \$48,972.00 at the rate of \$4,081.00 per month; annual operating cost of \$21,425.25 at the rate of \$1,785.44 per month, subject to annual CPI adjustments; annual amortized tenant improvement allowance of \$16,410.28 at the rate of \$1,367.52 per month, and annual amortized security costs of \$1,616.76 at the rate of \$134.73 per month.

For years 11 - 15, the Government shall pay the Lessor annual rent of \$70,397.25 at the rate of \$5,866.44 per month in arrears, which includes annual shell rent of \$48,972.00 at the rate of \$4,081.00 per month and annual operating cost of \$21,425.25 at the rate of \$1,785.44 per month, subject to annual CPI adjustments.

The monthly installments of annual rent shall be abated during the first six months of the lease term.

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

SPECIALTY PROPERTY, LTD.
900 AUSTIN AVE, SUITE 1200
WACO, TX 76701-1902

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

LESSOR

SPECIALTY PROPERTY, LTD.

BY

IN PRESENCE OF

President to the General Partner
(Title)

(Address)

Contracting Officer, General Services Administration

4. The Government may terminate this lease in whole or in part at any time on or after year 10 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 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 to the rental consideration, the following:
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9TX2659 dated March 11, 2010.
 - B. Build out in accordance with standards set forth in SFO 9TX2659 dated March 11, 2010, 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 9TX2659 dated March 11, 2010.
 - B. Agency Special Requirements dated June 27, 2008.
 - C. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05).
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07).
 - E. Attachment 1, Legal Description.
 - F. Attachment 2, Floor Plan.

8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$131,951.40 (3,530 USF x \$37.38) shall be amortized through the rent for 10 years at the rate of 4.5%. The total annual cost of Tenant Improvements for the amortization period shall be \$16,410.28.

9. The following change was made to this Lease prior to its execution: 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 0.03%.

11. In accordance with the SFO paragraph entitled *Operating Costs*, the escalation base is established as \$5.25/RSF (\$21,425.25/annum).

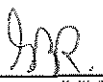
12. In accordance with Subsection C of the SFO paragraph entitled *Measurement of Space*, the common area factor is established as 1.156091 (4,081 RSF/3,530 USF).

13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.80/USF for vacant space (rental reduction).

14. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$35.00 per hour for the entire leased space. 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.

LESSOR

BY


 (Initial)

UNITED STATES OF AMERICA

BY


 (Initial)

15. Security costs in the total amount of \$13,000.00 shall be amortized through the rent for 120 months at the rate of 4.5%.

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 seventh month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Seventh Month's Rental Payment of \$7,368.69 minus one third of the Commission Credit [redacted] equals [redacted] adjusted Seventh Month's Rent.

Eighth Month's Rental Payment of \$7,368.69 minus one third of the Commission Credit [redacted] equals [redacted] adjusted Eighth Month's Rent.

Ninth Month's Rental Payment of \$7,368.69 minus one third of the Commission Credit [redacted] equals [redacted] adjusted Ninth Month's Rent.

17. 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.

18. 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.

19. 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.

20. Lessor agrees to install a handicap accessible restroom on either the fifth, sixth, or seventh floor in order to meet the requirements for handicap accessibility specified in SFO 9TX2659 dated March 11, 2010, as well as any federal, state, and local requirements.

LESSOR

UNITED STATES OF AMERICA

BY

JR
(Initial)

BY

dk
(Initial)