

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

9-21-11

LEASE NO.

GS-07B-16983

THIS LEASE, made and entered into this date by and between EARL TOM PYLE DBA PYLE PROPERTIES

Whose address is 212 OLD GRANDE BLVD., SUITE C-100
TYLER, TX 75703-4265

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 5,735 rentable square feet (RSF) of office and related space, which yields 5,371 ANSI/BOMA Office Area square feet (USF) of space at Tanglewood East Center, 1700 SSE Loop 323, Suite 340, Tyler TX 75701-5033 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 six (6) surface reserved parking spaces for the exclusive use of the Government.

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. The Government shall pay the Lessor annual rent at the following rate:

The Government shall pay the Lessor annual rent of \$166,180.46 at the rate of \$13,848.37 per month in arrears for years 1 through 5, which consist of annual Shell rent of \$78,225.40, at a rate of \$6,518.78 per month, annual Operating costs of \$41,578.75 at a rate of \$3,464.90 per month, annual amortized Tenant Improvements (TI) of \$45,470.49 at a rate of \$3,789.21 per month, and annual amortized Building Specific Amortized Capital (BSAC) of \$905.82 at a rate of \$75.49 per month.

For years 6 through 10, Government shall pay Lessor total annual rent of \$153,640.65 at a rate of \$12,803.39 per month in arrears. The total annual rent shall consist of Shell rent of \$112,061.90 at a rate of \$9,338.49 per month and Operating rent of \$41,578.75 at a rate of \$3,464.90 per month with annual CPI adjustments.

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

EARL TOM PYLE DBA PYLE PROPERTIES
212 OLD GRANDE BLVD., SUITE C-100
TYLER, TX 75703-4265

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

LESSOR
EARL T

BY

President, ETP Management Corp.
212 Old Grande Blvd, Suite C-100
Tyler, TX 75703
(Address)

Contracting Officer, General Services Administration
(Official Title)

4. The Government may terminate this lease in whole or in part at any time on or after the fifth (5th) 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 has no renewal options.
6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, maintenance, space improvements, parking and special requirements. This is a fully-serviced lease in accordance with SFO 9TX3140 dated February 14th, 2011.
 - B. Build out in accordance with standards set forth in SFO 9TX3140 dated February 14th, 2011 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. The Lessor hereby waives restoration.
 - 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 9TX3140 dated February 14th, 2011 (51 pages)
 - B. Amendment No. 1 to SFO 9TX3140 dated April 20th, 2011 (1 page)
 - C. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05]) (33 pages)
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (7 pages)
 - E. Exhibit A –Floor Plans and Parking (1 page)
 - F. Exhibit B – Legal Description (1 page)
8. In accordance with the SFO paragraph 3.3 entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$200,792.79 shall be amortized through the rent for five (5) years at the rate of 5.0%. The total annual cost of Tenant Improvements for the amortization period shall be \$45,470.49.
9. In accordance with the SFO paragraph 4.2 B.9. entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 13.56%.
10. In accordance with the SFO paragraph 4.3 entitled *Operating Costs*, the escalation base is established as \$7.25/RSF (\$41,578.75/annum).
11. In accordance with the SFO paragraph 4.1 C. entitled *Measurement of Space*, the common area factor is established as 1.067771 (5,735 RSF/5,371 ANSI/BOMA SF).
12. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$5.00/ABOA for vacant space (rental reduction).
13. In accordance with the SFO Paragraph 4.6 entitled *Overtime Usage*, the rate for overtime usage is established as \$5.00 per hour for the entire building or any portion thereof. Overtime shall not be charged during normal building hours of operation or during the hours of 7:00 a.m. to 5:00 p.m. as set forth in the SFO paragraph 4.5 entitled "Normal Hours." There is no overtime rate for LAN room cooling.
14. Security costs in the total amount of \$4,000.00 shall be amortized through the rent for five (5) years at the rate of 5.0%. The total annual cost for Building Specific Amortized Capital is \$905.82.
15. Fees applicable to Tenant Improvements shall not exceed:
 - General Conditions – 6%
 - General Contractor – 11%
 - Architectural/Engineering – 4%
 - Lessor Project Management Fee – 0%

LESSOR

UNITED STATES OF AMERICA

BY _____

(Initials)

BY _____

(Initials)

16. In accordance with Paragraph 2.3 *Broker Commission and Commission Credit, Studley, Inc.* ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. The total amount of the Commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Due to the Commission Credit which is [REDACTED] only [REDACTED] of the Commission, will be payable to Studley, Inc. with the remaining [REDACTED] which is the "Commission Credit", shall be credited to the shell rental portion of the annual rental payments due and owing 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 in equal monthly installments over the shortest time period practicable.

Notwithstanding Paragraph 3 of this Award document, 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 \$13,848.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$13,848.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment \$13,848.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

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

LESSOR

UNITED STATES OF AMERICA

BY _____


(initial)

BY _____


(initial)