

LEASE NO. GS-07B-17121

Succeeding/Superseding Lease
GSA FORM L202 (January 2012)

This Lease is made and entered into between

1433 West Loop South, LLC

("the Lessor"), whose principal place of business is **30 Broad Street, 35th Floor, New York, NY 10004** and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

("the Government"), acting by and through the designated representative of the General Services Administration ("GSA"), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

**1433 West Loop South
Houston, TX 77027**

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein.

LEASE TERM

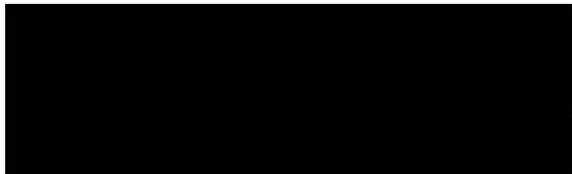
To Have and To Hold the said Premises with their appurtenances for the term beginning **June 1, 2012** and continuing through **May 31, 2027**,

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR 

Name: _____
Title: *SR. Managing Director*
Date: *7-16-12*



Lease LCO _____
Date: *7-16-12*



Name: *Cerly J. Washington*
Title: *Executive Assistant*
Date: *7-16-12*

LESSOR: *[Signature]* GOVERNMENT: *[Signature]*

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEPT 2011)

Unless otherwise noted, the Government accepts the leased premises and tenant improvements in their current existing condition, **subject to the provisions of Section 1.14.** ~~with the following exceptions further outlined more thoroughly in this lease. These exceptions include, but are not limited to, security improvements, Fire Protection and Life Safety requirements, ABAAS compliance,~~ as well as compliance with all local codes and ordinances. The Lessor shall be responsible for continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the lease paragraphs and attached General Clauses.

The Premises are described as follows:

Office and Related Space: **132,995** rentable square feet (RSF), yielding **124,581** ANSI/BOMA Office Area (ABOA) square feet of office and related space based upon a Common Area Factor of **6.753839%**, located on **a portion of the Basement and 1st floors and the entire 2nd, 3rd, 4th, 5th and 6th floors** of the Building, as depicted on the floor plan(s) attached hereto as Exhibit B. **The Government and the Lessor agree to the measurement of the leased premises as stated in this section. The building will not be re-measured during the term of the lease.**

1.02 EXPRESS APPURTENANT RIGHTS (SEPT 2011)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. Parking: **342 total structured** parking spaces as depicted on the plan attached hereto as Exhibit C of which **292 are secured** ~~shall be structured inside spaces reserved for the exclusive use of the Government, XX shall be inside parking spaces, and XX shall be surface parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.~~

B. Antennas, Satellite Dishes, and Related Transmission Devices: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (SUCCEEDING) (SEPT 2011)

A. The Government shall pay the Lessor annual rent, payable monthly in arrears, at the following rates:

	June 1, 2012 – May 31, 2022	June 1, 2022 – May 31, 2027
	Annual Rent	Annual Rent
Shell Rent	\$1,865,919.85	\$2,450,834.40
Tenant Improvements rent ¹	\$ 0.00	\$ 0.00
Operating Costs	\$1,076,193.00	\$1,076,193.00
Building Specific Security ²	\$23,845.08	\$ 0.00
Total Annual Rent	\$2,965,957.93	\$3,527,027.40

¹The Tenant Improvements of \$XX,XXX are amortized at a rate of X percent per annum over XX years.

²Building Specific Security Costs are amortized at a rate of 6.5% percent per annum over 10 years.

³Rates may be rounded.

B. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

C. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.

D. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in "Paragraph 1.01 The Premises" created herein;

[Type text]

- 2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
- 3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

~~3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities (with the exclusion of XX), maintenance required for the proper operation of the Property, the Building, and the Leased Premises, in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements and improvements required to be made thereto to meet the requirements of this Lease. The Government shall be responsible for paying the cost of XX directly to the utility provider. The Lessor shall ensure that such utilities are separately metered. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub meters are not acceptable. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.~~

E. Parking shall be provided at a rate of \$0.00 per parking space per month (Structure), and \$0.00 per parking space per month (Surface).

1.04 BROKER COMMISSION AND COMMISSION CREDIT (SEPT 2011)

A. **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. Only \$ [redacted] of the Commission, will be payable to **STUDLEY, INC.** with the remaining [redacted] which is the "Commission Credit", to 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 practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

- First Full Month Rental Payment \$247,163.16 minus prorated Commission Credit of [redacted] equals \$ [redacted] adjusted 1st Full Month's Rent.
- Second Full Month Rental Payment \$247,163.16 minus prorated Commission Credit of [redacted] equals \$ [redacted] adjusted 2nd Full Month's Rent.
- Third Full Month Rental Payment \$247,163.16 minus prorated Commission Credit of [redacted] equals \$ [redacted] adjusted 3rd Full Month's Rent.

1.05 TERMINATION RIGHTS (SUCCEEDING) (SEP 2011)

The Government may terminate this Lease, in whole or in parts, at any time effective after **May 31, 2022** by providing not less than **180** days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 RENEWAL RIGHTS (SEPT 2011)

INTENTIONALLY DELETED

This Lease may be renewed at the option of the Government for a term of **XX YEARS** at the following rental rate(s):

	OPTION TERM, YEARS XX-XX	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	\$XX	\$XX
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM YEAR XX OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least **XX** days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

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1.07 DOCUMENTS INCORPORATED BY REFERENCE (SEPT 2011)

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
LEGAL DESCRIPTION	2	A
FLOOR PLAN(S)	7	B
PARKING PLAN(S)	1	C
SECURITY REQUIREMENTS	4	D
SECURITY UNIT PRICE LIST	2	E
GSA FORM 3517B GENERAL CLAUSES	48	F
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	7	G
SMALL BUSINESS SUBCONTRACTING PLAN	15	H
POTENTIAL ENERGY EFFICIENCY UPGRADES	2	I
ASBESTOS O&M REPORT -- INCORPORATED BY REFERENCE	221	J
WALTER P. MOORE ENGINEERING FIELD INSPECTION	26	K

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEPT 2011)

INTENTIONALLY DELETED

~~The Government shall have the right to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may choose to pay lump sum for any part or all of the remaining principal balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining firm term of the Lease.~~

1.09 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (SEPT 2011)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the Real Estate Tax Adjustment clause of this lease is **96.76727%**. The percentage of occupancy is derived by dividing the total Government space of **132,995 RSF** by the total building space of **137,438 RSF**.

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment clause of the Lease is **\$302,835.00 for the entire building and \$293,045.16 for the leased premises**.

1.10 OPERATING COST BASE (SEPT 2011)

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be **\$8.0919809 per rentable sq. ft or \$1,076,193.00 per annum**.

1.11 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEPT 2011)

In accordance with the section entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates **one entire floor** of the Leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by **\$1.86856922 per ABOA sq. ft. (\$1.75 per RSF)** of space vacated by the Government. **In the event the Government fails to occupy or vacates the entire Leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$2.66884598 per ABOA sq. ft. (\$2.50 per RSF).**

1.12 HOURLY OVERTIME HVAC RATES (SEPT 2011)

The following rates shall apply in the application of the clause titled "Overtime HVAC Usage:"

\$50.00 per hour for the first floor placed in service and an additional \$10.00 per hour per floor for each additional floor placed in service. This rate shall escalate each year during the term of the lease by the percentage change in the CPI in the same manner as increases in operating expenses.

1.13 24-HOUR HVAC REQUIREMENT (APR 2011)

The Hourly Overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of **\$26,650.00. The cost of maintenance, repair and/or replacement of supplemental HVAC equipment shall be borne by the Government. \$X.XX per ABOA sq. ft. of the area receiving the 24-hour HVAC.** ~~Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants at no additional charge.~~

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1.14 ADDITIONAL BUILDING IMPROVEMENTS (SEPT 2011)

The Lessor shall be required to complete the following additional building improvements (e.g., Fire Protection and Life Safety, Seismic, and Energy Efficiency) prior to acceptance of the Space:

See Section 7 – ADDITIONAL TERMS AND CONDITIONS, for additional building improvements required.

1.15 CONFLICTS

In the event of a conflict between the provisions of this Section 1 and the other Sections of the Lease, the provision of this Section 1 shall control.