

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE:

6-8-10

LEASE No. GS-07B-16714

THIS LEASE, made and entered into this date between **Radler Limited Partnership**

whose address is: **c/o Radler Enterprises, Inc.  
530 Wells Fargo Drive, Suite 300  
Houston, TX 77090**

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:  
55,226 rentable square feet (r.s.f.), yielding approximately 50,366 ANSI/BOMA Office Area square feet and related space located on the entire third (3<sup>rd</sup>) and fourth (4<sup>th</sup>) Floors at the Beltway Lakes Building Phase I, 5825 North Sam Houston Parkway West, Houston, TX 77086-1533 (see Exhibit A - Legal Description of the Property), together with one hundred and one (101) onsite structured and secured parking spaces, as depicted on the attached typical floorplan (Exhibit H) and Narrative of Offeror's Proposed Parking Accommodations (Exhibit I) (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. TO HAVE AND TO HOLD the said Premises with their appurtenances for for fifteen (15) years, for the term beginning one hundred and twenty (120) days after the Government issues it's Notice to Proceed per SFO Paragraph 5.14 - Construction Schedule and Acceptance of Tenant Improvements, Subparagraph G. - Acceptance of Space and Certificate of Occupancy, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent of **\$2,218,036.04** at the rate of \$184,836.33 per month in arrears for years 1 through 10 and annual rent of **\$2,007,465.10** at the rate of \$167,288.76 per month in arrears for years 11 through 15:

<u>Years 1 - 10</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Shell Rent	1,573,941.00	131,161.75
TIA	263,035.64	21,919.64
Bldg. Spec. Security	30,374.30	2,531.19
OPEX	\$350,685.10	29,223.76
<b>Firm Term Rent</b>	<b>\$2,218,036.04</b>	<b>\$184,836.34</b>

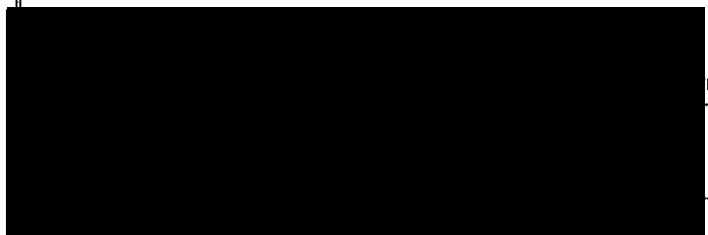
<u>Years 11 - 15</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Shell Rent	\$1,856,780.00	\$138,065.00
OPEX *	\$350,685.10	\$29,223.76
<b>Full Term Rent</b>	<b>\$2,007,465.10</b>	<b>\$167,288.76</b>

\* Does not include annual operating cost escalations per SFO Section 4.3 "Operating Costs."

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

Radler Enterprises, Inc.  
530 Wells Fargo Drive, Suite #300  
Houston, TX 77090

4. The Government has a one time right to terminate this lease in whole or in part at the end of the ten year firm term or 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 \_\_\_\_\_ 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. The parking space(s) described in Paragraph 1 and parking spaces required by local code.
  - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's approved Design Intent Drawings. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. SFO 7TX2031 dated February 9, 2009 and its attachments.
  - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.
7. The following are attached and made a part hereof:
  - A. Solicitation for Offers 7TX2031 dated February 9, 2009, 54 pages.
  - B. SFO Amendment #1, dated November 5, 2009, 1 page.
  - C. SFO Amendment #2, dated December 23, 2009, 1 page.
  - D. SFO Amendment #3, dated February 2, 2010, 1 page.
  - E. LEED Scorecard (proposed) for Commercial Interiors, 1 page.
  - F. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05]), 2 pages.
  - G. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]), 7 pages.
  - H. 8 1/2" x 11" Typical floor plan for floors 3 & 4, 1 page.
  - I. Narrative of Offeror's Proposed Parking Accommodations, 3 pages.
  - J. Building Security Unit Price List, 2 pages.
  - K. Exhibit A – Legal Description of Beltway Lakes Phase I, 5825 North Sam Houston Parkway West, Houston, TX 7086-1533, 2 pages.
8. The following changes were made in this lease prior to its execution:  
Paragraph 5 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 24 have been added.



\_\_\_\_\_ described their names as of the date first above written.

Mishael Radom, President – Radler Limited Partnership, by it's  
Managing Partner, Radler Enterprises, Inc.  
 \_\_\_\_\_  
 (Title)

530 Wells Fargo Drive, Suite #300  
 Houston, TX 77090  
 \_\_\_\_\_  
 (Address)

IN PRESENCE OF:



**S ADMINISTRATION, Public Buildings Service:**

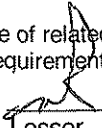
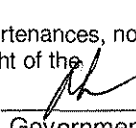
ation

STA  
 FEB

EXCEPTION TO SF2 APPROVED

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-07B-16714

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following fifteen (15) years term in accordance with the SFO Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.
10. The Lessor shall have one hundred and twenty (120) calendar days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
11. **TAX ADJUSTMENT:** Pursuant to SFO Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 55,226 / 161,301 rentable square feet (**34.2%**).
12. **OPERATING COST:** Pursuant to SFO Paragraph 4.3, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$6.35 per rentable square foot per annum (**\$350,685.10 per annum**).
13. **ADJUSTMENT FOR VACANT PREMISES:** See Paragraphs 23.3 and 23.4 below.
14. **OVERTIME USAGE:** In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$45.00 per air handler per hour (two air handlers per floor). The rate for overtime usage shall be adjusted annually according to changes in the Consumer Price Index in the same manner as annual adjustments to operating costs. The building's normal hours of operation extend 7:00 a.m. to 6:00 p.m. Monday through Friday. The Government shall only be charged for overtime usage outside of the building's normal hours of operation.
15. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by SFO Paragraph 3.2, "Tenant Improvements Included in Offer" (as modified by SFO Amendment #3 dated February 2, 2010). The Tenant Improvement Allowance in the total amount of **\$2,066,612.68** (50,366 USF x \$41.03 / USF) shall be amortized over the ten (10) year firm term of the lease agreement at an interest rate (amortization rate) of 5% per year.
16. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
  - A. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.14 (B), "Design Intent Drawings" (as modified by Amendment #2 dated December 23, 2009). The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
  - B. The price proposal required to be provided by Lessor in SFO Paragraph 5.14 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.14, B (1) through (9), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
  - C. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
  - D. The construction schedule required in SFO Paragraph 5.14 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.14, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
  - E. In addition to the submission requirements specified under SFO Paragraph 5.14, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format ten (10) working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.
17. **ACCEPTANCE OF SPACE:**
  - A. The following is added to SFO Paragraph 5.14 G (1), "Acceptance of Space and Certificate of Occupancy":  
Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
  - B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
  - C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the

Initials:  &   
Lessor & Government

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-07B-16714

Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

18. **OCCUPANCY REPORTS:**

- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.

19. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.**

20. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

21. **WAIVER OF RESTORATION:** The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

22. **EFT PARAGRAPH:** 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.

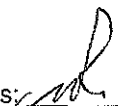

23. **CO PARAGRAPH:** All questions pertaining to this Lease shall be referred to the Contracting Officer of the General Services Administration (GSA) or their designee. The Government occupant is not authorized to administer this lease and GSA assumes no responsibility for any cost incurred by the Lessor 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.

24. **COMMISSION AND COMMISSION CREDIT:** The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the modified aggregate firm term value of this lease valued at \$21,891,586.46. 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 SFO Paragraph 2.4 "Broker Commission and Commission Credit", the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction. The Commission Credit is [REDACTED] and shall be credited in three equal amounts of [REDACTED] over the first three monthly rent payments. Notwithstanding Paragraph 3 of this Standard Form 2, the Firm Term Rental payments shall be reduced to fully re-capture this Commission Credit. The reduction shall commence with the first month and continue as indicated as follows:

First Month's Rental Payment shall be [REDACTED] (or the monthly payment of \$184,836.34 minus rent credit of [REDACTED]).



Second Month's Rental Payment shall be [REDACTED] (or the monthly payment of \$184,836.34 minus rent credit of [REDACTED]).

Third Month's Rental Payment shall be [REDACTED] (or the monthly payment of \$184,836.34 minus rent credit of [REDACTED]).

Initials:  &   
Lessor & Government

23. The following changes were made in this Lease prior to its execution:

- 1) Pursuant to the SFO, a total of 101 reserved structured parking spaces are included. Visitor spaces are included in the response, but no additional unreserved tenant parking spaces have been factored into Radler's response to the SFO. Any additional unreserved tenant parking spaces required in the future will be subject to additional charge.
- 2) Beltway Lakes I is part of the Beltway Lakes office complex. Presently, the Beltway Lakes I and Beltway Lakes II office buildings are complete. Beltway Lakes I and Beltway Lakes II share a common parking garage, tax identification number and certain other common amenities. Shared or common operating costs are generally allocated amongst the buildings within the complex based on a prorata square footage basis.
- 3) SFO Paragraph 4.4, **ADJUSTMENT FOR VACANT PREMISES, GSAR 552.270-16 (VARIATION) (DEC 2005)**, Subparagraph A, of the SFO, shall be deleted in its entirety and replaced with the following: "If the Government fails to occupy any portion of the leased premises or vacates the premises in whole or in part prior to expiration of the term of the lease, and if such unoccupied and/or vacated portion of the premises consists of at least ten thousand (10,000) contiguous square feet of rentable space, then the operating cost component of the rental rate for such unoccupied or vacant portion of the premises shall be **reduced by \$1.50 per square foot of rentable space per year** during such period or periods specified in Paragraph 4.4, Subparagraph B. hereunder."
- 4) SFO Paragraph 4.4, **ADJUSTMENT FOR VACANT PREMISES, GSAR 552.270-16 (VARIATION) (DEC 2005)**, Subparagraph B, of the SFO shall be deleted in its entirety and replaced with the following: "The rate will be reduced, on a prorated monthly basis, by \$1.50 per square foot of rentable space per year in which operating expenses are not required to maintain such space. Said reduction shall occur after the Government gives 30 calendar days' prior notice to the Lessor and shall continue in effect until the Government occupies the vacant premises or the lease expires or is terminated."
- 5) SFO Paragraph 5.1, **SECURITY FOR NEW CONSTRUCTION (NOV 2005)**, is deleted in its entirety.
- 6) SFO Paragraph 5.3, **FIRE PROTECTION FOR NEW CONSTRUCTION (AUG 2008)**, is deleted in its entirety.
- 7) SFO Paragraph 5.3, **FIRE PROTECTION FOR NEW CONSTRUCTION (AUG 2008)**, is deleted in its entirety.
- 8) SFO Paragraph 5.14 **CONSTRUCTION SCHEDULE AND ACCEPTANCE OF TENANT IMPROVEMENTS**, Subparagraph C. The fourth (4<sup>th</sup>) sentence shall be replaced with the following: "The Lessor's working/construction drawings shall be due to the Government within forty five (45) working days of the Government's approval of the design intent drawings."
- 9) Paragraph 6.5, **WINDOW COVERINGS (DEC 2005)**, The existing window blinds are accepted by the Contracting Officer.
- 10) SFO Paragraph 7.8, **DOORS: HARDWARE (DEC 2007)**, Subparagraph A of the SFO shall be revised to delete the third sentence: "All public use doors and toilet room doors shall be equipped with kick plates." in its entirety and replaced with "All public use doors and toilet room doors shall be maintained free of scuff marks, scratches and repaired or repainted if damaged."
- 11) SFO Paragraph 8.9 **HEATING AND AIR CONDITIONING (AUG 2008)** Subparagraph A6b. "no permanent diffusers are used" is re-inserted from Amendment #2 and Subparagraph A6b "no plenum type return air system is employed" is deleted.
- 12) SFO Paragraph 8.19, **LIGHTING: INTERIOR AND PARKING (AUG 2008)**, Subparagraph A.1.d of the SFO shall be revised to delete the second sentence: "The Lessor shall provide daylight dimming controls in atriums or within 15 feet of windows where daylight can contribute to energy savings." in its entirety.
- 13) SFO Paragraph 10.20 Paragraph 10.20 **SECURITY DESIGN CRITERIA: SETBACK (BUILDING SHELL) (NOV 2005) (AUG 2008)** is hereby deleted in its entirety.

Initials  &   
Lessor Government