

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

GS-07B-16805

THIS LEASE, made and entered into this date by and between JRA INTERESTS, LTD.

Whose address is 2110 S JOHN REDDITT DR  
LUFKIN, TX 75904-5422

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:

- The Lessor hereby leases to the Government the following described premises:

A total of 3,850 rentable square feet (RSF) of office and related space, which yields 3,500 ANSI/BOMA Office Area square feet (USF) of space at Gaslight Center, 2422 East Tyler Ave., Harlingen, TX 78550-7468 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government is one parking space for exclusive use of Government employees and patrons.

- 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.

- The Government shall pay the Lessor annual rent, on a monthly basis in arrears, according to the following schedule:

Years 1 - 5		
	Annual	Monthly
Shell Rent	\$50,831.91	\$4,235.99
Operating Cost Base	\$22,997.00	\$1,916.42
Amortized TI Allowance	\$22,717.13	\$1,893.09
Amortized Security Costs	\$1,166.96	\$ 97.25
<b>Total</b>	<b>\$97,713.00</b>	<b>\$8,142.75</b>

Years 6 - 10		
	Annual	Monthly
Shell Rent	\$47,727.50	\$3,977.29
Operating Cost Base	\$22,997.00	\$1,916.42
<b>Total</b>	<b>\$70,724.50</b>	<b>\$5,893.71</b>

The Full Service Rent, which includes Shell Rent, Operating Cost Base, Amortized TI Allowance, and Amortized Security Costs, for the first month of the lease term shall be abated in full.

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

LESSOR

JRA

BY

IN PRE

UNITED STATES

BY

*President*  
*Arnsworth Harris, Inc. G.P.*  
(Title)  
*2110 S. John Redditt Dr*  
*Lufkin, TX 75904*  
(Address)

*GARRETT GORDON*  
Contracting Officer, General Services Administration  
(Official Title)

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

JRA INTERESTS, LTD.  
2110 SOUTH JOHN REDDITT DRIVE  
LUFKIN, TX 75904-5422

4. The Government may terminate this lease in whole or in part at any time on or after the last day of the fifth lease 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 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 7TX2003 dated October 28, 2009.
  - B. Build out in accordance with standards set forth in SFO 7TX2003 dated October 28, 2009, 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. SFO 7TX2003 dated October 28, 2009.
  - B. Agency Space Requirements.
  - 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, "Special Warranty Deed With Vendor's Lien."
  - F. Attachment 2, Floor Plan of Offered Space.

8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$97,335.00 (3,500 USF x \$27.81) shall be amortized through the rent for five years at the rate of 6.25%. The total annual cost of Tenant Improvements for the amortization period shall be \$22,717.13.

- 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 24.6795% (3,850 RSF/15,600 RSF).

11. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$22,997.00/annum.

12. In accordance with Subsection C of the SFO paragraph entitled *Measurement of Space*, the common area factor is established as 1.10 (3,850 RSF/3,500 USF).

13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$6.00/USF for vacant space (rental reduction).

LESSOR

UNITED STATES OF AMERICA

BY \_\_\_\_\_



(Initial)

BY \_\_\_\_\_



(Initial)



14. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$0.70 per hour for the entire leased space or any portion thereof. Overtime usage shall only apply outside the building's normal hours of HVAC operation. The building's normal hours are 8:00 a.m. to 6:00 p.m. Monday through Friday.

15. Security costs in the total amount of \$5,000.00 shall be amortized through the rent for 60 months at the rate of 6.25%.

- 16. The Lessor's Tenant Improvement Fees shall not exceed the following:
  - A. General Conditions will not exceed 5.0% of the Tenant Improvements.
  - B. General Contractor's fee will not exceed 10.0% of the Tenant Improvements.
  - C. Architectural/Engineering fees will not exceed \$1.20 per USF.
  - D. Lessor's Project Management fees shall not exceed 0.0% of the Tenant Improvements.

17. The Lessor and the Broker have agreed to a cooperating lease commission of [redacted] of the firm term value of this lease, excluding the first month of the lease term. 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 second month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent.

Second Month's Rental Payment of \$8,142.75 minus one half of the Commission Credit [redacted] equals [redacted] adjusted Second Month's Rent.

Third Month's Rental Payment of \$8,142.75 minus one half of the Commission Credit [redacted] equals [redacted] adjusted Third Month's Rent.

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. 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 JRA Interests, Ltd. 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 if the improvements remain in place after the Government's acceptance of the space.

LESSOR

UNITED STATES OF AMERICA

BY \_\_\_\_\_

(Initial)

BY \_\_\_\_\_

(Initial)