

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

4/15/2011

LEASE NO.

GS-07B-16857

THIS LEASE, made and entered into this date by and between FD MCALLEN ICE, LLC

whose address is 1300 WILSON BLVD, STE 910
ARLINGTON, VA 22209-2321

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 consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 24,063 rentable square feet (RSF) of office and related space, which yields 22,935 ANSI/BOMA Office Area square feet (ABOA) of space located on the 1st Floor at 5901 South International Parkway, McAllen, TX 78503-8867 (see Exhibit B - Legal Description) 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 sixty-eight (68) parking spaces and six (6) structured/covered parking spaces.

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, with a firm term of five (5) years, subject to termination and renewal rights as may be hereinafter set forth. The actual lease term dates will be established by a subsequent Supplemental Lease Agreement.

3. For years 1 through 10, the Government shall pay the Lessor total annual rent of \$684,219.32 (\$28.43/RSF - \$29.83/ABOA) at the rate of \$57,018.27 per month in arrears. The total annual rent consists of annual Shell rent of \$416,530.53 (\$17.31/RSF - \$18.16/ABOA); annual Operating Costs of \$164,831.55 (\$6.85/RSF - \$7.19/ABOA) plus annual CPI adjustments; annual Building Specific Security Costs of \$14,525.67 (\$.60/RSF - \$.63/ABOA); and annual amortized Tenant Improvements of \$88,331.57 (\$3.67/RSF - \$3.85/ABOA).

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

FD MCALLEN ICE, LLC
1300 WILSON BLVD, STE 910
ARLINGTON, VA 22209-2321

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) year of this lease by giving at least one hundred and twenty (120) days' prior notice, in writing, to the Lessor. No rental shall accrue after the effective date of the termination. Said notice shall be computed commencing with the day after the date of the mailing.

5. ~~This lease may be renewed at the option of the Government for 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 to the rental consideration, the following:

A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 8TX2866 dated November 1, 2010.

B. Build out in accordance with standards set forth in SFO 8TX2866 dated November 1, 2010, as amended, and the Government's Design Intent Drawings. Government space plans shall be developed subsequent to award within 20 working days. All tenant alterations and improvements shall be completed by the date identified under paragraph 9 of this SF2.

C. The Lessor hereby waives restoration of the leased premises.

- D. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
- E. Adequate space for telecommunications antenna and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the SFO.

7. The following are attached and made a part hereof:

Solicitation for Offers (SFO) 8TX2866 dated 11/01/2010
GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05)
GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
11.1 – 11.7 Special Requirements for Solicitation for Offers 8TX2866 dated 11/01/2010
Exhibit A: Pre-Lease Security Plan
Exhibit B: Legal Description
Exhibit C: Site Plan
Exhibit D: Davis Bacon Wages
Exhibit E: Amendments # 1-3

8. The following changes were made in this lease prior to its execution:

Paragraph 5 is omitted and has been struck through. Paragraphs nine (9) through nineteen (19) are added.

9. **Budget and Price Proposals/CONSTRUCTION SCHEDULE:** Pursuant to Paragraph 5.10, of the Solicitation of Offer "Construction Schedule and Acceptance of Tenant Improvements", the Lessor shall have 172 working days from receiving the notice to proceed from the Government to complete the build-out of the entire leased premise and have the space available for inspection and acceptance by the Government. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
10. **Percentage of Occupancy:** The lease is subject to Real Estate Tax reimbursement as provided for in the Paragraph "Tax Adjustment" of the SFO. For tax adjustments, the percentage of occupancy is established at 100.00%. The base year tax statement will be submitted within 60 calendar days after Lessor's payment of taxes to establish the base tax year. If the statement is for multiple parcels or buildings, the value of each property shall be defined.
11. **Operating Cost:** In accordance with the SFO paragraph entitled "Operating Costs," the escalation base is established as \$6.85/RSF or \$164,831.55 (24,063 RSF X \$6.85/RSF).
12. **Common Area Factor:** In accordance with the SFO paragraph entitled "Common Area Factor," the common area factor is established as 1.0491824 (24,063 RSF/22,935 ABOA).
13. **Adjustment for Vacant Premise:** In accordance with the SFO paragraph entitled "Adjustment for Vacant Premises," the adjustment shall be a reduction of \$2.50/ANSI-BOMA Office Area for vacant space.
14. **Overtime HVAC Usage:** In accordance with the SFO Paragraph entitled Overtime Usage, the rate for Overtime Heating and Cooling is established at \$25.00 per hour for the entire Government leased premise. The Lessor shall not charge the Government for Overtime Heating and Cooling if the building is open and the Heating and Cooling is operating for all other tenants beyond the Normal Hours stipulated in this agreement. The Overtime Heating and Cooling Usage rate shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the lease agreement.
15. **Commission Credit:** The Lessor and the Broker have agreed to a cooperating lease commission. 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 to the Government is [REDACTED] ([REDACTED] X [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 to the Government. 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 of \$57,018.27 minus the Commission Credit [REDACTED] equals [REDACTED] as the adjusted First Month Rent.

Second Month's Rental Payment of \$57,018.27 minus the Commission Credit () equals as the adjusted Second Month Rent.

- 16 **Unauthorized Tenant Improvements:** All questions pertaining to this Lease shall be referred, in writing, to the Contracting Officer of the General Services Administration (GSA) or his/her designee. The Government's occupant of the leased premise is not authorized to administer this lease or make commitments to the Lessor that are not followed-up with a written agreement to the Lease. GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or any other cost authorized, 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 in scope of work, alterations, and overtime services without the written authorization of a Contracting Officer. If Lessor delivers space with Tenant Improvements not authorized, in writing, by the GSA Contracting Officer, then the Lessor shall not be entitled to compensation or payment if the Tenant Improvements remain in place after the Government's acceptance of the space.
18. **Tenant Improvement Allowance:** In accordance with the SFO paragraph entitled Tenant Improvement Rental Adjustment, Tenant Improvements in the total amount of \$694,001.63 (22,935 ANSI/BOMA Office Area x \$30.2595) shall be amortized through the rent for 10 years at the rate of 5.00%. The total annual cost of Tenant Improvements for the amortization period shall be \$88,331.57. Annual tenant improvement amortized payments will begin upon completion and acceptance of all tenant improvements to the leased premise.
19. If the Lessor fails to acquire the fee title to the premises located at 5901 South International Parkway, McAllen, TX 78503-8867 (which is more particularly described in the attached Exhibit B - Legal Description) by July 15, 2011, then the Government will terminate this lease at no cost to the Government.

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

LESSOR:

BY

Claiborne Williams
(printed name)

Manager
Title

1300 Wilson Blvd, Suite 910
(Address)

David Alperstein
(printed name)

Arlington VA 22209
City State Zip

RATION

Lease Contracting Officer

(Official title)

STANDARD FORM 2