

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

2-25-10

LEASE NO.

GS-07B-16676

THIS LEASE, made and entered into this date by and between **Vaquillas Realty, LTD**

whose address is **5810 San Bernardo Ave, Suite 490
Laredo, Texas 78041-2918**

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 7,405 rentable square feet (RSF) of office and related space, which yields 6,543 ANSI/BOMA Office Area square feet (USF) of space at 5810 San Bernardo, Laredo, TX (see exhibit F, 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 15 surface 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 Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$205,913.49 (\$27.8073/RSF - \$31.4708/USF) at the rate of \$17,159.46 per month in arrears for years 1 - 5, which consists of annual shell rent of 106,076.63 (\$14.3250/RSF - \$16.2122/USF) at the rate of \$8,839.72 per month; annual operating costs of \$58,314.38 (\$7.8750/RSF - \$8.9125/USF) at a rate of \$4,859.53 per month; and annual amortized tenant improvements of \$41,522.48 (\$5.6074/RSF - \$6.3461/USF) at a rate of \$3,460.21 per month.

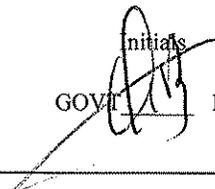
Annual tenant improvement amortized payments will begin upon completion and acceptance of all tenant improvements to the 7,405 RSF. This date for acceptance and establishment of occupancy date will be established via a Supplemental Lease Agreement. The firm term of this lease will also begin on this date established for acceptance of all tenant improvements and occupancy of the total 7,405 RSF.

For years 6-10, the Government shall pay the Lessor annual rent of \$164,391.01 (\$22.20/RSF - \$25.1247/USF) at the rate of \$13,699.25 per month in arrears, which consists of annual shell rent of \$106,076.63 (\$14.3250/RSF - \$16.2122/USF) at the rate of \$8,838.72 per month; annual operating costs of \$58,314.38 (\$7.8750/RSF - \$8.9125/USF) at a rate of \$4,859.53 per month.

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

Vaquillas Realty, LTD
5810 San Bernardo, Suite 490
Laredo, TX 78041-2918

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. The date upon which the entire 7,405 RSF is accepted by the Government for occupancy after completion of all Tenant Improvements will be the date used to begin timing for the five year firm term.




15. Per Debt Collection Improvement ACT, effective July 27, 1996, Electronic Funds Transfer (EFT) (See exhibit G) shall be required on all existing and new lease/contract not later than January 1, 1998. An enrollment form is attached. Please complete and return with this contract.
16. 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. There is no commission credit payment due to the expedited status of this Broker lease procurement.
17. All questions pertaining to this Lease shall be referred to the Contracting Officer of the General Services Administration (GSA) or his/her 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 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. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.
18. In accordance with the SFO paragraph entitled Tenant Improvement Rental Adjustment, Tenant Improvements in the total amount of \$178,981.15 (6,54327 USF x \$27.3546) shall be amortized through the rent for 5 years at the rate of 6.00%. The total annual cost of Tenant Improvements for the amortization period shall be \$41,522.48. Annual tenant improvement amortized payments will begin upon completion and acceptance of all tenant improvements to the 7,405 RSF. Any additional TI costs associated with this build out will be paid via lump sum by GSA upon completion of the work and receipt of an invoice from the Lessor. This additional amount, if needed, will be specified and agreed too in a Supplemental Lease Agreement to the original lease.

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

LESSOR Vaquillas Realty, LTD

BY 
(Signature)

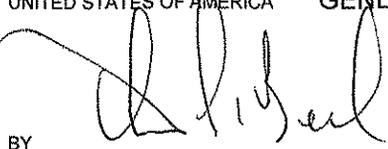
(Signature)

IN PRESENCE OF:


(Signature)

5810 San Bernardo Suite 490
Laredo, Texas 78041
(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY 
(Signature)

Leasing Contracting Officer
(Official title)