

LEASE NO. GS-07P-LTX01049
BUILDING NO. TX2626

Global Lease
GSA TEMPLATE L100 (10/2022)

A. This Lease is made and entered into between

Pasadena SSA, LLC

(Lessor), whose principal place of business is 8100 Macomb Street, Grosse Ile, MI 48138-1574, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

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

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

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

**3300 Watters Road
Pasadena, TX 77504-2013**

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, to be used for such purposes as determined by GSA.

C. **LEASE TERM**

To Have and To Hold the said Premises with its appurtenances for the term beginning on September 4, 2023 and continuing through September 3, 2033 subject to termination and renewal rights as may be hereinafter set forth.

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 THE LESSOR:

DocuSigned by:
Gregory S. Barton
2E80B41FD0C24D4...
Name: Gregory S. Barton
Title: President
Entity: Pasadena SSA, LLC
Date: 1/18/2023

FOR THE GOVERNMENT:

DocuSigned by:
Michael Sianan
146605399C8E4D3...
Name: Michael Sianan
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service Date:
2/13/2023

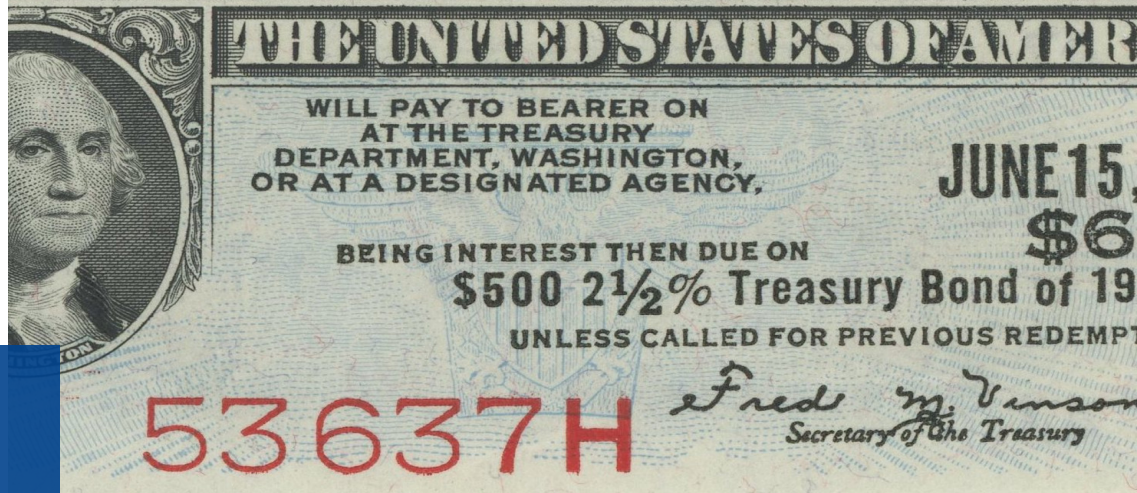
WITNESSED FOR THE LESSOR BY:

DocuSigned by:
Matt Livernois
6E88BFC7E6C54C0...
Name: Matt Livernois
Title: Witness
Date: 1/23/2023

The information collection requirements contained in this Solicitation/Contract, that are not required by regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

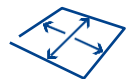
Long-Term Lease Contract | U.S. Social Security Administration

3300 Watters Road - Pasadena, Texas



Investment Highlights

This Lease Contract is a unique investment that features a single tenant leased office building with the U.S. Social Security Administration as its long-term tenant. The U.S. Federal Government occupies 100% of the Building on a Ten (10) Year term that commenced in September 2023.



26,385
Rentable
Square Feet



AAA Credit
Tenant



Built 2008
Renovation
2023



Long
Standing
Mission



Accessible
Location



Ten (10)
Year Lease



Tenant
Improvement



216 Parking Spaces

Lease Contract - U.S. Federal Government

- Build-to-suit for SSA in 2008
- New 10 Year Lease
- Non-Cancellable Lease Contract
- Building Improvements in 2023
- Mission Critical Office
- Credit Rating of AAA Government

Strong Local Fundamentals

- Explosive Population Growth within a 5-mile radius
- Local Office Market Vacancy: 5.8%

Summary Of Lease Contract

Gross Rent

Term		Start Date	End Date	Monthly	Annually	PSF
Base Rent	Year 1-10	9/4/2023	9/3/2033	\$65,896	\$790,758	\$29.97

Tenant:
U.S. Federal Government

Permitted Use:
Administration Offices

Lease Type: Modified Gross

Lease Commencement:
9/04/2023

Current Lease Expiration:
9/03/2033

Office Square Feet:
26,385 sqft

REAL ESTATE TAXES

Tenant shall pay its proportionate share of Real Estate Taxes and annual increases above and beyond the base year. Established on September 4, 2023. Real Estate Tax Base is the unadjusted real estate taxes for the first full year following the commencement of the initial lease term. Such first full Tax Year is further referred to as the Tax Base Year. Tenant shall pay its share of any increases and shall receive its share of any decreases in the Real Estate Taxes for the property of the life of the lease.

OPERATING EXPENSES

The Base Rate for Operating Expenses is \$237,728 annually (\$9.01/sqft) and is the Base Rate for future expense reimbursements which was set in 2023. Beginning the second year of the Lease and each year thereafter, the US Federal Government shall pay annual incremental adjustments to the rent based on the CPI-W Index.

Tenant Overview

The United States Social Security Administration (SSA)

is an independent agency of the United States federal government that administers Social Security, a social insurance program consisting of retirement, disability, and survivors' benefits. Most benefits are based on Social Security tax contributions paid by workers on their earnings.

Headquartered in Woodlawn, Maryland, the Social Security Administration includes 10 regional offices, 8 processing centers, approximately 1300 field offices, and 37 Teleservice Centers.



Supporting Americans throughout life's journey

Social Security has provided financial protection for our nation's people for over 80 years. Providing retirement, disability, and survivor benefits, Social Security is one of the largest and most successful anti-poverty programs in our nation's history.

The Social Security Administration is passionate about supporting customers by delivering financial support, providing superior customer service, and ensuring the safety and security of customer information - helping to secure today and tomorrow.

Support

With you through life's journey...

"Social Security is committed to helping maintain the basic well-being and protection of the people we serve. We pay benefits to about 64 million people including retirees, children, widows, and widowers. From birth, to marriage, and into retirement, we are there to provide support throughout life's journey."

Service

Putting you in control...

"One of our priorities is getting you secure access to the information you need when, where, and how you need it. Whether it's in person, over the phone, or through your personal my Social Security account, we are committed to providing superior customer service to put you in control."

Security

Protecting what's important to you...

"One of our most important responsibilities is protecting your personal information and your financial contributions. We use state-of-the-art systems for this. Conducting continuous reviews helps us ensure proper payments. And we work hard to educate everyone on best practices for protecting their Social Security number. We are committed to safeguarding the information and resources entrusted to us."

Cash Flow Assumptions based on Operational History and Current Lease Contract

General Assumptions

Reporting Period:	Ten (10) Years starting January 1, 2024
Rentable Square Feet:	26,385
Current Occupancy:	100%
Operating Expense Source:	2023 Budget
General Vacancy Loss:	None

Growth Rates (Annual)

Expense Inflation:	2.50%
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NOTES TO CASH FLOW ASSUMPTIONS

- Gross Annual Rents of \$790,758
- Net Operating Income of \$514,087
- Operating Expenses increases are based on CPI-W Index using the base month of September 2023. Analysis assumes an annual increase of 2.5% beginning in the second year of the analysis.
- Real Estate Taxes in Year 1 of the analysis are based on the 2023 full assessed value. Analysis assumes and annual increase of 2.5% beginning in the second year and each year thereafter.



Cash Flow - Pasadena

Pasadena SSA LLC (Amounts in USD)

Jan, 2024 through Dec, 2034

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Total
For the Years Ending	<u>Dec-2024</u>	<u>Dec-2025</u>	<u>Dec-2026</u>	<u>Dec-2027</u>	<u>Dec-2028</u>	<u>Dec-2029</u>	<u>Dec-2030</u>	<u>Dec-2031</u>	<u>Dec-2032</u>	<u>Dec-2033</u>	<u>Dec-2034</u>	
Rental Revenue												
Scheduled Base Rent	790,758	790,758	790,758	790,758	790,758	790,758	790,758	790,758	790,758	790,758	790,758	8,698,343
CPI Increases	5,204	21,322	26,195	31,097	36,028	40,988	45,979	50,999	56,050	61,131	66,242	441,236
Total Rental Revenue	795,963	812,081	816,953	821,855	826,786	831,747	836,737	841,758	846,808	851,889	857,001	9,139,578
Operating Expenses												
Utilities	44,899	45,797	46,713	47,647	48,600	49,572	50,564	51,575	52,606	53,658	54,732	546,363
Cleaning	45,415	46,323	47,250	48,195	49,159	50,142	51,145	52,168	53,211	54,275	55,361	552,642
Building & Grounds	20,878	21,296	21,721	22,156	22,599	23,051	23,512	23,982	24,462	24,951	25,450	254,058
Security, Life & Fire Safety	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657	36,506
Repairs & Maintenance	15,588	15,900	16,218	16,542	16,873	17,210	17,555	17,906	18,264	18,629	19,002	189,686
Insurance	35,916	36,634	37,367	38,114	38,877	39,654	40,447	41,256	42,081	42,923	43,781	437,052
Genesis Property Mgt Fee	31,839	32,483	32,678	32,874	33,071	33,270	33,469	33,670	33,872	34,076	34,280	365,583
Property Tax	84,341	84,341	84,341	84,341	84,341	84,341	84,341	84,341	84,341	84,341	84,341	927,751
Total Operating Expenses	281,876	285,834	289,409	293,053	296,767	300,553	304,411	308,344	312,353	316,439	320,604	3,309,642
Net Operating Income	514,087	526,247	527,544	528,802	530,019	531,194	532,326	533,414	534,456	535,451	536,397	5,829,937
Cash Flow Before Debt Service	514,087	526,247	527,544	528,802	530,019	531,194	532,326	533,414	534,456	535,451	536,397	5,829,937
Debt Service												
Interest												
Loan A	205,061	0	0	0	0	0	0	0	0	0	0	205,061
Loan B	33,898	134,226	131,965	129,599	127,126	124,538	121,832	119,001	116,040	94,341	0	1,132,566
Total Interest	238,959	134,226	131,965	129,599	127,126	124,538	121,832	119,001	116,040	94,341	0	1,337,627
Principal												
Loan A	75,240	0	0	0	0	0	0	0	0	0	0	75,240
Loan B	11,964	49,223	51,484	53,850	56,323	58,911	61,616	64,448	67,409	58,533	0	533,761
Total Principal	87,204	49,223	51,484	53,850	56,323	58,911	61,616	64,448	67,409	58,533	0	609,001
Total Debt Service	326,163	183,449	183,449	183,449	183,449	183,449	183,448	183,449	183,449	152,874	0	1,946,628
Cash Flow After Debt Service	187,924	342,798	344,095	345,353	346,570	347,745	348,878	349,965	351,007	382,577	536,397	3,883,309
Financing												
Balloon Payments												
Loan A	-2,996,760	0	0	0	0	0	0	0	0	0	0	-2,996,760
Loan B	0	0	0	0	0	0	0	0	0	-2,483,379	0	-2,483,379
Total Balloon Payments	-2,996,760	0	0	0	0	0	0	0	0	-2,483,379	0	-5,480,139
Total Financing (Net)	-2,996,760	0	0	0	0	0	0	0	0	-2,483,379	0	-5,480,139
Cash Flow Available for Distribution	-2,808,836	342,798	344,095	345,353	346,570	347,745	348,878	349,965	351,007	-2,100,802	536,397	-1,596,830