

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT
NO. 02

DATE
5/31/2012

TO LEASE NO. LPR19163
Building NO. PR4001

ADDRESS OF PREMISES: City View Plaza II
State Road 165, km 1.2
7th Floor
Guaynabo, PR 00098

THIS AGREEMENT made and entered into this date by and between **City View Plaza, S.E.**

whose address is : State Road 165, Km 1.2 #48, Suite 2010
Guaynabo, PR 00968

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to: (1) incorporate the final construction plans, (2) establish the commencement date and lease term, (3) to reduce the number of parking spaces and associated rental under the Lease, (4) modify the final tenant improvement costs, (5) establish the annual rent, (6) identify the outstanding punch list items, and (7) provide documentation and pricing for all change orders.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, as follows:

SEE ATTACHED

All other terms and conditions of the Lease shall remain in force and in effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR: City View Plaza, S.E.

BY _____
IN PRESEN _____

VP & General Manager

(Title)

(Address)

UNITED STATES OF AMERICA, GENERAL SERVICES ADMINISTRATION

BY _____

Contracting Officer

(Official Title)

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1. The construction plans that are dated January 25, 2011 and later updated to reflect addendums with a final date of May 5, 2011 shall be made a part of this Agreement, by reference, and are hereinafter referred to as the "Final Construction Plans".
2. The term of the Lease, together with the rental payments, shall commence on January 1, 2012 and shall continue through December 31, 2021. There are no termination rights during the term of this Lease agreement.
3. The Lessor and the Government hereby agree to reduce the number of parking spaces under the Lease by two (2) spaces. The total number of parking spaces under the Lease shall be a total of nine (9) spaces. The annual rental shall be reduced by \$90.00 per space per month for a total reduction in the annual rental of \$2,160.00 per annum.
4. The Lessor and the Government hereby agree that the final cost of the Tenant Improvements (TI) is \$1,826,085.60 which includes the Notice to Proceed with TI costs in the amount of \$1,760,853.00 plus the approval of (13) change orders totaling \$65,232.60 hereby attached as Exhibit "A". Of the total TI Costs stated above, \$1,194,608.00 has been amortized into the rental rate over the full term of the lease at an interest rate of 7.0%. Upon completion and acceptance of space by the Government, and submittal by the Lessor of an itemized invoice to the Government for the items mentioned above, for which the Government shall reimburse the Lessor in a one-time lump sum payment in the amount of **\$631,477.60**. **The invoice should be mailed to U.S. General Services Administration, Finance Division – 7BCP, 819 Taylor Street, Fort Worth, Texas 76102-0181 reflecting the following number – PDN # 0022551.** Upon said payment, all removable non-structural and non-permanent fixtures installed pursuant to this supplemental lease agreement shall become the property of the Government and may be changed, relocated and/or removed from the leased premises by the Government, and the Lessor relinquishes forever all its rights.
5. Pursuant to Paragraph 11 of the Rider to the Lease, the Lessor and the Government acknowledge that no expenditures were made by the Lessor in the amount of \$37,500 related to building specific security for this Lease. Therefore, no rental adjustment beyond the full tenant improvement allowance as described in paragraph 3 above shall be required.
6. The Lessor and the Government mutually agree that the Government shall pay the Lessor annual rent as follows:

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Lessor Government

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- a. From January 1, 2012 through January 31, 2012: There shall be no shell rent payable to the Lessor for the first month of the lease term. As a result, the Government shall pay the amount of \$38,787.49 covering the first month's rental under the lease which includes the amortization of the tenant improvement costs and operating costs for the Leased space.
- b. From February 1, 2012 through December 31, 2021: The Government shall pay the Lessor for the balance of the lease term a total annual rental of \$1,109,697.88 per annum at the rate of \$92,474.82 per month, at the rate of \$56.33/ABOASF or \$51.33/RSF, in arrears, as adjusted by annual operating costs escalations.
- c. The annual rental includes \$166,444.94 per annum of \$7.70/RSF per annum for the amortization of the Lessor's contributions to the TI cost at an interest rate of 7% per annum over the ten (10) year Lease term.

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

City View Plaza, S.E.
Attn: Luis Raul Sola
P.O. Box 11924
San Juan, PR 00922-1924

7. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] percent of the firm term value of this lease consisting of the shell rate, base year operating expenses and amortization of tenant improvements less the commission credit to the tenant. Fifty percent (50%) due at the signing of the Lease, and the remaining fifty percent (50%) due at the Lease commencement. Lessor shall pay the Broker no additional commission associated with this Lease transaction. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph 2.3, the Broker has agreed to forego [REDACTED] of the commission that is entitled to receive in connection with the lease transaction ("Commission Credit"). The commission credit is [REDACTED]. The Lessor agrees to pay the balance of the commission of [REDACTED] (half at lease execution and half at lease occupancy) 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. 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:

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Second Month's rental payment of \$92,474.82, of which \$53,687.34 is shell rent, minus commission credit of \$ [REDACTED] equals \$ [REDACTED] adjusted second month's rent.

Third Month's rental payment of \$92,474.82, of which \$53,687.34 is shell rent, minus commission credit of \$ [REDACTED] equals \$ [REDACTED] adjusted third month's rent.

Fourth Month's rental payment of \$92,474.82, of which \$53,687.34 is shell rent, minus commission credit of \$ [REDACTED] equals \$ [REDACTED] adjusted fourth month's rent.

Fifth Month's rental payment of \$92,474.82, of which \$53,687.34 is shell rent, minus commission credit of \$ [REDACTED] equals \$ [REDACTED] adjusted fifth month's rent.

The rental structure in this paragraph clarifies slight mathematical errors found in the original lease.

8. The Lessor shall proceed with due diligence to complete the deficiencies noted on the attached punch list which represent observations of the construction of the space by the [REDACTED]'s team, the GSA's team and the Lessor's team. The punch list is annexed hereto and is labeled Exhibit "B". All items shall be completed by July 1, 2012. Prior versions of the punchlist recognized the need for replacement of carpet in certain areas of the Leased space. The Lessor was responsible for the replacement of the carpet in the areas noted. As part of the correction, the Lessor was responsible for all costs associated with the moving and re-installation of the furniture that has been installed in the noted carpet areas. Coordination of this effort was made in conjunction with the Government, to perform this work after normal business hours as described in the Lease. Additionally, any future repairs to the carpet in areas in which leveling or carpet infill has not occurred due to furniture placement will be at the Lessor's sole cost and expense. In the event the deficiencies are not corrected by the dates discussed above, the Government may proceed in accordance with Failure in Performance, located in the General Clauses Section (GSA Form 3517) of the lease.
9. All change orders including those that still require a price proposal, proper documentation and/or the Government's approval are listed on the attached Change Order report annexed hereto and labeled Exhibit "A". Those change orders marked approved and totaling \$65,232.60, will be reimbursed to the Lessor by the Government upon the Lessor's submission of a proper invoice.

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10. Pursuant to Lease contract, the Lessor is required to adhere to the requirements to obtain LEED certification within six (6) months of occupancy.
11. The Government and Lessor hereby agree that pursuant to Paragraph 17 of the Rider to the Lease, the cost to provide 24 hour, 7 days a week HVAC service for the Server (LAN) Room is still outstanding and shall be addressed in a subsequent Supplemental Lease Agreement.
12. Except as modified by this Supplemental Lease Agreement, all other terms and conditions of the Lease shall remain in full force and effect, and in the event that any of the terms and conditions of this Supplemental Lease Agreement conflict with any terms and conditions of the Lease or any previous Supplemental Lease Agreements, the terms and conditions of this Supplemental Lease Agreement shall control and govern.

Initials: MM & RB
Lessor Government