

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 1
	TO LEASE NO. GS-07P-LTX17291
ADDRESS OF PREMISES: McAllen-Hidalgo-Reynosa International Bridge Hidalgo, TX	PDN Number: TBD

THIS AGREEMENT, made and entered into this date by and between City of McAllen whose address is: 1300 Houston
McAllen, TX 78501

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

WHEREAS, the parties hereto desire to amend the above Lease. Purpose of this Lease Amendment is to accept the leased premise as substantially complete.


- 1.) To accept the existing Tenant Improvements; and
- 2.) To establish the anticipated date of completion of the new Shell Improvements depicted in Exhibit "G" of the SF-2; and
- 3.) To establish the Commencement Date of the initial lease rental payments; and
- 4.) To establish the square footages of the leased space; and
- 5.) To provide the schedule of annual rental amounts of the initial and subsequent payments; and
- 6.) To establish the Government's Percentage of Occupancy; and
- 7.) To establish the reduction amount for vacant space; and
- 8.) To establish the Base for the Operating Cost adjustment; and
- 9.) To establish the Common Area Factor; and
- 10.) To provide a scope of work and payment method for the new Tenant Improvements; and
- 11.) All other terms and conditions of the lease are in full force and effect.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective August 1, 2014, as follows: See Attached

This Lease Amendment contains 2 pages.

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


FOR THE LESSOR:

Signature: 
Name: Roel Rodriguez
Title: City Manager
Entity Name: City of McAllen
Date: July 16, 2014

FOR THE

Signature: 
Name: 
Title: Lease Contracting Officer
GSA, Public Buildings Service, 1919 Smith Street, Suite 1600,
Houston, TX. 77002
Date: 8/11/14

WITNESSED FOR THE LESSOR BY:

Signature: 
Name: Ylorma Olivera
Title: Admin. Supervisor
Date: July 16, 2014

1.) Unless otherwise noted, the Government accepts the Premises and existing Tenant Improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease on August 1, 2014. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

2.) The building Shell Improvements as stated in the scope of work (SOW) in Exhibit "G" of the SF-2 have not been completed and remain a deficiency of this lease agreement until completed. The Lessor has agreed to an amount of monthly rental lower than the total amount agreed to in the lease agreement until such time that the building Shell Improvements (SOW) has been completed and the Government accepts the work. Failure to complete the Shell Improvements by July 30, 2015 shall be a default of the lease agreement. The Shell items required under the lease agreement (Exhibit G) are currently in the design and bid process and the construction and installation of the Shell items is anticipated to begin on December 1, 2014. Upon the completion of the SOW and acceptance by the Government of all Shell improvements, the Government shall increase the rental to the total agreed upon amount stated in the SF-2. The anticipated date of completion and acceptance by the Government of all Shell Improvements noted in Exhibit G is on or before June 30, 2015. It is agreed to by the Lessor and the Government that no extensions shall be granted to complete the SOW.

3.) The Commencement Date of the rental shall be August 1, 2014 and shall expire on July 31, 2029, subject to the termination rights set forth in the lease.

4.) The leased premise square footage shall be 98,611 Rentable Square Feet (RSF) yielding 96,821 ANSI/BOMA Office Area (ABOA).

5.) The Government shall pay the Lessor annual rent as follows:

From August 1, 2014 until the building Shell Improvements are completed and accepted by the Government, the total annual rental shall be \$1,811,815.72 at the rate of \$150,984.64 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$1,177,909.75, annual Operating Costs of \$618,290.97 plus annual Operating Cost adjustments, and annual Overtime Heating Ventilation and Air Conditioning costs of \$15,615.00.

From the completion date of the SOW in Exhibit "G" through July 31, 2029, the total annual rent shall be \$2,118,987.63. The total annual rent consists of Shell Rent of \$1,485,081.66 and Operating Costs of \$618,290.97 plus annual Operating Cost adjustments, and annual Overtime Heating Ventilation and Air Conditioning costs of \$15,615.00. There are no annual Tenant Improvement Amortization or Building Specific Amortized Capital costs.

6.) The Percentage of Occupancy is 100%. The lease is not subject to Real Estate Property Taxes.

7.) The Government's Adjustment for Vacant Space shall be a reduction of \$2.00/ABOA.

8.) In accordance with the SFO paragraph entitled "Operating Cost", the escalation base shall be \$618,290.97.

9.) In accordance with the SFO paragraph entitled "Common Area Factor", the Common Area Factor shall be 1.018 (98,611 R/SF/96,821 ABOA).

10.) In accordance with the SFO paragraph entitled "11.2 Special Requirements: 2", At the sole cost of the Government, electrical generators will be required at the leased premise. The Lessor agrees to negotiate fair and reasonable lump-sum-payment amount for the purchase and installation of the generators. The specifications for the generators shall be shared during the design phase which will occur within 10 working days after the award of the lease.

11.) All other terms and conditions of the lease shall remain in full force and effect.

INITIALS: RA & PSG
LESSOR GOVT