

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 5
	TO LEASE NO. GS-07B-17007
ADDRESS OF PREMISES Las Canteras Business Park, Phase II Building 1 2439 Monarch Drive, Suite 1 Laredo, TX 78045-6672	PDN Number: 0027647

THIS AMENDMENT is made and entered into between Medical Loop Development, LTD whose address is: 10410 Medical Loop, Unit 1A, Laredo, TX 78045-6672 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 establish Beneficial Occupancy, adjust the full service rent, reconcile the commission and commission paragraph and establish a termination date.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, upon execution by the Government, as follows:

- 1) Establish the Lease Commencement Date;
- 2) Restate the Premises;
- 3) Restate the Annual Rent;
- 4) Restate the Broker Commission and Commission Credit;
- 5) Establish Termination Rights;
- 6) Approve change order 9R1
- 7) Establish the Space as being substantially complete and the Punch List Completion Date;
- 8) Restate TI Amounts;
- 9) Restate the Percentage of Occupancy;
- 10) Restate the Operating Costs Base;
- 11) Establish the 24-Hour HVAC Requirement.

1) Page 1 of the Lease is hereby amended with the following:

TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on

This Lease Amendment contains 4 pages.

All other terms and conditions of the lease shall remain in force and effect.
 IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

Signature: _____
 Name: _____
 Title: Managing Partner
 Entity Name: Medical Loop Development
 Date: 5/19/14

FOR THE GOVERNMENT:

Signature: _____
 Name: Marshall R. R. R. R.
 Title: Lease Contracting Officer
 GSA, Public Buildings Service,
 Date: 6/4/2014

WITNESSED FOR THE LESSOR BY:

Signature: _____
 Name: _____
 Title: _____
 Date: 5-19-14

April 11, 2014 and continuing thru April 10, 2024, 10 years, with a firm term of five (5) years

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA.

2) Section 1.01, THE PREMISES, of the Lease is hereby deleted in its entirety and replaced with the following:

The Premises are described as follows:

Office and Related Space: 4,582 rentable square feet (RSF), yielding 4,205 ANSI/BOMA Office Area (ABOA) square feet of office and related space (based upon a Common Area Factor of 1.0897%) located on the first floor and known as Suite 1, of the Building, as depicted on the Floor plan(s) attached as Exhibit A (1 page).

3) Section 1.03, RENT AND OTHER CONSIDERATIONS, of the Lease is hereby deleted in its entirety and replaced with the following:

“1.03 RENT AND OTHER CONSIDERATION

A. The Government shall pay the Lessor annual rent payable monthly in arrears at the following rates:

	Years 1-5	Years 6-10
	Annual Rent	Annual Rent
Shell Rental Rate	\$82,248.29	\$117,316.64
Tenant Improvements Rental Rate*	\$31,257.85	\$0.00
Operating Costs	\$19,868.44	\$19,868.44
Building Specific Security Costs**	\$17,289.01	\$0.00
Full Service Rate	\$150,663.59	\$137,185.08

*The Tenant Improvements Allowance of \$138,031.31 is amortized at a rate of 5.00% percent per annum for 5 years

**Building Specific Security Costs of \$76,346.40 are amortized at a rate of 5% percent per annum over 5 years

B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 4,600 ABOA sq. ft. based upon the methodology outlined under the “Payment” clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final Tenant Improvement cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award date.

D. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

E. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor’s SAM registration.

F. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in “Paragraph 1.01 THE PREMISES” created herein;

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- 2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.
- 3. Performance or satisfaction of all other obligations set forth in this Lease; and
- 4. All services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

4) Section 1.04, BROKER COMMISSION AND COMMISSION CREDIT, of the Lease is hereby deleted and replaced with the following:

“1.04 BROKER COMMISSION AND COMMISSION CREDIT

CBRE, Inc (“Broker”) is the authorized real estate broker representing GSA in connection with this lease transaction. The total amount of the Commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to CBRE, Inc. with the remaining [REDACTED], which is the “Commission Credit,” to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the short time practicable.

Notwithstanding the “Rent and Other Consideration” paragraph of this Lease, the shell rental payments due and owing under this lease shall be reduced to recapture fully this Commission Credit. 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 \$12,555.30 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent;

Second Month's Rental Payment \$12,555.30 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

5) Section 1.05, TERMINATION RIGHT, of the lease is hereby deleted and replaced with the following:

1.05 TERMINATION RIGHT

The Government may terminate this Lease, in whole or in part, at any time effective after April 10, 2019 by providing not less than ninety (90) calendar days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rent shall accrue after the effective date of termination.

6) APPROVED CHANGE ORDER: Change Order 9R1(Credit for Fire Suppression not installed; Credit for Electrical) in a deductive amount of [REDACTED] is hereby approved and accepted by the Government

7) The Tenant Improvements have been completed and the Government accepts the leased premises as substantially complete on April 11, 2014.

8) The Lessor and the Government have agreed that the approved cost of Tenant Improvements (TI) and the approved change orders (CO) is \$320,861.36 (\$261,199.20 (TI) + \$76,346.40(BSAC) + [REDACTED] (CO 1 and CO 2)-[REDACTED] (Deductive CO 9R1)).

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The Government shall pay for a portion of the total Tenant Improvement Cost by amortizing \$138,031.31 over the first five years of the term, monthly, at an interest rate of 5.0%. Additionally, the Government may pay by lump sum or amortize the Building Specific Amortized Capital (BSAC) amount of \$76,346.40 over the first five years of the term, monthly, at an interest rate of 5.0%. The remaining balance of \$106,483.65 (\$320,861.36 - \$138,031.31 - \$76,346.40) shall be paid by lump-sum, in which case annual rent shall be reduced accordingly upon the completion and acceptance by the Government of the Tenant Improvements and BSAC.

To submit for payment of the lump-sum-payment, the Lessor agrees that the invoice shall be printed on the same letterhead as the named on this lease, shall include the Lease number, building address, and a price and quantity of the items delivered. **The invoice shall reference the number PS0027647** and shall be sent electronically to the GSA Finance Website at <http://www.finance.gsa.gov/defaultexternal.asp> Instructions for invoice submission are included on the website. Additional assistance is available from the Finance Customer Service line at 1-800-676-3690.

If the Lessor is unable to process the invoice electronically, then the invoice may be mailed to:

General Services Administration
FTS and PBS Payment Division (7BCP)
P.O. Box 17181
Fort Worth, TX 76102-0181

Lessor also agrees that a copy of the invoice shall be sent simultaneously to the GSA Contracting Officer/Realty Specialist at the following address:

General Services Administration
Attn: Kelly Krumm
819 Taylor Street, Room 11A0
Ft. Worth, Texas 76102

9) Section 1.11, PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE, of the Lease is hereby deleted and replaced with the following:

As of this Supplemental Lease Amendment 5, the Government’s Percentage of Occupancy, as defined in the Real Estate Tax Adjustment clause of this lease is 31.4870%. The percentage of occupancy is derived by dividing the total Government space of 4,582 RSF by the total building space of 14,552 RSF.

10) Section 1.12, OPERATING COST BASE, of the Lease is hereby deleted and replaced with the following:

The parties agree that for the purpose of applying the clause titled “Operating Costs Adjustment” that the Lessor’s base rate for operating costs shall be \$19,868.44 per annum.

11) Section 1.15, 24-HOUR HVAC REQUIREMENT, of the Lease is hereby deleted and replaced with the following:

The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such service shall be provided by the Lessor at a rate of \$0.14 per ABOA sq. ft/per month of the area receiving the additional overtime HVAC.

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