

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE	LEASE AMENDMENT No. 14
	TO LEASE NO. GS-07B-17140
LEASE AMENDMENT	
ADDRESS OF PREMISES: 201 W. Glasson Drive Corpus Christi, Texas 78406-1811	PDN Number: PS0035574

THIS AGREEMENT, made and entered into this date by and between FDL-CC, LLC.

whose address is: 1001 19th Street N., Suite 930
Arlington, Virginia 22209

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

WHEREAS, the parties hereto desire to amend the above Lease.


NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective upon full execution of this amendment, as follows:

- 1.) To accept the Tenant Improvements as substantially complete; and
- 2.) Establish the Commencement Date of the lease rental payments; and
- 3.) Establish the square footages of the leased space; and
- 4.) Provide the annual rental amounts and rent abatement; and
- 5.) Establish the reduction amount for vacant space; and
- 6.) Establish the Base for the Operating Cost adjustment; and
- 7.) Establish the Common Area Factor; and
- 8.) Provide schedule, furniture, and C4/IT equipment; and
- 9.) To provide for the payment of the Tenant Improvements; and
- 10.) Liquidated damages; and
- 11.) Additional costs to be borne by the Lessor; and
- 12.) Deluge System Re-test; and
- 13.) All other terms and conditions are in full force and effect.


This Lease Amendment contains 4 pages, plus Exhibits "A", "B", and "C".

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


FOR THE LESSOR

Signature: 
Name: Clarborne Williams
Title: Manager
Entity Name: FDL CC, LLC
Date: 7/19/17

FOR THE GOVERNMENT:

Signature: 
Name: Pearl Summers-Garza
Title: Lease Contracting Officer
GSA, Public Buildings Service, Region 7, Leasing
Division
Date: 7/19/17

WITNESSED FOR THE LESSOR BY:

Signature: 
Name: Kaci Williams
Title: _____
Date: 7/19/17

1.) The tenant improvements have been *substantially* completed and the government accepts the leased space on July 7, 2017. The Lessor and the Government agree that the requirements specifically identified in Exhibit "A", GSA Form 1204 Condition Survey Report of this lease have not been met and these items are deficiencies. The Lessor is required to cure these deficiencies as part of the negotiated lease contract within 90 days of the Government's acceptance of the space for occupancy. Within 10 days of the completion date for the Lessor to cure the deficiencies in Exhibit "A" of this lease, the Lessor must coordinate a follow-up inspection with the Lease Contracting Officer to ensure all corrective actions have been completed. In the event of any failure by the Lessor to cure the deficiencies or to provide any required repair or modernization under this lease, the Government will perform the work and deduct these amounts from the rent, including all administrative costs. Notwithstanding the foregoing, with respect to the repair work identified in Exhibit "C" (addressed below), Paragraph 4 shall govern.

2.) The Commencement Date of the rental shall be July 7, 2017 and shall expire on July 6, 2037.

3.) The leased premise square footage shall be 160,503 Rentable Square Feet (RSF) yielding 146,874 ANSI/BOMA Office Area (ABOA).

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

From July 7, 2017 through July 6, 2037, the total annual rental shall be \$3,101,688.28 at the rate of \$258,474.02 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$2,580,548.85, annual Operating Costs of \$305,517.46 plus annual Operating Cost adjustments, and annual Tenant Improvement Allowance of \$215,621.97. There is a payment of \$114,508.00 in the first month's rent in paragraph 7.05.C. that needs to be deducted from the first months rent.

Rent Abatement:

In accordance of Section 13 of the General Clauses, all rent shall be abated until the repair work necessitated by the June 15, 2017 release of water has reached completion (as such term is hereinafter defined). Such work shall be deemed complete by both Lessor and the Government after a satisfactory retest of the fire life safety systems by the Lessor and inspection of the repair work by the Government and after the local jurisdiction fire protection official issues a final certificate of occupancy to cover the hangar portion of the leased facility ("Completion"). Throughout the repair process, the Government shall have the right to inspect the Premises, and prior to and upon Completion, the Government will have the opportunity to formally re-inspect the Premises and the repair work conducted thereon. During the rent abatement period, costs for above-standard services (to be agreed to in a future Lease Amendment) shall also be abated. In the event that Lessor fails achieve Completion within 270 days after June 15, 2017, the Government may elect to terminate the Lease in accordance with Section 13 of the General Clauses.

Rent abatement for the period will not be due at a later time including but not limited to the portion of the rental based on TI amortization.

5.) The Government's Adjustment for Vacant Space shall be a reduction of \$1.00/ABOA.

6.) In accordance with the Lease paragraph 1.13 entitled "Operating Cost Base", the escalation base shall be \$305,517.46 (160,503 RSF X \$1.9035).

7.) In accordance with the Lease paragraph 1.01 entitled "The Premises", the Common Area Factor shall be 9.273823277% (160,503 RSF/146,874 ABOA).

8.) In compliance with Section 13 of the General Clauses, Lessor provided the Government with a close-out schedule dated July 7, 2017. That schedule is attached hereto as Exhibit B. Lessor will make good faith efforts to meet the milestones identified in the attached schedule. However, the Government acknowledges that the schedule likely will need to change in light of multiple variables, including the ongoing insurance investigation concerning the June 15, 2017, release of water and the results of that investigation, as well as updates from Lessor's subcontractors with regard to material and equipment deliveries and the expected completion of the damaged items. The parties will, in good faith, agree to reasonable modifications to the attached schedule to accommodate such variables, with the understanding that, absent mutual agreement by the parties, Lessor shall complete the repair work necessitated by the June 15, 2017 release of water by September 29, 2017.

INITIALS: AW & BS-G
LESSOR GOVT

Lessor confirms that the office and hangar shops are ready for installation of the sub-tenant's [REDACTED] furniture and C4/IT equipment, per the Exhibit B schedule, and that any remaining punch list or repair work will not hinder such installation. If the furniture cannot be installed per Exhibit B of this Lease Amendment, Lessor will be responsible for any commercially reasonable costs associated with moving the delivery date, storage, and associated administrative costs. Should Lessor's repair activities damage any such furniture or equipment after installation, Lessor shall be responsible for repairing or replacing same.

9.) Within thirty (30) days after the execution of this Lease Amendment, the Government will pay a lump sum for the TI work that is not in need of repair due to the June 15, 2017 release of water. For purposes of determining the reduced TI lump sum payment, the parties shall use the TI list provided by Lessor to the Government on July 13, 2017, which is attached hereto as **Exhibit C (the "TI completed and need of Repair Work")** and identifies the TI work completed and the TI items in need of repair. Upon completion of each item of TI that need Repair Work, the Government shall promptly pay the TI monies that were held back pursuant to this Paragraph for the applicable TI items.

The total cost of the Tenant Improvements is \$30,370,424.74. The Lessor and the Government agree that a lump-sum payment for a portion of the completed change orders shall be made in the amount of \$26,110,822.15. At the point of Completion, then the remaining lump sum amount of \$1,647,474.48 will be paid. After the rent abatement, the remaining balance of \$2,612,128.11 shall be amortized monthly into the rent at the rate of 5.5 percent (5.5%) over the remaining lease term as stated in Paragraph 4 above.

The Lessor agrees that the invoice shall be printed on the same letterhead as the party named on this lease, shall include the lease number, building address, and a price and quantity of the items delivered. It shall reference the number **PS0035574** 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 817-978-2408.

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

The Lessor also agrees that a copy of the invoice shall be sent simultaneously to the GSA Contracting Officer at the following email address: Pearl.Summers-Garza@gsa.gov.

10.) Although the parties disagree on the applicability of liquidated damages, provided Lessor has completed the repair work necessitated by the June 15, 2017, release of water on or before September 29, 2017, the Government shall not assess liquidated damages against Lessor.

11.) Lessor shall absorb the following costs:

☐ Utilities from June 1, 2017 until the date of Completion shall be reimbursed by Lessor directly to the Government.

☐ Any costs associated with redirecting/delaying security guard service already procured by the Government prior to June 15, 2017 shall be paid by Lessor.

☐ The Government current lease under the U.S. General Services Administration ("GSA") at Tower II currently expires on 12/31/17. Lessor shall pay any rental costs associated with the additional stay/holdover past the point of current lease expiration to the extent resulting from the June 15, 2017, release of water.

☐ GSA may need to extend existing IDIQ contracts for inspections and similar items as a result of the June 15, 2017, release of water. Lessor shall pay any additional IDIQ contract costs due to the extension of such contracts.

12.) Deluge System Re-test

To be determined.

INITIALS: W & PS-6
LESSOR GOVT

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

INITIALS: *WJ* & *BS-G*
LESSOR GOVT