

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE  LEASE AMENDMENT	LEASE AMENDMENT No. 4  TO LEASE NO. GS-07P-LTX17365
ADDRESS OF PREMISES  500 East Mann Road Laredo, TX 78041-2630	PDN Number:  PS0034128

THIS AMENDMENT is made and entered into between Merlin Mann Investments, LLC

whose address is: 216 West Village Boulevard, Suite 302, Laredo, Texas 78041

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 Tenant Improvements (TIs) and Building Specific Amortized Capital (BSAC) as substantially complete.

- 1.) To accept the Tenant Improvements as substantially complete; and
- 2.) To establish the Commencement Date of the lease rental payments; and
- 3.) To establish the square footages of the leased space; and
- 4.) To provide the annual rental amounts; and
- 5.) To establish the Governments Percentage of Occupancy; and
- 6.) To provide the reduction amount for vacant space; and
- 7.) To establish the Base for the Operating Cost adjustment; and
- 8.) To establish the Common Area Factor; and
- 9.) To provide for the payment of the TIs and TSS; and
- 10.) To state the Broker Commission and the Commission Credit; and
- 11.) All other terms and conditions 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 September 9, 2016, as follows: See Attached

This Lease Amendment contains 32 pages inclusive of Exhibit "A".

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

FOR THE LESSOR:

Signature:

Name:

Title:

Entity Name: Merlin Mann Investments, LLC

Date:

FOR THE GOVERNMENT:

Signature:

Name:

Title:

Don W. Day  
Lease Contracting Officer  
819 Taylor St. , Room 11B,  
Ft. Worth, Texas 76102-6124  
GSA, Public Buildings Service, Leasing Division

Date:

WITNESSED FOR THE LESSOR BY:

Signature:

Name:

Title:

Date:

Jose J. Garcia  
Controller  
09-07-2016

- 1.) The tenant improvements have been *substantially* completed and the government accepts the leased space on September 9, 2016. Lessor and the Government agree that the requirements specifically identified in Attachment "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 25 days of the Government's acceptance of the space for occupancy. Within 7 days of the completion date for the Lessor to cure the deficiencies in Attachment "A" of this lease, the Lessor must coordinate a follow-up inspection with the Lease Contracting Officer to ensure all corrective action has 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. No extensions will be granted.
- 2.) The Commencement Date of the rental shall be September 9, 2016, and shall expire on September 8, 2026, subject to the termination rights set forth in the lease.
- 3.) The leased premise square footage shall be 15,919 Rentable Square Feet (RSF) yielding 13,843 ANSI/BOMA Office Area (ABOA).
- 4.) The Government shall pay the Lessor annual rent as follows:
- From September 9, 2016, through September 8, 2021, the total annual rental shall be \$514,289.00 at the rate of \$42,857.42 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$269,073.37, annual Operating Costs of \$114,892.00 plus annual Operating Cost adjustments, annual Tenant Improvement Amortization cost of \$109,380.02, and annual Building Specific Amortized Capital (BSAC) Allowance of \$20,943.61.
- From September 9, 2021 through September 8, 2026, the total annual rent shall be \$434,028.15, at the rate of \$36,169.01 paid monthly in arrears. The total annual rent consists of Shell Rent of \$319,136.15 and Operating Costs of \$114,892.00 plus annual Operating Cost adjustments. There are no annual Tenant Improvement Amortization or BSAC Allowance costs.
- 5.) Per Lease paragraph 1.13 Titled – "Percentage of Occupancy for Tax Adjustment, Establishment of Tax Base", the Percentage of Occupancy for Tax Reimbursement purposes shall be: 18.25%.
- 6.) The Government's Adjustment for Vacant Space shall be a reduction of \$4.75/ABOA SF.
- 7.) In accordance with the Lease paragraph 1.15 entitled "Operating Cost Base", the escalation base shall be \$114,892.00 (\$7.22 per RSF).
- 8.) In accordance with the Lease paragraph 1.01 entitled "The Premises", the Common Area Factor shall be 1.15 (15,919 RSF / 13,843 ABOA SF).
- 9.) The total cost of the TIs is \$1,397,845.71. The Lessor and the Government agree that a lump-sum payment for a portion of the total Tenant Improvements cost shall be made in the amount of \$931,990.00. The remaining TI allowance balance of \$465,855.71 shall be amortized monthly into the rent at the rate of 6.5% over the first five (5) years of the lease as stated in paragraph 4 above.
- The total cost of the Building Specific Amortized Capital (BSAC) is \$250,009.59. The Lessor and the Government agree that a lump-sum payment for a portion of the total BSAC cost shall be made in the amount of \$160,809.59. The remaining balance of the BSAC cost in the amount of \$89,200.00 shall be amortized monthly into the rent at the rate of 6.5% over the first five (5) years of the lease as stated in paragraph 4 above.
- The exact amount of the lump-sum payment is \$1,092,799.59 [\$1,647,855.30 (Total TIs and BSAC Cost) - \$465,855.71 (TIs amortized) - \$89,200.00 (BSAC amount amortized) = \$1,092,799.59]. To submit for the lump-sum payment, 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 PS0034128 and shall be sent electronically to the GSA Finance Website at <http://www.finance.gas.gov/defaultexternal.asp>. Instructions for invoice submission are included on the website. Additional assistance is available from the Finance Customer Service line at 800-676-3690.

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

INITIALS:

LESSOR

&

GOVT