

SECOND AMENDMENT TO COMMERCIAL LEASE AGREEMENT

This SECOND AMENDMENT TO THE COMMERCIAL LEASE AGREEMENT (“Second Amendment”) is executed between Comegy’s Holdings 1, Ltd., a Texas limited partnership (“Landlord”) and the City of McKinney, Texas (“Tenant”) to amend the Commercial Lease Agreement (the “Lease”) having an Effective Date of May 1, 2009, as such Lease was amended by that Amendment to Commercial Lease Agreement executed on the 30th day of April, 2014 to become effective on June 1, 2014 (“First Amendment”), covering the Premises with an address of 115-B Industrial Blvd., being approximately 10,000 square feet in area, situated in McKinney, Texas. For valuable consideration, Landlord and Tenant agree as follows:

1. The Term is extended by 3 years and 0 months beginning on June 1, 2017.
2. The effective date of this lease extension shall be June 1, 2017.
3. The Expiration Date of the Lease Term is changed to May 31, 2020.
4. Section 1.06 of the Lease is hereby changed to read as follows:

“1.06 Base Rent: Base Rent shall be as follows:

Year 1 - \$11,083.00 per month;
Year 2 – 11,500.00 per month; and,
Year 3 – 11,917.00 per month.

Landlord hereby grants to Tenant one (1) option (the “Option”) to extend the Term for one additional period of two (2) years (the “Extension”), on the same terms, conditions and covenants as set forth in the Lease. The Option may be exercised only by written notice delivered to the Landlord no earlier than one hundred eighty (180) days and no later than ninety (90) days before the end of the Lease Extension or the preceding Extension of the Term, whichever date is applicable. The Rent for the Extension shall be the then-current fair market rental value of the Premises. The fair market rental value of the Premises will be determined as set forth in Paragraph B. 2. of Addendum B to the Lease.”

5. Section 1.09 of the Lease is hereby changed to read as follows:

1.09 Permitted Use: City of McKinney - Municipal Uses
[See Section 6.01]

6. Article Seventeen, “Additional Provisions,” is hereby amended to add another clause to read as follows:

Lighting Improvements (June 1, 2017): Tenant is hereby authorized to replace the lighting system throughout the interior of the building situated on the Premises with an updated florescent or LED lighting system of Tenant's choosing with all related appurtenances ("Lighting Upgrades"). Upon completion of the Lighting Upgrades Tenant shall notify Landlord that the Lighting Upgrades have been completed and allow Landlord to confirm such Lighting Upgrades. Tenant shall also submit copies of contracts, receipts and back-up documentation to Landlord reflecting the actual cost of designing, constructing and installing the Lighting Upgrades and Landlord shall reimburse Tenant an amount up to a not-to-exceed maximum of Twenty Thousand Dollars (\$20,000.00) ("Lighting Reimbursement") for such Lighting Upgrades. Upon confirmation of completion of the Lighting Upgrades the Landlord shall credit the Lighting Reimbursement to Tenant in equal monthly installments over the then remaining term of this lease extension.

Except as specifically changed and modified by this Second Amendment, all of the provisions set forth in the Lease, as it may have been previously amended, are hereby confirmed and will remain in effect. Tenant accepts the Premises in "AS IS" condition with all faults save and except as provided otherwise in the Lease, the First Amendment or this Second Amendment. Capitalized terms used in this Second Amendment that are not defined in this Second Amendment shall have the meanings given to them in the Lease. This Second Amendment is executed as of the ___ day of _____, 2017.

LANDLORD:

Comegy's Holdings 1, Ltd.

By: _____
Bill Cox

TENANT:

City of McKinney, Texas

By: _____
Jose Madrigal
Deputy City Manager