



Cobb, Lundquist & Atnip, Inc.
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COMMERCIAL, INDUSTRIAL,
 FARM & RANCH PROPERTIES

December 14th, 2017

Mr. Mark Adame CCIM, SIOR
 Adame Commercial
 819 Upper N. Broadway
 Corpus Christi, TX 78401

RE: *Second Response to LOI for lease space located at 5725 S. Padre Island Dr. Corpus Christi, for Justice of the Peace #2*

Dear Mark,

I have discussed with the building owner your response to our initial proposal to lease space at 5725 S. Padre Island Dr. Below are his responses.

- Building:** 5725 S. Padre Island Drive, Corpus Christi, Texas
- Tenant:** Nueces County
- Premises:** Approximately 3,000 +/- SF. Final size to be based on a space plan.
- Lease Term:** Twenty (20) year term with lease rate: \$16.42 / RSF, expense pass through using base year of 2018. All lease terms will have a 2.00%3% cost of living increase every other year. These lease rates DO NOT include the cost of tenant improvements (Amortized tenant improvements are defined as those improvements required beyond the Landlord providing the Tenant with a "white box" and those items described below as Landlord Improvements) which will be amortized over the respective lease terms at a 5.00% 6% rate and added to these base rates. These improvements shall only be related to the tenants space. Landlord will make improvement to the building to give the tenant a "white box" space to start with. Please provide Landlord's definition of "white box".
- Lease Commencement:** When space is finished and ready for occupancy by Tenant. Landlord will work toward an April 1, 2018 start date. Lease draft shall be delivered to the Tenant for review no later than Wednesday, December 20, 2017.
- Rent:** See above.
- Option to Renew:** Tenant shall have one (1) option to renew the term of the Lease for a period of Five (5) years for all of the space then under lease by Tenant in the Building upon nine (9) months prior written notice to the Landlord at 95% of the then fair market value. Agreed.
- HVAC/Maintenance Contract:** Landlord is not sure of the exact tonnage of HVAC that will be needed. After a floor plan is agreed to, Landlord will put new HVAC units in the Tenants space. Landlord will be responsible for the maintenance contract of the HVAC system using a qualified HVAC company to make monthly inspections keeping logs of all work done (scope and cost of this contract shall be agreed upon by both Landlord and

Tenant prior to lease execution and shall be shown as an exhibit to the Lease). The expense of this maintenance agreement will be passed on to the tenant annually with an administrative fee. Landlord will replace the HVAC unit(s) to the Tenant space when necessary during the term of the lease.

**Tenant Landlord
Improvements:**

Landlord to complete the following requested Tenant Improvements at Landlord's sole cost and expense, upon execution of a mutually acceptable Lease Amendment:

- See Exhibit A – Floor plan drawing to be agreed to by both parties
- See to it that the parking lot has been repaired, seal coated, restriped and ADA compliant.
- Make sure that all sections of the tenant's space is ADA compliant.
- Provide a demising wall to separate the Tenant space
- Provide new HVAC to Tenant space

**Taxes and Operating
Expenses:**

Taxes for the whole building are \$11,910.43
This building has been occupied by a single tenant for the last 15 years so operating expenses are an estimate of \$4000 annually

Electricity:

At Tenants sole cost. Landlord has no knowledge of electrical usage.

Parking:

Please designate Tenant's specific parking area. 18 designated parking will be shown with floor plan.

Access:

Tenant requires 24 hours a day, 7 days per week, 52 weeks per year access to the Building. Agreed

SNDA:

Landlord shall provide Tenant with non-disturbance agreements in the form and substance satisfactory to Tenant from any party, present or future, with a superior position to the Lease. In addition, Landlord shall agree to provide the appropriate non-disturbance agreements to any assignee or subtenant of the Lease. Agreed.

**Assignment &
Subleasing:**

Tenant shall have the right, at any time, to sublease or assign all or any portion of Tenant's Premises to any unrelated entities with Landlord's consent, which is not to be withheld, conditioned or delayed. Agreed.

Brokerage:

Joe Adame & Associates shall be recognized as the broker of record in this transaction representing Nueces County. Landlord shall pay Joe Adame & Associates, Inc. a real estate commission equal to 2.53.00% of the total lease payments. Payments will be made in four payments, upon move in of the tenant, and subsequently on the month of move in on years 5, 10 and 15.

Qualifying Conditions:

This Request for Proposal is non-binding on both parties and is subject to the execution and the delivery of a mutually accepted lease document.

We are ready to move forward with a lease document as soon as Nueces County agrees to these terms.



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Regards,

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