

MODIFICATION OF COMMERCIAL LEASE AGREEMENT

This Modification of Commercial Lease Agreement (the "Modification") is entered into by and between the undersigned Landlord and Tenant to modify the Commercial Lease Agreement (the "Lease") having an Effective Date of July 1, 2020, covering the Leased Premises described as roughly 136,000 square feet with an address of 820 Industrial Loop, Breckenridge in Stephens County, Texas. In consideration of the provisions contained herein, Landlord and Tenant agree as follows:

- A. The Base Rent is confirmed as \$17,000.00 per month with a new start date of May 1, 2023. RGN Services, Inc will report monthly payroll to BEDC no later than the 15th of the following month. If reported payroll is at least \$208,333.00, then the lease payment will be reduced by 50% to \$8,500.00 per month. If the monthly payroll reported is less than \$208,333.00, then RGN Services Inc will pay BEDC a prorated lease payment (see Formula and Example below). Payment is due by the 25th of the following month. **(Up to a \$510,000.00 job retention incentive)**

Formula: Lease Payment = \$8,500.00 + (% under payroll benchmark * \$8,500.00)

Example: *If reported payroll is \$150,000.00 for the month (28% below \$208,333.00), then the lease payment due for the month will increase by \$2,380.00 (28% of \$8,500.00) for a total amount due of \$10,880.00 (\$2,380.00 + \$8,500.00)*

- B. The Commencement Date of the Lease is changed to or confirmed as _____.
- C. The Expiration Date of the Lease Term is changed to or confirmed as April 31, 2029.
- D. Paragraph _____ is changed to read as follows:
- E. Special Conditions

- 1.) **Amendment of Article VII Section 1. Addition of Tenant Improvement Allowance:** Landlord will pay for capital improvement expenses to the property following Tenant's written request up to a maximum of \$40,000.00 within a fiscal year. Tenant will remain responsible for maintaining the property as stated in Article VIII Section 2. As such, minor repair and maintenance will remain Tenant's responsibility. All services to be performed by Landlord or Landlord's agents involve the exercise of professional judgment by service providers, and Tenant expressly waives any claims against Landlord for breach of warranty arising from the performance of those services. **(Up to \$200,000.00 job retention incentive)**
- 2.) **This Modification replaces any remaining term of Lease Agreement dated July 1, 2020 as of May 1, 2023.**
- 3.) **This agreement is subject to City Commission approval.**

EXCEPT AS expressly changed by this Modification, all of the other provisions set forth in the Lease (as may have been previously modified) are confirmed and ratified and shall remain in full force and effect. All capitalized terms used in this Modification, which are not defined in this Modification, have the meanings given to them in the Lease. This Modification is effective as of the last date beneath the signatures of Landlord and Tenant below.

LANDLORD

Breckenridge Economic Development Corporation

By [Signature]: 

Name: Lee Olson

Date of Execution: 4/11/2023

TENANT

RGN Services, Inc

By [Signature]: 

Name: Kyle Williams

Date of Execution: 3/29/2023