

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A SECOND AMENDMENT TO MEDICAL OFFICE BUILDING LEASE BY AND BETWEEN THE CITY OF DENTON AND EPIC DEVELOPMENT, INC. FOR THE USE AND OCCUPANCY OF PREMISES FOR THE CITY OF DENTON EMPLOYEE HEALTH CENTER FOR A TWO (2) YEAR PERIOD; AUTHORIZING THE EXPENDITURE OF FUNDS THEREFOR (WITH A ONE YEAR NOT-TO-EXCEED AMOUNT OF \$78,899.52, AND A TWO (2) YEAR NOT-TO-EXCEED AMOUNT OF \$160,177.92); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton (“City”) operates an Employee Health Center to provide services to its employees, retirees, and family members (ages 2 and up) who are covered by a City health plan (the “Employee Health Center”); and

WHEREAS, the City has previously entered into lease agreements with Epic Development, Inc. (“Epic”) to lease space at 3537 South I-35 E, Denton, Texas 76210 (the “Medical Center”) for the use and occupancy of space to house the Employee Health Center; and

WHEREAS, Epic has offered the City a two (2) year lease extension beginning January 1, 2026 through a Second Amendment to Medical Office Building Lease (the “Second Amendment”); and

WHEREAS, the proposed lease rate is a continuation of the escalation clause that was set in the First Amendment which is supported by an independent market analysis performed in April 2022; and

WHEREAS, the City Council deems it is in the public interest to enter into the Second Amendment to secure space at the Medical Center for the Employee Health Center for two (2) years; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the Second Amendment, attached hereto and incorporated herein by reference, and to carry out the duties and responsibilities of the City under the Medical Office Building Lease.

SECTION 3. The City Manager, or their designee, is authorized to expend such funds and perform such obligations as required in the Medical Office Building Lease.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [____ - ____]:

	Aye	Nay	Abstain	Absent
Gerard Hudspeth, Mayor:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

SECOND AMENDMENT TO MEDICAL OFFICE BUILDING LEASE

THIS SECOND AMENDMENT TO MEDICAL OFFICE BUILDING LEASE (this “**Amendment**”) is made as of October 29, 2025 (the “**Date of this Amendment**”), by and between EPIC Development, Inc. (“**Landlord**”) and City of Denton (“**Tenant**”), under the following circumstances:

Landlord and Tenant have entered into that certain Medical Office Building Lease, dated as of October 28, 2022 (such lease as it may have been amended is hereinafter referred to as the “**Lease**”), whereby Landlord has leased to Tenant premises consisting of approximately 2,832 rentable square feet and known as Suite 317 (the “**Premises**”) on the third (3rd) floor of the building located at 3537 South I-35, Denton, TX 76210 (the “**Building**”); and

Landlord and Tenant desire to enter into this Amendment in order to modify certain terms of the Lease.

NOW THEREFORE, in consideration of the premises and the agreements and covenants contained herein, Landlord and Tenant agree that the Lease is amended and modified as follows:

A. Amendments

1. **Term.** The Term of the Lease is hereby extended for an additional period (the “**Extended Term**”) commencing on the “**Extended Term Commencement Date**” (as defined below) and expiring at 11:59 p.m. on the “**Extended Term Expiration Date**” (as defined below). “**Extended Term Commencement Date**” shall mean the later of January 1, 2026 or the date of execution of this Amendment by Landlord as set forth in Landlord’s signature block. “**Extended Term Expiration Date**” shall mean the later of December 31, 2027 or the last day of the second Extended Term Lease Year. “**Extended Term Lease Year**” shall mean the period beginning on the Extended Term Commencement Date and ending on the first anniversary of the last day of the calendar month in which the Extended Term Commencement Date occurs (unless the Extended Term Commencement Date is the first day of a calendar month, in which event such first Extended Term Lease Year shall end on the day prior to the first anniversary of the Extended Term Commencement Date) and each twelve (12) month period thereafter during the Term of this Lease.
2. **Base Rent.** (a) Beginning on the Extended Term Commencement Date, the amount of Base Rent payable in accordance with Section 2 of the Lease shall be as provided below, subject to adjustment as provided herein:

Annual Base Rent Rate	Annual Base Rent	Monthly Rent Installment
<u>\$27.86/rsf</u>	<u>\$78,899.52</u>	<u>\$6,574.96</u>

- (b) Beginning on the first day of the second Extended Term Lease Year and on the first day of each Extended Term Lease Year thereafter during the Extended Term of this Lease (each such date shall hereinafter be referred to as an “**Adjustment Date**”), annual and monthly Base Rent shall increase by 3.00% of the annual and monthly Base Rent amount payable immediately preceding such Adjustment Date.
3. If the Lease is in a One Year Extension Term at the time of the commencement of the Extended Term, then such One Year Extension Term shall terminate upon the commencement of the Extended Term.

B. Miscellaneous

1. Except as amended by this Amendment, the Lease is not otherwise amended, and the Lease is hereby ratified and confirmed and remains in full force and effect, as amended hereby. In the event of a conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall control. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. Defined terms used in this Amendment not defined herein shall have the meaning set forth in the Lease.

2. Signatures transmitted by facsimile or by email in portable document format and signatures electronically signed in accordance with the Uniform Electronic Transaction Act, as adopted in the State of Texas, and with the United States ESIGN Act shall have the same effect as the delivery of original signatures and shall be binding upon and enforceable against the parties hereto as if such facsimile were an original executed counterpart.

[signatures on following page]

IN WITNESS WHEREOF, the parties have duly executed this Amendment as of the day and year first above written.

WITNESS
As to Tenant:

(Witness Signature)

(Witness Printed Name)

(Witness Signature)

(Witness Printed Name)

WITNESS
As to Landlord:

(Witness Signature)

(Witness Printed Name)

(Witness Signature)

(Witness Printed Name)

TENANT:

City of Denton

By: _____
(Signature)

Name: Sara Hensley

Title: City Manager

Date: _____

LANDLORD:

EPIC Development, Inc.

By: _____
(Signature)

Name: Todd Maxwell

Title: Vice President

Date: _____
[Date must be included at time of execution]