

AMENDMENT NO. 1 TO LEASE AGREEMENT

**BETWEEN
PORT AUTHORITY OF SAN ANTONIO
AND
THE CITY OF SAN ANTONIO**

This AMENDMENT NO. 1 TO LEASE AGREEMENT (this “**Amendment No. 1**”) is hereby made and entered into by and between Port Authority of San Antonio, a Texas Defense-Base Development Authority (“**Landlord**”), as landlord and the City of San Antonio, a Texas Municipal Corporation (“**Tenant**”), as tenant. Landlord and Tenant are referred to herein as “Parties” collectively and as a “Party” individually.

RECITALS

On June 18, 2020, the Lease Agreement between the Parties (the “**Lease**”) was passed and approved by the San Antonio City Council through Ordinance No. 2020-06-18-0417 (the “**Ordinance**”). Subsequent to the passing of the Ordinance and execution of the Lease, it has become necessary to enter into this Amendment No. 1 to include additional funds to be paid by Tenant to Landlord and extend the date for completion of the Project by Landlord.

AMENDMENT

NOW THEREFORE, the Parties hereby agree and amend the Lease as follows:

1. REVISIONS TO THE AGREEMENT. The following Sections are hereby revised to read as follows:

(a) **APPENDIX 1 BASIC TERMS, Tenant Improvement Allowance and Repayment:**

Landlord will provide Tenant with up to \$3,176,824.00 Tenant Improvement Allowance (“TI Allowance”) of which \$2,676,824.00 will be repaid by Tenant within 30 days of the Commencement Date. The remaining TI Allowance of up to \$500,000.00 will be repaid by December 31, 2021 with an interest charge of \$10.00. Tenant and Landlord will confirm the total TI Allowance expended within 30 days after the Lease Commencement Date. Tenant may choose to pay down the balance of the TI Allowance at any time and in any amount without penalty. At the time of any reduction in the unamortized TI Allowance balance, Landlord will recalculate the December 2021 payment based on the remaining balance and Landlord will notify Tenant of such change in the amount of the payment in writing. If Tenant does not pay the entire TI Allowance prior to January 1, 2022, the remaining balance will be paid by Tenant on a mortgage style amortization with equal monthly payments over the remaining term of the Lease plus 7% annual interest rate applied on a 30/360-day basis (“TI Amortization”).

(b) **Section 4.1.1:**

4.1.1 Cancellation of Lease by Tenant. Tenant may cancel this Lease and be free of all its obligations if the Commencement Date has not occurred as a result of the Premises not being "Move-in ready" by September 1, 2021, plus any additional days for delays that are beyond Landlord's control. "Move-in ready" means that Tenant has been granted a Certificate of Occupancy identifying City of San Antonio as Tenant for the Premises and the Premises are finished-out according to the requirements of this Lease, except for minor items such as are routinely corrected with a punch list.

(c) **APPENDIX B TENANT IMPROVEMENTS, Section 2:**

2. Subject to Section 4 below, Tenant will bear the entire cost of the Tenant Improvements, including, without limitation, all architectural and engineering fees associated with the preparation of Tenant's plans and any changes thereto, labor, material and equipment costs, permit fees, and overhead, and will pay \$2,676,824.00 within 30 days of the Commencement Date and the remaining balance of up to \$500,000.00 will be paid no later than December 31, 2021 as set out in **APPENDIX 1**.

2. CAPITALIZED TERMS. Unless otherwise defined in this Amendment No. 1, capitalized terms and phrases used in this Amendment No. 1 will have the meaning stated in the Lease.

3. PROVISIONS REMAIN IN EFFECT. All other terms, conditions, covenants, and provisions of the Lease not specifically amended by this Amendment No. 1 remain in full force and effect and unmodified.

4. ENTIRE AGREEMENT. The Lease, as amended by this Amendment, No. 1, constitutes the entire understanding and agreement between the Parties with respect to the subject matter of the Lease and contains all of the covenants and agreements of the Parties with respect thereto.

5. COUNTERPARTS. This Amendment No. 1 may be executed in multiple counterparts, each of which shall be fully executed as an original and all of which together constitute one and the same instrument.

[Signatures on Next Page]

EXECUTED and AGREED as of the dates indicated below.

LANDLORD:

PORT AUTHORITY OF SAN ANTONIO

By: James E Perschbach
James E Perschbach (Jan 26, 2021 18:51 CST)

James E. Perschbach

Printed Name

President & CEO

Title

Date: Jan 26, 2021

TENANT:

CITY OF SAN ANTONIO

By: _____

Craig Hopkins

Printed Name

Chief Information Officer

Title

Date: _____

APPROVED AS TO FORM:

Assistant City Attorney

ATTEST:

City Clerk






ARSOC Final Lease Amendment No. 1

Final Audit Report

2021-01-27

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|-----------------|---|
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