

Second Amendment and Extension of Lease Agreement

(Washington Place/SAFD)

1. Identifying Information.

**Ordinance Authorizing
Second Amendment and
Extension:**

Landlord: Burkhart, Shannon and Holmes, a Texas general partnership,
d/b/a Washington Place

**Landlord's Address for
Notices:** c/o Spencer Property Management, 5825 Callaghan Road, Suite
101, San Antonio, Texas 78228-1124

**Landlord's Address for
Payment of Rent:** Washington Place
c/o Barbara O'Riley
211 West Camellia Avenue
McAllen, TX 78501

Tenant: City of San Antonio

Tenant's Address: P.O. Box 839966, San Antonio, Texas 78283-3966 (Attention:
Director, Center City Development & Operations Department)

Premises: Being (11,622) square feet in total, and comprised of (5,594)
square feet in Suite 111, (2,415) square feet in Suite 107, and
(3,613) square feet in Suite 107A, on the first floor of a
building known as the Washington Place Office Building
located at 215 S. San Saba, San Antonio, Bexar County, Texas
78207 (hereinafter referred to as "the Building") as graphically
depicted on Exhibit A, which is incorporated by reference for
all purposes as if fully set forth.

**Ordinance Authorizing
Original Lease:** 2010-09-09-0782

**Ordinance Authorizing First
Renewal and Amendment:** 2015-09-17-0800

Building Operating Hours: Seven days per week, daily from 5:30 A.M. to 12:00 A.M.

**Beginning of Extended
Term:** First day of the first full month following the completion and
issuance of Certificate of Occupancy for the Improvements
described in Section 7 below.

**Expiration of Extended
Term:** Five years from the Beginning of Extended Term.

2. Defined Terms.

All terms used in this instrument and not otherwise defined herein but defined in the Original Lease, or any previous amendment to it, have the meanings previously ascribed to them.

3. Amendment and Extension.

3.01. The Original Lease, as amended by the First Renewal and Amendment of Lease, is hereby amended to add Ste. 107A, consisting of approximately 3,613 square feet, to the leased premises. The current premises under lease consists of Ste. 111 and Ste. 107, and 8,009 square feet. With the incorporation of this amendment the total square footage of the leased premises is now 11,622 square feet.

3.02. The term of the Lease is extended from the Beginning of Extended Term through and including the Expiration of Extended Term. The parties will confirm the Term commencement date in the Term Commencement Memorandum substantially in the form attached as Exhibit D.

4. Rent.

4.01. From the Beginning of the Extended Term to the Expiration of the Extended Term, Tenant must pay to Landlord the following new rent amounts at the Landlord's Address for Payment of Rent.

Term	Base Rent	T.I. Rent	Total Monthly Rent
Month 1 - 12(\$17.52 S.F.)	\$16,968.12	\$1,517.98	\$18,486.10
Month 13 - 24(\$17.87 S.F.)	\$17,307.10	\$1,517.98	\$18,825.08
Month 25 - 36(\$18.23 S.F.)	\$17,655.76	\$1,517.98	\$19,173.74
Month 37 - 48(\$18.59 S.F.)	\$18,004.42	\$1,517.98	\$19,522.40
Month 49 - 60(\$18.96 S.F.)	\$18,362.76	\$1,517.98	\$19,880.74

4.02. Prior to the Beginning of the Extended Term, Rent will be paid in accordance with the terms provided in the First Renewal and Amendment of the Lease.

5. Renewal.

Tenant may renew this Lease again for one five (5) year term by giving Landlord 120-days written notice prior to the expiration of the Extended Term. The renewal provided

for in this Section 5 is on the same terms and conditions as the Lease, as amended, except for rent. Renewal must be approved by City Council.

6. Change in Base Year.

6.01. The base year for calculating increases in real estate ad valorem taxes in Section 3.2 of the Lease, as amended, is changed from 2015 to 2016.

6.02 For the purpose only of calculating any pass through charges related to increases in property taxes, Tenant's prorated share of building occupancy is 46%.

7. Improvements to Premises.

7.01. Tenant Improvements to be provided by Landlord consist of finishing out the 3,613 square feet in Suite 107A, and the construction of men's and women's bathrooms in the existing lease space, all in accordance with the accepted construction plans detailed in the Work Letter attached as Exhibit B and fully incorporated herein.

7.02. Landlord shall provide to Tenant an allowance of \$15,310.00 of the total cost of \$30,113.00 for the finish out work to be performed by Landlord in Suite 107A. The difference of \$14,803.00 has been amortized in the rent payments over the five year Extended Term and is included in the Base Rent. Landlord shall perform the construction of the men's and women's bathrooms in the existing lease space and the construction cost of \$86,606.00 and shall be amortized through the rent payments to be made by Tenant over the five year, or sixty (60) month, Extended Term at (2.0%) annual interest paid as T.I. Rent. The rent payment table in Section 4 herein incorporates the amortization schedule described in this section.

7.03. Landlord shall be solely responsible to complete the Tenant Improvements at its sole cost and expense without any necessity for the Tenant to contribute towards the cost of the Tenant Improvements.

8. Tenant's Early Termination Right.

8.01. Tenant may terminate this Lease any time after the third year of the Extended Term. To do so, Tenant must deliver to Landlord written notice of intent to terminate at least 120 days before the proposed termination date.

8.02. If Tenant exercises its Early Termination Right, Tenant agrees to reimburse Landlord for the unamortized amount of the construction costs described in Section 7 in a lump sum payment as follows:

For finish out of Suite 107A:	\$246.72 multiplied by the number of months remaining of the sixty (60) month term.
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For the bathroom construction:	A payment representing the unamortized balance remaining for the \$86,606.00 initial
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investment by Landlord for the bathrooms, amortized over the Extended Term at 2% annual interest.

9. Parking Spaces.

Tenant shall be provided 32 reserved parking spaces in the lot adjoining the Building, as depicted in Exhibit C.

10. Holdover.

In the event Tenant holds over after the expiration date of the Extended Term, then the monthly rent during the holdover period shall be equal to the amount of the Base Rent during the last month of the Extended Term.

11. No Default.

Neither Landlord nor Tenant is in default under the Lease, and neither party is aware of a cause of action against the other arising out of or relating to the period before this amendment and extension.

12. Same Terms and Conditions.

This Second Amendment and Extension instrument is a fully integrated statement of the modifications to the Lease. Except as expressly modified by this Second Amendment and Extension, the Lease, as amended, remains a comprehensive statement of the rights and obligations of Landlord and Tenant. Landlord and Tenant reaffirm the Lease as modified by this agreement. Landlord and Tenant reaffirm the Lease as modified by this agreement and represent to each other that no written right or obligation of either party has been waived such that it would impair exercise of the right or enforcement of the obligation on a future occasion.

13. Public Information.

This instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public. Nothing in this agreement waives an otherwise applicable exception to disclosure.

In Witness Whereof, the parties have caused their representatives to set their hands.

City of San Antonio, a Texas municipal corporation

Burkhart, Shannon and Holmes, a Texas general partnership

By: _____

Signature: Max Burkhardt
Max Burkhardt, General Partner
MB

Printed Name: _____

Date: 5/23/2017

Title: _____

Date: _____

Attest:

City Clerk

Approved as to Form:

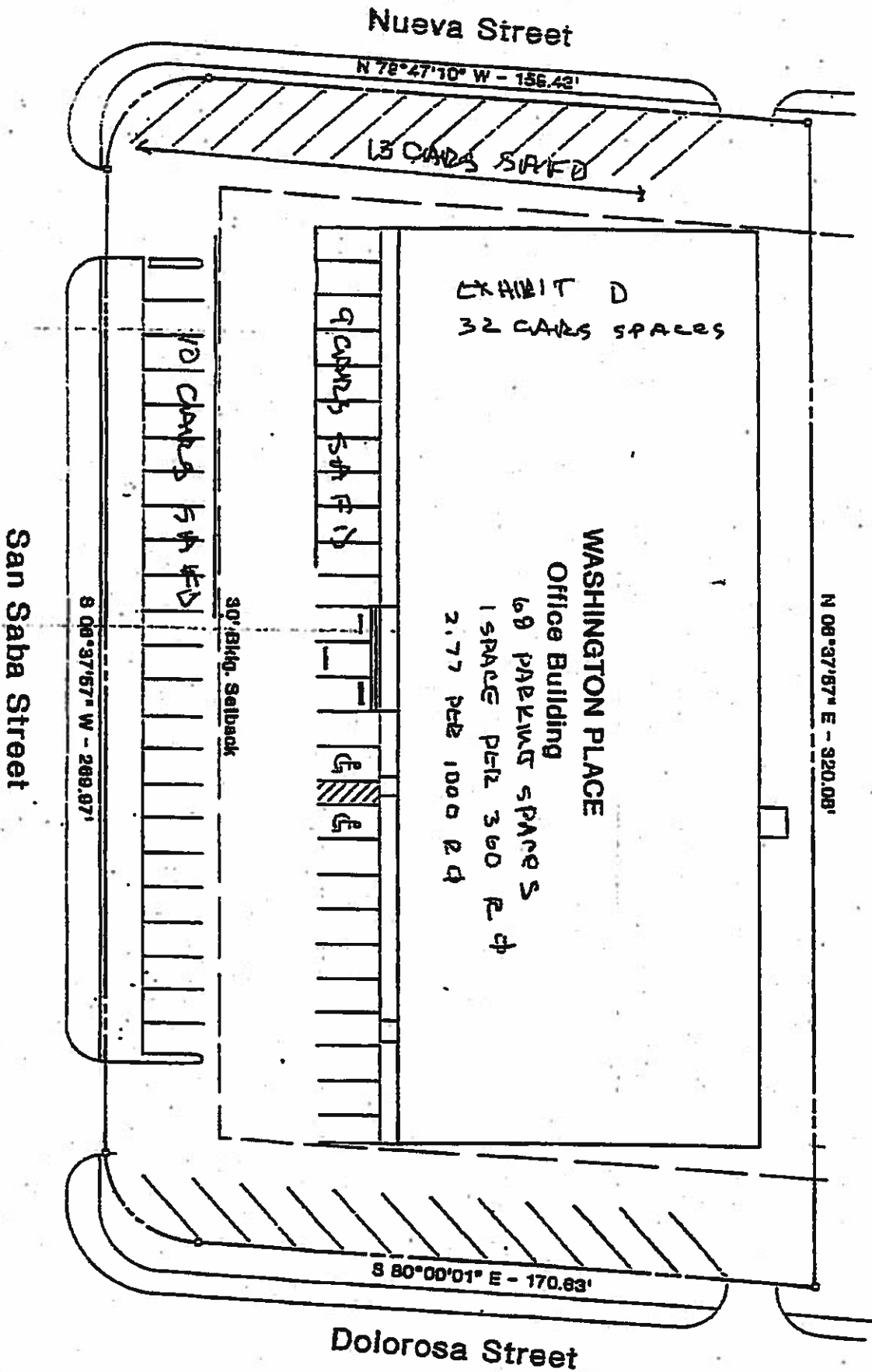
City Attorney

EXHIBIT A- Description of Premises

EXHIBIT B- Work Letter and Construction Plans

EXHIBIT C- Parking Plan

EXHIBIT C - PARKING PLAN



215 South San Saba
Site/Parking Plan

Scale 1" = 40'

EXHIBIT D- Term Commencement Memorandum

Landlord: Burhart, Shannon and Holmes, a Texas general partnership,
d/b/a/ Washington Place

Tenant: City of San Antonio

Lease: Lease between Landlord and Tenant relating to
approximately 11,622 rentable square feet, 215 S. San Saba
Street, Suites 107, 107A and 111 in San Antonio, Bexar
County, Texas

Authorizing Ordinance:

Predicate Facts:

Landlord and Tenant are parties to the Lease, which was authorized by the Authorizing Ordinance.

Second Amendment and Extension of Lease Agreements calls for the Extended Term to begin on the Beginning of the Extended Term.

For their mutual benefit, the parties now wish to memorialize the actual Beginning of the Extended Term.

Rights and Obligations:

Now therefore, in consideration of the premises, the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms.

All terms used in this memorandum and not otherwise defined herein but defined in the Lease have the meanings ascribed to them in that instrument.

2. Beginning of the Extended Term.

The Beginning of the Extended Term for purposes of the Second Amendment and Extension of Lease Agreements is hereby agreed to be _____, 2017. That is the date that rent shall commence to be paid as provided in Section 3 below.

3. Description.

Rent during the Extended Term shall be paid in accordance with the following schedule:

Term	Base Rent	T.I. Rent	Total Monthly Rent
Month 1 - 12	\$16,968.12	\$1,517.98	\$18,486.10
Month 13 - 24	\$17,307.10	\$1,517.98	\$18,825.08
Month 25 - 36	\$17,655.76	\$1,517.98	\$19,173.74
Month 37 - 48	\$18,004.42	\$1,517.98	\$19,522.40
Month 49 - 60	\$18,362.76	\$1,517.98	\$19,880.74

4. Conflict of Terms

This instrument controls over anything to the contrary in the Lease.

In Witness Whereof, the parties have caused their representatives to set their hands.

Tenant

City of San Antonio, a Texas municipal corporation

Signature: _____

Printed
Name: _____

Title: _____

Date: _____

Landlord

Burkhart, Shannon and Holmes, a Texas general partnership

Signature: _____
Max Burkhardt, General Partner

Date: _____

Approved as to Form:

City Attorney