

AMENDMENT NO. 1
to
LEASE AGREEMENT
Between
PORT AUTHORITY OF SAN ANTONIO
Landlord
and
CITY OF SAN ANTONIO
Tenant
in
Building No. 3761
located at
602 Dunton
Port San Antonio
San Antonio, Texas

This Amendment No. 1 to the Lease Agreement (“Amendment No. 1”) is dated effective February ____, 2025 (“Effective Date”) and is by and between **Port Authority of San Antonio** (“Port Authority”) and **City of San Antonio** (“CoSA”).

R E C I T A L S

- A. Port Authority, as Landlord, and CoSA, as Tenant executed a lease agreement dated October 26, 2017 (the “Lease”), for 18,367 square feet in Building 3761 and the 10.75-acre grounds and parking areas located at 602 Dunton, San Antonio, Texas 78226 (the “Premises”).
- B. Tenant has elected to exercise its option to extend the Lease Term by 5 years and has requested an addition to the TI Allowance and Landlord has agreed, subject to the terms and conditions contained herein.
- C. Paragraph 29.8 of the Lease stipulates that the Lease may not be altered, changed or amended except by an instrument in writing signed by both parties.

A G R E E M E N T

For and in consideration of the mutual covenants and agreements contained herein, the parties hereby agree as follows:

1. Term. The “Term” of the Lease is hereby extended 60 months (“Renewal Term 2025”) beginning March 1, 2025 (“Commencement Date”) and ending February 28, 2030 (“Termination Date”).

2. Gross Rental for Renewal Term 2025 is as follows:

<u>Term</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>	<u>Per S.F. Annually</u>
Year 1	22,852.63	274,231.59	14.93
Year 2	23,538.21	282,458.54	15.38
Year 3	24,244.36	290,932.30	15.84
Year 4	24,971.69	299,660.27	16.32
Year 5	25,720.84	308,650.07	16.80

3. The “Lease Termination” set out on APPENDIX 1 of the Lease is hereby DELETED in its ENTIRETY and is REPLACED with the following:

Lease Termination

for Renewal Term 2025: The Termination Date will be February 28, 2030, subject to Tenant’s option to terminate this Lease on every anniversary of the Commencement Date by providing Landlord with 120 days prior written notice.

4. Section 9.1.1(2) of the Lease is hereby DELETED in its ENTIRETY and is REPLACED with the following:

9.1.1(2) In the event that any repair or replacement exceeds \$4,975.43 (HVAC Repair Allowance) during any particular lease year, then Tenant will be responsible for reimbursing Landlord any cost in excess of the HVAC Repair Allowance.

5. A new term, “TI Allowance” is ADDED to APPENDIX 1 as follows:

TI Allowance

for Renewal Term 2025: \$25,867.14 toward reimbursement for expenses incurred by Tenant on HVAC repairs in 2023 and 2024. The reimbursement may be used for (i) the purchase of FF&E, or (ii) for mutually agreed upon improvements to the Premises made by Landlord., in which event, Landlord agrees not to charge a construction management fee. Further, Tenant incurred HVAC related capital replacement costs of \$25,245.71 in 2023, which will be amortized by Landlord as capital replacement costs at \$2,524.57 annually for the period 2023-2032, which amount has been deducted from the HVAC Repair Allowance.

6. The Lease is amended by ADDING a NEW Section 4.3.2, as follows:

4.3.2 Asbestos and LBP. Notwithstanding anything contained in this Section 4.3 or elsewhere in this Lease to the contrary and for the avoidance of doubt, Landlord will not be liable for the repair, removal encapsulation and/or abatement of: (i) asbestos containing materials; or (ii) lead based paint (or similar substances, such as hexavalent chromium, or polychlorinated biphenyls); when such substances are found anywhere in, on or around the Premises or in, on or around the Building.

7. Section 12.1 is hereby DELETED in its ENTIRETY and is REPLACED with the following:

12.1 Approvals for Alterations/Repair of Improvements/Payment and Performance Bonds. Tenant will not make any alterations, additions or improvements (“Alterations”) to the Premises that require permitting without the prior written approval of Landlord, and will be subject to Landlord’s Design and Development Standards as they exist at that time, which can be found on Landlord’s website at www.portsanantonio.us. Landlord’s approval will require the submission of a complete set of plans and specifications (“Submissions”). Tenant will be responsible for compliance with The Americans with Disabilities Act of 1990, as amended, within the Premises only. Tenant will, during the construction of any Alterations, withhold a retainage equal to (i) 10% of the cost of the Alterations if the cost is less than \$5 Million; and (ii) 5% if the cost is \$5 Million or more, until the expiration of 30 days following the completion thereof in order to protect the Premises and the Building against liens and encumbrances. All Alterations will be performed in compliance with all applicable governmental laws, regulations, codes, standards and any other requirements of Landlord and in a good and workmanlike manner so as not to damage or alter the primary structure or structural qualities of the Improvements or other improvements situated on the Premises. **As required by Texas law, Tenant will obtain a payment bond for all improvements or repairs to improvements over \$25,000 and a performance bond for all improvements or repairs to improvements over \$100,000, in form and content acceptable to Landlord before beginning the improvements or repairs to improvements on the Premises and as follows, to wit:** in accordance with Section 2252.909 of the Government Code of Texas, Tenant must include in each contract for the construction, alteration, or repair of an improvement to the Premises a condition that the contractor: (i) will execute a payment bond that conforms to Subchapter I, Chapter 53, Property Code; and (ii) will execute a performance bond in an amount equal to the amount of the contract for the protection of Landlord and conditioned on the faithful performance of the contractor’s work in accordance with the plans, specifications, and contract documents. Tenant will provide Landlord with a notice of commencement (“Notice of Commencement”) consistent with this Section 12.1 **at least 90 days before the date the construction, alteration, or repair of any improvement to the Premises begins**. The Notice of Commencement must: (i) identify the property where the work will be performed; (ii) describe the work to be performed; (iii) state the total cost of the work to be performed; (iv) include copies of the performance and payment bonds required hereunder; and (v) include a written acknowledgment signed by the

contractor stating that copies of the required performance and payment bonds will be provided to all subcontractors not later than the 5th day after the date a subcontract is executed. On or before the 10th day after the date Landlord receives a Notice of Commencement, Landlord may notify Tenant that the construction, alteration, or repair may not proceed. A person commits an offense if the person materially misrepresents information in the Notice of Commencement. An offense under Section 2252.909 of the Government Code of Texas is a Class A misdemeanor.

8. The Lease is amended by DELETING Section 12.1.1 in its ENTIRETY and REPLACING it with the following:

12.1.1 Asbestos/Lead Based Paint. Before beginning any Alterations, Tenant will determine whether asbestos and/or lead based paint is present on the Premises. If Tenant intends to make Alterations that require the removal of asbestos and/or lead based paint, Tenant will submit an appropriate asbestos abatement and disposal plan and/or lead based paint abatement and disposal plan to Landlord prior to starting such Alterations.

9. The Lease is amended by ADDING NEW Sections 29.25, 29.26 and 29.27 to the Lease, as follows:

29.25 Multiple Counterparts. This Lease, *and any amendments thereto*, may be executed in two or more counterpart copies, including by wet ink, facsimile, electronic mail in PDF format, and by electronic signature software (e.g. DocuSign, Adobe Sign, etc.), all of which counterparts will have the same force and effect as if all parties hereto had executed a single copy of this Lease.

29.26 Determination of Charges/Lien Waiver. Landlord and Tenant agree that each provision of this Lease for determining charges and amounts payable by Tenant (including, without limitation, provisions regarding Additional Rent) is commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code. Tenant hereby waives its statutory lien under Section 91.004 of the Texas Property Code.

29.27 Electronic Signatures. Pursuant to the Uniform Electronic Transactions Act and the federal E-SIGN Act, each of the undersigned (“Signatory”) agrees that any and all signatures required on this Lease, *and any amendments thereto*, herein may be in electronic form (“Electronic Signature”). Any Electronic Signature submitted will constitute a representation by the Signatory that (i) his/her signature is authentic, (ii) the Signatory has the authority to execute such record, and (iii) the Electronic Signature is binding on the Signatory.

[Signatures on following page]

This Amendment No. 1 will take effect on the Effective Date set out above. Except for the terms, covenants and conditions modified in this Amendment No. 1, the parties hereto agree that all of the rest and remainder of the terms, covenants and conditions set out in the Lease, as previously amended, are hereby confirmed as stated and remain unchanged and in full force and effect.

PORT AUTHORITY OF SAN ANTONIO

By: *James E Perschbach*
[James E Perschbach \(Jan 27, 2025 16:20 CST\)](#)
Name: James E. Perschbach
Title: President & CEO

CITY OF SAN ANTONIO, a Texas municipal corporation

By: _____
Name: _____
Title: _____

Approved as to Form:

City Attorney

Attest:

City Clerk

DOCS1-#343161-v3-SAFD_Lease_Amendm ent_No__1_-_Bldg__3761_-_Extend_5_yrs_LL Final_01-15-2025

Final Audit Report

2025-01-27

Created:	2025-01-27 (Central Standard Time)
By:	Brian Booth (brian.booth@portsanantonio.us)
Status:	Signed
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-  Document created by Brian Booth (brian.booth@portsanantonio.us)
2025-01-27 - 4:18:43 PM CST - IP address: 70.118.102.104
-  Document emailed to Jim Perschbach (jim.perschbach@portsanantonio.us) for signature
2025-01-27 - 4:20:20 PM CST
-  Email viewed by Jim Perschbach (jim.perschbach@portsanantonio.us)
2025-01-27 - 4:20:32 PM CST - IP address: 70.118.102.104
-  Signer Jim Perschbach (jim.perschbach@portsanantonio.us) entered name at signing as James E Perschbach
2025-01-27 - 4:20:50 PM CST - IP address: 70.118.102.104
-  Document e-signed by James E Perschbach (jim.perschbach@portsanantonio.us)
Signature Date: 2025-01-27 - 4:20:52 PM CST - Time Source: server- IP address: 70.118.102.104
-  Agreement completed.
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