

**AMENDMENT NO. 3 TO LEASE AGREEMENT BETWEEN
THE UNIVERSITY OF THE INCARNATE WORD AND
THE CITY OF SAN ANTONIO**

This Amendment No. 3 to the Lease Agreement (“Amendment No. 3”) is dated effective October 1, 2024 (the “Effective Date”) and is made by and between the University of the Incarnate Word and the City of San Antonio.

RECITALS

- A. Brooks Development Authority (“BDA”) and the City of San Antonio (“CoSA” or “Tenant”) entered into a lease agreement dated January 6, 2011 for space in Building 125 at Brooks City Base (the “Lease”) wherein CoSA, as tenant, leased space from BCA, as landlord (the “Premises”).
- B. The Lease was amended by written instrument titled Amendment No. 1 (“Amendment No. 1”) on December 1, 2018, and again amended by written instrument titled Amendment No. 2 (“Amendment No. 2”) on August 20, 2020.
- C. The University of the Incarnate Word (“UIW” or “Landlord”) entered into a Lease to Own Agreement with BDA on September 16, 2014, which afforded UIW with the option to lease to own certain parcels, and the Right to Conveyance for same.
- D. UIW exercised the option under its lease with BDA effective September 1, 2020, and executed the “Assignment and Assumption of Leases” on September 25, 2020, whereby UIW assumed the Lease with CoSA and became landlord under the Lease.
- E. Tenant’s lease with CoSA expired on September 30, 2024 with a six (6) month allowance for holdover, which expires on February 28, 2025. Accordingly, Tenant wishes to extend the term of the Lease and amend other provisions of the Lease as applicable to the renewal term, as detailed below, and Landlord agrees to these terms.
- F. Pursuant to Section 25.05 of the Lease, the Parties may modify the Lease by written agreement and as authorized by an ordinance adopted by City Council.

AMENDMENT NO. 3.

NOW, THEREFORE, in consideration of the following, the Parties agree as follows:

1. **Landlord’s Information.** Landlord’s information contained within Section 1 entitled “Basic Information, Definitions” is amended to state:

Landlord: University of the Incarnate Word

Landlord’s Address: 4301 Broadway St., CPO 319
San Antonio, Texas 78209
2. **Monthly Rent.** The Monthly Rent provision contained within Section 1 entitled “Basic Information, Definitions” is expanded to include the renewal term specified herein, as follows:

<u>Dates Applicable (each a "Term Year")</u>	<u>Monthly Rent</u>
October 1, 2024-December 31, 2024	\$22,371.56
January 1, 2025-December 31, 2025	\$ 8,110.62
January 1, 2026-December 31, 2026	\$ 8,353.94*
January 1, 2027-December 31, 2027	\$ 8,604.56*
January 1, 2028-December 31, 2028	\$ 8,862.69*
January 1, 2029-September 30, 2029	\$ 9,128.56*

*Amounts subject to change based on utilized square footage as described in Section 4 below. The first-floor space shall be charged at a rate of \$15.00 per sq. ft. beginning January 1, 2025 with a 3% increase per Term Year. Amounts will be adjusted annually based on the utilized square footage agreed by the Parties as described herein.

3. **Renewal Term.** The Term of the Lease will be extended for a five (5) year term beginning on October 1, 2024 and ending on September 30, 2029 (the "Renewal Term").
4. **The Premises.** Tenant shall remain in the Expanded Premises as noted on Amendment No. 1 until December 31, 2024 while relocating staff. Beginning January 1, 2025 through the expiration of the Term, the Premises will be reduced in size from 23,489 sq. ft. to 12,841 sq. ft. (the "Reduced Premises"), reflective of a reduction in the first-floor space to approximately 3,618 sq. ft., as shown on **Exhibit A**, which is attached hereto and incorporated by reference. The Reduced Premises shall remain in effect through the duration of the Term, subject to the following:
 - a. During the Term of this Agreement, Tenant may further reduce the first-floor area based on need in accordance with the following:
 - i. Beginning December 15, 2025, the Parties shall meet annually on or about December 15th to discuss Tenant's utilized square footage. In the event Tenant's utilization has changed, Tenant may elect to further reduce the first-floor space and shall provide Landlord its updated square footage and map for the following Term Year at the annual meeting.
 - ii. In the event Tenant's utilization of the first-floor space reduces by more than 500 square feet during a Term Year, Tenant may request a second meeting with Landlord to adjust its utilized square footage, and such request shall not be unreasonably withheld. In the event of such request, the Parties shall meet within thirty (30) days to implement the requested adjustments.
 1. The square footage may be adjusted a maximum of two (2) times per Term Year as described herein. In no event shall Tenant increase the square footage of the Reduced Premises without the express written permission of Landlord.
5. **Rent Payment by Division.** Section 3 of Amendment No. 2 is expanded to include the Renewal Term, as follows:

Period	Division	Monthly Rent Per Division	Total Monthly Rent
October 1, 2024- December 31, 2024	PHEP	\$8,652.87	\$22,371.56
	Other	\$10,234.08	
	Lab Services	\$3,483.61	
January 1, 2025- December 31, 2025	PHEP	\$3,612.50	\$8,110.62
	PCEH	\$910.00	
	Lab Services	\$3,588.12	
January 1, 2026- December 31, 2026	PHEP	\$3,720.88	\$8,353.94
	PCEH	\$937.30	
	Lab Services	\$3,695.76	
January 1, 2027- December 31, 2027	PHEP	\$3,832.51	\$8,604.56
	PCEH	\$965.42	
	Lab Services	\$3,806.63	
January 1, 2028- December 31, 2028	PHEP	\$3,947.49	\$8,862.69
	PCEH	\$994.38	
	Lab Services	\$3,920.82	
January 1, 2029- September 30, 2029	PHEP	\$4,065.91	\$9,128.56
	PCEH	\$1,024.21	
	Lab Services	\$4,038.44	

6. **Schedule for Janitorial Services.** For purposes of the Renewal Term, the Schedule for Janitorial Services included in Appendix B shall be amended as follows:

During the Renewal Term, Landlord shall provide cleaning services for the first floor Premises as shown on **Exhibit A**, in accordance with Appendix B of the Lease, two times per month. Additionally, Landlord shall provide cleaning services for the basement Premises in accordance with Appendix B of the Lease at the frequencies stated therein. Tenant shall be responsible for keeping the Premises clean and in good repair in between regular cleanings, routine wear and tear excepted.

7. **Condition of the Premises.** By entering Amendment No. 3, Tenant understands that the Premises is being leased as-is, and Landlord makes no representations or warranties as to the condition of the Premises. Specially, Landlord makes no representations as to whether the Premises is fit for its intended purposes and reaffirms the Warranty Disclaimer in Section 20 of the Lease. Moreover, Landlord cannot guarantee the mechanicals will continue to operate at acceptance levels during the Renewal Term, and Tenant understands this risk, and expressly releases Landlord from any obligation or liability related to a mechanical failure impacting the Premises. Tenant further understands and agrees that any mechanical failure shall not be considered a breach under the Lease, and shall not trigger any obligation as may be applicable under Sections 16, 17, or 19 of the Lease. Additionally, Tenant agrees that Landlord is not required to complete any work to make the Premises fit for its intended purpose during the Renewal Term, unless expressly stated herein.

Similarly, Tenant understands that the remediation of the Asbestos Containing Materials (“ACM”) is being delayed solely to accommodate Tenant in its Renewal Term, and that abatement activity may render the Premises uninhabitable.

The Parties acknowledge and agree that in the event of a failure under this Section, Landlord may, in its sole discretion, terminate the Lease without further obligation or liability to Tenant. However, in such event, the Parties agree to coordinate in a good faith to terminate the Lease in a such a way that the operations of the respective parties are disrupted as minimally as commercially reasonable under the circumstances.

By signing this Amendment No. 3, Tenant expressly acknowledges and represents it has been fully informed of the status of the Premises, agrees to accept all risk, known or unknown, and will procure necessary insurance coverage to protect any materials or property contained on the Premises.

- 8. Limitation of Liability.** With respect to the Renewal Term, in the event of a mechanical failure, resulting in damage, or injury, including personal injury or death, related to the condition of the Premises, Landlord shall not be liable in any manner whatsoever to Tenant or to any third party for any claim for loss, damage, or injury, including personal injury or death, arising out of the Lease or Tenant's occupancy or use of the Premises, and Tenant expressly releases and discharges Landlord from any liability for such claim(s). This includes, but is not limited to, any claim in contract or in tort, including those for lost profits, business interference, property damage, or loss of use. Moreover, Landlord shall not be liable for any consequential, special, punitive or exemplary damages because of such loss, damage, or injury, including personal injury or death, and Tenant expressly waives, releases, and discharges any right or claim to of for consequently, special, punitive, or exemplary damages from Landlord.

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9. **Confirmation of Terms; Controlling Agreement.** This Amendment No. 3 acts as a substitute, amendment, or replacement for certain provisions of the Lease, Amendment No. 1, and Amendment No. 2. All terms, covenants, and conditions of the Lease or its previous amendments not expressly amended herein are hereby confirmed and ratified and remain in full force and effect. To the extent, if any, that the terms and conditions of this Amendment No 3 conflict with the terms of the Lease, Amendment No. 1, or Amendment No. 2, the foregoing is amended accordingly, and the terms and conditions of this Amendment No. 3 shall apply.

AGREED by and between:

CITY OF SAN ANTONIO

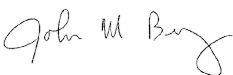
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APPROVED AS TO FORM

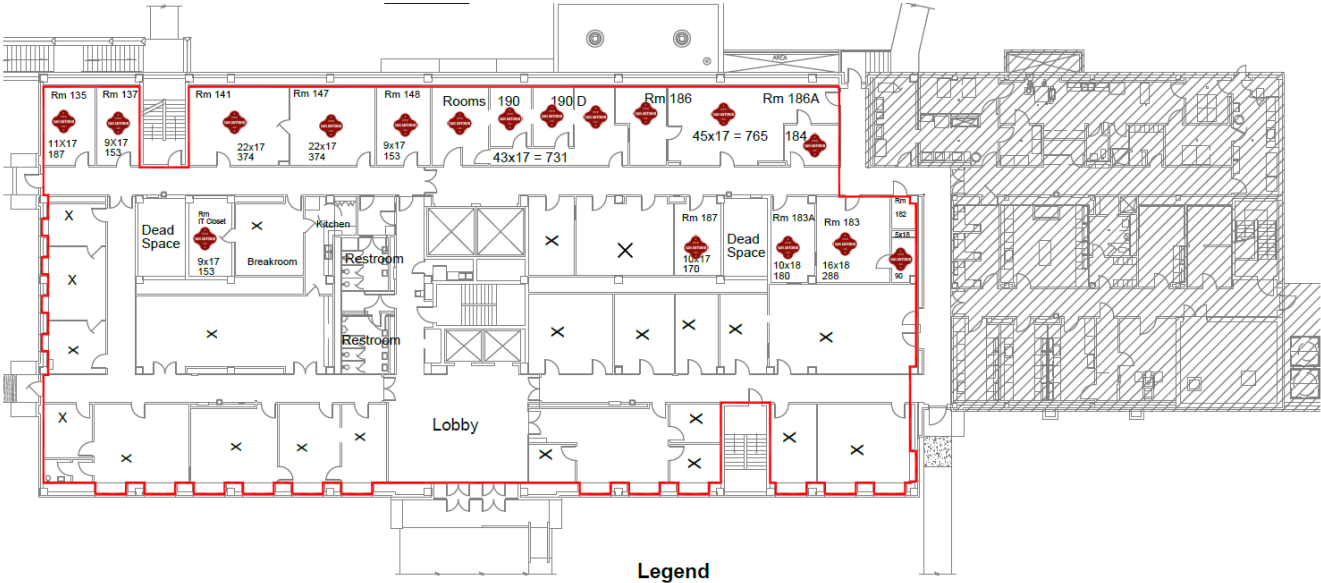
By: _____
City Attorney

UNIVERSITY OF THE INCARNATE WORD

By:  _____
John Bury
Vice President of Strategy and Enrollment

Date: Jan 31, 2025

EXHIBIT A: First Floor Premises (CoSA occupied spaces identified by CoSA symbol)



**BROOKS CITY BASE
BUILDING 125
1ST FLOOR LEVEL**

PHEP - 2,890 SQ. FT.
PCEH - 728 SQ. FT.
Total 1st Floor - 3,618 SQ. FT.