

## Second Amendment to Lease Agreement

(TAG/SAPD Lease)

This Second Amendment of Lease Agreement (“Amendment”) is entered into between Landlord and Tenant and shall be incorporated into the that certain Office Lease executed by Landlord and Tenant on June 9, 2017 (the “Original Lease”) as amended by that certain First Amendment – Office Lease executed by Landlord and Tenant December 17, 2019 (the “First Amendment”) and along with this Second Amendment all referred hereto as the “Lease” as provided below.

### PRELIMINARY STATEMENTS:

- A. Pursuant to the Original Lease, Landlord (as successor-in-interest to Brass LeftOut, LLC) leased to Tenant and Tenant leased from Landlord approximately 26,811 rentable square feet of space in the Building, together with exclusive parking as referred to therein, for an Initial Term of five (5) years.
- B. Pursuant to the First Amendment, Landlord and Tenant amended the Original Lease to expand the Premises to a total of 36,400 rentable square feet of space, which is the entirety of the Building, and to extend the Initial Term by an additional five (5) years commencing on the Occupancy Commencement Date (as such date is established below in Section 1) and expiring on April 30, 2025.
- C. Landlord and Tenant now desire to, *inter alia*, amend the Lease to extend the Initial Term for the Extension Term (as such term is defined below in Section 1).

Accordingly, the parties hereby agree as follows:

### 1. Identifying Information, Definitions.

**Ordinance  
Authorizing [2025- XX-XX-XXXX]<sup>1</sup>  
Second  
Amendment:**

**Ordinance Authorizing  
First Amendment:** 2019-12-12-1051

**Ordinance Authorizing  
Original Lease:** 2017-05-25-0383

**Landlord:** San Antonio TX II SGF, LLC successor in interest to  
Brass LeftOut, LLC.

**Landlord’s Address:** C/O Boyd Watterson Asset Management, LLC  
1301 East 9<sup>th</sup> Street, Suite 2900  
Cleveland, OH 44114  
Attn: Asset Management

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<sup>1</sup> To be updated.

**Tenant:** City of San Antonio

**Tenant's Address:** P.O. Box 839966, San Antonio, Texas 78283-3966  
(Attention: Leasing Manager, Building and Equipment Services)

**Premises:** 36,400 Rentable Square Feet in the Building located at 4402 West Piedras, San Antonio Texas as depicted on Exhibit A of the Original Lease and augmented by Exhibit B of the First Amendment.

**Occupancy** May 1, 2020 is confirmed as the Occupancy  
**Commencement Date:** Commencement Date as referenced in the First Amendment noting that First Amendment Exhibit A was never executed.

**Extension Term:** 124 months commencing on May 1, 2025 and ending on August 31, 2035, unless terminated sooner in accordance with the Lease.

## 2. Defined Terms.

All terms used in this instrument and not otherwise defined herein but defined in the Lease have the meanings previously ascribed to them. References to "Lease" in this Second Amendment include the Original Lease and all subsequent amendments.

## 3. Rent.

3.1. Section 3.01 of the Lease shall be amended to extend the Rent Period through August 31, 2035 according to the following chart:

Period	Monthly Rent	Total Annual Rent
May 1, 2025 - August 31, 2025	\$69,726.23	\$836,714.76
September 1, 2025 - August 31, 2026	\$74,316.67	\$891,800.04
September 1, 2026 - August 31, 2027	\$76,591.67	\$919,100.04
September 1, 2027 - August 31, 2028	\$78,866.67	\$946,400.04
September 1, 2028 - August 31, 2029	\$81,141.67	\$973,700.04
September 1, 2029 - August 31, 2030	\$83,416.67	\$1,001,000.04
September 1, 2030 - August 31, 2031	\$85,691.67	\$1,028,300.04
September 1, 2031 - August 31, 2032	\$87,966.67	\$1,055,600.04
September 1, 2032 - August 31, 2033	\$90,241.67	\$1,082,900.04

September 1, 2033 - August 31, 2034	\$92,516.67	\$1,110,200.04
September 1, 2034 - August 31, 2035	\$94,791.67	\$1,137,500.04

3.2. All other terms and condition of Section 3 in the Lease shall remain in effect.

#### 4. Term & Extension.

4.1. The Initial Term of the Lease is hereby extended for the Extension Term as provided in Section 1 of this Amendment. Accordingly, the Initial Term shall now expire on August 31, 2035 unless terminated sooner.

4.2. For the avoidance of doubt, the parties acknowledge that Tenant's renewal option set forth in Section 4.02 of the Original Lease shall remain in effect, and that the renewal term shall be for a period commencing on September 1, 2035 and expiring August 31, 2040 (the "Renewal Term"); provided, however, that Section 4.02 is hereby amended as follows:

- The right to renew requires Tenant to provide a written notice (a "Renewal Notice") at least nine (9) months prior to the expiration of the Extension Term (i.e. no later than December 1, 2034, written notice must be delivered to Landlord confirming Tenant's election to renew the Lease).
- Rent during the Renewal Term shall be at the then Fair Market Rent for an arm's-length renewal leases including Tenant's receiving the benefit of all typical lease concession, tenant improvement allowances, and brokerage commissions for a comparable term for comparable space on a full-service gross basis in comparable buildings in the San Antonio marketplace. Fair Market Rent during the entire Renewal Term shall be determined as follows:

##### First Round

Within 30 days of the date Tenant provides notice to Landlord of its intent to renew the Lease (Renewal Notice) each party shall hire a broker, or an MAI certified appraiser either of which must be appropriately licensed in the State of Texas (Appraiser or Broker) to produce an opinion of value. The opinion of value will be developed in accordance with USPAP standards if a certified appraiser is used or supported by rental details for other similar properties if a broker is used. These two opinions of value of rent during the entire Renewal Term shall outline rent during each year of the Renewal Term on a full-service gross basis without any pass throughs (and taking into account any lease concessions, tenant improvement allowances, Landlord work, and any brokerage commissions included as part of any such renewal term) and shall be exchanged within 60 days of Landlord's receipt of the Renewal Notice. The information exchanged will represent the entire opinion of value document including all research and other information used by the Appraiser or Broker to determine their respective values. In the event the two opinions of value for the entire Renewal Term are within 10% of each other (the amount of the 10% delta shall be determined by multiplying the value of the lower opinion of value for rent to be paid for the entire Renewal Term by 10%, then adding that amount to the value of the lower opinion of value), if the sum of that formula is equal to or greater than the value of the higher opinion of value then the First Round process shall govern the determination of the Rent during the Renewal Term, and the Landlord shall accept, and the Tenant shall pay Rent at the rate equal to the average of Landlord's opinion and Tenant's opinion. By way of this example, if Tenant's opinion of value over the 5-year Renewal Term has a value of \$6,625,000 and Landlord's is \$7.0 million, then the 10% delta

has not been exceed so the Renewal Term rent is determined by adding the \$6,625,000 to \$7.0 mil, then dividing that sum by 2 and that value by 60 (representing 60 months in the Renewal Term) thereby setting the rent at a constant rate each month during the entire Renewal Term. However, if Landlord's opinion of value exceeds \$6,625,000 plus 10% or \$7,287,500 then the terms of the Second Round shall prevail.

## Second Round

In the event that the opinions of value from each opinion differ by more than 10% as determined by the formula in the First Round, then within 90 days of the Renewal Notice, Landlord and Tenant shall mutually (i) develop a scope of work for the third opinion of value; (ii) select an MAI certified Appraiser (brokers cannot participate in the Second Round) and; (iii) hire the Appraiser. Landlord shall be solely responsible for executing any contracts and otherwise hiring the Appraiser, the cost charged by the Appraiser shall be borne equally by Tenant and Landlord. The Second Round Appraisal's opinion of value shall then be averaged with the one opinion of value from the First Round, either Landlord's opinion of value or Tenant's opinion of value, that is closest in value (either higher or lower) to the Second-Round appraisal and the averaged value of these two opinions of value as determined in the Second Round shall represent the Base Rent accepted by both Tenant and Landlord. By way of example if the first round opinions of value are \$6,625,000 for Tenant and \$8.0 mil for Landlord and the second round appraiser indicates the value should be \$7.5 mil, then Landlord's opinion shall be used in the formula as it is \$500,000 different as opposed to Tenant's opinion which represents a difference of \$875,000, so in this instance the \$7.5 mil figure is added to the Landlord's \$8.0 mil figure, that sum is divided by 2 and that calculation is divided by 60 to determine the rent during each month of the Renewal Term.

In the event the parties do not complete this process prior to the expiration of the Renewal Term, then Tenant shall continue to pay Rent at the rate payable during the month immediate preceding the commencement of the Renewal Term, but any change in Rent paid as determined in either the first or second round shall be retroactive to the commencement of the Renewal Term, and Tenant shall pay to Landlord that sum which is accrued and unpaid as a result of such retroactive application, together with the next monthly installment of Rent payable by Tenant, or Landlord shall credit any overpayment against the next monthly installment of Rent payable by Tenant until fully refunded.

All other terms and conditions of Lease Section 4 shall remain in effect.

## 5. Tenant Improvements.

5.01. Landlord agrees to perform certain leasehold improvements within the Premises (the "Work") at Landlord's sole cost and expense in an amount not to exceed \$182,000.00 (the "Allowance"). The Allowance may be used for leasehold improvements, refurbishment and Tenant's furniture, fixtures and equipment to be installed in the Premises, such Allowance to be available upon full execution of the Lease. The scope of the Work will be determined by Tenant subject to a.) Landlord shall perform the Work in accordance with plans mutually agreed upon by Tenant and Landlord, and b.) Landlord shall oversee the Work and receive a construction management fee of 5% which shall be deducted from the Allowance. Tenant must request the work on or before April 30, 2026 or any portion of the Allowance that has not been expended or for which Work has not been requested on or before such date shall be considered forfeited. All costs and expenses of the Work in excess of the Allowance shall be paid (i) by Tenant within thirty (30)

days after receipt of an invoice from Landlord or (ii) paid from the Additional TI Work Allowance at Tenant's discretion.

5.02. In addition to the Allowance, Landlord will provide an allowance of up to, but not exceeding, \$364,000 (the "Additional TI Work Allowance") to Tenant for improvements to the Premises (the "Additional TI Work"). In no event shall Landlord be required to spend more than \$364,000 in connection with the Additional TI Work. Landlord shall be entitled to a 5% management fee in connection with the Additional TI Work, which shall be deducted from the Additional TI Work Allowance. Tenant must provide instruction to Landlord no later than April 30, 2026 for the expenditure of funds related to this Additional TI Work and Landlord will cause an architect or engineer, if necessary, and contractors be timely hired to accomplish the Additional TI Work requested by Tenant. Tenant may request several projects at different times up until April 30, 2026 and may ultimately decide to abandon any request if the work cannot be completed within a price acceptable to Tenant. Prior to initiating the actual construction for any requested Additional TI Work, Landlord will provide for Tenant's review a plan and budget to accomplish the work and Tenant must expressly approve the work before Landlord proceeds. In the event Tenant elects not to proceed, then Tenant shall be responsible for any actual costs incurred by Landlord to hire 3<sup>rd</sup> parties to develop plans for the requested Additional TI Work. Landlord in its role of managing the Additional TI work including, but not limited to, hiring professionals, applying for permits and executing contracts to accomplish the work along with managing the payment of services to the involved parties shall be allowed to pass through a charge equal to 5% to the total costs of the Additional TI Work, which shall be deducted from the Additional TI Work Allowance (it being acknowledged that such fee shall be applied to each portion of the work requested by Tenant, if applicable). Upon the later of (i) a date that is 30 days after Landlord has provided receipts for all of the Additional TI Work completed at Tenant's request, (a fact confirmed by either the expiration of the no later than April 30, 2026 date for Tenant to request Additional TI Work or Tenant affirming in writing that there are no further requests) including documentation that any contractor or vendor hired to provide the Additional TI Work has been paid in full and signed a release of lien to that effect or (ii) a date occurring 30 days after all the Additional TI Work approved by Tenant is fully completed and Landlord has submitted a detailed invoice accounting for the Additional TI Work, Tenant will have the option of either (a) repaying Landlord lump sum for the Additional TI Work Allowance within thirty (30) days of Landlord providing receipts for the additional tenant improvements completed or (b) amortize the Additional TI Work Allowance over remainder of the term of the Lease at 8% interest rate, in which event Tenant shall pay such amortized amount as additional Rent monthly with Tenant's regular payment of monthly. All costs and expenses of the Additional TI Work in excess of the Additional TI Work Allowance shall be paid by Tenant within thirty (30) days after receipt of an invoice from Landlord.

5.03. At the request of Tenant, Landlord will perform replacement of carpet and other floor coverings in the Premises and perform minor non-structural alterations reasonably acceptable to Landlord and painting of the Premises (the "Refurbishment Work") at Landlord's cost in an amount not to exceed \$6.50 per rentable square foot of the Premises (the "Refurbishment Allowance"). Landlord shall have no obligation to commence the Refurbishment Work prior to April 30, 2030; but once initiated, the work will be pursued diligently to completion. In the event the cost to accomplish the Refurbishment Work exceeds the Refurbishment Allowance, Tenant can elect to reduce the scope of work. Landlord will provide a budget of the expenditure related to the Refurbishment Work for Tenant's approval prior to commencing the Refurbishment Work. For the avoidance of doubt, (i) no portion of the Refurbishment Allowance be amortized into the Rent, and (ii) Landlord shall not be entitled to any supervision or management fee in connection with the Refurbishment Work (i.e., as provided in Section 5.01 and 5.02 above). In the event the Tenant fails to request the Refurbishment Work on or before May 1, 2030, then Landlord shall be relieved of any obligation to perform the Refurbishment Work. All costs and expenses of the Refurbishment Work in excess of the Refurbishment Allowance shall be paid by Tenant within thirty (30) days after receipt

of an invoice from Landlord.

## **6. Parking**

Parking shall continue to be provided as detailed in Section 2.01 of the Original Lease. Additionally, Landlord will endeavor to provide up to 28 additional parking spaces (as requested by Tenant) the ("Additional Parking") in the location depicted on Exhibit A attached hereto, it being acknowledged that such additional parking spaces are located on property not owned or controlled by Landlord, and that in order to obtain these additional parking spaces, Landlord must negotiate an agreement with a third party. Tenant further acknowledges that such third-party agreement may be terminated at any time by the third party, and Landlord agrees not to terminate such agreement without cause. If such agreement is terminated or otherwise modified, the number of additional parking spaces available to Tenant shall be commensurately reduced. All costs associated with such additional parking spaces shall be paid by Tenant as Additional Rent, not to exceed \$40/space/month. Notwithstanding the above, 1.) Tenant can request up to however many spaces Landlord gets the rights to and in the event the rate is ever increased above \$40 per space, Landlord will provide Tenant with no less than 60 days' notice of such increase, and such increase cannot occur more frequently than one (1) time in a 12-month period, and 2.) Tenant reserves the right to decrease/increase (subject to any rights Landlord has to park more than 28 spaces on the adjacent property) the number of parking spaces used at any time with 60 days' notice.

## **7. HVAC Completion Schedule**

Landlord shall provide the HVAC replacements and modifications as documented in Exhibit B. Landlord shall use its best efforts so the HVAC Work is to be completed in phases per the schedule listed in Exhibit B, sequence as follows: a.) RTU 1, RTU 2, RTU 3 and RTU 4 by May 31, 2025; b.) RTU 5, RTU 6 by October 31, 2025; and c.) the remaining HVAC Work by March 31, 2026.

## **8. 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.

## **9. Same Terms and Conditions.**

This Amendment is a fully integrated statement of the modifications to the Lease. Except as expressly modified by this Amendment, the Lease remains a comprehensive statement of the rights and obligations of Landlord and Tenant. 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. If this Amendment conflicts with the Lease, this Amendment controls.

## **10. Public Information.**

Landlord acknowledges that 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.

SIGNATURE PAGE FOLLOWS

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

**Tenant**

City of San Antonio, a Texas municipal corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
City Attorney

**Landlord**

San Antonio TX II SGF LLC

DocuSigned by:  
By: Ryan Zader  
4307E748BC2744E...

Printed Name: Ryan Zader

Title: Authorized Signatory

Date: 3/20/2025



EXHIBIT A  
("Additional Parking")

28 parking spaces in the approximate locations as shown outlined in red.

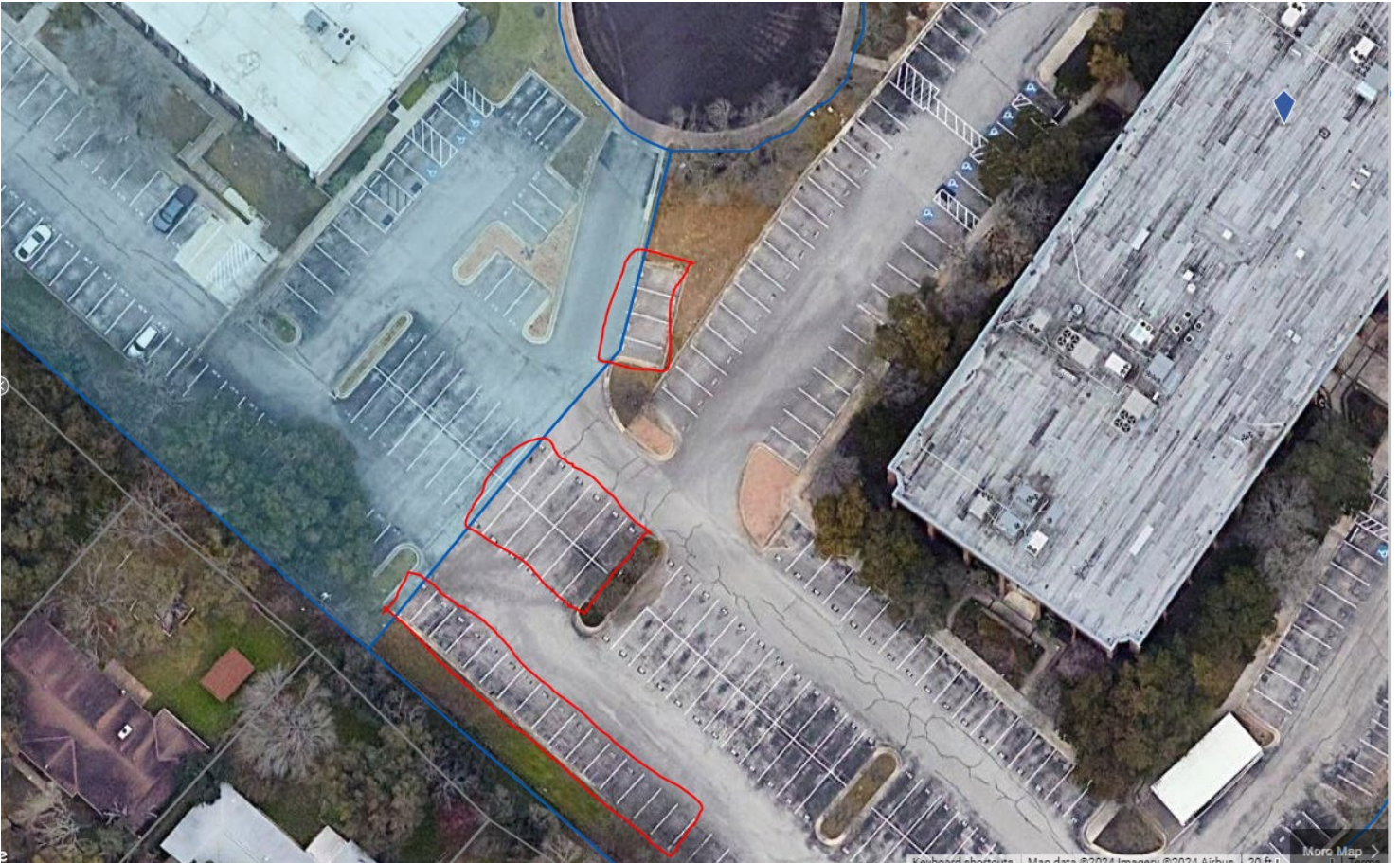


Exhibit B HVAC Work<sup>2</sup>

HOUSTON RTU Replacement Schedule

RTU #	Area Serves	Current Unit	Model	Mfg. Year	Replace
Mini-Splits	San Antonio Conf Rm				Aug-2024
11	2nd Floor Mid W (SAPD, Center of North Side)	Lennox (13)	LGC156H2BL1G	2004	Sep-2024
1	1st Floor SE (Both Conference Rms)	Ruud (7.5)	RKKL-B090DL15E	2017	Mar-25
2	1st Floor Mid E (Conference Rms, 1/2 Gym, & 1/2 Break Rm)	Lennox (13)	LGC156HL1G	2002	Mar-25
3	1st Floor NE (1/2 Break Rm & 1/2 Gym)	Ruud (10)	RKKL-B120DL15E	2005	Mar-25
4	1st Floor SW (Back 1/2 of Alamo Conf Rm & Back Offices)	Ruud (10)	RKKL-B090DL15E	2017	Mar-25
5	1st Floor Mid W (Center of Office Area)	Lennox (13)	LGC156HL1G	2003	Oct-25
6	1st Floor NW (Front Office Area/Administration)	Ruud (10)	RKKL-B120DL15E	2016	Oct-25
7	2nd Floor SE (DPS & FBI Area, back of Bldg)	Ruud (10)	RKKL-B120DL15E	2017	Mar-26
8	2nd Floor Mid E (Center of FBI & ATF)	Lennox (13)	LGC156H2BL1G	2004	Mar-26
9	2nd Floor NE (Front of Bldg, East Side)	Ruud (10)	RKKL-B120DL15E	2017	Mar-26
10	2nd Floor SW (DEA & SAPD, NW Side)	Ruud (10)	RKKL-B120DL15E	2017	Mar-26
12	2nd Floor NW (Front Offices)	Lennox (7.5)	TGA090S2BS1G	2009	Mar-26
13	2nd Floor Central (HSI, Center of Bldg)	Lennox (12.5)	LGA120H2BS2G	2004	Mar-26
14	Server Room	Ruud (12.5)	RLNL-G151DR	2017	

Priority Of Replacement

2024	2 Mini Splits San Antonio Conf. Room & RTU #11
2025	Unit 1, 2, 3, & 4
2026	Unit 5 & 6
2027	Unit 7, 8, 9, 10, 12, & 13

Unit	2024	May 31st, 2025	October 31st, 2025	March 31st, 2026
RTU 1		\$58,868.32		
RTU 2		\$67,184.61		
RTU 3		\$58,868.32		
RTU 4		\$61,811.73		
RTU 5			\$67,187.42	
RTU 6			\$58,868.32	
RTU 7				\$61,811.73
RTU 8				\$63,453.67
RTU 9				\$69,957.68
RTU 10				\$61,811.73
RTU 11	\$60,432.07			
RTU 12				\$63,453.67
RTU 13				\$66,626.36
Mini Split	\$47,873.78			
Sub Total	\$108,305.85	\$246,732.98	\$126,055.74	\$387,114.85
Tax (@ 8.25%)	\$8,935.23	\$20,355.47	\$10,399.60	\$31,936.97
Total	\$117,241.08	\$267,088.45	\$136,455.34	\$419,051.82

<sup>2</sup> Please provide larger depiction of HVAC schedule.