

RESOLUTION NO. 31650

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO A SECOND AMENDMENT TO LEASE WITH HENDRICKS COMMERCIAL PROPERTIES, LLC, IN SUBSTANTIALLY THE FORM ATTACHED, FOR OFFICE SPACE IN SUITE 300 OF THE EDNEY BUILDING, 1100 MARKET STREET, FOR AN ADDITIONAL TERM OF TWO (2) YEARS, WITH THE OPTION TO RENEW FOR ONE (1) ADDITIONAL TERM OF ONE (1) YEAR, FOR THE OCCUPANCY OF APPROXIMATELY SEVEN THOUSAND SEVEN HUNDRED NINETY (7,790) SQUARE FEET OF SPACE BY THE DEPARTMENT OF TECHNOLOGY SERVICES.

---

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby authorizing the Mayor or his designee to enter into a Second Amendment to Lease with Hendricks Commercial Properties, LLC, in substantially the form attached, for office space in Suite 300 of the Edney Building, 1100 Market Street, for an additional term of two (2) years, with the option to renew for one (1) additional term of one (1) year, for the occupancy of approximately 7,790 square feet of space by the Department of Technology Services.

ADOPTED: June 13, 2023

/mem

**SECOND AMENDMENT TO LEASE**

This Amendment to Lease (“Amendment”) is made this \_\_\_\_ day of \_\_\_\_\_, 2023 (the “Effective Date”) between **HENDRICKS COMMERCIAL PROPERTIES, LLC** (“Landlord”) and **CITY OF CHATTANOOGA** (“Tenant”).

RECITALS:

WHEREAS, by Lease dated September 29, 2017, as assigned by Assignment of Leases dated January 24, 2020 and as amended by First Amendment to Lease dated September 27, 2021 (the “Lease”), the Landlord demised unto Tenant certain premises located at the Edney Building, 1100 Market Street, Suite 300, Chattanooga, Tennessee 37405 (the “Premises”), for a term commencing December 1, 2021, and ending November 30, 2023 (the “Lease Term”); and

WHEREAS, the Landlord and Tenant are mutually desirous of amending the Lease as is hereinafter provided.

In consideration of the mutual terms, covenants and conditions herein contained, the parties hereto agree as follows:

1. Pursuant to the First Amendment to Lease, Tenant wishes to exercise its last option to extend the Lease Term for a period of twenty-four (24) months, commencing December 1, 2023, and ending November 30, 2025 (the “Extended Term”).

2. The Base Rent for the Extended Term shall be as follows:

Period	Monthly Base Rent	Annual Base Rent
12/1/2023 – 11/30/2024	\$15,250.21	\$183,002.49
12/1/2024 – 11/30/2025	\$15,631.46	\$187,577.55

Tenant shall have the right to terminate the Lease during the Extended Term with a sixty (60) day written notice to Landlord.

3. Landlord grants to Tenant an option to extend the Lease Term for one (1) consecutive additional term of one (1) year (the “Option to Extend”), commencing at the expiration of the Extended Term upon the same terms and conditions as herein set forth at 2.5% escalation annually, provided, however, that Tenant shall not be in default of any of Tenant’s obligations under the Lease at the time such Option to Extend is to be exercised or commenced. If Tenant

exercises the Option to Extend, Tenant shall have the right to terminate the Lease with a thirty (30) day written notice to Landlord.

4. All other terms and provisions of the Lease not amended hereby are ratified and confirmed and shall continue in full force and effect. In the event of a conflict between the terms and provisions found in this Amendment and those found in the Lease, the terms and provisions of this Amendment shall govern and control. All capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed in the Lease.

5. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall together constitute one and the same Agreement. Any counterparts of this Agreement may be executed and delivered by any party by electronic signature, facsimile or by e-mail transmission in portable document format “(PDF)” and any document so executed and delivered shall be considered an original for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day and year first written above.

TENANT:

LANDLORD:

CITY OF CHATTANOOGA

HENDRICKS COMMERCIAL  
PROPERTIES, LLC

By: \_\_\_\_\_  
Richard J. Beeland  
Administrator of Economic Development

By: \_\_\_\_\_  
Robert Gerbitz, President and C.E.O.