

RESOLUTION NO. 30881

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

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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 First Amendment to Lease with Hendricks Commercial Properties, LLC, in substantially the form attached, for office space in Suite 300 of the Edney Building located at 1100 Market Street, for an additional term of two (2) years, with the option to renew for one (1) additional term of two (2) years, for the occupancy of approximately 7,790 sq. ft. of space by the Department of Information Technology.

ADOPTED: September 14, 2021

/mem

**FIRST AMENDMENT TO LEASE**

This Amendment to Lease (“Amendment”) is made this \_\_\_\_ day of \_\_\_\_\_, 2021 (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 (the “Lease”), the Landlord demised unto Tenant certain premises located at the Edney Building, 1100 Market Street, Suite 300, Chattanooga, Tennessee (the “Premises”), for a term commencing December 1, 2017, and ending November 30, 2021; and

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

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

1. Tenant wishes to extend the Lease Term for a period of twenty-four (24) months, commencing December 1, 2021, and ending November 30, 2023 (the “Extended Term”).
2. The Base Rent for the Extended Term shall be as follows:

Period	Monthly Base Rent	Annual Base Rent
12/1/2021 – 11/30/2022	\$ 14,515.37	\$ 174,184.40
12/1/2022 – 11/30/2023	\$ 14,878.25	\$ 178,539.01

3. Landlord grants to Tenant an option to extend the Term for one (1) consecutive additional term of two (2) years, commencing at the expiration of the Extended Term upon the same terms and conditions as herein set forth at 2.5% escalation annually, provided that Tenant shall not be in default of any of Tenant’s obligations under this Lease at the time such option is to be exercised or commenced.

4. Termination for Unappropriated Funds. Tenant reserves the right to terminate this Lease for unappropriated funds or unavailability of funds by giving written notice to the Landlord at least sixty (60) days prior to the effective date of such termination. The obligation of Tenant for payment of rent to Landlord is limited to the availability of funds appropriated in a current fiscal period, and continuation of the Lease into a subsequent fiscal period is subject to appropriation of funds by the Chattanooga City Council.

5. Section 13(a) of the Lease is deleted in its entirety and replaced with the following:

“13. Insurance.

(a) Tenant, as a material part of the consideration to be rendered to Landlord, hereby waives all claims against Landlord for injuries or damage for any cause arising at any time to persons in or about the Premises where injuries or damage occurs as a result of the improper use of the Premises by Tenant or from the failure of Tenant to keep the Premises in good order and repair as herein provided, except for such repairs required to be made by Landlord.”

6. 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.

7. 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: \_\_\_\_\_  
Jermaine E. Freeman, *Senior Advisor*  
*for Economic Opportunity*

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