R-20-33

RESOLUTION NO. ____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AMENDMENT TO THE LEASE AGREEMENT WITH 10th STREET WAREHOUSE ASSOCIATES, LLC FOR WAREHOUSE SPACE LOCATED AT 10TH STREET, SUITES 417 & 425; AND FOR OTHER PURPOSES.

WHEREAS, the City of North Little Rock (the "City") and 10th Street Warehouse Associates, LLC entered into a Lease Agreement on or about November 6, 2019, for certain real property identified as Suite 417 and Suite 425 10th Street, North Little Rock, Arkansas; and

WHEREAS, the Paragraph 25 of the Lease Agreement granted the City an option to purchase the Premises during the initial term of the Lease; and

WHEREAS, the City and 10th Street Warehouse Associates, LLC agree that Paragraph 25 should be amended to adjust the purchase price for potential mutually approved capital expenditures; and

WHEREAS, it is in the City's best interests to enter into an amendment to the lease agreement with 10th Street Warehouse Associates, LLC with the updated option to purchase terms.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Mayor and City Clerk are hereby authorized to enter into an Amendment to the Lease Agreement between the City of North Little Rock and 10th Street Warehouse Associates, LLC (substantially similar to Exhibit A attached hereto) for the premises located at 10th Street, Suites 417 and 425 in North Little Rock, Arkansas.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

Joe A Smith

Mayor Joe A. Smith

ATTEST:

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/cf

FILED 10:50 A.M. _____ P.M.

By Amy Fields, CA

DATE 2/18/20

Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas

RECEIVED BY

Amendment to
LEASE AGREEMENT

Between
10th STREET WAREHOUSE ASSOCIATES, LLC
And
CITY OF NORTH LITTLE ROCK, ARKANSAS

This **Amendment to Lease Agreement**, is made and entered into this _____ day of _____, 2020, by and between 10th Street Warehouse Associates, LLC ("Landlord") and the City of North Little Rock, Arkansas ("Tenant").

W-I-T-N-E-S-S-E-T-H:

WHEREAS, Landlord and Tenant entered into a Lease Agreement on or about November 6, 2019, for certain real property identified as Suite 417 and Suite 425 10th Street, North Little Rock, Arkansas; and

WHEREAS, the Paragraph 25 of the Lease Agreement granted Tenant an option to purchase the Premises during the initial term of the Lease; and

WHEREAS, Landlord and Tenant agree that Paragraph 25 should be amended to adjust the purchase price for potential mutually approved capital expenditures.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, and other good and valuable consideration, it is agreed by and between the parties as follows:

1. **Amendment to Paragraph 25 of Lease Agreement**. Paragraph 25 of the Lease Agreement entered into by and between Landlord and Tenant on or about November 6, 2019 is hereby amended as follows:

> 25. **OFFER TO PURCHASE.** Tenant shall have an option to purchase the Premises with a sixty (60) day notice by Tenant during the initial term in the amount of $950,000.00. In the event that a portion of the Premises has been transferred to the Arkansas Department of Transportation, either voluntarily or by eminent domain, the purchase price will be reduced by the net amount of compensation paid by the Arkansas Department of Transportation to Landlord. Tenant's purchase price shall be increased by the sum of any unamortized capital improvements over $20,000.00 paid by Landlord from the commencement date of the Lease Agreement until the option exercise date. The addition of any such capital improvements shall be mutually approved by Landlord and Tenant. Provided, however, in the event that Landlord receives an offer to purchase the Premises from a third party, Tenant will be given ninety (90) days to exercise its option to purchase upon the terms stated herein. If Tenant does not exercise its option within that 90-day

EXHIBIT
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period, Landlord may sell the Premises to the third party subject to the lease terms stated herein, and Tenant's option shall be terminated.

2. All other provisions of the original Lease Agreement entered into by and between the 10th Street Warehouse Associates, LLC and the City of North Little Rock shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Lease Agreement as of the day and year first above written.

10TH STREET WAREHOUSE ASSOCIATES, LLC

By _____
Kenneth G. McRae, IV, Managing Partner

Date: _____

CITY OF NORTH LITTLE ROCK, ARKANSAS

By _____
Joe A. Smith, Mayor

Date: _____

ATTEST:

_____
Diane Whitbey, City Clerk