

Bexar County Water Control and Improvement District #10

8601 Midcrown Drive Windcrest TX 78239 (210) 655-2888

January 24, 2022

Mr. Rafael Castillo City Manager City of Windcrest 8601 Midcrown Windcrest, TX 78239

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Received for furthern Revjew

Extension of term of current Lease Agreement between the City and the

District

Dear Mr. Castillo

Re:

The District is currently leasing office and other space from the City of Windcrest, Texas ("City") for conducting the District's functions and operations pursuant to a Lease Agreement by and between the District and the City dated July 16, 2012 and amended (i.e., First Amendment) on January 25, 2016 ("Lease Agreement").

The Lease Agreement between the District and the City is attached to this Letter as Exhibit "A" and incorporated herein for all purposes.

The District desires to continue to maintain its current premises consisting of (i) Premise A being general office space at City Hall for administration, management, file storage and housing of computerized data; and (ii) Premise B being a maintenance facility, equipment and materials storage, motor pool and general shop operations pertinent to the production and delivery of retail water service.

Article V. (Option to Renew) of the Lease Agreement states as follows:

"Provided that the Water District shall not be in default at the termination of the lease, the Water District shall have the option to extend the lease for an additional five (5) years on the same terms and conditions in existence at the date of termination of the lease. Such option shall be deemed to be exercised if Water District gives the City written notice of its intention to exercise this option at least four (4) months prior to the date of termination of the lease."

The District's current term under the Lease Agreement is due to expire on July 31, 2022.

The District's Board of Directors ("Board") at their regular Board meeting on January 20, 2022 adopted a resolution approving the (a) exercise of the District's option to extend the term of the Lease Agreement for an additional five (5) years from August 1, 2022 to July 31, 2027 on the same terms and conditions of the Lease Agreement in existence as of July 31, 2022, subject to the termination grace period in the Lease Agreement; and (b) extension of the term of the Lease Agreement for an additional five (5) years from August 1, 2022 to July 31, 2027 on the same terms and conditions of the Lease Agreement in existence as of July 31, 2022, subject to the termination grace period in the Lease Agreement.

The Board further authorized and directed me to notify you and the City of the Board's decision.

Accordingly, please be advised that the District is hereby exercising its option to extend the term of the Lease Agreement for an additional five (5) years from August 1, 2022 to July 31, 2027 on the same terms and conditions of the Lease Agreement in existence as of July 31, 2022, subject to the termination grace period in the Lease Agreement.

Sincerely,

David Wallace General Manager