

AMENDMENT OF GROUND LEASE

WHEREAS, CITY and the ARTS COUNCIL OF BRAZOS VALLEY are the current Landlord and Tenant, respectively, under that certain Ground Lease dated 24 September 2002, which was recorded in the Brazos County Deed Records as Document No. 00824969; and

WHEREAS, the Ground Lease relates to that certain property described on the attached Exhibit A which is incorporated herein by this reference (the "Property"); and

WHEREAS, Section 1.4 of the Ground Lease, entitled EARLY TERMINATION provided an option for the CITY to purchase the building and improvements on the Property in the event that ARTS COUNCIL terminates the Lease prior to the end of the lease term; and

WHEREAS, the parties desire to amend the terms of the Ground Lease by providing for an offset or credit toward the purchase price of the Building and Improvements in the amount that CITY funds the ARTS COUNCIL during the term of this Ground Lease in the event that CITY purchases the Property from ARTS COUNCIL;

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Section 1.4 of the Ground Lease is deleted in its entirety, and substituted with the following new Section 1.4:

"ARTS COUNCIL may terminate this Lease in advance of the termination date by providing written notice to CITY one hundred eighty (180) days in advance of the termination date. In the event that ARTS COUNCIL terminates this Lease prior to the end of the lease term, CITY has the right but not the obligation to purchase the building from ARTS COUNCIL for an amount equal to the unpaid principal of the indebtedness secured by the leasehold mortgage plus the down payment on the original leasehold mortgage and the accrued but unpaid interest (to the date of such purchase) less any amounts that the CITY has funded to the ARTS COUNCIL for construction or design of the building through any funding agreements. If CITY exercises such option, the purchase shall be closed within forty-five (45) days after such exercise and at such closing the CITY shall pay the afore-stated sums as full compensation for the building and improvements and ARTS COUNCIL's mortgagee shall release any liens upon the Property.

ARTS COUNCIL agrees CITY is not required to make any expenditure, incur any obligation (other than those expressly set forth in this Lease), or

incur any liability of any kind resulting from ARTS COUNCIL's financing, ownership, construction, maintenance, operation, or repair of the Land or the Building. It is expressly understood and agreed this is a net lease intended to compensate CITY on an absolute net basis."

2. All other provisions thereof are ratified and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have signed this Amendment of Ground Lease.

APPROVED:

CITY OF COLLEGE STATION

BY: _____
Ron Silvia, Mayor

APPROVED:

ARTS COUNCIL OF BRAZOS VALLEY

BY:  _____
P. David Romei, Executive Director

ATTEST:

Connie Hooks, City Secretary

APPROVED:

Thomas E. Brymer, City Manager

Charles Cryan, Director of Fiscal Services



Roxanne Demark
City Attorney

After recordation, return to:
Office of the City Attorney
1101 Texas Avenue
College Station, TX 77840