

AN ORDINANCE 2009-06-11-0494

AUTHORIZING A 10-YEAR LEASE OF APPROXIMATELY 3,210 SQUARE FEET OF SPACE IN THE LAS PALMAS SHOPPING CENTER LOCATED AT 803 CASTROVILLE ROAD IN COUNCIL DISTRICT 5, FROM TCP LAS PALMAS PARTNERS, LTD AT AN INITIAL ANNUAL RENT OF \$38,064.00, TO EXPAND THE COMMUNITY LINK SERVICE CENTER.

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager and her designee, severally, are authorized and directed to execute and deliver on behalf of the City a lease agreement substantially in the form of **Attachment I**, which is incorporated by reference for all purposes as if fully set forth. The City Manager and designee, severally, should take all other actions reasonably necessary or convenient to effectuate the transaction, including agreeing to non-material changes to the approved form and executing and delivering all ancillary instruments and agreements conducive to effectuating the transaction.

SECTION 2. Funding for this ordinance is available as part of the FY09 budget per the table below.

Amount	Cost Center	General Ledger	Fund
\$10,000.00	2101020001	5206010	11001000
11,980.00	2101020002	5206010	11001000
16,084.00	2101010001	5201040	11001000

SECTION 3. Payment not to exceed the budgeted amount is authorized and should be encumbered with a purchase order.

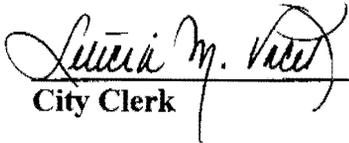
SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 5. This ordinance becomes effective 10 days after passage.

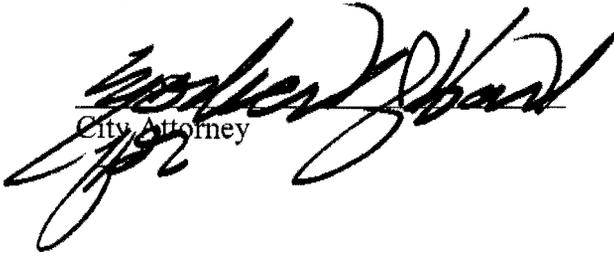
PASSED AND APPROVED this 11th day of June 2009.


M A Y O R
JULIÁN CASTRO

Attest:


City Clerk

Approved As To Form:


City Attorney

Agenda Item:	17						
Date:	06/11/2009						
Time:	10:48:43 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing a 10-year lease of approximately 3,210 square feet of space in the Las Palmas Shopping Center located at 803 Castroville Road in Council District 5, from TCP Las Palmas Partners, Ltd at an initial annual rent of \$38,064.00, to expand the Community Link Service Center. [Penny Postoak Ferguson, Assistant City Manager; Mike Frisbie, Director, Capital Improvements Management Services]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julian Castro	Mayor		x				
Mary Alice P. Cisneros	District 1		x				x
Sheila D. McNeil	District 2		x				
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5		x			x	
Ray Lopez	District 6		x				
Justin Rodriguez	District 7		x				
Diane G. Cibrian	District 8		x				
Elisa Chan	District 9		x				
John G. Clamp	District 10		x				

Attachment I

**Office Lease
Community Link Service Center**

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1. Basic Information, Definitions.

Authorizing Ordinance:

Landlord: TCP Las Palmas Partners, Ltd.

Landlord's Address: 1845 Woodall Rodgers Freeway, Suite 1030
Dallas, TX 75201

Tenant: City of San Antonio

Tenant's Address: P.O. Box 829966, San Antonio, Texas 78283-3966
(Attention: Assistant Director for Real Estate, Capital
Improvements Management Services

Premises: 3,210 rentable square feet of building area located at 803
Castroville Road, Suite 417, San Antonio, TX 78237

Permitted Use: General office uses and a community service center with
members of the public visiting for the purpose of obtaining
information pertaining to City services.

No. of Parking Spaces: Fifteen unreserved spaces

Commencement Date: The date a Certificate of Occupancy is issued for the
Premises

Initial Term: Ten Years

Address for Payment of Rent: 1845 Woodall Rodgers Freeway, Suite 1030
Dallas, TX 75201

Common Areas: All facilities and areas of the Building and Parking Facilities
and related land that are intended and designated by
Landlord from time to time for the common, general, and
nonexclusive use of all Building tenants. Landlord has
control over and right to manage the Common Areas.

Essential Services: Maintenance of common areas of the Building and Parking
Facilities including but not limited to, exterior painting,
sweeping of Parking Facilities, landscaping and providing
nighttime lighting for the Parking Facilities and Common
Areas; payment of property taxes for the Building and;
payment of insurance pursuant to Paragraph 10 herein.

The exhibits to this Lease are:

Exhibit A: Description of Premises
Exhibit B: Lease Commencement Memorandum
Exhibit C: Initial Cost Memorandum
Exhibit D: Work Letter
Exhibit E: Building Rules and Regulations

2. Grant.

2.01. Landlord leases the Premises to Tenant, and Tenant takes the Premises from Landlord on the terms and conditions of this Lease. As a part of the Lease, Landlord must allocate for Tenant the number of parking spaces indicated above.

2.02. Effective the Commencement Date, Tenant's April 20, 1997 lease with Landlord, as amended, for suite 132 in the Building of which the Premises are a part is canceled. As of the Commencement Date, Tenant need pay for suite 132 no minimum guaranteed rental, as that rent is provided for in Article IV of the April 20, 1997 lease, in paragraph 2.B. of the 2002 First Modification and Ratification of Lease Agreement,

and in paragraph 4 of the 2007 2nd Amendment to Lease Agreement. Tenant must nevertheless continue to pay all charges arising under paragraph 1.2 of the original lease, other than minimum guaranteed rental, until it vacates suite 132. The payments are prorated by the day for Tenant's holding over past the Commencement Date. Tenant must not hold over more than 30 days after the Commencement Date. Furthermore, Landlord must transfer the \$1,000 security deposit currently being held by Landlord pursuant to paragraph 1.1(q) of April 20, 1997 lease.

3. Rent.

3.01. Rent for the Initial Term is according to the following table:

Year 1	\$3,172.00 monthly
Year 2	\$3,211.00 monthly
Year 3	\$3,252.00 monthly
Year 4	\$3,295.00 monthly
Year 5	\$3,443.00 monthly
Year 6	\$3,489.00 monthly
Year 7	\$3,537.00 monthly
Year 8	\$3,587.00 monthly
Year 9	\$3,744.00 monthly
Year 10	\$3,798.00 monthly

3.04. Beginning as of the Commencement Date, Tenant must pay Rent in advance on the first day of each month or within 10 days thereafter without penalty. Due but unpaid amounts bear interest at the prime rate of interest ("Prime Rate") in effect on the due date as published from time to time in The Wall Street Journal (or, if The Wall Street Journal ceases publication, another financial publication reasonably selected by Landlord) plus four percent per annum from the due date until paid in full. In addition, if Tenant is delinquent in payment of any amount for more than 10 days after the date due, Tenant must pay to Landlord upon demand a late charge equal to five percent of the delinquent sum. Interest and late charges are in addition to all Landlord's other rights and remedies.

3.05. Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant must not abate Rent.

4. Term.

The term of this Lease is the Initial Term.

5. Tenant's Affirmative Promises.

Tenant promises that it will:

5.01. Obey (a) all applicable laws relating to the use, condition, and occupancy of the Premises and Building; (b) any requirements imposed by utility companies serving or insurance companies covering the Premises or Building; and (c) any rules and regulations for the Building and Common Areas as specified in Exhibit E attached hereto and incorporated herein.

5.02. Obtain and pay for all utility services used by Tenant.

5.03. Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants.

5.04. Repair, replace, and maintain the HVAC system serving the Premises, window glass at the Premises perimeter, all interior improvements and any part of the Premises that Landlord is not obligated to repair, replace, or maintain, normal wear excepted. Though Tenant may not look to Landlord for capital expenses allocated to Tenant under this clause, Landlord has no cause of action against Tenant for failing to undertake such expenses. Capital expenses are those that, for a private entity, would be capitalized for federal income tax purposes.

5.05. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are obligations of Landlord.

5.06. Vacate the Premises and return all keys to the Premises on the last day of the Term, subject to any holdover rights.

5.07. On request, execute an estoppel certificate that states the Commencement Date and Termination Date of the lease, identifies any amendments to the lease, describes any rights to extend the Term or purchase rights, lists defaults by Landlord, and provides any other information reasonably requested. Tenant need not sign any certificate that purports to modify Tenant's obligations in any respect, except for a change in the address for notice or payment of rent.

6. Tenant's Negative Promises.

Tenant promises that it will not:

6.01. Use the Premises for any purpose other than the Permitted Use.

6.02. Create a nuisance.

6.03. Interfere with any other tenant's normal business operations or Landlord's management of the Building.

6.04. Permit waste.

6.05. Use the Premises in any way that would increase insurance premiums or void insurance on the Building.

6.06. Change Landlord's lock system.

6.07. Alter the Premises.

6.08. Allow a lien to be placed on the Premises.

6.09. Assign this lease or sublease any portion of the Premises without Landlord's written consent, which must not be unreasonably withheld.

7. Landlord's Affirmative Promises.

Landlord promises that it will:

7.01. Lease to Tenant the Premises for the entire Term, beginning on the Commencement Date.

7.02. Obey all applicable laws with respect to Landlord's operation of the Building and Common Areas.

7.03. Provide the Essential Services.

7.04. Repair, replace, and maintain the (a) roof, (b) foundation, (c) Common Areas, (d) structural soundness of the exterior walls, doors, and exterior corridors, (e) concealed wiring, and concealed plumbing outside the Premises, (f) floors (but not floor covering, unless the floor covering is damaged due to a problem with the floor), and (g) any damage done to Tenant's interior improvements, including concealed mechanical systems, as a result of damage caused by failure of any portions of the Building that are Landlord's responsibility to maintain.

7.05. Allow Tenant the nonexclusive right to use the Common Areas subject to any reasonable rules and regulations that Landlord may prescribe.

7.06. Reimburse Tenant for improvement work completed by Tenant and allocated to Tenant by the work letter attached as **Exhibit D**.

7.07. Timely complete at its own cost all work allocated to Landlord by the work letter attached as **Exhibit D**.

7.08. Obtain a certificate of occupancy not later than 120 days after the Binding Date. Failure to do so is grounds for Tenant to terminate this Lease.

7.09. Return the Security Deposit to Tenant, less itemized deductions, if any, within sixty days after the last day of the Term.

7.10. Deliver to Tenant an Asbestos Survey of the Premises in accordance with the provisions of § 6-293 of the City Code of the City of San Antonio, Texas not later than 30 days after the Binding Date.

8. Landlord's Negative Promises.

Landlord promises that it will not:

8.01. Interfere with Tenant's possession of the Premises as long as Tenant is not in default.

8.02. Unreasonably withhold consent to a proposed assignment or sublease.

9. Alterations.

Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted. Any additions or improvements to the Premises by Tenant occurring after the Commencement Date are subject to Landlord's prior written approval.

10. Insurance.

10.01. Tenant will self-insure as it deems advisable against property loss. As a political subdivision of the State of Texas, Tenant is subject to the Texas Tort Claims Act, and the obligations of Tenant and the rights of persons claiming against Tenant are subject to that Act.

10.02. Landlord must maintain Commercial General Liability insurance of not less than \$1,000,000 and property and casualty insurance for physical damage to the Premises in the amount of 80% of their actual cash value.

10.02.01. Each insurance policy of Landlord required by this Lease must contain the following clauses:

“This insurance cannot be canceled, limited in scope or coverage, or non-renewed until after 60-days’ prior written notice has been given to:

City Clerk, City of San Antonio
City Hall/2nd Floor
P. O. Box 839966
San Antonio, Texas 78283-3966
Attention: Risk Manager

and

Department of Capital Improvements
Management Services
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966
Attention: Director"

"The insurance provided by Landlord is primary to any insurance or self-insurance maintained by the City of San Antonio."

"Any insurance or self-insurance maintained by the City of San Antonio applies in excess of, and does not contribute with, insurance provided by this policy."

Each insurance policy required by this Lease must contain the following clause:

"The City of San Antonio, its officials, employees, representatives and volunteers are added as additional insureds as respects operations and activities of, or on behalf of, the

named insured performed under this Lease with the City of San Antonio. This policy cannot be invalidated as to Tenant because of Landlord's breach of representation, warranty, declaration, or condition of this policy."

10.02.03. Within 30 days after the Commencement Date and promptly after Tenant's later request, Landlord must, at its own expense, deliver certificates to Tenant's Risk Manager and to the City Clerk, reflecting all required insurance coverage, together with copies of policies and endorsements. All endorsements and certificates must be signed by an authorized representative of the insurance company and must include the signatory's company affiliation and title. If requested by Tenant, Landlord must send Tenant documentation acceptable to Tenant that confirms that the individual signing the endorsements and certificates is authorized to do so by the insurance company. Tenant may request changes in policy terms, conditions, limitations, or exclusions (except where established by law). If Tenant does so and the changes would increase premiums, Tenant will discuss the changes. If Tenant still wants the changes after discussion, Landlord must make the changes and pay the cost thereof. Tenant's review and approval of a certificate does not waive the certificate's noncompliance with the requirements of this Lease.

10.02.04. The Notices and Certificates of Insurance must be provided to the same addresses as for notices of cancellation.

11. Release of Claims/Subrogation.

The insurance requirements of this Lease are a bargained-for allocation of risk of loss. Landlord and Tenant release each other from claims arising from injury or loss to either of them or to third parties to which they are liable, if the injury or loss is covered by insurance the waiving party is required by this Lease to maintain, whether or not the party actually has the insurance ("Covered Claims"). This release is additional to and does not limit any other release contained in this lease. Landlord and Tenant, to the maximum extent allowable without causing cancellation of a required policy, waive subrogation against each other for Covered Claims.

12. Indemnity.

12.01. These definitions apply to the indemnity provisions of this Contract:

12.01.01. "Indemnified Claims" mean all loss, cost, liability, or expense, directly or indirectly arising out of acts or omissions of any person other than an Indemnitee that give rise to assertions of Indemnitee liability under this Contract, whether or not the person is a party to this agreement. Indemnified Claims include attorneys' fees and court costs and include claims arising from property damage and from personal or bodily injury, including death.

12.01.02. "Indemnitees" means the City of San Antonio and its elected officials, officers, employees, agents, and other representatives, collectively, against whom an Indemnified Claim has been asserted.

12.01.03. "Indemnitor" means Landlord.

12.02. Indemnitor must indemnify Indemnitees, individually and collectively, from all Indemnified Claims.

12.03. If Indemnitor and one or more Indemnitees are finally adjudged to be jointly liable for Indemnified Claim, Indemnitor need not further indemnify the so-adjudged Indemnitees from liability arising from the Indemnitees' adjudicated share of liability. But despite allegations of Indemnitee negligence, Indemnitor must nevertheless defend all Indemnitees until final adjudication. Indemnitor may not recover sums previously spent defending or otherwise indemnifying the Indemnitee who has been adjudged to be negligent and must continue to indemnify other Indemnitees.

12.04. There are no third-party beneficiaries of this indemnity other than the category of people and entities included within the definition of Indemnitees..

12.05. Indemnitor must promptly advise the City of San Antonio in writing of any Indemnified Claim and must, at its own cost, investigate and defend the Indemnified Claim. Whether or not the City of San Antonio is an Indemnitee as to a particular Indemnified Claim, the City of San Antonio may require Indemnitor to replace the counsel Indemnitor has hired to defend Indemnitees. The City may also require Indemnitor to hire specific-named counsel for so long as the named counsel's hourly rates do not exceed the usual and customary charges for counsel handling sophisticated and complex litigation in the locale where the suit is pending. No such actions release or impair Indemnitor's obligations under this indemnity paragraph, including its obligation to pay for the counsel selected by City. Regardless of who selects the counsel, the counsel's clients are Indemnitees, not Indemnitor.

12.06. In addition to the indemnity required under this Contract, each Indemnitee may, at its own expense, participate in its defense by counsel of its choosing without relieving or impairing Indemnitor's obligations under this indemnity paragraph.

12.07. Indemnitor may not settle any Indemnified Claim without the consent of the City of San Antonio, whether or not the City is an Indemnitee as to the particular Indemnified Claim, unless (A) the settlement will be fully funded by Indemnitor and (B) the proposed settlement does not contain an admission of liability or wrongdoing by any Indemnitee. The City's withholding its consent as allowed in the preceding sentence does not release or impair Indemnitor's obligations of this indemnity paragraph. Even if the City of San Antonio is not an Indemnitee as to a particular Indemnified Claim, Indemnitor must give City at least 20 days advance written notice of the details of a proposed settlement before it becomes binding. Any settlement purporting to bind an Indemnitee must first be approved by City Council.

12.08. Nothing in this Contract waives governmental immunity or other defenses of Indemnitees under applicable law.

12.09. If, for whatever reason, a court refuses to enforce this indemnity as written, and only in that case, the parties must contribute to any Indemnified Claim 5% by the Indemnitees and 95% by the Indemnitor. Indemnitor need look only to the City of San Antonio for Indemnitees' 5% if the City of San Antonio is an Indemnified Party as to a particular Indemnified Claim.

13. Casualty/Total or Partial Destruction.

13.01. If the Premises are damaged by casualty and can be restored within 180 days, Landlord will, at its expense, restore the roof, foundation, Common Areas, and structural soundness of the exterior walls of the Premises and all leasehold improvements within the Premises, including interior partitions, ceilings, wiring, light fixtures, and plumbing.. Restoration must be to substantially the same condition existing before the casualty. If Landlord fails to initiate the restoration within 30 days of the date Landlord is first aware of the damage and diligently complete the portion of the restoration for which Landlord is responsible within 180 days from the loss, Tenant may terminate this lease by written notice delivered to Landlord before Landlord completes Landlord's restoration obligations.

13.02. If the Premises cannot be restored within 180 days, Landlord has an option to restore the Premises. If Landlord chooses not to restore, this Lease will terminate. If Landlord chooses to restore, Landlord will notify Tenant of the estimated time to restore and give Tenant an option to terminate this lease by notifying Landlord within 10 days. If Tenant does not terminate this lease, the lease will continue, and Landlord will restore the Premises as provided above.

13.03. During the period before Landlord completes restoration, the Rent will be adjusted as may be fair and reasonable.

13.04. As with the insurance requirements, the rebuilding obligations of this paragraph are a bargained-for allocation of risk.

14. Condemnation/Substantial or Partial Taking.

14.01. If the Premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, this lease will terminate.

14.02. If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, Landlord will, at Landlord's expense, restore the Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.

14.03. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

15. Holdover.

15.01. If the Lease has not been earlier terminated according to its terms and Tenant is current on rent, Tenant may hold-over for up to six additional months on a

month-to-month basis. Tenant need not give advance notice of intent to exercise this hold-over right, and it need not hold over all of the allowable six months. The rent during a hold over is the same as the rent for the term being held over, and all other terms of this Lease apply. Council's authorization of this instrument is authority for the City as Tenant to enter into the hold-over period without further council action if the Director of Capital Improvements Management Services deems the holdover beneficial.

15.02. Whenever this Lease refers to its term, events to occur during the term, or rights and obligations of Landlord and Tenant during the term, a hold-over period is considered a part of the term.

16. Default.

16.01. *Default by Landlord/Events.* Defaults by Landlord are failing to comply with any provision of this lease within thirty days after written notice and failing to provide Essential Services to Tenant within ten days after written notice.

16.02. *Default by Landlord/Tenant's Remedies.* Tenant's remedies for Landlord's default are to sue for damages and, if Landlord does not provide an Essential Service within thirty days after default, Tenant may cure the default itself and deduct the cost incurred as a result from the charges attributable to Base Rent next due and continue such deduction until Tenant's incurred costs have been fully reimbursed. If insufficient rent remains payable under the Lease, Tenant make seek a judgment against Landlord for the deficiency

16.03. *Default by Tenant/Events.* Defaults by Tenant are (a) failing to pay timely Rent, (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply within ten days after written notice with any provision of this lease other than the defaults set forth in (a) and (b) above.

16.04. *Default by Tenant/Landlord's Remedies.* Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises on behalf of Tenant and receive the rent directly by reason of the reletting, Tenant to reimburse Landlord for reasonable reletting expenditures; (b) enter the Premises and perform Tenant's obligations; and (c) terminate this lease by written notice and sue for damages.

16.05. *Waiver of Liens.* As required by Article XI, § 9 of the Texas Constitution, Landlord waives all common law and statutory liens in the personal property of Tenant, including the lien that might otherwise arise under § 54.021 of the Texas Property Code.

17. Warranty Disclaimer.

There are no implied warranties of merchantability, of fitness for a particular purpose, or of any other kind arising out of this lease, and there are no warranties that extend beyond those expressly stated in this lease.

18. Environmental.

18.01. "Environmental Laws" means applicable federal, state, and local laws relating to protection of the public health, welfare, and the environment, including without limitation, those laws relating to the storage, handling, and use of chemicals and other hazardous substances, those relating to the generation, processing, treatment, storage, transport, disposal, or other management of waste materials of any kind, and those relating to the protection of environmentally sensitive areas.

18.02. "Hazardous Material" means "hazardous substance," "pollution or contaminant," "petroleum," and "natural gas liquids," as those terms are defined by or used in Environmental Laws, or that are regulated because of their effect or potential effect on human health and the environment.

18.03. "Release" means depositing, spilling, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing.

18.04. Landlord represents that, to the best of Landlord's Knowledge, the Premises and the property of which the Premises are a part, if applicable, comply with all applicable Environmental Laws. Landlord shall use best efforts to cause its employees, agents, contractors, tenants, and other persons occupying or present on or about the property on which the Premises are located (other than the Premises) (collectively, "Occupants") to comply with all applicable Environmental Laws.

18.05. Landlord represents and warrants that, to the best of Landlord's knowledge, there has been no Release and there is no threat of Release of any Hazardous Materials on, onto, or from the Premises and that the Premises has not contained and does not contain any asbestos, underground or aboveground storage tanks, or "PCBs" or "PCB items," as defined in 40 CFR § 761.3.

18.06. Tenant must not allow the Release of any Hazardous Material from its use of the Premises on, onto, or from the Property. Tenant further must not handle, use, or otherwise manage any Hazardous Material on the Premises or the Property in violation of any Environmental Laws or in any but a reasonable and prudent manner.

18.07. Landlord represents and warrants that, (y) with regard to activities and conditions on the Property Landlord has not given, nor was it required to give, and Landlord has not received, any notice that: (i) the Property violates any Environmental Law; (ii) there has been a Release, or threat of Release, of Hazardous Materials from the Property; (iii) the Landlord may be or is liable, in whole or in part, for costs of cleaning up, remediating, removing, or responding to a Hazardous Materials release; or (iv) the Property is subject to a lien under any Environmental Laws; and (z) no conditions currently exist, or are reasonably foreseeable, that would give rise to such a notice. In case of receipt of such notice, Landlord must immediately provide Tenant a copy.

18.08. Before the Commencement Date, Landlord must permit Tenant and its representatives and contractors to enter upon the Premises at reasonable times and in a reasonable manner to investigate environmental matters. Tenant may perform such

tests, including without limitation, subsurface testing, soils, and groundwater testing, and any other tests, as the Tenant, in its sole discretion, determines are necessary to identify environmental concerns. The investigation is at Tenant's sole cost. Tenant must minimize the intrusion upon and inconvenience to Landlord and the ongoing operations at the Premises. If Tenant performs any tests that disturb the Property, Tenant must restore the Property. Tenant is responsible for damages arising from its testing on the Property and for the proper disposal of any wastes generated by its testing.

18.09. Landlord must indemnify Tenant and its officials, employees, and contractors from loss, cost, liability, or expense (including, but not limited to, attorneys' fees and expenses, including all attorney's fees and expenses incurred by Tenant in enforcing this indemnity) arising from or relating to proven breach of Landlord's environmental representations, warranties, and covenants.

19. Appropriations.

All obligations of the City of San Antonio under this instrument are funded through the City of San Antonio General Fund and are subject to the discretion of City Council whether to appropriate funding for any given year of a term. If the City Council fails to appropriate money for this Lease in an annual City of San Antonio Budget, the City may terminate this Lease and have no further liability.

20. Dispute Resolution.

20.01. Before bringing any action arising out of this agreement, including an action for declaratory relief but not an action specifically excepted below, the disputants must first submit in good faith to mediation. The parties may not assert limitations, laches, waiver, and estoppel based upon attempts to mediate.

20.02. Filing suit on a claim that should be mediated hereunder waives the filer's right to demand mediation. But one party's waiver does not affect another party's right. A defendant does not waive mediation for so long as, within a reasonable time after appearing, the defendant gives written notice to the plaintiff or its counsel of intent to require compliance with this paragraph.

20.03. Mediation must be conducted in San Antonio, Bexar County, Texas.

20.04. The party desiring relief has the burden to initiate mediation. Waiting for another party to initiate mediation does not waive the right to it.

20.05. If the parties can otherwise agree on a mediator, they may do so. Alternatively, either party may petition any court of competent jurisdiction to appoint a mediator. The only predicate issues the court need consider before appointing a mediator are whether (i) the copy of the contract before the court is authentic and (ii) the contract was duly signed and delivered by all parties to be bound to mediate. If neither of those issues is denied under oath, the court may appoint a mediator upon motion, without trial.

20.06. Mediator fees must be borne equally.

20.07. The parties need not mediate before going to court (1) for either party to seek emergency injunctive relief or (2) for Landlord to seek forcible entry and detainer relief against Tenant.

21. Prohibited Interests in Contracts.

21.01. The Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale:

- (i) a City officer or employee;
- (ii) his parent, child or spouse;
- (iii) a business entity in which the officer or employee, or his parent, child or spouse owns (i) 10% or more of the voting stock or shares of the business entity, or (ii) 10% or more of the fair market value of the business entity;
- (iv) a business entity in which any individual or entity above listed is a (i) subcontractor on a City contract, (ii) a partner, or (iii) a parent or subsidiary business entity.

22.02. Landlord warrants and certifies as follows:

- (i) Landlord and its officers, employees and agents are neither officers nor employees of the City.
- (ii) Landlord has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

21.03. Landlord acknowledges that City's reliance on the above warranties and certifications is reasonable.

22. Miscellaneous.

22.01. *Applicable Law.* This Agreement is entered into in San Antonio, Bexar County, State of Texas. **Its Construction And The Rights, Remedies, And Obligations Arising Under It Are Governed by The Laws of The State Of Texas.** But the Texas conflicts of law rules must not be used to apply the laws of a jurisdiction other than Texas. Both parties' obligations under this agreement are performable in San Antonio, Bexar County, Texas, and venue for any action arising under this agreement is only in Bexar County, Texas.

22.02. *Severability.* If any part of this agreement is found invalid or unenforceable, the finding does not affect the remainder.

22.03. *Successors.* This Agreement inures to the benefit of and binds the heirs, representatives, successors, and permitted assigns of each party. This clause does not authorize any assignment not otherwise authorized.

22.04. *Integration.* **This Written Agreement Represents The Final Agreement Between The Parties And May Not Be Contradicted By Evidence Of Prior, Contemporaneous, Or Subsequent Oral Agreements Of The Parties. There Are No Oral Agreements Between The Parties.**

22.05. *Modification.* This Agreement may be changed only by a written agreement, signed by the party against whom enforcement of any modification is sought. Subject to that restriction, any of this Agreement's terms may be modified by the party entitled to their benefit, but no modification, express or implied, affects the right of the modifying party either (i) to apply any other term or condition or (ii) to apply the same term or condition to a later or earlier occasion.

22.06. *Third Party Beneficiaries.* This Agreement benefits the parties and their successors and permitted assigns only. It has no third party beneficiaries.

22.07. *Notices.* Notices must be in writing and by certified mail, return receipt requested, addressed to the parties at their respective addresses set forth at the beginning. If the addressee is a corporation, notices must be addressed to the attention of its President. Notice is complete three days after deposit, properly addressed and postage prepaid, with the United States Postal Service. Failure to use certified mail does not defeat the effectiveness of notice actually received, but such notice is effective only on actual receipt. Address for notice may be changed by giving notice.

22.08. *Captions.* Paragraph captions are for ease of reference only and do not affect the interpretation.

22.09. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which is an original, whether or not all parties sign the same document. Regardless of their number, counterparts constitute only one agreement. In making proof of this agreement, one need not produce or account for more counterparts than necessary to show execution by or on behalf of all parties.

22.10. *Further Assurances.* The parties must execute and deliver such additional documents and instruments as may be necessary to effect fully the provisions hereof. But no such additional documents can alter the rights or obligations of the parties stated in this agreement.

22.11. *Administrative Agreements.* The Director of Capital Improvements Management Services may, without further council action, agree to, sign, and deliver on behalf of the City all consents, certificates, memoranda, estoppels, attornments, and modifications of nonmaterial rights and obligations arising under this Lease. This paragraph does not authorize lease amendments or renewals without council consent.

22.12. *Conflicts Between Numbers Stated Two Ways.* Whenever this lease states the same number both as a lump sum and as a calculated number (as, e.g., rent per month or costs per square foot), if the lump sum conflicts with the calculated number, the calculated number controls.

22.13. *Incorporation of Exhibits.* All exhibits to this Lease are incorporated into it for all purposes as if fully set forth.

22.14. *Binding Date.* This agreement is binding on the parties on the later of (A) the effective date of the Authorizing Ordinance or (B) the later of the signatures of the two parties.

23. Public Information.

Landlord acknowledges that this instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public. Nothing in this agreement waives an otherwise applicable exception to disclosure.

In Witness Whereof, the parties have caused their representatives to set their hands.

Tenant

Landlord

City of San Antonio, a Texas municipal corporation, by:

TCP Las Palmas Partners, Ltd., a Texas limited partnership, by and through its sole general partner

Signature: _____

TCP Las Palmas, Inc., a Texas corporation, by:

Printed Name: _____

Signature: _____

Title: _____

Printed Name: _____

Date: _____

Title: _____

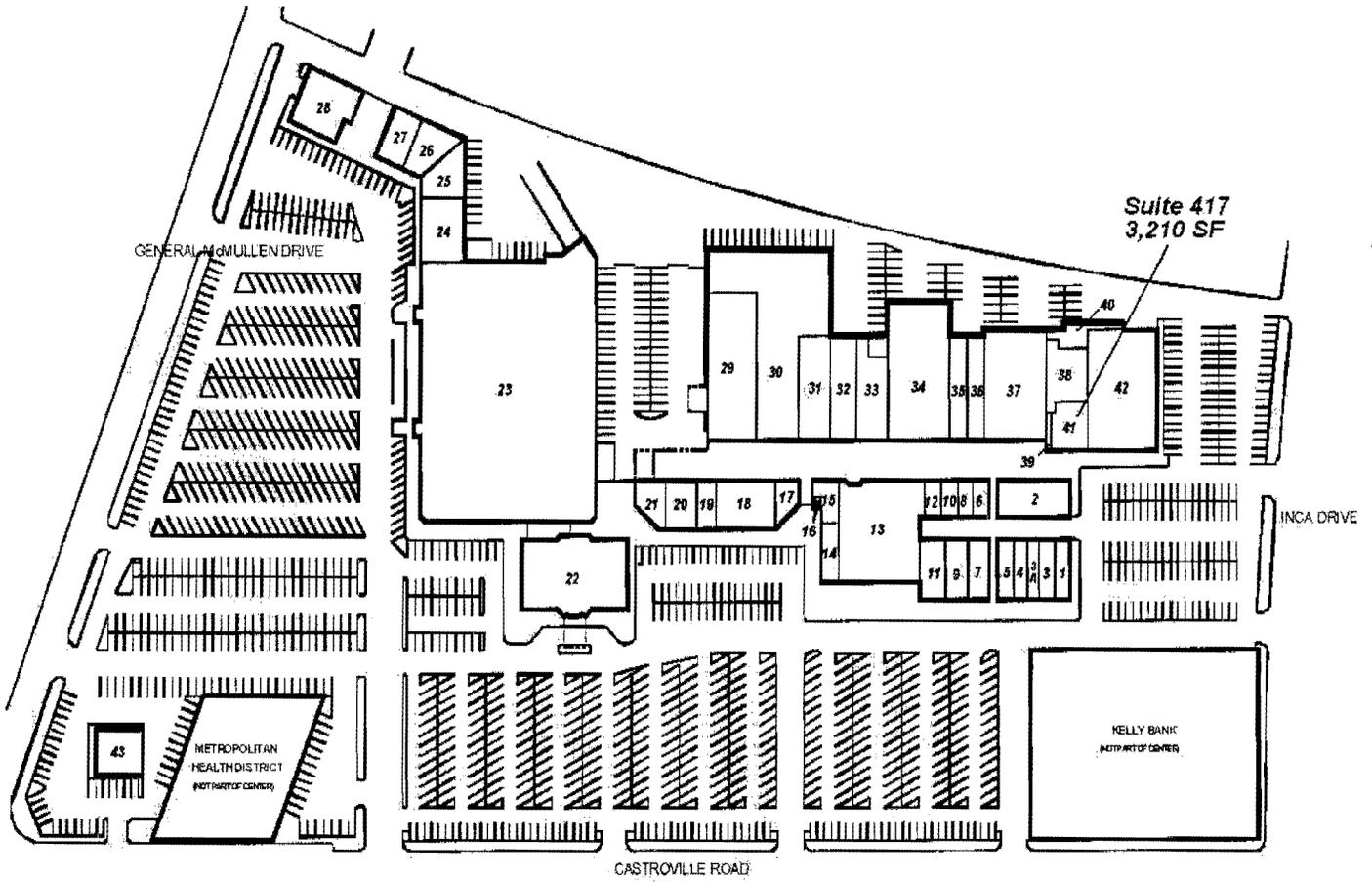
Date: _____

Approved as to Form:

City Attorney

Exhibit A: Description of Premises

SITE PLAN



Continued: Description of Premises

DESCRIPTION OF BUILDING AND PARKING FACILITIES

A parcel of land containing 21.8188 acres and being part of Lot 1 and all of Lots 2 and 4, NCB 11250, Las Palmas Addition, Unit #2, City of San Antonio, Bexar County, Texas, according to plats recorded in Volume 3850, page 101, and Volume 4400, page 225, Deed and Plat Records of Bexar County, Texas, more particularly described by metes and bounds as follows:

BEGINNING: At a set nail at the intersection of the South Line of a 14 Foot Alley and the west R.O.W. Line of Inca Drive for the Northeast corner of this Tract and said Lot 1;

THENCE: With the West R.O.W. Line of Inca Drive S 09°24'46" E a distance of 179.68 feet to a set "x" on concrete for the P.C. of a curve to the left;

THENCE: With said curve to the left whose radius is 1663.45 feet and whose Central Angle is 05°15'27" a distance of 152.64 feet to a found "x" on concrete for the P.T. of said curve;

THENCE: Continuing with the West R.O.W. Line of Inca Drive S 14°40'15" E a distance of 53.85 feet to a found nail for a Corner of this Tract;

THENCE: Leaving the West R.O.W. Line of Inca Drive S 75°19'45" W a distance of 280.00 feet to a set iron pin for a Corner of this Tract;

THENCE: S 14°40'15" E a distance of 216.00 feet to a set iron pin in the North R.O.W. line of Castroville Road for a Corner of this tract;

THENCE: With the North R.O.W. Line of Castroville Road S 75°19'45" W a distance of 945.74 feet to a set iron pin for a Corner of this Tract;

THENCE: Leaving the North R.O.W. Line of Castroville Road N 06°26'30" E a distance of 175.00 feet to a set iron pin for a Corner of this Tract;

THENCE: S 75°19'45" W a distance of 150.00 feet to a set iron for a corner of this Tract;

THENCE: S 06°26'30" W a distance of 175.00 feet to a found iron pin in the North R.O.W. Line of Castroville Road for a Corner of this Tract;

THENCE: With the North R.O.W. Line of Castroville Road S 75°19'5" W a distance of 140.00 feet to a set "x" on concrete for a Corner of this Tract;

THENCE: N 40°35'37" W a distance of 51.86 feet to a set iron pin in the East R.O.W. Line of General McMullen Drive for a Corner of this Tract;

THENCE: With the East R.O.W. Line of General McMullen Drive N $06^{\circ}26'30''$ E a distance of 921.26 feet to a set "x" for the Northwest Corner of this Tract and said Lot 1;

THENCE: Leaving the East R.O.W. Line of General McMullen Drive S $83^{\circ}53'03''$ E a distance of 117.64 feet to a set iron pin for the P.C. of a curve to the left;

THENCE: With said curve to the left whose radius is 43.68.66 feet and whose Central Angle is $15^{\circ}08'01''$ a distance of 1153.90 feet to the POINT OF BEGINNING and containing 21.8188 Acres, more or less.

Exhibit B: Lease Commencement Memorandum

Lease Commencement Memorandum

Landlord: TCP Las Palmas Partners, Ltd.

Tenant: City of San Antonio

Lease: Office Lease (Community Link Service Center) between Landlord and Tenant pertaining to approximately 3,210 rentable square feet of a building located at 803 Castroville Road, San Antonio, Texas 78237 and authorized by the Authorizing Ordinance.

Authorizing Ordinance:

Predicate Facts:

Landlord and Tenant are parties to the Lease, which was authorized by the Authorizing Ordinance.

The Lease Term is to begin upon issuance of a Certificate of Occupancy for the Premises.

For their mutual benefit, the parties now wish to memorialize the actual commencement date of the Lease's Term.

Rights and Obligations:

Now Therefore, in consideration of the premises, the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms.

All terms used in this memorandum and not otherwise defined herein but defined in the Lease have the meanings ascribed to them in that instrument.

2. Lease Commencement.

The Lease Term commences _____.

3. No Default.

As a part of the inducement to Landlord to execute and deliver this consent, Assignor represents to Landlord and Assignee that:

- a. The Lease is in full force and effect according to its terms.
- b. Neither party is in default under the Lease.
- c. Neither party has any offset or claim against the other that would reduce or impair its obligations under the Lease.

4. Conflict of Terms.

This instrument controls over anything to the contrary in the Lease.

In Witness Whereof, the parties have caused their representatives to set their hands.

City of San Antonio, a Texas municipal corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

Approved as to Form:

City Attorney

TCP Las Palmas Partners, Ltd., a Texas limited partnership, by and through its sole general partner

TCP Las Palmas, Inc., a Texas corporation, by:

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Exhibit D: Work Letter

This Work Letter is entered into between Landlord and Tenant as described below in connection with the Lease.

Landlord: TCP Las Palmas Partners, Ltd.

Tenant: City of San Antonio

Lease: Office Lease (Community Link Service Center) between Landlord and Tenant pertaining to approximately 3,210 rentable square feet of a building located at 803 Castroville Road, San Antonio, Texas 78237 and authorized by the Authorizing Ordinance.

Authorizing Ordinance:

Now, Therefore, in consideration of the premises, the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. *Finishout Plans, Landlord's Work.*

(a) Subject to the other terms of this Work Letter, immediately after the Binding Date, Landlord and Tenant will seek mutual agreement on the terms of a Space Plan for the Premises that will provide the foundation for construction-ready drawings of all partitions and work spaces developed by Landlord's architect ("Finishout Plans") at Landlord's sole cost and expense limited to the initial drawings and one revision thereto. Finishout Plans must include all Additional Work approved according to this letter.

(b) Landlord must pay for completion of the following ("Landlord's Work"):

Landlord shall construct the following white box using building standard products in building standard finish and conditions:

- **2x4 lay-in ceiling**
- **2x4 florescent lighting (standard lighting level)**
- **200 AMP electric panel**
- **One (1) ADA restroom**
- **Sprinkler system**
- **Glass entry door**
- **Exit door (if required by code)**
- **Standard use HVAC system including all ducting, supply and return vents and zoned programmable thermostat controls**
- **Demised perimeter walls**
- **Walls taped, floated, sanded and ready for paint**
- **Concrete floor ready for flooring**

(c) Tenant may specify in the Finishout Plans the following details: (a) the location of file cabinets; special equipment and furniture; (b) the location of doors and interior windows, (c) any electrical, special air conditioning and plumbing requirements, (d) any telephone equipment requirements and telephone outlet locations, (e) electrical outlet and switch locations, (f) room sizes and locations, (g) lighting requirements, (h) cabinet work or other millwork requirements, (i) acoustical or special wall requirements, (j) color and material selections for finishes, (k) required data wiring and computer locations, (l) equipment specifications and locations, and (m) location of entrances, stairs, escalators, elevators, service areas, and floor design of the Premises. In addition, all other finish out details including but not limited to paint, carpeting, hardware, plumbing, doorways, and the like, must conform to specifications generally used by Tenant in other facilities managed by Tenant.

3. *Plan Preparation.* Within thirty days after Landlord receives a signed copy of this Lease, Landlord must submit Finishout Plans to Tenant for approval. Tenant has 10 business days to either approve Finishout Plans or to make reasonably detailed comments thereon. Tenant's failure to timely object to Finishout Plans is Tenant's acceptance of them. If Tenant timely objects, Landlord must revise Finishout Plans according to Tenant's comments and resubmit them to Tenant for approval. Tenant then has an additional 10 business days for approval.

4. *Additional Work.* Tenant must deliver to Landlord for its review and approval the plans and specifications for work to be included in the Finishout Plans other than Landlord's Work (collectively, "Additional Work"). All plans and specifications for the Additional Work ("Additional Plans") (together with any changes to the Final Plans for the Landlord's Work required as a result of the Additional Work) will be prepared by Landlord's architect and completed at Tenant's sole cost and expense subject to Landlord providing Tenant an allowance equal to \$27,285.00 (\$8.50 per rentable square foot). Landlord shall reimburse this entire allowance within 30 days of the Commencement Date or upon completion of all work and 30 days after receiving a written request for reimbursement from Tenant, whichever earlier occurs.

5. *Final Plans.* The Finishout Plans that are finally approved or deemed approved, together with the Additional Plans, if any, are referred to herein as the "Final Plans".

6. *Payment.* The Cost of Landlord's Work shall be paid as follows:

(a) The Landlord's Work will be paid by Landlord, at Landlord's sole cost and expense, and

(b) Additional Work will be paid by Tenant directly to a contractor of Tenant's choosing subject to reimbursement not to exceed the amount specified in Paragraph 4 above.

(c) The provisions of this Section survive the expiration or termination of the Lease.

7. *Square Footage.* For the purposes of all per-square-foot calculations, the Premises contain 3,210 rentable square feet.

8. *Substantial Completion.* Within three days after written notice from Landlord to Tenant that Landlord's Work is substantially completed, Landlord and Tenant, or their representatives, must inspect the Premises. If, as a result of Tenant's inspection of the Premises, Tenant discovers deficiencies in Landlord's Work or deviations from the Final Plans, Tenant must deliver a list of such deficiencies and deviations ("punch list") to Landlord within three additional days. Tenant's failure to timely deliver a punch list is Tenant's acceptance of the work. If a punch list is delivered, that does not postpone the Lease Commencement Date. Landlord must correct or cure any punch list items within 30 days or such longer period as may be necessary, provided Landlord is proceeding with due diligence. Landlord may enter the Premises at any reasonable time to correct or cure punch list items.

9. *Early Access.* Landlord must permit Tenant and its agents, to enter the Premises before the Commencement Date to prepare the Premises for Tenant's use and occupancy, including testing and installation of Tenant's equipment. Any such entry into the Premises is under all of the terms of the Lease, except as to Rent.

10. *Counterparts.* This Work Letter may be executed in any number of counterparts and all of such counterparts shall be deemed to be one and the same instrument.

11. *Notices.* Any notices required to be sent hereunder shall be in writing and sent in the manner set forth in the Lease.

12. *Prevailing Wage.* If any Tenant money is used for any work under this Work Letter, pursuant to Chapter 2258 of the Texas Government Code and City of San Antonio Ordinance No. 71312, March 29, 1990, contractor and subcontractors doing work must pay prevailing wages to their laborers, workers, and mechanics, if any. "Prevailing Wages" are as defined by the United States Department of Labor for the purpose of the Davis-Bacon Act. Contractors and subcontractors must obtain from the City of San Antonio Public Works Department, Capital Improvements Division, Wage and Hour Office, Municipal Plaza Building, located at 114 W. Commerce all materials necessary to assure compliance.

13. *Capitalized Terms.* All capitalized terms in this Work Letter shall have the same meaning as provided in the Lease itself.

In Witness Whereof, the parties have caused their representatives to set their hands.

Tenant

City of San Antonio, a Texas
municipal corporation, by:

Signature: _____

Printed
Name: _____

Title: _____

Date: _____

Approved as to Form:

City Attorney

Landlord

TCP Las Palmas Partners, Ltd., a Texas
limited partnership, by and through its
sole general partner

TCP Las Palmas, Inc., a Texas
corporation, by:

Signature: _____

Printed
Name: _____

Title: _____

Date: _____

Exhibit C: Initial Cost Memorandum

Initial Cost Memorandum

Landlord: TCP Las Palmas Partners, Ltd

Tenant: City of San Antonio

Lease: Office Lease (Community Link Service Center) between Landlord and Tenant pertaining to approximately 3,210 rentable square feet of a building located at 803 Castroville Road, San Antonio, Texas 78237 and authorized by the Authorizing Ordinance.

Authorizing Ordinance:

Predicate Facts:

Landlord and Tenant are parties to the Lease, which was authorized by the Authorizing Ordinance.

The leasing commission and tenant improvement costs are relevant to the parties' rights and obligations under the Lease..

For their mutual benefit, the parties now wish to memorialize the actual costs.

Rights and Obligations:

Now Therefore, in consideration of the premises, the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms.

All terms used in this memorandum and not otherwise defined herein but defined in the Lease have the meanings ascribed to them in that instrument.

2. Tenant Improvements.

Landlord's total costs for tenant improvements under the Lease are _____. This is based on the following budget:

Landlord's Work: _____

Tenant's Cash Reimbursement: _____
For Additional Work

4. No Default.

As a part of the inducement to Landlord to execute and deliver this consent, Assignor represents to Landlord and Assignee that:

- a. The Lease is in full force and effect according to its terms.

b. Neither party is in default under the Lease.

c. Neither party has any offset or claim against the other that would reduce or impair its obligations under the Lease.

5. Conflict of Terms.

This instrument controls over anything to the contrary in the Lease.

In Witness Whereof, the parties have caused their representatives to set their hands.

City of San Antonio, a Texas municipal corporation, by:

By: _____

Printed Name: _____

Title: _____

Date: _____

TCP Las Palmas Partners, Ltd., a Texas limited partnership, by and through its sole general partner

TCP Las Palmas, Inc., a Texas corporation, by:

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Approved as to Form:

City Attorney

Exhibit E: Building Rules and Regulations

EXISTING RULES AND REGULATIONS OF THE BUILDING AND PARKING FACILITIES

The following Rules and Regulations, hereby accepted by TENANT, are prescribed by LANDLORD to regulate conduct in and use of the Premises and the Building referred to herein as the Shopping Center:

1. TENANT, its agents, representatives and employees shall not block or obstruct any of the entries, passageways, doors, sidewalks, or other exterior areas of the Shopping Center, or any parking areas, fire lanes, handicapped parking, reserved parking, or other tenant loading zones and docks, or place, empty or throw any rubbish, litter, trash or material of any nature into such areas, or permit such areas to be used at any time except for ingress or egress of TENANT, its agents, representatives, employees, visitors or invitees.

2. TENANT shall assume all liability and risk associated with the movement of furniture, equipment, merchandise or materials within, into or out of the Premises and/or Shopping Center. Safes and other unusually heavy equipment shall be moved into the Premises only with LANDLORD's prior written consent.

3. No sign, door plaque, advertisement or notice shall be displayed, painted or affixed by TENANT, its agents, representatives or employees on any part of the outside of the Premises or the Shopping Center (except signage specifically authorized by the Lease), or in the Common Areas, without the prior written consent of LANDLORD, and then only such color, size, character, style and material and in such places as shall be approved and designated in writing by LANDLORD.

4. LANDLORD shall not be responsible for lost or stolen personal property, equipment, money or any article taken from the Premises or the Common Areas regardless of how or when any such loss occurs.

5. TENANT, its agents, representatives and employees shall not bring into the Premises any flammable fluids (except ordinarily quantities of cleaning products reasonable for the Tenant's permitted use) or explosives of any type without the prior written consent of LANDLORD.

6. TENANT, its agents, representatives or employees shall not use the Premises for housing, lodging or sleeping purposes without the prior written consent of LANDLORD.

7. TENANT, its agents, representatives or employees shall not bring or permit to be brought into the Premises or keep or allow to be kept thereon any live animals of any kind.

8. Intentionally Omitted

9. TENANT, its agents, representatives and employees shall not permit the operation of any musical or sound producing instrument or any type of instrument or device which may be heard outside the Premises (except as expressly permitted by the Lease), or which may emanate electrical waves which will impair radio or television broadcasting or reception from or in the other tenant space in the Shopping Center, nor shall any flashing, strobing, moving or pulsating lights be used in any window display or area visible from the outside of the Premises.

10. TENANT, its agents, representatives and employees shall, before leaving the Premises unattended, close and lock all doors and shut off all running water and other appliances. No cooking or food preparation of any kind shall be permitted in the Premises unless the Tenant's permitted use is a restaurant use.

11. Within ten(10) days after opening for business in the Premises, TENANT shall furnish LANDLORD, in writing, the make, model, color and state automobile license number (updating the same as changed) assigned to the cars of TENANT's officers, employees and regularly employed agents who shall be from time to time working at the Premises, and thereafter shall notify LANDLORD in writing of any changes thereof within thirty days after the change or on request from LANDLORD, whichever is sooner.

12. TENANT and its employees agents and representatives shall comply with posted traffic regulations, restrictions and signage from time to time placed by Landlord in the parking areas of the Shopping Center, and shall not park in any area not striped as a parking space. No employee of TENANT shall keep a disabled vehicle in the parking areas of the Shopping Center for any period except for period of short duration while arrangements for towing are being made. In the event TENANT'S employees or customers park their cars in the parking areas in violation of posted parking or traffic regulations, then LANDLORD at its option shall have the right to tow such vehicle away at the Tenant's cost and expense.

13. The plumbing facilities in the Premises shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision by TENANT or its employees, agents or invitees shall be borne by TENANT. To the extent any food service operation is contemplated by the TENANT's Lease, TENANT shall obtain all necessary permits therefor, shall have and maintain all facilities (including, without limitation, grease traps, sinks, vent hoods, drains,

fans, exhausts, fire extinguishers, smoke detectors, occupancy limitation signage, and similar items) required by applicable laws, ordinances and regulations, and shall at all times operate such facilities in compliance with applicable law.

14. TENANT shall not conduct canvassing, soliciting and peddling in the Shopping Center (including the attachment of flyers to vehicles in the parking areas).

15. In the event LANDLORD elects to provide waste disposal for the Shopping Center as a common area maintenance expense for any portion of the Lease Term, and if TENANT must dispose of waste or refuse which will not fit into the dumpster receptacles or which are of a type not accepted by the waste company (including paint and all other hazardous waste material), it shall be the responsibility of TENANT to dispose of such articles at its expense.

16. Neither TENANT nor its employees, agents or representatives shall place or allow to be placed or maintained on or removed from the roof of the Premises any installation or thing of any nature or kind (including satellite dishes, signs, decorative items, advertising paraphernalia, spare construction materials and trash) except for such equipment, such as HVAC compressors, that Tenant is required to maintain under this Lease.

17. TENANT shall keep the sidewalk and area adjacent to and in the immediate vicinity of the Premises (including all loading areas) swept and free from trash, rubbish, garbage and other debris or refuse.

18. TENANT shall keep in a neat, clean, safe and sanitary condition the area behind the Premises if such an area is designated by LANDLORD for TENANT's use for loading and/or refuse collection.

19. TENANT shall not overload the electrical equipment and systems, plumbing systems or HVAC systems or equipment serving the Premises, and shall be responsible for any damage to the Shopping Center equipment or mains resulting from such excessive use.

20. TENANT shall not continue to allow upon the Premises any employee or agent who is known by TENANT to have a record of felony violent crime or felony property crime, or to pose a threat to the safety of others. Tenant shall not allow or tolerate drug use or possession by its employees on the Premises.

21. TENANT shall adopt, disseminate and enforce a policy for its employees at the Premises prohibiting the possession of firearms while at or on the property of the Premises and/or the Shopping Center, other than law enforcement officers. Tenant shall post proper signs (approved by Landlord as

to appearance) prohibiting patrons of the Tenant from bringing firearms onto the Premises.