

AN ORDINANCE 2012-04-05-0244

AUTHORIZING A LEASE FROM CENTERVIEW MARKETPLACE, LP, OF APPROXIMATELY 6,163 SQUARE FEET OF OFFICE SPACE AT 4335 PIEDRAS DRIVE IN COUNCIL DISTRICT 7 FOR HOUSING THE SOLID WASTE MANAGEMENT DEPARTMENT AT THE INITIAL MONTHLY RATE OF \$8,603 AND INCREASING TO \$9,630 MONTHLY IN THE FINAL YEAR OF THE TERM.

* * * * *

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 in Fund 55001000, Cost Center 5501010001, General Ledger 5206010, as part of the Fiscal Year 2012 Budget. The initial monthly rental rate will be \$8,603. The City may exercise an option to spend an additional \$20,000 above the agreed upon improvement allowance. Exercising this option will increase the monthly rental rate by \$202.85 during the term.

SECTION 3. Payment not to exceed the budgeted amount is authorized and should be encumbered with a purchase order. Payments for future services are contingent upon the availability of funds from the City's operating budget and City Council approval.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance 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, unless it receives the eight votes requisite to immediate effectiveness under San Antonio Municipal Code § 1-15, in which case it becomes effective immediately.

PASSED AND APPROVED this 5th day of April 2012.



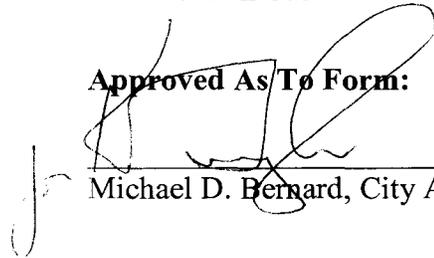
M A Y O R
Julián Castro

Attest:

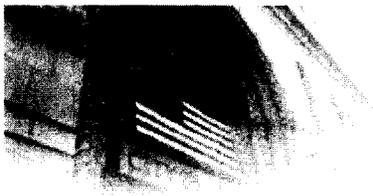


Leticia M. Vacek, City Clerk

Approved As To Form:



Michael D. Bernard, City Attorney



Request for
COUNCIL
ACTION

City of San Antonio



Agenda Voting Results - 10

Name:	5, 6, 7, 8, 9, 10, 12, 13A, 13B, 13C, 14, 15, 16, 18						
Date:	04/05/2012						
Time:	10:07:27 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing the execution of a lease agreement with Centerview Marketplace, LP, for use of 6,163 square feet of office space at 4335 Piedras Drive in Council District 7 for the purposes of housing Solid Waste Management Department at the initial monthly rate of \$8,603.00 increasing to \$9,630.00 per month in the final year of the term which will commence upon occupancy by the Department and expire on July 31, 2017. [Ben Gorzell, Chief Financial Officer; Jorge A. Perez, Director, Building and Equipment Services]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x				
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				x
Cris Medina	District 7		x				
W. Reed Williams	District 8	x					
Elisa Chan	District 9		x			x	
Carlton Soules	District 10		x				

Attachment I

**Office Lease
(4335 Piedras Drive W/Solid Waste Department)**

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1. Basic Information, Definitions.

Authorizing Ordinance:

Landlord: Centerview Marketplace, LP

Landlord’s Address: Centerview Marketplace, LP, c/o RREEF Management
Company, 1406 Halsey Way, Suite 110, Carrollton,

Texas 75007. Attention: District Manager (Centerview San Antonio)

Tenant: City of San Antonio

Tenant's Address: P.O. Box 829966, San Antonio, Texas 78283-3966
(Attention: Director Building and Equipment Services)

Premises: Approximately 6,163 square feet, consisting of Suite 200 of the Lamar Office Building, 4335 Piedras Dr. W., San Antonio, Bexar County, Texas, to be laid out as depicted on **Exhibit A**.

Permitted Use: General office use for the City of San Antonio Solid Waste Department.

No. of Parking Spaces: 25 surface spaces

Initial Term: The term begins on the Commencement Date and ends on the Termination Date.

Termination Date: July 31, 2017

Address for Payment of Rent: Centerview Marketplace, LP, c/o JPMorgan Chase, P.O. Box 730934, Dallas, Texas 75373-0934

Security Deposit: None

Asbestos Survey Deadline: Commencement Date

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

Essential Services: Any and all services related to Tenant's occupancy of the building, such as (a) HVAC service to the Premises reasonable for the Permitted Use (exclusive of needs unique to specialized equipment); (b) water heater serving lavatories and break areas; (c) electrical, water, and wastewater connections to the Premises, (d) lighting in Common Areas and fluorescent lights in the light fixtures in the Premises, and (e) janitorial services pursuant to **Exhibit D** attached hereto.

The exhibits and Addenda to this Lease are:

- Exhibit A: Description of Premises
- Exhibit B: Lease Commencement Memorandum
- Exhibit C: Work Letter
- Exhibit D: Cleaning and Maintenance Schedule
- Exhibit E: Termination Fee Memorandum
- Exhibit F:--Project Schedule

2. Grant, Commencement Date.

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 reserve for Tenant the number of parking spaces indicated above.

2.02. The Commencement Date is the date of Tenant’s actual occupancy of the Premises, which must be not later than 30 days after (a) substantial completion of Landlord’s Work as defined in the attached **Exhibit C** and (b) issuance of a certificate of occupancy. The parties will confirm the actual Commencement Date in a Lease Commencement Memorandum in a form substantially as attached as **Exhibit B**. Tenant must sign or contest Landlord’s proposed Lease Commencement Memorandum within 30 days of Tenant’s receipt of the same or Landlord’s proposed Lease Commencement Memorandum must be treated as correct.

2.03. “Substantial Completion” means Landlord’s Work (as provided in the Work Letter) is substantially completed according to the Final Plans even though minor details of construction, decoration and mechanical adjustments remain to be completed and a certificate of occupancy has issued unless the non-availability of the same has been caused by Tenant. To be Substantially Complete, the Premises must be Move-in Ready. “Move-in Ready” means that the Premises are finished-out according to the requirements of this Lease, except for minor items such as are routinely corrected with a punch list.

2.04. Tenant’s right of occupancy begins at the Commencement Date. Tenant may cancel this Lease and be free of all its obligations if the Occupancy Commencement Date has not occurred by ??????????. Move-in ready means that the Premises are finished-out according to the requirements of this Lease, except for minor items such as are routinely corrected with a punch list.

2.05. 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.

3. Rent.

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

<i>Occupancy Period</i>	<i>Monthly Rent</i>
Months 1 through 6	\$8.346

Month 7 through Month 12	\$8,603
Month 13 through Month 18	\$8,859
Month 19 through Month 24	\$9,116
Month 25 through Month 30	\$9,373
Month 31 through Month 36	\$9,630

3.02. If a delay in the Commencement Date causes the Expiration Date to occur before a month in the table occurs, the Lease is terminated and no rent need be paid. The above dates may be shifted in the Lease Commencement Memorandum if the parties can agree on how the shifting is to occur.

3.03. The first month referenced in the table above is the first full calendar month following the Commencement Date, including a month in which the Commencement Date is on the 1st of a month. If the Commencement Date is not the 1st of a month, then rent for the initial, partial month is prorated based on the number of days remaining in the month at the per diem rate equal to the number of days in that particular month, but the initial, partial month does not count as a month on the table above.

3.04. Tenant must pay Rent, both Base and Additional, if applicable, in the amounts described in this section in advance on the first day of each month or within 10 days thereafter without penalty. Additional Rent is addressed in the Work Letter. If Tenant fails to pay the entire monthly Rent within a 10-day grace period more than twice in a calendar year, and if upon the third such occurrence in the calendar year, the amount due is not paid to Landlord after a period of 15 days from the date that Landlord submits written notice to Tenant of such delinquent payment, then a late charge equal to five percent of the delinquent amount is additionally due and payable by Tenant. The late charge represents a fair and reasonable estimate of costs Landlord will incur by reason of such late payment. Late charges are in addition to all Landlord's other rights and remedies.

3.05. If Landlord receives prepaid rent from or for the account of Tenant, Landlord must apply the prepaid rent according to Tenant's directions.

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

3.07. If the entire Tenant Improvement Allowance of \$139,209.31 is not expended within 60 days after the Commencement Date, then for months seven through 11, rent due from Tenant is reduced by 20% of the difference between the total allowance and the amount actually spent. If the difference exceeds the rent, the set-off against rent does not carry over beyond month 11.

4. Term, Early Termination, Renewal.

4.01. The term of this Lease is the Initial Term, unless sooner terminated as provided in this Lease. Tenant may terminate this Lease without cause at or anytime after January 14, 2014 (the "Early Termination Date") by delivering 120-days prior written irrevocable notice to Landlord. If Tenant does so, it must, simultaneously with delivery of such notice, pay to Landlord as a termination fee consisting of:

(i). the unamortized costs, calculated as of the Early Termination Date, of all Leasing Costs (using straight-line depreciation over the Initial Term and a nine percent amortization rate). "Leasing Costs" shall mean Landlord's costs in connection with this Lease including commissions, legal fees, and the TI Allowance; and

(ii). if applicable, the unamortized costs due with respect to the Additional TI Allowance as of the Early Termination Date, (using straight-line depreciation over the Initial Term and a seven percent amortization rate); and

4.02. Following completion of the tenant improvement work under Exhibit C, the actual amount of the payment due Landlord as a termination fee hereunder as of the Early Termination Date shall be confirmed upon execution by Landlord and Tenant of the Termination Fee Memorandum in the form attached at Exhibit E hereto. The early termination option is personal to the City of San Antonio and cannot be exercised by any assignee or sublessee.

4.03. Tenant may renew this Lease for up to two 3-year terms by giving Landlord no more than 450-days and no fewer than 180-days prior written notice. The notice must be given before expiration of the previous term, whether initial or renewal. Renewals are on the same terms and conditions as the Initial Term, except as follows:

4.03.01. Rent for each renewal is at the greater of (A) market rent or (B) the Rent payable during the last month of the immediately preceding term (with no abated period, but subject to the same annual percentage increase as that provided for in the immediately preceding term). Additional Rent is adjusted in each renewal term as in the Initial Term, with no abated period.

4.03.02. Landlord need not perform any renovation work nor give any improvement allowances unless otherwise agreed upon in the determination of the rent for the renewal term.

4.04. Whenever this Lease calls for determination of market rent, market rent is determined by the following procedures:

4.04.01. The parties should try to agree on market rent.

4.04.02. If they cannot agree on market rent by 160 days before the end of a term, they should agree on an appraiser to determine market rent. The parties share equally in the appraiser's fees. The appraiser's estimate of market rent is market value for the purpose of calculating rent under this Lease.

4.04.03. If the parties cannot agree on an appraiser by 155 days before the end of a term, they should each appoint an appraiser not later than 150 days before the end of the term. To effect appointment, the appointing party must deliver notice to the other party according to the notice provisions of this Lease. Each party pays the fee for that party's respective appraiser. The two appraisers should try to reach agreement on market rent not later than 125 days before the end of the term. If they cannot agree but the higher of the two estimates of market rent is within 10% of the lower, the two figures are to be averaged, and the average is market rent for the purposes of rent calculation.

4.04.04. If the higher of the two estimates of market rent is not within 10% of the lower, the two appraisers should appoint a third appraiser not later than 100 days before the end of the term. The third appraiser must make his estimate of market rent no later than 80 days before the end of the term, and the third appraiser's estimate is averaged with the market rent estimate of the other two appraisers that is closest to the third's estimate. The market rent estimate of the other two appraisers that is farthest from the estimate of the third appraiser is discarded, and the party who appointed the appraiser whose estimate is discarded pays the fees for the third appraiser. All appraisers appointed pursuant to this Paragraph 4.03 must be an MAI appraiser with at least 10 years commercial real estate experience including at least 5 years commercial real estate experience in the submarket in which the Building is located.

4.05. Time is of the essence in all deadlines imposed on Landlord and Tenant in the preceding subparagraph about determining market rent. If a party fails to make a timely appointment, the party forfeits the right to an appointee from that point forward in the market rent determination process. Delays in actions by appraisers do not impair the validity of the process so long as Tenant has enough time to get the renewal approved by City Council after the rent is determined. The Assistant Director for Real Estate for the Capital Improvement Management Services Department may make all agreements and appointments and otherwise act on behalf of the City as may be necessary or convenient under the preceding paragraph about determining market rent.

4.05. All renewals must be approved by the City Council. If Tenant indicates a desire to renew, Landlord and Tenant shall execute an amendment to the Lease confirming exercise of the option, the renewal rate, and any other matters agreed to in connection with the exercise of the option. The amendment will be contingent only upon receipt of City Council approval, and the amendment must be submitted by Tenant to the City Council as expeditiously as the City's request-for-council-action process permits. This option is personal to the City of San Antonio and cannot be exercised by any assignee or sublessee.

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 adopted by Landlord.

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

5.03. Repair, replace, and maintain any part of the Premises that Landlord is not obligated to repair, replace, or maintain, normal wear excepted.

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

5.05. Vacate the Premises and return all keys to the Premises on the last day of the Term.

5.06. On request, execute an estoppel certificate that states the Commencement Date, the Termination Date and the Early 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. If Landlord does consent to a proposed assignment, the City of San Antonio remains liable for all obligations to Landlord under the Lease.

6.10. Change the use of the Premises or make any alterations to the Premises that would cause Landlord to be in non-compliance with any law, code, or ordinance applicable to the ownership and operation of the Premises.

7. Landlord's Affirmative Promises.

Landlord promises that it will:

7.01. Lease to Tenant the Premises for the entire Term, beginning on the Occupancy 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, corridors, and windows, (e) HVAC, wiring, and plumbing, (f) floors (but not carpeting or similar floor covering, unless damaged by a problem with the floor), (g) damage to Tenant's improvements, including concealed mechanical systems, caused by failure or malfunctioning of building features or equipment for which Landlord is responsible, (h) other structures or equipment serving the Premises, and (i) all other parts of the Premises the repair, replacement, and maintenance of which is not otherwise expressly allocated to Tenant.

7.05. Timely based on the schedule attached as **Exhibit F** complete at its own cost all work allocated to Landlord by the work letter attached as **Exhibit C** based upon an allowance provided by Landlord not to exceed \$139,209.31.

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

7.07. Deliver to Tenant an Asbestos Survey of the Premises and the Building not later than Asbestos Survey Deadline, in accordance with the provisions of § 6-293 of the City Code of the City of San Antonio, Texas.

7.08. Subject to the terms of **Exhibit C**, allow Tenant access to the Premises no later than May 1, 2012 for installation of data infrastructure and furniture and equipment.

7.09. Allow Tenant to place its name on the monument sign located in front of the Building.

7.10. Landlord must obtain competitive bids from not fewer than three contractors acceptable to Tenant for the work required by the Work Letter. Landlord must accept the lowest responsive bid from a responsible bidder.

7.11. Maintain the parking areas used by Tenant including adequate lighting, paving in good condition and spaces properly marked.

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

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 Occupancy Commencement Date, normal wear excepted.

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. Throughout the Term of this Lease, Landlord shall maintain with one or more insurers having at least the same ratings required of Tenant's insurers (a) a policy or policies of insurance covering "all risks" perils to the extent of 90% of the insurable replacement cost of the Building (excluding such leasehold improvements for which the tenants in the Building are required to maintain insurance coverage and further excluding Tenant's personal property), and (b) a Commercial General Liability insurance policy or policies covering the Building's parking areas and driveways with a limit of not less than \$1,000,000 per occurrence and not less than \$2,000,000 in the annual aggregate.

11. Release of Claims/Subrogation.

The insurance requirements of this Lease are a bargained-for allocation of risk of loss. Landlord and Tenant each release the 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, will require their insurers to waive subrogation against each other for Covered Claims.

12. Waiver.

12.01. Except to the extent arising out of the negligence or willful misconduct of Landlord, Landlord shall not be liable to Tenant, or to Tenant's agents, contractors, servants, employees, customers, or invitees, for any damage to personal property located in the Premises, the Building, or any associated parking areas or garages.

12.02. Redress for any claim against Landlord under the Lease shall be limited to and enforceable only against and to the extent of Landlord's interest in the Building. The obligations of Landlord under the Lease are not intended to be and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its or its investment manager's trustees, directors, officers, partners, beneficiaries, members, stockholders, employees, or agents, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of punitive, special, indirect or consequential damages. The terms of this paragraph survive the termination or expiration of the Lease.

13. Casualty/Total or Partial Destruction.

13.01. If the Premises are damaged by casualty and can be restored within 90 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 installed by Landlord pursuant to the attached **Exhibit C**, but not any alterations, additions, or improvements, including wiring and telecommunications installed by Tenant, which remain the responsibility of Tenant. Restoration must be to substantially the same condition existing before the casualty. If Landlord fails to complete the portion of the restoration for which Landlord is responsible within 90 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 are partially or totally destroyed or damaged by fire or other casualty, Landlord need not restore or repair any alterations, additions or improvements made by Tenant to the Premises and liability for the restoration and repair of the same remains with Tenant. Notwithstanding anything to the contrary contained in the Lease, Tenant, and not Landlord is responsible for all casualties and the cost of repair or replacement in the event of a casualty to the extent that (i) insurance proceeds collectible by Landlord are insufficient to discharge the costs resulting from such casualty (including the cost of any deductible), and (ii) but for the fault or negligence of Tenant, including its agents, employees or contractors, such proceeds would otherwise have been sufficient. This liability survives termination of the Lease.

13.03. If the Premises cannot be restored within 90 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.

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

13.05. 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 or any portion of them are taken by eminent domain, or sale in lieu of eminent domain, by any entity other than Tenant, the Lease automatically terminates as to the part so taken as of the date the condemning authority takes title or possession, whichever occurs first.

14.02. If entire Premises are not taken, the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.

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

15. Holdover.

If Tenant remains in possession of the Premises after the expiration of the Lease and without executing a renewal of the old lease or a new lease, it will be occupying the Premises as a tenant from month to month at a rent equal to 125% of monthly rent payable for the last month before termination of the Lease and otherwise subject to all the conditions, provisions, and obligations of the Lease insofar as the same are applicable to a month-to-month tenancy. Rent shall be prorated on a daily basis and Tenant shall in addition be liable for all damages suffered by Landlord by reason of such retention.

16. Default.

16.01. *Default by Landlord/Events.* Defaults by Landlord are (i) failing to comply with any provision of this lease within 30 days after written notice; (ii) failing to provide Essential Services to Tenant within 10 days after written notice and; (iii) failure to timely pay for utility services the payment of which is allocated to Landlord under this Lease; and (iv) failure to pay property taxes before assessment of interest or penalty.

16.02. *Default by Landlord/Tenant's Remedies.* . If Tenant claims that Landlord has failed to perform a service, to provide any item, or to meet any requirement in the Lease, then Tenant shall provide written notice of such claimed failure to Landlord, and, if applicable, to the current first mortgagee with an lien on Landlord's ownership interest in the building of which Tenant has notice. It shall be Landlord's obligation to provide Tenant with the proper name and address of the first mortgagee or the party representing the first mortgagee. Landlord, or, if applicable, the first mortgagee, shall cure such default within 30 days of written notice from Tenant (or if such item cannot reasonably be cured within 30 days, then such longer time as may be reasonably necessary so long as Landlord, or, if applicable, the first mortgagee, commences to cure within such 30 days and diligently prosecutes such cure to completion), but if Landlord or, if applicable, the first mortgagee, fails to effect such

cure, then Tenant, as its sole remedy, may terminate the Lease upon notice to Landlord. Tenant agrees to use commercially reasonable efforts to mitigate its damages in the event of any default by Landlord. In no event shall Landlord be liable for damages in the event of failure or loss of an Essential Service that was not caused by the negligence or willful misconduct of Landlord, its employees or contractors, and Landlord shall not be liable when such failure or loss is caused by accident, breakage, repairs, labor disputes of any character, energy usage restrictions or by any other cause, similar or dissimilar, beyond the reasonable control of Landlord.

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 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 the Premises and the property of which the Premises are a part, if applicable, comply with all applicable Environmental Laws. Landlord must 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 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 to 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 breach of Landlord's environmental representations, warranties, and covenants.

18.10. Without limiting Landlord's obligations set forth in the Lease, Tenant acknowledges that it will assume full responsibility for any investigation or abatement action regarding the presence of Hazardous Materials due to the activities of Tenant, its employees, agents or contractors operating under its supervision or its direction.

18.11. No environmental representations or warranties will be given by Landlord with respect to the Premises or the Building or the development in which it is located, and paragraphs 18.04, 18.05 and 18.07 of the Lease are of no force or effect and Landlord has no liability thereunder. If Landlord is notified of a breach of Environmental Law relating to the Premises or the Building and provided that such breach has not been caused by Tenant or any of its employees, agents, contractors or invitees or persons under Tenant's control, then Landlord in its sole discretion shall elect to either (a) cure the such breach without cost to Tenant and in so doing shall commence the cure and diligently prosecute such cure to completion, or (b) allow Tenant to terminate the Lease and Landlord shall have no liability to Tenant arising from such termination unless such breach was caused by Landlord's gross negligence or willful misconduct.

18.12. With respect to Tenant's investigative rights as detailed in paragraph 18.08 of the Lease, Tenant may not conduct any intrusive testing without the prior written consent of Landlord and subject to such conditions as Landlord may reasonably require. Tenant may not enter into space leased to any other tenant in the development in which the Building is located without the prior written consent of Landlord and such other tenant.

19. Appropriations.

All obligations of the City of San Antonio under this instrument are funded subject to the discretion of City Council whether to appropriate funding. If the City Council fails to appropriate money for any obligation under this agreement, the City may terminate this agreement 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.

21.02. 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. Any modification of this Lease must be authorized by an ordinance adopted by City Council that specifically addresses the modification.

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, or by independent delivery service addressed to the parties at their respective addresses set forth at the beginning. If sent by certified mail, notice is complete three days after deposit, properly addressed and postage prepaid, with the United States Postal Service. If sent by delivery service, notice is complete on the date shown on the receipt. 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 Building and Equipment 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 and may declare defaults and pursue remedies for such defaults. This paragraph does not authorize lease amendments or renewals without council consent.

22.12. *Conflicts Between Numbers Stated Two Ways.* Whenever this lease states numbers more than one way, either by using both words and numerals or by stating a fixed amount and a calculation for arriving at an amount, and there is a conflict, the highest number controls.

22.13. *Quiet Enjoyment.* As long as Tenant pays the rent and other charges under this lease and observes the covenants and terms of this lease, Tenant will lawfully and quietly hold, occupy, and enjoy the Premises during .the lease term without being disturbed by Landlord or any person claiming under Landlord, except for any portion of the Premises that is taken under the power of eminent domain.

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

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.

24. Broker.

The Landlord recognizes Providence Commercial Real Estate Services, Inc. as Tenant's broker. Landlord and the Broker are entering into a separate agreement regarding Broker's compensation..

Remainder of Page Intentionally Left Blank

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

Tenant

Landlord

City of San Antonio, a Texas
municipal corporation

Centerview Marketplace, LP,
a Delaware limited partnership

Signature: _____

By: **Gateway Centerview GP, Inc.**
a California corporation, its general
partner

Printed
Name: _____

By: **RREEF Management Company**,
a Delaware corporation, Authorized Agent

Title: _____

Date: _____

By: _____

Printed
Name: _____

Approved as to Form:

Title: _____

City Attorney

Date: _____

By: _____

Printed
Name: _____

Title: _____

Date: _____

Exhibit A: Description of Premises

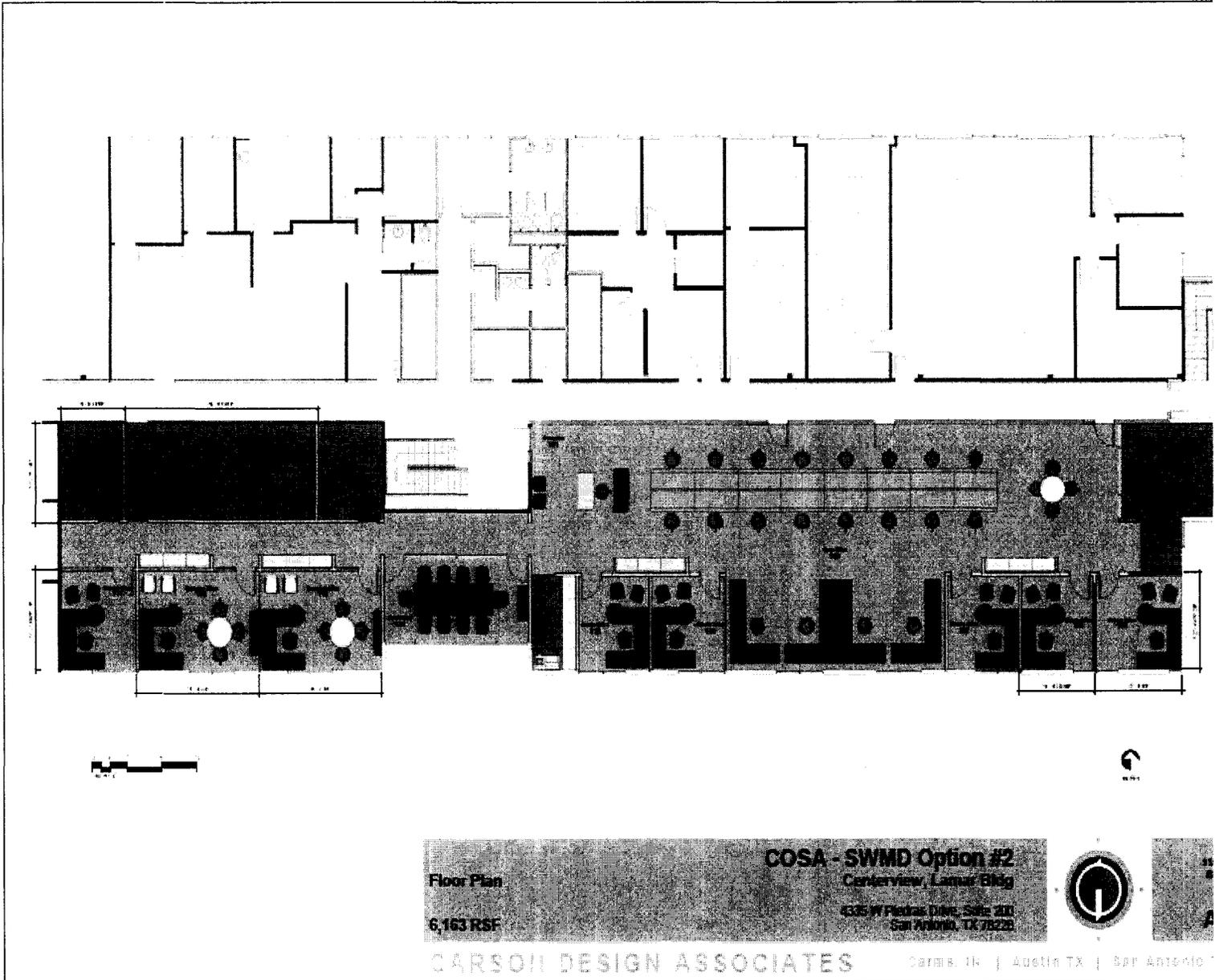


Exhibit B: Lease Commencement Memorandum

Lease Commencement Memorandum

Landlord: Centerview Marketplace, L.P.

Tenant: City of San Antonio

Lease: Office Lease (4335 Piedras Dr. West/Solid Waste Department) between Landlord and Tenant and pertaining to approximately 6,163 square feet at 4335 Piedras Drive West, Suite 200, San Antonio 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.

For their mutual benefit, the parties now wish to memorialize the matters hereinafter appearing.

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 Term.

The actual Commencement Date under the Lease is _____, 2012 . The actual Termination Date under the Lease is July 31, 2017.

3. Early Termination Option.

The Early Termination Date under the Lease is January 31, 2014.

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.

Tenant

City of San Antonio, a Texas
municipal corporation

Signature: _____

Printed
Name: _____

Title: _____

Date: _____

Approved as to Form:

City Attorney

Landlord

Centerview Marketplace, LP,
a Delaware limited partnership

By: **Gateway Centerview GP, Inc.**
a California corporation, its general
partner

By: **RREEF Management Company**,
a Delaware corporation, Authorized Agent

By: _____

Printed
Name: _____

Title: _____

Date: _____

By: _____

Printed
Name: _____

Title: _____

Date: _____

Exhibit C: Work Letter

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

Landlord: Centerview Marketplace, LP

Tenant: City of San Antonio

Lease: Office Lease (4335 Piedras Dr. West/Solid Waste Department) between Landlord and Tenant and pertaining to approximately 6,163 square feet at 4335 Piedras Drive West, Suite 200 San Antonio 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. *Final Plans, Landlord's Work.*

Landlord and Tenant have approved the drawing attached at Exhibit A of this Lease which, together with the following plans and specifications each dated _____ collectively comprise the "**Final Plans**".

Insert Plan Details

The Premises must be finished out by Landlord in accordance with the Final Plans using Building standard finishes except as otherwise shown on the Final Plans. The work to be done by Landlord pursuant to the Final Plans is herein called the "**Landlord's Work**". Any subsequent Tenant-requested changes to the approved Final Plans must be approved in writing by Landlord and may not delay substantial completion of Landlord's Work or the Commencement Date.

2. *Bidding Selection/General Contractor*

Landlord must bid Landlord's Work to three general contractors mutually approved by Landlord and Tenant. Landlord must select the lowest bid received from a general contractor meeting Landlord's guidelines for preferred general contractors and must notify Tenant in writing of the amount of the bid and the identity of the contractor to which the bid is awarded. The bid so selected is the "**Winning Bid.**" The general contractor that submits the Winning Bid is the "**Contractor**" herein. Landlord shall enter into a direct contract with the Contractor and shall have the right to approve all subcontractors.

3. *Cost Estimate: Tenant Delay.*

Within five business days following the Winning Bid, Landlord must deliver or cause to be delivered to Tenant a cost estimate setting forth the estimated cost of Landlord's Work (the "**Cost Estimate**"). The "**Cost of the Work**" for purposes hereof equals Landlord's actual cost of constructing Landlord's Work including, without limitation,

- (i) the cost of all work, labor, materials, and supplies;
- (ii) the cost of all contractor, architectural, engineering, and design fees (including but not limited to preliminary and final space plans, mechanical, electrical, and plumbing drawings, plans and specifications, construction drawings, any other construction documents and any costs incurred by Landlord in connection with the review of the same by its third party consultant), and permitting costs/fees, including the cost of an asbestos survey (and whether paid by Landlord or Tenant); as well as the cost of preparing general conditions; and
- (iii) a construction management fee to Landlord in the amount of 0% on the first \$10,000 of hard costs, 5% on the next \$100,000 of hard costs and 3% on all hard costs over \$100,000 (hard costs being costs other than the construction management fee).

Landlord need not commence construction of any of Landlord's Work until Tenant has approved the Cost Estimate in writing. Tenant's failure to disapprove the Cost Estimate in writing within two business days after delivery thereof to Tenant by Landlord is Tenant's deemed approval of the Cost Estimate in all respects. If Tenant expressly disapproves of the Cost Estimate in writing within such two business day period and Landlord and Tenant are unable to agree on the Cost Estimate within three business days thereafter through good faith efforts, then each day elapsing between the expiration of such three business day period and the date on which Tenant provides written approval of the Cost Estimate to Landlord shall be considered a day of "Tenant Delay". Tenant Delays shall also include,

- (a) Tenant's failure to furnish any information, document, or approval required to be furnished by Tenant to Landlord hereunder at the time and in the manner set forth herein or to take any action or perform any obligation required hereby within an allotted time period; or

(b) Tenant's request for materials finishes or installations other than Landlord's building standard which results in a delay in substantially completing construction of Landlord's Work; or

(c) Tenant's requested changes to the Final Plans which results in a delay in substantially completing construction of Landlord's Work; or

(d) The performance of any work described in this Exhibit by a person, firm or corporation employed by Tenant which results in a delay in substantially completing construction of Landlord's Work (all such persons, firms or corporation being subject to the approval of Landlord); or

(e) Tenant's failure to pay Landlord any portion of Tenant's share of the cost of Landlord's Work, or any other sums due hereunder, at the time and in the manner required by this Exhibit; or

(f) Tenant's failure to take any action in connection with obtaining a certificate of occupancy for the Premises that must be taken by Tenant (e.g., applications for certificate of occupancy); or

(g) If a certificate of occupancy cannot be obtained due to work that is to be performed by Tenant.

4. *Payment.* Landlord shall bear the entire, actual Cost Work up to a maximum of \$139,209.31 ("TI Allowance"). Tenant shall reimburse Landlord for all costs in excess of the TI Allowance within 30 days of invoice therefor, provided that Landlord, before approving or beginning any work causing the cost to exceed the TI Allowance, gives Tenant five-days' prior written notice that the entire TI Allowance has been committed or otherwise expended.(the "**Over-Budget Notice**"). During the five-day interval, Tenant may require Landlord to stop work or curtail it. Landlord's failure to provide the Over-Budget Notice to Tenant prior to initiating the work causing the overage relieves Tenant of the requirement to reimburse Landlord for any costs in excess of the TI Allowance. Upon completion of Landlord's Work, Landlord must provide Tenant with a reconciliation statement and Tenant and Landlord shall memorialize these costs in the form of the Termination Fee Memorandum attached to the Lease as **Exhibit E**. Tenant, at its sole discretion may direct Landlord to reimburse Tenant or pay directly to a third party, subject only to there being unspent money in the TI Allowance, any costs related to the purchase of Tenant's inventory, furniture, fixtures, and equipment, or payment of moving expenses or telecommunication installation costs. Landlord may require lien waiver releases from contractors or vendors paid directly by Landlord at Tenant's request. Any unused TI Allowance at the later of (1) completion of Landlord's Work or (2) June 30, 2010 is forfeited and belongs to Landlord absolutely. Funds expended by Landlord to improve the Premises prior to the date this Lease is executed, or work that was done to the grounds or exterior of the Building in which the Premises is located prior to the date of this Lease are not included in the TI Allowance, including fees paid to design firms in connection with work other than Landlord's Work, or any funds spent by Landlord prior to the date of this Lease to modify the roof mounted HVAC equipment to accommodate the occupancy or improve the grounds

outside the Premises, including landscaping and parking areas and any costs to improve the exterior of the Premises building including weather proofing the exterior or replacing any exterior building components such as exterior doors or windows. Any additional work required by Tenant to the Building (including landscaping and parking areas), or the installation of supplemental HVAC after the date of this Lease, and not shown on the Final Plans, shall be at Tenant's expense and, if such work is approved by Landlord, may only be included in the TI Allowance if there is unused TI Allowance available therefor upon completion of Landlord's Work.

5. *Additional Available Allowance.* If Tenant request in writing before Substantial Completion, Landlord must give an additional tenant improvement allowance not exceeding \$20,000 (the "**Additional TI Allowance**"). The Additional TI Allowance will be amortized at seven percent per annum over the first full 36 months of the Initial Term and must be repaid by Tenant as additional rent in equal monthly installments (the "**Monthly Additional Rent**") as provided in the Lease. The Additional TI Allowance may be used only for the same purposes as that intended for the TI Allowance under paragraph 4 above. The amount of the Monthly Additional Base Rent shall be confirmed in the Lease Commencement Memorandum to be executed by the parties upon determination of the actual Commencement Date.

6. *Square Footage.* For the purposes of all per-square-foot calculations, the Premises contain 6,163 square feet.

7. *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 Commencement Date, unless Tenant disputes Substantial Completion in writing.. 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.

Subject to delay caused by force majeure events or by Tenant, Landlord shall use reasonable efforts to have Landlord's Work completed by _____, failing which Landlord shall not be liable for any damage thereby caused to Tenant, but Tenant, as its sole remedy, shall not be liable for payment of rent pending substantial completion unless such delay was caused by a Tenant Delay. If any delay in substantial completion or issue of a certificate of occupancy is caused by Tenant, its employees or contractors, then, the anticipated date of substantial completion (November 30, 2009) shall be moved forward one day for each day of Tenant Delay.

8. *Early Access.* Landlord must permit Tenant and its agents, to enter the Premises before the Commencement Date, and not later than May 1, 2012, except as stated below. Tenant's entry must be to prepare the Premises for Tenant's use and occupancy, including testing and installing Tenant's equipment. Any such entry into the Premises is

under all of the terms of the Lease, except Rent. Tenant's early entry and the placement or installation by Tenant in the Premises of furniture, fixtures, equipment, and inventory shall be at Tenant's sole risk and liability. Tenant shall ensure that such early entry as permitted hereunder shall not delay the progress of Landlord's Work. Tenant shall ensure that any contractors engaged by Tenant for the installation of cabling and equipment or additional work required by Tenant shall (i) conduct their work in such a manner so as not to unreasonably interfere with any other construction occurring on or in the Building or the Premises; (ii) comply with such reasonable rules and regulations applicable to all work being performed in the Building and uniformly administered as may be promulgated from time to time by Landlord; (iii) maintain such insurance and bonds in full force and effect as may be requested by Landlord or as required by law. If any delay in the progress of Landlord's Work is caused by force majeure events or by Tenant or its contractors, then such early entry date of May 1, 2012 may be delayed by Landlord provided that Tenant shall in any event be allowed early entry approximately 30 days prior to Substantial Completion of Landlord's Work.

9. *Construction Representatives.* Landlord hereby appoints Doug Martine (210/912-3779) ("Landlord's Representative") to act as the Landlord's Representative in all matters covered by this Work Letter. Tenant hereby appoints Chris Kurzon (210/207-7723) ("Tenant's Representative") to act as Tenant's Representative in all matters covered by this Work Letter. All inquiries, requests, instructions, authorizations and other communications with respect to the matters covered by this Work Letter will be made to Landlord's Representative or Tenant's Representative, as the case may be. Either party may change its representative under this Work Letter at any time by giving five (5) days written notice to the other party delivered in accordance with the notice provisions of the Lease.

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. *Time of Essence.* Time is of the essence in all the deadlines stated in this work letter.

13. *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.

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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
Centerview Marketplace, LP,
a Delaware limited partnership

By: **Gateway Centerview GP, Inc.**
a California corporation, its general
partner

By: **RREEF Management Company**,
a Delaware corporation, Authorized Agent

By: _____

Printed
Name: _____

Title: _____

Date: _____

By: _____

Printed
Name: _____

Title: _____

Date: _____

Exhibit D: Cleaning and Maintenance Schedule

Cleaning and Maintenance Schedule

Daily (Monday through Friday)

Carpets Vacuumed

Composition floors dust-mopped

Desks, desk accessories and office furniture dusted. Papers and folders left on desk, not to be moved.

Wastebaskets and other trash receptacles emptied; remove trash from the building to an area designated outside of the Premises.

Chairs and wastebaskets returned to proper position.

Fingerprints removed from glass doors and partitions.

Drinking fountains cleaned, sanitized and polished.

Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.

Malfunctioning light bulb and tube replaced, as required.

Graffiti expunged as needed but no more than two business days after Tenant has given Landlord verbal notice of the existence of graffiti.

Kitchen/lunchroom supplies replenished including paper supplies and soap.

Weekly

Low-reach areas such as, but not limited to, chair rungs, baseboards and insides of doorjambes dusted.

Windowsills, ledges and wood paneling and molding dusted.

Floors washed in uncarpeted office areas.

Monthly

Floors waxed in uncarpeted office areas.

High-reach areas, such as, but not limited to, door frames, tops of partitions and hanging light fixtures dusted.

Upholstered furniture vacuumed, plastic and leather furniture wiped.

Picture molding and frames dusted.

Wall vents and ceiling vents vacuumed.

Carpet professionally spot cleaned as required to remove stains.

HVAC chiller water checked for bacteria, chiller water conditioned as necessary.

Quarterly

Light fixtures cleaned and dusted, but not less frequently than Quarterly.

Wood furniture polished.

Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.

HVAC units serviced for preventative maintenance purposes, all filters changed.

Semi-Annually

Windows washed as required inside and outside but not less frequently than two times annually.

All painted wall and door surfaces washed and stains removed.

All walls treated with vinyl covering washed and stains removed.

Annually

Furniture Systems and other fabric or upholstered surfaces, including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction process.

Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.

Touch-up paint all interior painted surfaces in a color and finish to match existing.

As Needed

Premises and the sidewalks, driveways, parking areas and all means of ingress and egress serving the Premises should be maintained in good repair, and in clean and safe condition at all times.

All lawns, shrubbery and foliage on the grounds of which the Premises is part should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

Carpets to be cleaned using non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) heavy traffic areas as needed with a minimum frequency of bi-monthly (six times per year); (ii) moderate traffic areas cleaned as needed with a minimum of once every six months (two times per year) and; (iii) clean light traffic areas a minimum of one time per year. Cleaning carpet via use of a bonnet cleaning system is not an acceptable method for cleaning carpets.

All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event, subject to damage or destruction conditions as provided in the Lease, will Landlord be required to repaint or replace wall coverings more than one time in a five-year period, not counting the initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease.

General

Landlord must, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

Exhibit E: Termination Fee Memorandum

Termination Fee

Landlord: Centerview Marketplace, L.P.

Tenant: City of San Antonio

Lease: Office Lease (4335 Piedras Piedras Drive West, Suite 200, San Antonio 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.

Paragraph 4.01 of the Lease permits Tenant to terminate the Lease before expiration of the Term if it pays a termination fee.

This memorandum sets out the termination fee Landlord and Tenant agree is due if Tenant terminates early according to section 4.01..

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. Total Leasing Costs.

The total Leasing Costs eligible for amortization under section 4.01 of the Lease is \$_____.

3. Unamortized Leasing Costs.

The unamortized Leasing Costs for termination as of January 31, 2014 is \$_____.

4. Termination Fee.

The total termination fee is \$_____ (namely (i) the unamortized Leasing Costs in the amount of \$_____, and (ii) the unamortized TI Allowance in the amount of \$_____.

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.

Tenant

Landlord

City of San Antonio, a Texas municipal corporation

Centerview Marketplace, LP, a Delaware limited partnership

Signature: _____

By: **Gateway Centerview GP, Inc.**
a California corporation, its general partner

Printed Name: _____

By: **RREEF Management Company**,
a Delaware corporation, Authorized Agent

Title: _____

By: _____

Date: _____

Printed Name: _____

Approved as to Form:

Title: _____

City Attorney

Date: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

Exhibit F: Project Schedule

April 5, 2012	Lease approved by City of San Antonio Council – subject to having a completed lease from by March 30, 2012
April 16, 2012	Signed and fully executed lease delivered to Landlord
???	Construction Plans completed
???	Building Permit applied for with City of San Antonio
???	Construction Plans sent to contractors for bidding
???	Contractor selected
???	Construction commences
May 15, 2012	Early Access
???	Construction substantially completed

???. Dates need to be added before signing