

# Office Lease – District 1 Council Office

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## 1. Basic Information, Definitions.

### Authorizing Ordinance:

**Landlord:** North Star Income Partners L.P.

**Landlord’s Address:** 3345 Bee Cave Road, Suite 208, Austin, Texas 78746

**Tenant:** City of San Antonio

**Tenant’s Address:** P.O. Box 839966, San Antonio, Texas 78283-3966  
(Attention: Leasing Division, Building Equipment

Services Division)

**Premises:** The single-story retail space at 8507 McCullough Avenue, consisting of a total of 2,430 rentable square feet located in Suites A-5 and A-7 as shown on **Exhibit A** attached hereto which is located in the approximately 51,928 square foot commercial center known as “*North Star Square*” shopping center located at the intersection of West Rector Drive and North McCullough Avenue, San Antonio, Bexar County, Texas (“Shopping Center”).

**Permitted Use:** Office space and any other incidental office related use the Tenant deems appropriate

**No. of Parking Spaces:** Landlord to provide Tenant up to 20 unreserved parking spaces in the parking lot adjacent to the Premises at no additional charge. In the event Landlord reserves parking spaces for other tenants (excluding other tenants installing unauthorized parking signs) in the retail center of which the Premises is part, then Landlord shall provide all of Tenant’s required parking within 200 feet of the front entrance of the Premises.

**Parking Rent:** No extra charge; the rent specified in Section 3 includes the use of parking spaces.

**Rent Commencement Date:** The first of the month following the date of issuance of the Landlord-obtained Certificate of Occupancy, which shall not be later than 180 days after the Binding Date of the lease. The commencement date will be memorialized on a Lease Commencement Memorandum attached and incorporated hereto as **Exhibit B**.

**Binding Date:** As provided in Section 2.03 of this Lease

**Initial Term:** Five years from the Rent Commencement Date

**Rent:** As specified in Section 3 of this Lease

**Address for Payment of Rent:** 3345 Bee Cave Road, Suite 208, Austin, Texas 78746

**Asbestos Survey Deadline:** 30 days after the Binding Date

**Building Standard Hours:** 24 hours a day, seven days per week

**Common Areas:** Exterior sidewalks leading to Premises; landscaped areas, exterior parking lot and building lighting, entrances/exits, drive aisles and parking / dumpster areas and all roof tops (provided however that access to and use of roof top is limited to Landlord) in the retail center of which the Premises is part.

**Essential Services:** Including, but not limited to:

- Property Taxes and property tax consultant charges, but excluding any taxes attributable to Tenant's personal property.
- Water and Sewer utility service to the Premises
- Landscaping of common areas
- Trash hauling for any trash generated by Tenant (excluding any daily internal janitorial services for Tenant) provided it is placed in the common dumpsters serving the Common Area
- Common Area, including parking lot repair, maintenance and lighting
- Maintenance and repair of the basic structure, including the foundation; roof and all below slab concealed plumbing systems unless resulting from Tenant's negligence or wanton misconduct
- Property insurance, including betterments existing as of the Binding Date but excluding Tenant's improvements and personal property, and liability insurance in amounts deemed appropriate by Landlord as provided in Section 11 of the Lease.

**Exhibits:** **Exhibit A:** Description of Premises  
**Exhibit B:** Rent Commencement Memorandum  
**Exhibit C:** Initial Cost Memorandum  
**Exhibit D:** Pylon Signage

## 2. Grant.

2.01. Intending to be legally bound and in consideration of the rents to be paid hereunder and other good and valuable consideration, 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 provide for Tenant the number of parking spaces indicated above.

2.02. Tenant’s right of occupancy begins for purposes of performing any construction activities allocated to Tenant upon the execution of this Lease.

2.03. 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, (“Binding Date”); but no later than May 31, 2024.

### 3. Rent.

3.01. Rent for the Initial Term will be paid monthly per the following schedule:

	Total Monthly Rent
Year 1	\$4,637.25
Year 2	\$4,797.33
Year 3	\$4,963.15
Year 4	\$5,134.93
Year 5	\$5,312.90

3.02. Tenant must pay Rent in the amounts described in this section in advance on the first day of each month or within five (5) days thereafter without penalty except as outlined below. Tenant may only be more than five (5) days late twice in a calendar year without penalty. On the third and each later occasion in a calendar year on which Tenant is more than five (5) days late, Landlord may deliver to Tenant written notice of delinquency. If Tenant does not pay the full amount due within five (5) days of Landlord’s notice, then Tenant owes a late charge of 5.00% of the delinquent amount as additional rent. The late charge represents a fair and reasonable estimate of costs Landlord will incur because of the late payment. Interest and late charges are in addition to all Landlord's other rights and remedies. Upon the third occasion in a calendar year that rent is not paid timely, if rent is not paid within twenty (20) days of when due, Tenant will be deemed in default under the Lease. If Tenant fails to pay any sum which at any time becomes due to Landlord under any provision of this Lease as and when the same becomes due hereunder, and such failure continues for thirty (30) days after the due date for such payment, then in addition to the late charge, Tenant shall also pay to Landlord interest on such overdue amounts from the date due until paid at an annual rate which equals the lesser of (i) eighteen percent (18%) or (ii) the highest rate then permitted by law.

3.03. If Landlord receives prepaid rent from or for the account of Tenant, Landlord must apply the prepaid rent according to Tenant's directions but in any event will be applied to any outstanding rent owed first then to the next succeeding rental payment.

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

3.05. Prior to receiving payment under the terms of this Lease, Landlord and any successor-in-interest to Landlord will register the entity that will receive payment with the City of San Antonio as a vendor including providing all reasonable tax information requested by Tenant.

#### **4. Term, Renewal, Termination.**

4.01. The term of this Lease is the Initial Term, unless sooner terminated as provided in this Lease.

4.02. Tenant shall have the right to renew for an additional 5 years at a rate to be determined, but in no event shall the renewal rate be 25% more than the rate during the Initial Term.

4.03. Tenant shall have the right to terminate this lease at any time after the 24<sup>th</sup> month of the Initial Term upon 90 days prior written notice. If Tenant terminates prior to the end of the Initial Term, then Tenant shall pay to Landlord within 30 days of the date of Tenant's termination notice a Termination Fee (herein so called) equal to the unamortized balance of leasing commissions and tenant improvements (as provided in Section 7.02 of the Lease) paid for by Landlord at the commencement of this Lease. The exact cost of Landlord's investment attributable to the termination fee will be memorialized in the Initial Cost Memorandum attached hereto as **Exhibit C**. Failure to timely remit the Termination Fee to Landlord shall nullify and void Tenant's ability to terminate the Lease as allowed hereunder. Tenant shall not have the right to terminate this Lease at any time it is in default hereunder or if a condition then exists that with the passage of time or notice or both would constitute a default.

#### **5. Tenant's Affirmative Promises.**

Tenant promises that it will timely:

5.01. Obey (a) all applicable laws and regulations relating to the use, condition, and occupancy of the Premises and Shopping Center; (b) any requirements imposed by utility companies serving or insurance companies covering

the Premises or Shopping Center; and (c) any rules and regulations for the Shopping Center and Common Areas adopted by Landlord.

5.02. Obtain and pay for all utility services used by Tenant and not provided by Landlord.

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

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

5.05. Vacate the Premises in a clean and if applicable, repaired condition with all improvements (other than proprietary items of Tenant) left in place and return to Landlord all keys (and disclose any security codes) to the Premises promptly upon expiration of the Term, subject to any holdover rights. At the time Premises is vacated, Tenant, with Landlord's prior written approval, may leave in place any network cabling or other wiring installed by Tenant above the ceiling; but otherwise will be solely responsible for removal of all such cabling and wiring.

5.06. On request, execute an estoppel certificate that states the Rent Commencement Date and duration of the lease, identifies any amendments to the lease, describes any rights to extend the Term, 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.

5.07. Provide janitorial services to the Premises, but not the Common Areas, which will be Landlord's responsibility to keep clean. Tenant will regularly dispose of its refuse and garbage in dumpsters provided in the Shopping Center. Maintain exposed plumbing systems including sinks, faucets and toilets but not the supply and waste lines servicing such fixtures and located under the floor or behind the wall.

5.08. Maintenance of the air conditioning and heating equipment installed by Landlord for the Premises (excluding any HVAC units serving "IT servers" or "telecommunications") ("HVAC") shall be solely the responsibility of Tenant throughout the entire Term of this Lease. Tenant shall, at its own cost and expense, enter into a regularly scheduled preventive maintenance/service contract with a reputable maintenance contractor for servicing all water heaters, heating and air conditioning systems and equipment within the Premises. The service contract must include all services suggested by the equipment manufacturer within the

operation/maintenance manual and must become effective within thirty (30) days of the date Tenant takes possession of the Premises. Tenant shall within 30 days after request from Landlord furnish proof to Landlord that all such systems and equipment are being serviced in accordance with the maintenance/service contract. Within the thirty (30) day period preceding move out by Tenant, Tenant shall have the systems and equipment checked and serviced to insure proper functioning and shall furnish Landlord satisfactory proof thereof upon request. At Landlord's option, or alternatively, at the written request of Tenant, to protect the HVAC equipment, Landlord may (or shall, if at the request of Tenant) enter into a service contract covering Tenant's HVAC equipment, along with equipment of other tenants in the Shopping Center, and periodic replacement of filters or other replaceable parts and Tenant will reimburse such costs as additional rent within thirty (30) days of receipt of invoice and any supporting documentation. Notwithstanding Landlord assuming (if applicable) maintenance of the HVAC, because the HVAC will be newly installed prior to commencement of the Lease Term, Tenant agrees to be responsible for the cost of any repairs and/or replacement of the HVAC during the Lease Term and will reimburse Landlord for such costs as outlined above. When applicable manufacturer warranty work will be pursued initially. If Landlord is managing the HVAC system on behalf of Tenant, Landlord will apprise Tenant of the estimated costs of any major repair(s) or replacement and time to address same if not covered by manufacturer warranty.

## **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, unpleasant noise exceeding 70 decibels, odors to emanate from the Premises or misuse any utility services including water and sewer lines.
- 6.03. Interfere with any other tenant's normal business operations or Landlord's management of the Shopping Center.
- 6.04. Permit, cause or allow waste; or dispose of any rubbish or trash in the Common Areas other than in authorized receptacles.
- 6.05. Use the Premises in any way that would increase insurance premiums or void insurance on the Shopping Center or otherwise damage the Premises or any portion of the Shopping Center, including Common Areas.
- 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. Except as provided in Section 25 of this Lease, assign this lease or sublease any portion of the Premises without Landlord's prior 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 Occupancy Commencement Date.

7.02. Landlord's Work. Subject to the terms herein, Landlord will renovate the Premises at its cost (subject to the limitations below) and expense as specified by Tenant and depicted at the time of lease negotiation in **Exhibit E** attached hereto. Tenant will promptly pay to Landlord for all tenant improvement costs all amounts **above \$36,450** ("Landlord's Allowance") in a lump sum payment upon the later of (i) 30 days of the Rent Commencement Date or (ii) 30 days of the date Landlord invoices Tenant for the cost of the Tenant specified improvements. Prior to receiving any reimbursement for the improvements, Landlord must submit to Tenant a complete accounting of the total cost including evidence that vendors hired to perform the work have been paid in full. The cost to be incurred by Landlord will be memorialized on the Initial Cost Memorandum attached as **Exhibit C**. If Tenant exercises its option to terminate the Lease as provided by Section 4.03 before the expiration of the Lease Term, then Tenant will pay the unamortized balance of the Landlord's cost including leasing commissions as provided in Section 4.03 herein. As part of Landlord's Work any ADA modification to the exterior of the premises including, but not limited to sidewalks, approaches to the Premises and parking area modifications will be completed by Landlord prior to the Rent Commencement Date at Landlord's sole cost and expense and not subject to termination reimbursement.

7.03. Signage. Landlord will allow Tenant at its sole cost and expense to place exterior signage on the exterior of the Premises in accordance with any standards set by the City of San Antonio Development Services Department, securance of required municipal permits, and Landlord's Signage Criteria. Tenant's signage rights are limited to the pylon sign on Rector Drive and signage on the Premises exterior wall facing the parking area. The pylon sign area provided for Tenant's use shall be a size equivalent to the location shown on the attached **Exhibit D**. At expiration of the Lease Term, Tenant will be responsible for (i) removing its

fascia signage on the exterior of the Premises (and repairing any damage to the fascia) and (ii) replacing its pylon signage with a blank plastic panel matching the remainder of the pylon sign.

7.04 Obey all applicable laws and regulations with respect to Landlord's operation of the Shopping Center and Common Areas.

7.05. Provide the Essential Services.

7.06 Repair, replace, and maintain the (a) roof, (b) foundation, (c) Common Areas, (d) structural soundness of the exterior walls, and overhangs, (e) floors (but not carpeting or similar floor covering, unless damaged by a problem with the floor), (f) material damage to Tenant's improvements, including concealed mechanical systems, caused by failure or malfunctioning of building features or equipment for which Landlord is responsible, (g) other structures or equipment serving the Premises including concealed and under slab plumbing systems unless caused or resulting from Tenant or its employees willful acts, negligence or misconduct, and (i) all other parts of the Premises the repair, replacement, and maintenance of which is not otherwise expressly allocated to Tenant.

7.07 HVAC. Install a new HVAC system (at a ratio of 1 ton per 300 square feet) including all ductwork, diffusers, grills and thermostats with at least one diffuser per room within the Premises.

7.08 Mold.

7.08.01. Process of Assessment. If Tenant reasonably suspects or identifies the presence of toxic or toxigenic mold (Mold) within the Premises after taking possession that was not caused by Tenant's actions, failure to take reasonable action, or negligence, Landlord shall engage a licensed mold assessor ("assessor") to make an inspection not later than the fifth business day from the date Tenant notifies Landlord in writing of the issue (Tenant's Mold Notice). Landlord's assessor shall take all reasonable steps, within 15 business days from the date of the Tenant's Mold Notice, provide Landlord and Tenant a report of the findings of the inspection (Assessor's Report). If the Assessor's Report concludes that dangerous, toxic or medically significant Mold is present, Landlord shall notify Tenant, in writing ("Landlord's Mold Notice"), not later than the fifth (5<sup>th</sup>) business day from the date Landlord and Tenant receive the report, of its intention to remediate the Mold. The Landlord's Mold Notice must also include a schedule outlining the period of time expected that it will take for a licensed remediation contractor to complete the work. Failure to complete the remediation shall be an event of default subject to a thirty (30) day cure

period if required by the remediating entity or consulting/testing firm. If Landlord elects to remediate the Mold, Landlord must retain a licensed abatement contractor to ensure the abatement is conducted in compliance with current state mold assessment and remediation legal requirements including the promulgated Mold Assessment and Remediation Rules, last amended on May 20, 2007. Upon completion of the mold remediation, the licensed abatement contractor must provide both Landlord and Tenant a report from a licensed environmental testing firm confirming that the Mold is no longer present at the Premises.

7.08.02. No Landlord Remediation or Landlord Remediation Taking Longer than 60 days. If Landlord: 1.) fails to timely provide Tenant the Landlord's Mold Notice; 2.) elects not to remediate; or 3.) communicates that the remediation is scheduled to take longer than 60 calendar days to be completed and affects a significant portion of the Premises, as evidenced by a remediation schedule provided by a licensed remediation contractor, then Tenant may terminate this Lease effective with 3 business days' written notice to Landlord (Tenant's Election to Terminate Notice). If Tenant exercises this option, Tenant's obligation to pay rent will cease effective 3 business days after Landlord's receipt of Tenant's Mold Notice or the date of Landlord's report, whichever occurs later. In such circumstance, Tenant shall have 30 days from the date of this Notice to fully vacate the Premises or remediate the Mold itself and deduct the remediation cost plus 10% for the management of the project from the rent next due until such time that the costs incurred by Tenant including the 10% fee are fully recovered.

7.08.03. Rental Abatement. During any mold assessment and remediation period that affects a significant portion of the Premises and Tenant is not able to operate its business therein, whether the work is done by Landlord or by Tenant, the rent will be abated for any portion of the Premises reasonably deemed by Tenant (and confirmed by Landlord's environmental consultant) unusable due to the presence of Mold or the remediation activity related to it.

7.09. Deliver to Tenant an Asbestos Survey of the Premises 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. In the event asbestos is discovered in the Premises after the Commencement Date, Landlord will take immediate steps to address and remediate the situation in a manner similar to that outlined above for Mold. If Landlord fails to comply with the remediation process outlined in section 7.08 above, Tenant may terminate this Lease at any time in the same manner outlined above in Section 7.08.

7.10. Timely pay when due all charges for utility services to the Premises, except for services the payment of which are expressly responsible by Tenant.

7.11. Pay all property taxes assessed against the Shopping Center of which the Premises are part on or before the assessment of interest or penalties for late payment.

7.12. Allow Tenant the unfettered right to use the Common Areas in conjunction with other tenants and their invitees and customers, subject to reasonable rules and regulations that Landlord may prescribe.

7.13. Prior to the Rent Commencement Date obtain a certificate of occupancy for the Permitted Use.

## **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 or a condition exists that with the passage of time or notice or both would constitute a default hereunder.

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

## **9. Repair, Maintenance and Replacement Responsibilities.**

Landlord and Tenant each must repair, maintain, and replace, if necessary, any building component contained within the Premises allocated to it in the table below:

<i>Item</i>	<i>Tenant Responsibility</i>	<i>Landlord Responsibility</i>
Janitorial Services to Premises	Yes	No
Utility Services (Electricity and Gas)	Yes	No
Utility Services (Water and Sewer)	No	Yes

Parking Lot Maintenance and Lighting	No	Yes
Landscaping	No	Yes
Exposed Electrical Systems	No	Yes
Light bulbs and tubes	Yes	No
Concealed Electrical Systems	Yes	No
Exposed Plumbing Systems	Yes	No
Concealed Plumbing Systems including under slab drain lines (1) (unless resulting from Tenant or its employees willful acts, negligence or misconduct)	No	Yes
HVAC Systems (subject to Section 5.08 above)	Yes	No
Exterior Glass and Door Systems	Yes	No
Pest Control	Yes	No

Tenant shall be responsible for promptly clearing any clogged drain systems; provided however, if the clog is the result of a breach in the line or some other event not a result of Tenant's activities, use or negligence, then Landlord will unclog the lines at its expense until the issue causing the clog is resolved.

## **10. Alterations.**

At the termination of the Lease, with Landlord's prior consent, subject to Tenant's election and without creating any obligation to do so, Tenant may (without any damage to the Premises) remove all or any specific technology or HVAC systems installed by Tenant in the Premises including but not limited to telephone cabling, network systems, alarm systems, HVAC exclusively serving the Tenant's communication room or other low voltage access systems (Technology Systems). In the event Tenant elects with Landlord's approval, not to be unreasonably withheld, or delayed, to leave in place all or any portion of the Technology Systems, the Technology Systems will become the property of Landlord. However, Tenant will not remove any other betterments or other improvements installed in, on or to the Premises as of the Commencement Date without Landlord's prior written consent, and any physical additions or improvements to the Premises made by Landlord on behalf of Tenant will become the property of Landlord.

## 11. Insurance.

11.01. 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.

11.02. 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 100% of replacement cost of any insurable Landlord owned improvements thereon.

11.02.01. 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	Center City Development and Operations 100 West Houston Street, Mailbox 1800A San Antonio, TX 78205
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11.02.02. Prior to the Binding 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. At its sole expense, Tenant may request reasonable 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 shall make reasonable efforts to secure such changes, but the cost thereof shall be the responsibility of Tenant. Tenant acknowledges and understands that the Shopping Center is a part of Landlord and its affiliate's portfolio of properties that are covered by common insurance policies and that some changes might not be possible or practical. Failure by Tenant to timely pay for any such endorsement changes shall nullify any such changes. Tenant's review and approval of a certificate does not waive the certificate's noncompliance with the requirements of this Lease.

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

## **12. 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 (or self-insurance retention program) either has, or is required to have , 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.**

## **13. Indemnity.**

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

**13.01.01. "Indemnified Claims" mean all loss, cost, liability, or expense, directly or indirectly arising, in whole or in part, 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. Indemnified Claims also include claims in which an Indemnitee shares liability with the Indemnitor, excluding only claims as to which Indemnitees are solely negligent.**

**13.01.02. “Indemnitees” means the parties being indemnified pursuant to the terms hereof, and their respective affiliates, subsidiaries and related parties, and their respective elected officials, officers, directors, partners, managers, owners, employees, agents, and other representatives and their heirs and successors, collectively, against whom an Indemnified Claim has been asserted.**

**13.01.03. “Indemnitor” means the party required to indemnify the Indemnitees pursuant to this Lease.**

**13.02. To the extent permitted by the Texas Constitution or other Texas Law, Indemnitor must indemnify Indemnitees, individually and collectively, from all Indemnified Claims caused by the sole negligence of the Indemnitor and/or its subsidiary or affiliate, and respective elected officials, partners, managers, owners, officers, employees, agents and other representatives, which shall be limited to the amount of proceeds available under applicable insurance policies.**

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

**13.04. Indemnitor must promptly advise the Indemnitee in writing of any potential and/or actual Indemnified Claim and vice versa, and the Indemnitor shall, at its own cost, investigate and defend the Indemnified Claim. Whether or not the Indemnitor is an Indemnitee as to a particular Indemnified Claim, the Indemnitor may reasonably object to the counsel Indemnitor has hired to defend Indemnitees. Regardless any counsel representing Indemnitees shall be deemed to be an attorney of such Indemnitees to the extent of the defense of such Indemnified Claim.**

**13.05. 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.**

**13.06. Indemnitor may not settle any Indemnified Claim without the reasonable consent of the Indemnitee , 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. Any withholding of consent as allowed in the preceding sentence does not release or impair Indemnitor’s obligations of this indemnity paragraph. 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 a Tenant Indemnitee must first be approved by City Council if required by applicable law.**

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

#### **14. Casualty/Total or Partial Destruction.**

14.01. If the Premises or any portion thereof are damaged by casualty and can be restored within 120 days of the date that Landlord is first aware of the damage, Landlord will (provided that the casualty was not caused by Tenant or its agents or representatives), at its expense, restore the roof, foundation, Common Areas, and structural soundness of the exterior walls of the Premises and Tenant shall be responsible for all leasehold improvements within the Premises, including interior partitions, ceilings, wiring, light fixtures, and plumbing. Provided that the casualty was not caused by Tenant or its representatives or agents, restoration (other than for Tenant’s personal property and improvements) must be at no cost to Tenant and in substantially the same condition existing before the casualty. If Landlord fails to 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. Evidence of completion shall include a Certificate of Occupancy or other documentation issued from the City of San Antonio department charged with managing the building permit process that all work has been completed as required by law. Any delays caused by City of San Antonio departments, including Tenant and/or City Public Services or other affiliated entities for utilities, will be additional time allowed for Landlord to complete any restoration.

14.02. If the Premises cannot be restored within 120 days, Landlord has the option whether or not to restore the Premises. If Landlord chooses not to restore or fails to notify Tenant of its intent to restore the Premises within 10 business days of the date that Landlord is first aware of the damage, this lease shall terminate as of that date Tenant vacates the Premises. If Landlord chooses to restore the Premises, Landlord will notify Tenant of the estimated time to restore in writing as required

within said 10 business day period. Tenant shall then have 10 days from the date of notice to terminate the Lease. If Tenant does not terminate this Lease, the Lease will continue, and Landlord will restore the Premises as provided above.

14.03. During the period before Landlord completes restoration, the Rent will be adjusted as may be fair and reasonable based on the portion of the Premises deemed unusable by both Tenant and Landlord due to the damage.

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

## **15. Condemnation/Substantial or Partial Taking.**

15.01. 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.

15.02. 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.

15.03. The Award shall belong solely to Landlord. Tenant may seek to secure compensation for relocation expenses as allowed under State law. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises or the land on which the Premises is situated.

## **16. Holdover.**

16.01. If the Lease has not been earlier terminated according to its terms and Tenant is current on rent and not in default under the lease based on actual notice of default provided in writing to Tenant or any circumstance exists that with the giving of notice or the passage of time, or both, would be deemed a default, both after the Initial Term and after any renewals provided for in this instrument, Tenant may hold-over for up to three (3) additional month on a month-to-month basis. Tenant need not provide advance written notice of intent to exercise this hold-over right, and even if Tenant does not need to hold over for the entire allowable month, Tenant will still be responsible for the three month's rent and shall not prorate any Rent during the Holdover. The rent during a holdover 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 the department presently managing this Lease deems the holdover beneficial.

16.02. If prior notice is required to initiate a renewal under this Lease, the required notice period may include time in the hold-over period. If the required notice of renewal is less than the hold-over period, Tenant may deliver notice in the hold-over period.

16.03. 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.

## **17. Default.**

17.01. Default by Landlord/Events. Defaults by Landlord are (i) failing to comply with any provision of this lease and continuing to do so, after 30 days written notice from Tenant; (ii) failing to provide Essential Services to Tenant within 10 days after receipt of written notice; (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.

17.02. 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, unless it is outside of Landlord's reasonable control, within 30 days after default, terminate this lease. Further, if a utility service the payment of which is allocated to Landlord is in imminent threat of being terminated, Tenant may, without prior notice to Landlord, pay some or all the charges and deduct the entire amount paid against the next occurring Rent payment.

17.03. 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.

17.04. 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 with Tenant being responsible for all costs incurred by Landlord to secure the Premises and relet the Premises and any shortfall of rent received by Landlord, Tenant to (i) promptly reimburse Landlord for reasonable reletting and securance expenditures which are supported by written invoice and (ii) pay monthly its share of Rent not recovered by Landlord; (b) enter the Premises and perform Tenant's obligations and be promptly reimbursed by Tenant with supporting documentation of such expenses; and (c) terminate this lease by written notice and sue for rent, other amounts owed by Tenant and all damages.

17.05. 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.

## **18. 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.**

## **19. Environmental.**

19.01. "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.

19.02. "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, other than those used in de minimus amounts in the normal and customary operations by Landlord or its agents.

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

19.04. Landlord represents that, to the best of its current actual knowledge, without any duty of inquiry or investigation, the Premises and the property of which the Premises are a part, if applicable, comply with all applicable Environmental Laws. Landlord will use all commercially reasonable means to cause its employees, agents, contractors, tenants, and other persons occupying or present on or about the Shopping Center on which the Premises are located (other than the Premises) (collectively, "Occupants") to comply with all applicable Environmental Laws.

19.05. Landlord represents and warrants that, to the best of its actual knowledge, without any duty of inquiry or investigation 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.

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

19.07. Landlord represents and warrants that to the best of its actual knowledge, (i) with regard to activities and conditions on the Shopping Center Landlord has not given, nor was it required to give, and Landlord has not received, any written notice that: (a) the Shopping Center violates any Environmental Law; (b) there has been a Release, or threat of Release, of Hazardous Materials from the Shopping Center; (c) 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 (d) the Shopping Center is subject to a lien under any Environmental Laws; and (ii) 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.

19.08. Before the Rent 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, but only after written notice to Landlord and Landlord's prior written approval, subsurface testing, soils, and groundwater testing, and any other tests, as the Tenant, in its sole but reasonable 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 Shopping Center, Tenant must promptly restore the Shopping Center. Tenant is responsible for damages arising from its testing on the Shopping Center and for the proper disposal of any wastes generated by its testing. Failure to comply with the provisions of Section 19 will be deemed a default under the Lease. The provisions contained in Section 19 will survive the expiration or termination of this Lease.

19.09. Landlord hereby indemnifies 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. Tenant hereby indemnifies Landlord 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 Landlord in enforcing this indemnity) arising from or relating to breach of Tenant's environmental representations, warranties, and covenants.

19.10 Limitation on Representations and Warranties; Landlord's Knowledge. As used in this Section 19 with regard to representations by Landlord in connection with the Building, the term "to Landlord's knowledge" (or derivation thereof including "to best of" or "to Landlord's actual") means to the current, actual knowledge as of the Commencement Date (and not imputed, implied or constructive) without duty of inquiry or investigation of any manner of Scott R. Butcher, who Landlord represents is the person with knowledge of the day-to-day operations of the Shopping Center and does not include knowledge imputed to Landlord from any other person or entity. The named individual is acting for and on behalf of Landlord and in a capacity as officer of Landlord and/or its representative and in no event is such individual making any representations or warranties in an individual capacity. Notwithstanding anything to the contrary set forth in this Lease, the foregoing individual shall not have any personal liability or liability whatsoever with respect to any matters set forth in this Lease or any of Landlord's representations and/or warranties herein being or becoming untrue, inaccurate or incomplete. This Limitation shall not apply to any environmental matters occurring after the Commencement Date.

## **20. 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 other than as set forth in Section 4.03 above for early termination of the Lease.

## **21. Dispute Resolution.**

21.01. 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.

21.02. 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.

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

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

21.05. 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.

21.06. Mediator fees must be borne equally.

21.07. The parties need not mediate before going to court (i) for either party to seek emergency injunctive relief, (ii) for Landlord to seek forcible entry and detainer relief against Tenant or (iii) for Landlord to seek payment of unpaid rents and other amounts owed by Tenant hereunder.

## **22. Prohibited Interests in Contracts.**

22.01. 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.

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

### **23. Miscellaneous.**

23.01. *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.

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

23.03. *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.

23.04. *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.**

23.05. *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.

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

23.07. *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 other than by certified mail, notice is complete on the date shown on the receipt. Address for notice may be changed by giving notice.

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

23.09. *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.

23.10. *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.

23.11. *Administrative Agreements.* The Director of Center City Development and Operations 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.

23.12. *Conflicts Between Numbers Stated Two Ways.* Whenever there is a conflict between numbers stated more than one way, either by using both words and numerals or by stating a fixed amount and a calculation, the highest number controls.

23.13. *Quiet Enjoyment.* As long as Tenant pays the rent and other charges under this lease and observes the covenants and terms of this lease and is not otherwise in default hereunder or any circumstance exists that with the giving of

notice or the passage of time, or both, would constitute a default hereunder, 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.

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

## **24. 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.

## **25. Assignment and Subleasing.**

Notwithstanding the provision in Section 6.09 of this Lease, Tenant may assign this Lease or sublet all or a portion of the Premises without Landlord's permission provided either (i) the assignee or sublessee is another City of San Antonio agency or department and the use classification is consistent with that provided for in Section 1 of this Lease.

**26. Lender's Approval Required for Lease.** Tenant acknowledges that due to certain of Tenant's requirements hereunder including but not limited to, early termination rights, Tenant's improvement costs, Landlord's Allowance, and various indemnifications, Landlord is required to secure the prior approval of this lease by its financial lending source for the Shopping Center, and consequently, this lease is thereby subject to such approval. Landlord will use all commercially reasonable efforts to timely secure such approval 15 days prior to the Binding Date. Landlord will keep Tenant regularly advised on its progress in such process.

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

**Tenant**

**Landlord**

**City of San Antonio**, a Texas  
municipal corporation

**North Star Income Partners LP**  
a Texas limited partnership,

Signature:\_\_\_\_\_

by: Greenblum Investment Partners, Inc.,  
a Texas corporation, its general partner

Printed  
Name:\_\_\_\_\_

Signature:\_\_\_\_\_

Title:\_\_\_\_\_

Printed  
Name:\_Scott R. Butcher

Date:\_\_\_\_\_

Title:\_Vice President

Date:\_\_\_\_\_

**Approved as to Form:**

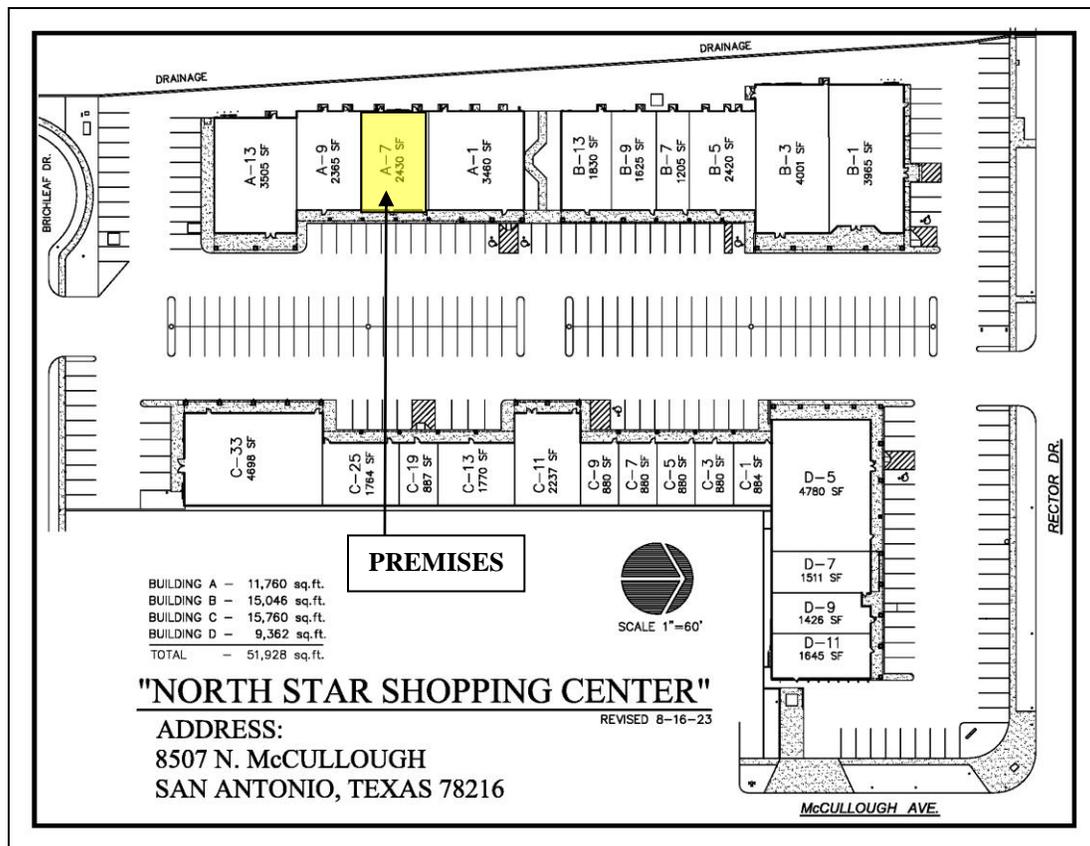
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City Attorney

## Exhibit A: Description of Shopping Center

Lot Ninety (90), Block Zero (0), New City Block 12025, Ridgeview Subdivision, City of San Antonio, Bexar County, Texas according to the Plat thereof recorded in Vol. 8800, Page 108, Deed and Plat Records of Bexar County, Texas ("Land") known as North Star Square Shopping Center, located at 8507 N. McCullough Ave, San Antonio, Texas.

The location of the Premises within the Shopping Center is as depicted below:



## Exhibit B: Lease Commencement Memorandum

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**Landlord:** North Star Income Partners LP

**Tenant:** City of San Antonio

**Lease Premises:** The single-story retail space at 8507 N. McCullough Avenue, consisting of a total of 2,430 rentable square feet located in Suites A-5 and A-7

**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 on the date of issuance of the Certificate of Occupancy for the Premises. The Rent Commencement Date is the first day of the month following the date of issuance of the Landlord-obtained Certificate of Occupancy.

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:

#### **45. 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 commenced on \_\_\_\_\_ and will terminate on \_\_\_\_\_.

**3. 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

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved as to Form:**

\_\_\_\_\_  
City Attorney

**Landlord:**

**North Star Income Partners LP**, a Texas limited partnership

By: Greenblum Investment Partners, Inc., a Texas corporation, its general partner

Signature: \_\_\_\_\_

Printed Name: Scott R. Butcher

Title: Vice President

Date: \_\_\_\_\_

## **Exhibit C: Initial Cost Memorandum**

---

**Landlord:** North Star Income Partners LP

**Tenant:** City of San Antonio

**Leased Premises:** The single-story retail space at 8507 McCullough Avenue, consisting of a total of 2,430 rentable square feet located in Suites A-5 and A-7

**Authorizing Ordinance:** \_\_\_\_\_

### *Predicate Facts:*

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

The 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:

#### **45. 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. Landlord's Cost for Tenant Improvements.**

Landlord's cost to complete the tenant specified improvements is as follows:

Landlord's Allowance \$36,450.00  
Amount to be reimbursed by Tenant \$ \_\_\_\_\_  
Total cost of Tenant specified improvements \$ \_\_\_\_\_

The total cost of Tenant specified improvements is subject to reimbursement to Landlord in the event the lease is terminated prior to the expiration of the Lease Term, as provided in Section 4.03 of the Lease.

**3. Leasing Commissions.**

Landlord paid a total of \$ \_\_\_\_\_ in leasing commissions attributable to this Lease.

The total cost of Leasing Commissions is subject to reimbursement to Landlord in the event the lease is terminated prior to the expiration of the Lease as provided in Section 4.03 of the Lease.

**4. No Default.**

As of the date this Memorandum is executed, Landlord and Tenant agree 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.

**Tenant:**

**City of San Antonio**, a Texas municipal corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved as to Form:**

\_\_\_\_\_  
City Attorney

**Landlord:**

**North Star Income Partners LP**, Texas limited partnership

By: Greenblum Investment Partners, Inc., a Texas corporation, its general partner

Signature: \_\_\_\_\_

Printed Name: Scott R. Butcher

Title: Vice President

Date: \_\_\_\_\_

**Exhibit D:**

**Pylon Sign with Tenant's approved panel location Memorandum**

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<b>NORTH STAR SQUARE SHOPPING CENTER</b>	
(OPEN SPACE)	
RESERVED	
HASFIT PERSONAL TRAINING	
RESERVED	
STATE FARM	
<b>TENANT'S PANEL</b>	
CLASSIC UNIFORMS	
KOMNATA QUEST	VAPE & TOBACCO
MEDITTERANEAN TURKISH GRILL	
RED CHAIR HAIR	
CHIROPRACTOR	
HERRING'S	
AERROS INK	TUTUS & RIBBONS
SHAG THE SALON	WIG SALON
MARTINI CLUB	

\*Not to scale

Rector Road ---->

The Landlord's Signage Criteria requires Tenant's signage vendor to use a font and color identical to other signs on the pylon. Any installation of Tenant's signage on the fascia of the Premises must

comply with Landlord's Criteria which will be provided on request.

**Exhibit E: Proposed Improvements to Premises**  
**(please insert latest updated plan per revised notes from 2/19/24)**

