

Office Lease
(Health Department – WIC – Cross Creek Shopping Center)

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1. Basic Information, Definitions.

**Authorizing
Authority/Ordinance:**

Landlord: Basel Investments, Ltd.

Landlord's Address: Latipac Property Management, Inc.
P.O. BOX 162304
Austin, TX 78716

Tenant: City of San Antonio

Tenant's Address: P.O. Box 829966, San Antonio, Texas 78283-3966
(Attention: Leasing Manager, Center City
Development and Operations Department)

Premises: Suite 147; consisting of approximately 3,125 square feet,
all equipment, fixtures and improvements thereon located
at:

Cross Creek Shopping Center
9179 Grissom Road, Suite 147
San Antonio, TX 78251

Permitted Use: City of San Antonio WIC Clinic

**Occupancy
Commencement Date:** The date of issuance of the Landlord-obtained
Certificate of Occupancy

**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 Effective Date
of the lease. The commencement date will be
memorialized on a Lease Commencement
Memorandum attached and incorporated hereto as
Exhibit C.

Initial Term: Ten (10) years, from the Rent Commencement Date.

Renewal: One, 10-year renewal option with 180 days written
notice to Landlord prior to Lease expiration.

Rent: Specified in Section 3 below.

Ryan S. Ambrose

Address for Payment of Rent: Division Leader Property Manager
Latipac Property Management, Inc.
P.O. BOX 162304
Austin, TX 78716

- Essential Services:**
- Repairs to the HVAC systems serving the Premises, subject to Tenant's obligations in Article 5.
 - Flowing water utility service to the Premises.
 - Waste drain lines serving the Premises

The exhibits to this Lease are:

- Exhibit A:** Premises Diagram – Floorplan
Exhibit A-1: Pricing Notes
Exhibit A-2: Construction Drawings
Exhibit B: Initial Cost Memorandum
Exhibit C: Lease Commencement Memorandum

2. Grant.

2.01. Landlord leases the Premises to Tenant, and Tenant takes the Premises from Landlord on the terms and conditions of this lease ("Lease").

2.02. Tenant's right of occupancy begins at the Occupancy Commencement Date. 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.

2.03. This agreement is binding on the parties on the later of the signatures of the two parties.

3. Rent.

3.01. Monthly Rent Table:

Lease Year	Base Rent	Rent Attributed to Landlord's Work Cost	Total Monthly Rent
1	\$6,302.09	\$5,248.92	\$11,551.01
2	\$6,428.12	\$5,248.92	\$11,677.04
3	\$6,557.64	\$5,248.92	\$11,806.56
4	\$6,688.05	\$5,248.92	\$11,936.97
5	\$6,821.87	\$5,248.92	\$12,070.79
6	\$6,959.26	\$0.00	\$6,959.26
7	\$7,097.56	\$0.00	\$7,097.56
8	\$7,239.41	\$0.00	\$7,239.41
9	\$7,384.81	\$0.00	\$7,384.81
10	\$7,533.82	\$0.00	\$7,533.82

Rent attributed to Landlord's Work Cost is based on a total cost to construct the improvements detailed in Exhibit A-2 not to exceed \$362,576, with Landlord's Finish Out Allowance of \$78,125.00 being deducted from Landlord's Work Cost. The figures cited above assume a total expenditure for Landlord's Work Cost of \$350,985.85 and the sum of \$272,860.85 being amortized in 60 equal payments over the first five years of the Initial Term at 6% annual interest. Within 60 days of the Rent Commencement Date the parties will confirm the actual Landlord's Work Cost and the rent reflected in the table above will be adjusted to reflect actual expenditures up to \$362,576, less Landlord's Finish Out Allowance and that figure will be amortized over the first 60 months of the Initial Term at 6% annual rate of interest.

The Base Rent includes all probable costs incurred by Landlord for common area maintenance, taxes and insurance and is not subject to adjustment.

3.02. Tenant must pay the Rent in the amount described in this section in advance on the first day of each month or within 10 days thereafter without penalty. Tenant further may be more than 10 days late once in a calendar year without penalty. On the second and each later occasion in a calendar year on which Tenant is more than 10 days late, Landlord may deliver to Tenant written notice of delinquency. If Tenant does not pay the full amount due within 15 days from delivery of Landlord's notice, then Tenant shall pay a late charge of 5% 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.

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

3.04. 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, and 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 terminate this Lease with 180 days written notice to Landlord. However, if termination is before the expiration of the 60th month of occupancy, then Tenant shall pay Landlord, within 30 days of the date Tenant gives Landlord written notice of termination, the unamortized balance of the renovation cost (as established by **Exhibit B**, Initial Cost Memorandum).

4.03. Renewal. Tenant shall have one, ten (10) year renewal option with 180 days written notice to Landlord prior to Lease expiration. The Monthly Gross Rent for the renewal term will include the two percent annual increase so that the Monthly Gross Rent for the first year of the renewal term will be \$7,684.50 and the Monthly Gross Rent shall increase by a similar percentage each year for the remainder of the renewal term.

5. Tenant's Affirmative Promises.

Tenant promises that it will:

5.01. Obey (a) all applicable laws relating to the use, condition, and occupancy of the Premises and 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. Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants subject to Section 26 in this Lease.

5.03. Obtain and pay for separately metered electric and gas servicing the Premises.

5.04. Obtain and pay for a service contract with a professional HVAC company to change the HVAC filters on a quarterly basis with filters rated at MERV 13 or higher.

5.05. In addition to the cost of the HVAC filter change contract stipulated in Section 5.04, and subject to Landlord maintaining and replacing the HVAC systems that serve the Premises, Tenant will pay an amount not to exceed \$500.00 annually (annually is January 1st, through December 31st) for HVAC maintenance and repair cost, if any are actually incurred by Landlord.

5.06. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are obligations of Landlord. Such request for repairs shall be made within ten (10) days from the date Tenant notices the need for the repair.

5.07. Vacate the Premises and return all keys, codes and combinations (if applicable) to the Premises promptly upon expiration of the Term, subject to any holdover rights. At the time Premises is vacated, Tenant may leave in place, at its option, any network cabling or other wiring installed by Tenant above the ceiling.

5.08. Timely pay all property taxes accrued against Tenant's personal property located in the Premises.

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. Permit waste.

6.04. Use the Premises in any way that would increase insurance premiums or void insurance on the Shopping Center.

6.05. Change Landlord's lock system.

6.06. Alter the Premises.

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

6.08. Except as provided in Section 25 of this Lease, assign this lease or sublease any portion of the Premises without Landlord's written consent, which must not be unreasonably withheld.

7. Landlord's Affirmative Promises.

Landlord promises that it will:

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

7.02. Obey all applicable laws with respect to Landlord's operation of the Shopping Center and common areas.

7.03. Provide the Essential Services.

7.04. Landlord's Work. Landlord will renovate the Premises as specified in **Exhibit A** (Premises Diagram - Floorplan), **Exhibit A-1** (Pricing Notes), and **Exhibit A-2** (Construction Drawings). The Tenant will pay all amounts above \$78,125.00 (\$78,125.00 is the Landlord's Finish-Out Allowance) at 6% interest amortized over the first 5-years (60 months) of the lease term as shown in Section 3.01. The total cost of Landlord's Work (Landlord's Work Cost), including architectural fees, may not exceed a total of \$362,576.00. Any amounts above \$362,576.00 will be paid by the Landlord with no obligation by the Tenant to reimburse the Landlord for the overage. The Landlord's Work Cost will be memorialized on the Initial Cost Memorandum attached as **Exhibit B**. If Tenant exercises its option to terminate the Lease as provided by Section 4.02 before the expiration of the 60th month of occupancy, then Tenant will pay the unamortized balance of the Landlord's Work Cost. The leased premises and access to the leased premises must be compliant with the current Americans with Disabilities Act (ADA) Standards for Accessible Design. Any improvements needed in order to meet ADA Standards compliance, will be at Landlord's sole cost and expense and will not be added to or deducted from the Landlord's Work Cost.

Tenant will have the right at any time during the first sixty (60) months of the primary term to pay Landlord any amount of the unamortized balance of the Landlord's Work Cost. The unamortized remaining balance, if any, will be amortized at 6% interest, to be paid over the remaining months, of months 1 through 60 of the term, and the Amortized Landlord's Work Cost Reimbursement portion of the Total Monthly Rent in Section 3.01 will be decreased accordingly.

7.05. Mold.

7.05.01. Process of Assessment. If Tenant suspects or identifies the presence of mold within the Premises after taking possession, Landlord shall engage a licensed mold assessor ("assessor") to make an inspection not later than the third business day from the date Tenant notifies Landlord in writing of the issue (Tenant's Mold Notice). As used herein, "business day" shall mean any non-holiday Monday through Friday. Landlord's assessor shall, within 10 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 mold is

present, Landlord shall notify Tenant, in writing (Landlord's Mold Notice), not later than the third 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 it will take for a licensed remediation contractor to complete the work. Failure to make this date is an event of default. 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 mold is not present at the Premises.

7.05.02. No Landlord Remediation or Landlord Remediation Taking Longer than 30 days. If Landlord 1.) fails to timely provide Tenant the Landlord's Mold Notice 2.) elects not to remediate, or 3.) conveys that the remediation is scheduled to take longer than 30 calendar days to be completed, as evidenced by a remediation schedule provided by a licensed remediation contractor, then Tenant may terminate this Lease effective with thirty (30) 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 30 days after Landlord's receipt of Tenant's Mold Notice or the date Tenant has fully vacated the Premises, whichever is later. In such circumstance, Landlord shall have no right to re-capture any expenditures related to Landlord's Work Cost and 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 from the rent next due until such time that the costs incurred by Tenant including the 10% fee are fully recovered.

7.05.03. Rental Abatement. During any mold assessment and remediation period, whether the work is done by Landlord or by Tenant, the rent will be abated for any portion of the Premises deemed by Tenant unusable due to the presence of mold or the remediation activity related to it.

7.06. Deliver to Tenant an Asbestos Survey of the Premises no later than the Commencement Date established by **Exhibit C**, in accordance with the provisions of § 6-293 of the City Code of the City of San Antonio, Texas.

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

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

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. Repair, Maintenance and Replacement Responsibilities.

Landlord and Tenant, each at their sole cost and expense, must repair, maintain, and replace, if necessary, any building component allocated to it in the table below:

<i>Item</i>	<i>Tenant Responsibility</i>	<i>Landlord Responsibility</i>
Janitorial Services to Premises	Yes	No
Janitorial Services to Common Areas	No	Yes
Trash Hauling for all of Tenant's Trash which may be in common with other Tenants	No	Yes
Utility Services Electricity, Gas, Internet	Yes	No
Utility Services Water/Sewer to the Premises	No	Yes
Parking Lot Maintenance	No	Yes
Landscaping	No	Yes
Foundations, exterior walls and slabs	No	Yes
Roof	No	Yes
Exposed Electrical Systems	Yes	No
Light bulbs and tubes	Yes	No
Concealed Electrical Systems	Yes	No

<i>Item</i>	<i>Tenant Responsibility</i>	<i>Landlord Responsibility</i>
Exposed Plumbing Systems	Yes	No
Concealed Plumbing Systems above slab and clogged plumbing lines if caused by Tenant action	Yes	No
Concealed plumbing systems below slab including clogged plumbing lines caused by broken pipe	No	Yes
HVAC System	Yes Filters Only	Yes Per Section 5.05
Pest Control	Yes	No
Fire Life Safety Systems including fire sprinklers and fire extinguishers	No	Yes

10. 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.

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.

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
P. O. Box 839966
San Antonio, Texas 78283-3966

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

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

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

"The City of San Antonio, its officials, employees, representatives and volunteers are added as additional insureds as respects operations and activities of, or on behalf of, the named insured performed under this Lease with the City of San Antonio. This policy cannot be invalidated as to Tenant because of Landlord's breach of representation, warranty, declaration, or condition of this policy."

11.02.02. Within 30 days after the Occupancy Commencement Date and promptly after Tenant's later request, Landlord must, at its own expense, deliver certificates to Tenant's Risk Manager and to the City Clerk, reflecting all required insurance coverage, together with copies of policies and endorsements. All endorsements and certificates must be signed by an authorized representative of the insurance agent and must include the signatory's company affiliation and title.

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 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.

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

13.01.03. “Indemnitor” means Landlord.

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

13.03. If one or more Indemnitees are finally adjudged to bear fault outside the scope of this indemnity, Indemnitor need not further indemnify the so-adjudged Indemnitees from liability arising from the Indemnitees’ adjudicated share of liability. But despite allegations that one or more Indemnitees bear such fault, Indemnitor must nevertheless defend all Indemnitees until final adjudication and all appeals have been exhausted. An Indemnitee may but need not waive appeals. Indemnitor may not recover sums previously spent defending or otherwise indemnifying Indemnitees finally adjudged to bear fault outside the scope of this indemnity and must continue to indemnify other Indemnitees if claims are still asserted against them.

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

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

this indemnity paragraph, including its obligation to pay for the counsel selected by City. Regardless of who selects the counsel, the counsel's clients are Indemnitees, not Indemnitor.

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

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

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

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

14. Casualty/Total or Partial Destruction.

14.01. If the Premises or any portion thereof are damaged by casualty and can be restored within 90 days of the date that Landlord is first aware of the damage, Landlord will, at its expense, restore the roof, foundation, common areas, and structural soundness of the exterior walls of the Premises and all leasehold improvements within the Premises, including interior partitions, ceilings, wiring, light fixtures, and plumbing. Restoration must be 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 90 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.

14.02. If the Premises cannot be restored within 90 days, Landlord has the option of 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 thirty (30) days of the date that Landlord is first aware

this Lease shall terminate. If Landlord chooses to restore the Premises, Landlord will notify Tenant of the estimated time to restore in writing. 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 Tenant 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 be divided between Landlord and Tenant as their respective interests appear, with compensation due Landlord for damage to its reversionary interest, if any, and to Tenant for damage to its leasehold, if any. "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.

If the Lease has not been earlier terminated according to its terms and Tenant is current on rent, both after the Initial Term and after any renewals provided for in this instrument, Tenant may hold-over for up to six additional months on a month-to-month basis. Tenant need not give advance notice of intent to exercise this hold-over right. The rent during a hold over shall be the same rent for the last month of the Lease term plus ten (10) percent 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 monthly 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 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.

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 within 30 days after default, terminate this lease. Further, if an Essential Service the payment or responsibility to repair of which is allocated to Landlord is in imminent threat of being terminated or has not been repaired within 10 days of Tenant's written notice to Landlord, 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, 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.

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.

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 knowledge, the Premises and the property of which the Premises are a part, if applicable, comply with all applicable Environmental Laws.

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

19.06. Tenant must not allow the Release of any Hazardous Material from its use of the Premises on, onto, or from the Premises. Tenant further must not handle, use, or otherwise manage any Hazardous Material on the Premises. Tenant shall immediately notify Landlord of any suspected release of any Hazardous Material on, onto or from the Premises 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 knowledge, (i) with regard to activities and conditions on the Premises Landlord has not given, nor was it required to give, and Landlord has not received, any notice that: (a) the Premises violates any Environmental Law; (b) there has been a Release, or threat of Release, of Hazardous Materials from the Premises; (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 Premises 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 Occupancy 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 non-invasive tests, including without limitation, 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 Premises,

Tenant must restore the Premises. Tenant is responsible for damages arising from its testing on the Premises and for the proper disposal of any wastes generated by its testing.

19.09. Each party must indemnify the other party and its respective 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 notifying party in enforcing this indemnity) arising from or relating to breach of the environmental representations, warranties, and covenants set forth herein.

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.

21. Dispute Resolution.

Before bringing any action arising out of this Lease, the parties must first submit in good faith to non-binding mandatory mediation as set forth herein.

(A) The parties shall attempt to resolve any dispute arising out of or relating to this Lease promptly by negotiation between agents appointed by the respective parties who have authority to settle the controversy. To initiate a negotiation, a party shall give the other party written notice of any dispute not resolved in the normal course of business. Within thirty (30) days after delivery of the notice, the agents of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

(B) If the dispute has not been resolved by negotiation as provided in Section 21A herein within forty-five (45) days after delivery of the initial notice of negotiation, the parties shall endeavor to settle the dispute by mediation under the CPR Mediation Procedure currently in effect as modified by the CPR Streamlined Mediator Selection Procedure.

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 Lease 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 Lease 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 Lease 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 Lease 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 Lease'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, 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.

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

23.15. *No Representations by Landlord.* Tenant acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representations or promises with respect to the Premises except as expressly set forth in this Lease, and no rights, privileges, easements or licenses are acquired by Tenant except as expressly set forth in this Lease.

23.16. Except as expressly provided in the Lease in Section 17.02, in no circumstances shall the Tenant be entitled to offset or abatement of rent.

23.17. Notwithstanding anything in the Lease to the contrary, in no circumstances shall the Landlord be required to provide security for the Tenant, its employees or invitees, or for the Premises.

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 Lease waives an otherwise applicable exception to disclosure. The parties agree that this Lease shall not be recorded in the public records.

25. Assignment and Subleasing.

Tenant may assign this Lease or sublet all or a portion of the Premises with Landlord's written permission, which may not be unreasonably withheld, provided either (i) the assignee or sublessee is another governmental agency and the use classification is consistent with that provided for in Section 1 of this Lease; or (ii) any entity that has either by contract or other means assumed the responsibility for providing all or some of the services previously provided by the City at the Premises.

26. HIPPA Compliance Requirements.

Notwithstanding anything to the contrary contained in this Lease, Landlord acknowledges that Tenant is required by law to protect the privacy rights of its patients pursuant to: (i) the Administrative Simplification Requirements of the Health Insurance Portability and Accountability Act of 1996, as amended (“HIPAA”) and the regulations promulgated thereunder, including, the Standards for Privacy of Individually Identifiable Health Information and the Security Standards for the Protection of Electronic Protected Health Information (45 C.F.R. Parts 160 and 164); and (ii) the security and privacy provisions of the American Recovery and Reinvestment Act (“ARRA”), including the Health Information and Technology for Economic and Clinical Health Act (“HITECH”), and the regulations promulgated thereunder, as amended from time to time. When performing inspections or entering areas of the Premises which personal medical information is stored, Tenant, in its sole discretion, may require Landlord and its agents and representatives to be accompanied by an authorized employee or agent of Tenant to ensure such Landlord access does not interfere with Tenant’s obligations to protect the privacy rights of its patients as described above. Additionally, each party warrants that any use of the Premises and any service to be provided hereunder, including services related to cleaning and maintenance, shall comply with all applicable statutes, laws, rules, regulations, and accreditation standards and requirements of HIPAA, as applicable; including HIPAA compliance certification requirements for cleaning and maintenance personal who enter the Premises.

THE REMAINDER OF THIS PAGE IS 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

Basel Investments, Ltd.
By: Lucerne, Inc. General Partner

Signature: _____

By: _____

Printed
Name: _____

Printed
Name: Lorenzo BARRENA

Title: _____

Title: President.

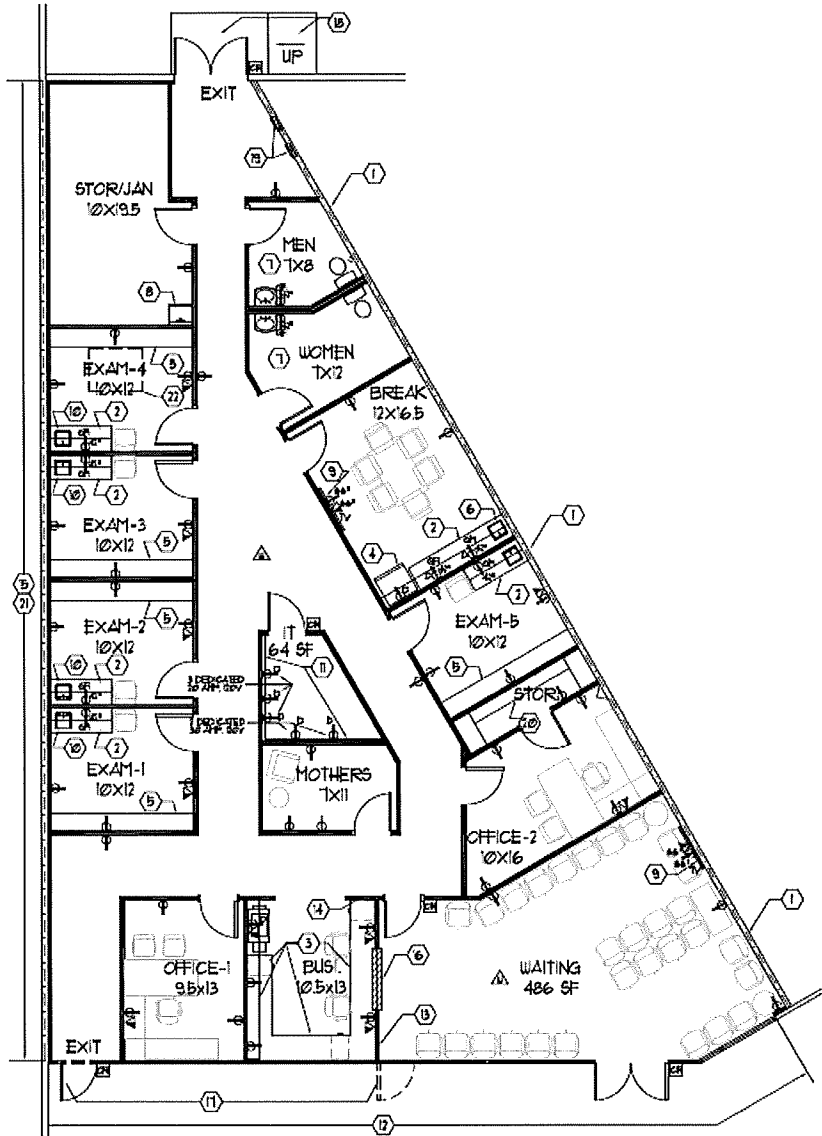
Date: _____

Date: DEC/20/2022

Approved as to Form:

City Attorney

Exhibit A: Premises Diagram – Floorplan



⊕ Schematic Plan
 Scale: 3/32" = 1'-0"
 Date: 11.10.21
 Pricing: 11.17.21
 Rev. Pricing: 11.22.21
 Rev. Pricing: 12.2.21

COSA WIC CLINIC

Cross Creek Shopping Center | Suite 147 | 3,125 RSF

INSITE



Exhibit A-1: Pricing Notes

GENERAL CONDITIONS:

1. These notes are for preliminary pricing only and not for construction. Contractor to visit site and verify existing conditions.
2. Provide for new Roof Top HVAC Units, Ducting and Thermostats as required for new wall configurations and to meet all applicable codes. **The GC is to provide for Certified Test and Balance report.**
3. Provide all safety systems and items required, such as exit signs, emergency lights, fire extinguishers, smoke detectors, to meet all applicable codes. All systems to be tied into building system as required.
4. All new interior partitions to match building standard unless noted otherwise. Provide 3 ½” sound batt insulation in all new walls.
5. All new interior doors, frames, and hardware to be new 3’x7’x1 ¾” thick with plastic laminate veneer in clear anodized aluminum frame. All hardware is to be lever type by Schlage AL Series.
6. Ceiling tile and grid is to be new 2x4, by Armstrong Dune, Second look 11 with 15/16” tee-grid.
 7. Coordinate the reuse of any stockpiled material with Building Management.
 8. The suite is vacant.
9. All Data/Voice and Security conduit/junction boxes to be installed and conform to the CoSA standard for cabling and the guidelines for security.

LIGHTING ALLOWANCES

- 18 New motion activated light switches
- 35 New LED 2x4 light fixtures by Lithonia EPANL (flat panel)
- 17 New LED 2x2 light fixtures by Lithonia EPANL (flat panel)

FINISH NOTES:

1. Provide new LVT flooring and rubber base through-out suite
LVT flooring allowance to be \$4.50 per SF installed.

2. All walls new and existing to receive 2 coats of interior latex enamel, eggshell finish, roller texture, unless noted otherwise. Allow for 2 accent colors. Sand smooth existing partitions to remain.

3.

KEYED NOTES:

1. Existing demising partitions, add fire caulk at roof deck and close/seal any openings.
2. Plastic laminate veneer countertop, base and wall cabinets.
3. Plastic laminate veneer countertop with box/box/file cabinets below and wall cabinets. (at Business area).
4. Refrigerator by tenant, provide for water lines with shut-off valves to refrigerator.
5. Plastic laminate veneer countertop. 18" deep with painted metal counter supports.
6. Stainless steel sink, 17"x 20" with hands free goose neck faucet by Moen Align or equal. Also provide connection to above ceiling hot water unit.
7. New restrooms (2), provide the following items:
 - A. Floor mounted, siphon jet tank type toilet, H/C height seat.
 - B. Wall mounted sink with hands free faucet
 - C. Accessories: paper towel dispenser with waste receptacle, 2-roll toilet paper dispenser, 24"x42" framed mirror, and continuous 54"x36" grab bar.
 - D. Floor drain
 - E. GWB ceilings
 - F. Ceiling mounted exhaust fan
 - G. Epoxy wall paint
8. Floor mounted service sink and faucet with 20 gal. electric hot water unit mounted above and connections to all sinks.
9. In wall non-combustible wood blocking for tenant provided wall mounted TV.
10. Stainless steel bar sinks at exam rooms, 15"x15" with hands free goose neck faucet by Moen Align or equal and with connections to hot water unit.
11. ¾" x 48" non-comb. and painted plywood with bottom mounted at 30" aff, on 2-walls.
12. Add new manual roller shades at existing exterior glass.
13. Location of security system keypad, (by tenant). GC to provide j-box at 48" aff with

- conduit and pull string.
14. Switch at countertop for panic button (by tenant). GC to provide j-box under counter with conduit and pull string.
 15. Provide for new R-26 thermal insulations at roof deck and mounted with pins between joists.
 16. 10"D x 60"L, Plastic laminate veneer transaction top with 1/4" tempered sliding glass windows with film.
 17. Relocate existing storefront door/frame. Door is to also be equipped with security door contacts with is by tenant.
 18. New concrete landing 5' x 7.5', 6"H with slope ramp.
 19. Existing recessed electrical panel, verify capacity and replace if required.
 20. 7-rows of 3/4" adjustable MDF shelves (18"D at sides, 12"D at front) with white melamine liner finish on all sides & standards by K&V #87, 84" long & # 187 brackets.
 21. Add painted G.W.B. furr-out over 3-1/2" metal studs with R-15 insulation to existing concrete tilt wall (floor to deck).

Exhibit A-2: Construction Drawings

Construction Drawings will be attached after approval by Landlord and Tenant.

Exhibit B: Initial Cost Memorandum

Landlord: Basel Investments, Ltd.

Tenant: City of San Antonio

Suite 147; consisting of approximately 3,125 square feet, all equipment, fixtures and improvements thereon located at:
Lease: Cross Creek Shopping Center
9179 Grissom Road, Suite 147
San Antonio, TX 78251

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:

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. Landlord's Cost for Tenant Improvements.

Landlord's Work Cost for tenant improvements, less Landlord's Finish-Out Allowance (\$78,125.00) under the Lease is: _____

The monthly rent attributable to Landlord's Work Cost shall be \$X per month for the first five (5) years of the Initial Term based upon a 60-month amortization at 6% annual rate of interest.

3. No Default.

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

- a. The Lease is in full force and effect according to its terms.
- b. Neither party is in default under the Lease.

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

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: _____

Landlord:

Basel Investments, Ltd.

By: Lucerne, Inc. General Partner

By: _____

Printed Name: LONGORU BARRERA

Title: PRESIDENT.

Date: DEC/20/2022

Approved as to Form:

City Attorney

Exhibit C: Lease Commencement Memorandum

Landlord: Basel Investments, Ltd.

Tenant: City of San Antonio

Suite 147; consisting of approximately 3,125 square feet, all equipment, fixtures and improvements thereon located at:
Lease: Cross Creek Shopping Center
9179 Grissom Road, Suite 147
San Antonio, TX 78251

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 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:

1. Defined Terms.

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

2. Lease Commencement.

The Lease Term commenced 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:

Basel Investments, Ltd.
By: Lucerne, Inc. General Partner

By: _____

Printed
Name: LORENZO BARRENA

Title: President.

Date: DEC / 20 / 2022