

OFFICE LEASE
BETWEEN
PUMA DEVELOPMENT, INC.
(“LANDLORD”)
and
CITY OF SUGAR LAND, TEXAS
(“TENANT”)

Dated:

LEASE AGREEMENT

This Lease Agreement (this “Lease”) is made and entered into effective as of the latest of the dates signed by the parties hereto (the “Effective Date”), by and between Puma Development, Inc. (“Landlord”) and City of Sugar Land, Texas (“Tenant”).

RECITAL

Landlord is a developer and intends to purchase the Property, as defined below. The Property is sited in the City of Sugar Land, Texas, which has a council/manager form of government. City officials agreed to facilitate development of the Property by committing to lease three floors of the to-be-redeveloped Char House building in the event Landlord is successful in purchasing the Property. This Lease Agreement is executed with the full knowledge of both Landlord and Tenant that, if and only if, Landlord is successful in purchasing the Property, shall the terms of this Lease become effective. The performance obligations arising under this this Lease shall begin on the date on which Landlord closes a purchase of the Property. Should Landlord fail in its attempt to purchase the Property on or before September 14, 2023 or if the City’s City Council fails to appropriate funds towards this Lease, this Lease shall automatically become null and void and of no further effect with neither party having any further obligation to the other.

WITNESSETH:

In consideration of the mutual covenants set forth herein, the parties hereto hereby agree as follows:

ARTICLE I

PREMISES

1.1 **Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, on the terms and for the rental hereinafter set forth, the “Premises”, consisting of approximately 27,000 square feet of Net Rentable Area (hereinafter defined) situated in the to-be-redeveloped building known as The Char House (the “Building”) which, together with its garage (if any) and/or other parking facilities and other appurtenant structures and facilities, is located in Ft. Bend County, Texas on the real property (the “Property”) described in Exhibit “A” attached hereto and made a part hereof. The Property, the Building and its garage and/or other parking facilities and other appurtenant structures and facilities are hereinafter sometimes collectively referred to as the “Project”. The Net Rentable Area of the Building is projected to be 74,000 square feet in which event Tenant’s pro-rata share of the Building is projected to be 36% (“Pro Rata Share”). Notwithstanding the foregoing, and subject to City Council approval, upon completion of the design for the Building and for the Premises, Landlord and Tenant agree to execute a Lease amendment stipulating to the actual square footage of the Premises and Building and Tenant’s Pro Rata Share.

1.2 **Net Rentable Area.**

(a) The term "Rentable Area" shall mean all floor areas within the Building, or the Premises, as the case may be, determined by adding together the following in accordance with the BOMA definition of "Net Rentable Area" for mixed use buildings, and as modified by the changes to the definitions herein which factor into the computation of Rentable Area for multi-use buildings under BOMA 2021 for Mixed Use Properties: Standard Method of Measurement (ANSI/BOMA 265.6-2021)

(b) "Usable Area" means the square footage of all floor areas within the Building, or the Premises, as the case may be, determined in accordance with the BOMA definition of Usable Area for mixed use buildings.

(c) "Building Common Areas" means the square footage of the areas within the Building, or the Premises, as the case may be, determined in accordance with the BOMA definition of Building Common Area for mixed use buildings.

(d) "Floor Common Areas" means the square footage of the areas within the Building, or the Premises, as the case may be, determined in accordance with the BOMA definition of Floor Common Area for mixed use buildings.

(e) The Net Rentable Area of the Premises and the Building have been calculated on the basis of the foregoing definitions, and is stipulated for all purposes to be the number of square feet for same specified, whether the same should be more or less (unless the same changes as a result of future changes affecting the Building) as a result of minor variations, including minor variations in the Rentable Area resulting from actual construction and completion of the Premises for occupancy so long as such work is in accordance with the terms and provisions of this Lease.

(f) If the Premises include, now or hereafter, one or more floors in their entirety, all corridors and restroom facilities located on such full floor(s) shall be considered part of the Premises. The Net Rentable Area in the Premises and the Net Rentable Area of the Building shall be calculated in accordance with the most recent BOMA Floor Measurement Standards for Mixed Use Buildings.

ARTICLE II

LEASE TERMS

2.1 **Duration and Term.** This Lease shall become fully effective and binding as of the Effective Date. Subject to and upon the terms and conditions set forth herein, Tenant's tenancy shall commence on the Tenancy Commencement Date, as hereinafter defined, and continue in force for a term of sixty (60) full calendar months thereafter (the "Term"). "Tenancy Commencement Date" means the date Landlord tenders possession of the Premises to Tenant or Tenant's agent, with Tenant Improvements complete and the Premises ready for Tenant's installation of fixtures and fittings not included in Tenant Improvements, defined below ("Tenant's Work").

Landlord shall proceed diligently to cause the Premises to be ready for commencement of Tenant's Work on or before the "Target Delivery Date", estimated to be May 1, 2025. In no event shall the Tenancy Commencement Date be later than May 1, 2027, after which Tenant may terminate this Lease. When, and if, the Term of this Lease commences in accordance with the provisions hereinabove, Landlord and Tenant will, at the request of either, execute a declaration specifying the Tenancy Commencement Date.

2.2 Acceptance of Premises. Landlord shall proceed to construct improvements upon the Premises in compliance with Landlord's construction obligation attached hereto as Exhibit C (collectively, "Tenant Improvements") and incorporated herein by reference and shall tender the Premises to Tenant. The Premises shall be delivered to Tenant when Landlord certifies in writing to Tenant that Landlord has fully completed Tenant Improvements. The Premises are accepted by Tenant in "as is" condition and configuration subject to (1) any Landlord obligation to perform work as specified in this Lease, and (2) any latent defects in the Premises of which Tenant notifies Landlord within ninety (90) days after the Tenancy Commencement Date, which Landlord shall repair at Landlord's sole cost and expense. Landlord shall have no obligation to repair latent defects in work performed by Tenant Parties (defined below). **TENANT HEREBY AGREES THAT, SUBJECT TO (1) ANY LANDLORD OBLIGATION TO PERFORM WORK, AND (2) ANY LATENT DEFECTS IN THE PREMISES OF WHICH TENANT NOTIFIES LANDLORD WITHIN 90 DAYS AFTER THE COMMENCEMENT DATE OTHER THAN WORK PERFORMED BY TENANT PARTIES, THE PREMISES ARE IN GOOD ORDER AND SATISFACTORY CONDITION AND THAT, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS LEASE, THERE ARE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, BY LANDLORD REGARDING THE PREMISES, THE BUILDING OR THE PROJECT.**

2.3 Permitted Use. Tenant shall use the Premises solely for general office purposes authorized by the Development Corporation Act, codified at Chapters 501 through 505 of the Texas Local Government Code (the "Act") and for no other purpose without the prior written consent of Landlord. Without limiting the generality of the foregoing, in no event shall Tenant use the Premises in any way that would (i) violate any laws, ordinances, orders, rules, regulations, covenants or restrictions applicable to the Project including, without limitation, environmental laws, the Americans with Disabilities Act and similar state statutes (collectively, the "Legal Requirements"), (ii) exceed structural load or utility (including fresh water, wastewater, electricity or gas) capacity limits of the Project under applicable Legal Requirements or of the mechanical, electrical or plumbing systems of the Building, (iii) create any public or private nuisance that would unreasonably interfere with any other tenants of the Building, including, without limitation, any use that would produce smells, noises, vibrations or visual conditions readily observable from a public portion of the Building that are not consistent with first class office buildings, (iv) pose a threat to the health or safety of other occupants of the Building, or (v) create within the Premises a working environment with a density of greater than five (5) persons per 1,000 square feet of Net Rentable Area in the Premises. Tenant, at its own expense, shall comply with the Rules and Regulations set forth in Exhibit "B" attached hereto and made a part hereof, and all applicable law; shall install, remove and alter such fixtures, equipment and facilities in, and make such alterations to, the Premises as may be necessary so to comply; shall comply with such regulations as Landlord may promulgate regarding sanitation,

cleanliness and other matters (not inconsistent with any other provision of this instrument). The following uses are expressly prohibited in the Premises: schools; personnel agencies; collection agencies; credit unions; data processing, telemarketing or reservation centers; medical treatment and health care; radio, television or other telecommunications broadcasting; restaurants and other retail (excluding the operation by Tenant of a retail space for Visit Sugar Land related merchandise); customer service offices of a public utility company; or any other purpose which would, in Landlord's reasonable opinion, impair the reputation or quality of the Building, overburden any of the Building systems, Common Areas or parking facilities (including any use which would create a population density in the Premises which is in excess of the density stated above, or impair Landlord's efforts to lease space or otherwise interfere with the operation of the Property. Tenant shall not engage in any activity or permit any nature of construction by Tenant or any other condition at the Premises which would cause Landlord's fire and extended or all-risk coverage insurance to be canceled, or the rate therefor increased (or at Landlord's option shall upon demand pay to the Landlord the amount of any such increase); shall comply with such safety recommendations and loss prevention and loss reduction recommendations as Landlord or Landlord's insurance carriers (or both) may, from time to time, request; or shall not conduct any auction or bankruptcy or fire or "lost-our-lease" or "going-out-of-business" or similar sale.

ARTICLE III

RENT/OPERATING EXPENSES

3.1 **Rent.** As consideration for this Lease, commencing on the Tenancy Commencement Date, Tenant shall pay Landlord, without any demand, setoff or deduction, the total amount of Base Rent, Tenant's Pro Rata Share of Operating Expenses and any and all other sums payable by Tenant under this Lease (all of which are sometimes collectively referred to as "Rent".) The "Base Rent" for each calendar month during the term of this Lease, which Tenant agrees to pay on the first day of each calendar month during the term hereof to Landlord or its assigns at Landlord's address stated in Section 11.6, without demand and without deduction, abatement or set-off, for the Premises shall be the sum of Thirty and No/100 Dollars (\$30.00) per year per rentable square foot of the Premises; provided, however, that if the Tenancy Commencement Date is other than the first day of a calendar month, the first rental payment, which shall be paid on the Tenancy Commencement Date, shall be the rental for the first full calendar month of the Term, plus a prorated rental for the remainder of the calendar month in which the Tenancy Commencement Date occurs. Such Base Rent shall be subject to adjustment as hereinafter provided.

3.2 **Operating Expenses.** Landlord projects (but does not guarantee or warrant) that the sum of the Operating Expenses of the Building for calendar year 2025 shall total \$14.00 per square foot of Net Rentable Area. Tenant shall pay Tenant's Pro Rata Share of Operating Expenses for each calendar year during the Term. On or about January 1 of each calendar year, Landlord shall provide Tenant with a good faith estimate of the Operating Expenses for such calendar year during the Term. On or before the first day of each month, Tenant shall pay to Landlord a monthly installment equal to one-twelfth of Tenant's Pro Rata Share of Landlord's estimate of the Operating Expenses. If Landlord determines that its good faith estimate of the Operating Expenses was incorrect, Landlord may provide Tenant with a revised estimate. After its receipt of the revised estimate, Tenant's monthly payments shall be based upon the revised

estimate. If Landlord does not provide Tenant with an estimate of the Operating Expenses by January 1 of a calendar year, Tenant shall continue to pay monthly installments based on the most recent estimate(s) until Landlord provides Tenant with the new estimate. Upon delivery of the new estimate, an adjustment shall be made for any month for which Tenant paid monthly installments based on the same year's prior incorrect estimate(s). Tenant shall pay Landlord the amount of any underpayment within 30 days after receipt of the new estimate. Any overpayment shall be credited against the next sums due and owing by Tenant or, if no further Rent is due, refunded directly to Tenant within 30 days of determination. The obligation of Tenant to pay for Operating Expenses as provided herein shall survive the expiration or earlier termination of this Lease, but only as to those months for which the Lease was in effect.

3.3 Reconciliation of Operating Expenses. Within 120 days after the end of each calendar year or as soon thereafter as is practicable, Landlord shall furnish Tenant with a detailed statement of the actual Operating Expenses for such calendar year. If the most recent estimated Operating Expenses paid by Tenant for such calendar year are more than the actual Operating Expenses for such calendar year, Landlord shall apply any overpayment by Tenant against Rent due or next becoming due; provided, if the Term expires before the determination of the overpayment, Landlord shall, within 30 days of determination, refund any overpayment to Tenant after first deducting the amount of any unpaid Rent that would have been due prior to the expiration. If the most recent estimated Operating Expenses paid by Tenant for the prior calendar year are less than the actual Operating Expenses for such year, Tenant shall pay Landlord, within 30 days after its receipt of the statement of Operating Expenses, any underpayment for the prior calendar year.

3.4 Operating Expenses Defined. "Operating Expenses" means all costs, expenses, and liabilities actually incurred or accrued in each calendar year of this Lease in connection with the ownership, operation, maintenance, management, repair and protection of the Property which are directly attributable or reasonably allocable to the Building; provided such costs and expenses are of the type normally treated as operating expenses by Comparable Landlords of comparable buildings using sound real estate accounting principles. A "Comparable Landlord" shall mean a reasonably prudent commercial office building landlord comparable to Landlord and its affiliates owning a commercial mixed use building comparable to that owned by Landlord and its affiliates in size, type and quality. Operating Expenses shall include costs and expenditures relating to the following:

(1) Operation, maintenance, repair and replacements of any part of the Building and Garage, Parking Lot and/or Parking Facilities (as those parking types are defined in Exhibit D), including the mechanical, electrical, plumbing, HVAC, vertical transportation, fire prevention and warning and access control systems; materials and supplies (such as building standard light bulbs and ballasts); equipment and tools; floor, wall and window coverings; related service agreements and rental expenses; and energy management consulting services;

(2) Administrative costs and management fees, including accounting, information and professional services (except for negotiations and disputes with specific tenants not affecting other parties); management office(s); and wages, salaries, benefits, reimbursable expenses and taxes (or allocations thereof) for full and part time personnel involved in operation, maintenance

and management, at or below the level of property manager, proportionately allocated to the Building;

(3) Janitorial service; window cleaning; waste disposal; gas, water and sewer and other utility charges (including add-ons); and landscaping, including all applicable tools and supplies;

(4) Grounds maintenance for the Property, including landscaping and lawn and plant care and maintenance;

(5) Property, liability, earthquake (where applicable) and other insurance coverage carried by Landlord, including deductibles and risk retention programs and a proportionate allocation of the cost of blanket insurance policies maintained by Landlord and/or its affiliates;

(6) Real estate taxes, assessments, excises, association dues, fees, levies, charges and other taxes of every kind and nature whatsoever, general and special, extraordinary and ordinary, foreseen and unforeseen, including interest on installment payments, which may be levied on possession of the Building, or paid as rent under any ground lease ("Tax Expenses"). Tax Expenses shall include, without limitation: (i) any tax on the rent or other revenue from the Building, Garage, Parking Lot, and/or Parking Facilities or any portion thereof, or as against the business of owning or leasing the Building, or any portion thereof, including any business, gross margins, or similar tax payable by Landlord which is attributable to rent or other revenue derived from the Building, Garage, Parking Lot, and/or Parking Facilities (ii) any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, (iii) personal property taxes for Building systems, equipment and fixtures, (iv) any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises, and (v) any assessment, tax, fee, levy or charge substituted, in whole or in part, for a tax previously in existence, or assessed in lieu of a tax increase. Tax Expenses shall not include Landlord's estate, excise, income or franchise taxes (except to the extent provided above);

(7) Building safety services, to the extent provided or contracted for by Landlord;

(8) Goods and services purchased from Landlord's subsidiaries and affiliates to the extent the cost of same is generally consistent with rates charged by unaffiliated third parties for similar goods and services;

(9) Amortization of capital expenditures incurred: (a) to provide or maintain building standards (other than building standard tenant improvements); or (b) with the reasonable intention of (I) promoting safety or (II) reducing or controlling increases in Operating Expenses, such as lighting retrofit and installation of energy management systems. Such expenditures shall be amortized over their useful life. Notwithstanding the foregoing, Landlord may elect to amortize capital expenditures under this subsection over a longer period of time based upon (i) the purpose and nature of the expenditure, (ii) the relative capital burden on the Property, (iii) for cost savings projects, the anticipated payback period, and (iv) otherwise in accordance with sound real estate accounting principles consistently applied; and/or

(10) Electrical services used in the operation, maintenance and use of the Property; sales, use, excise and other taxes assessed by governmental authorities on electrical services supplied to the Property, and other costs of providing electrical services to the Property.

Notwithstanding the foregoing, the following items shall be excluded from Operating Costs:

(1) Repairs or other work occasioned by (a) fire, windstorm or other casualty to the extent reimbursable to Landlord by insurers or which would have been reimbursed to Landlord if it had made a claim under insurance required by this Lease, (b) governmental authorities in eminent domain or (c) otherwise covered by a warranty or reimbursed by another Tenant or responsible third party;

(2) Leasing commissions, attorney's fees, costs and disbursement and other expenses incurred in connection with negotiations or disputes with Tenants, other occupants, or prospective Tenants and any marketing or advertising expenses;

(3) Expenses incurred in renovating or otherwise improving or decorating, painting or redecorating space for exclusive use by tenants or other occupants or vacant space;

(4) Landlord's costs of electricity and other services provided specifically for other tenants;

(5) Expenses in connection with services or other benefits of a type which are not available to Tenant upon the same terms as are provided to another tenant or occupant;

(6) Costs incurred due to violation by Landlord or any tenant or other occupant of the terms and conditions of any lease;

(7) Overhead and profit increment paid to subsidiaries or affiliates of Landlord for services on or to the Building, to the extent only that the costs of such services exceed competitive costs of such services were they not so rendered by a subsidiary or affiliate;

(8) Principal and interest on debt or amortization payments on any mortgage or mortgages, and rental under any ground or underlying leases or lease;

(8) Organizational expenses associated with the creation and operation of the entity which constitutes Landlord;

(9) Any compensation paid to clerks, attendants, or other persons in commercial concessions operated by Landlord (except for concessions operated primarily for the convenience of tenants of the Building);

(10) All items and services not provided to all tenants for which Landlord or any other tenant of the Project reimburses Landlord or pays third persons; and/or

(11) Any costs, fines or penalties incurred due to violations by Landlord of any governmental rule or authority.

Notwithstanding anything contained herein to the contrary, Landlord and Tenant mutually agree that Tenant's share of Controllable Operating Expenses (as hereinafter defined) for the second full calendar year and ensuing calendar years shall not exceed one hundred ten percent (110%) of Tenant's prior full calendar year share of Controllable Operating Expenses on a cumulative basis, compounded annually for the prior twelve (12) month period. "Controllable Operating Expenses" is hereby defined to mean all Operating Expenses, the cost of which are within the reasonable control of Landlord and, thus, shall exclude premiums for insurance, taxes, extraordinary weather-related costs (including, but not limited to, landscape maintenance costs, such as those resulting from infestation, storms, drought, and other severe weather), utility costs, lighting and liability insurance, all fees fixed under contracts entered into as of the effective date, utility or regulatory charges, and expenses that are caused by reason of changes in law or other governmental requirements.

3.5 **Proration of Operating Expenses; Adjustments.** If Landlord incurs Operating Expenses for the Project together with one or more other buildings or properties, whether pursuant to a reciprocal easement agreement, common area agreement or otherwise, the shared costs and expenses shall be equitably prorated and apportioned by Landlord between the Project and the other buildings or properties. If the Building is not 95% occupied during any calendar year or partial calendar year or if Landlord is not supplying services to 95% of the total Rentable Square Footage of the Building at any time during a calendar year or partial calendar year, Operating Expenses shall be determined as if the Building had been 95% occupied and Landlord had been supplying services to 95% of the Rentable Square Footage of the Building during that calendar year. The extrapolation of Operating Expenses under this Section shall be performed by Landlord by adjusting the cost of those components of Operating Expenses that are impacted by changes in the occupancy of the Building.

ARTICLE IV

SERVICES AND UTILITIES/ACCESS

4.1 **Standard Services.** Landlord shall furnish to Tenant the following services during the term of this Lease: janitorial service for the Building standard items, five days per week; if applicable, non-exclusive passenger elevator service during normal business hours; air conditioning and heating as reasonably required in Landlord's judgment for the comfortable use and occupancy of the Premises under normal office conditions from 7:00 a.m. to 6:00 p.m. Monday through Friday, and 8:00 a.m. to 1:00 p.m. Saturday, but not on Sundays or holidays observed by Landlord; electricity for normal office use; replacement of ballasts and lamps for Building standard ceiling mounted light fixtures; and hot, cold and refrigerated water at those points of supply provided for general use of other tenants in the Building. No interruption or malfunction of any such services shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or Building or a breach by Landlord of any of its obligations hereunder or otherwise render Landlord liable for damages or entitle Tenant to be relieved from any of its obligations hereunder or work an abatement of Rent or grant Tenant any right of set-off or recoupment. In the event of any such interruption, however, Landlord shall use reasonable diligence to restore such service. In addition, Tenant shall pay to Landlord, monthly as billed, such charges as may be separately metered or as Landlord may compute for any electric service or extra air conditioning utilized by Tenant for computers, data processing equipment or other

electrical equipment which exceeds the Building Standard Electrical Service (as defined in Section 4.2 below) or extra lighting or other electric service not standard per the Building Standard Electrical Service. In the event that Tenant desires air conditioning or heating at any time or times other than previously specified and Landlord consents to the furnishing of such service at the time or times requested by Tenant, Tenant shall be charged for such air conditioning or heating furnished by Landlord during such periods at Landlord's then standard hourly rate, currently \$40.00 during the periods when such services are furnished.

The work of the Building janitor shall not be hindered by Tenant after 5:30 p.m. and such work may be done at any time when offices are vacant.

The obligations of Landlord to provide the services and utilities shall be subject to governmental regulation (i.e., rationing, temperature control, etc.) and any such regulation which requires Landlord to provide such services or utilities shall not constitute a default hereunder but rather compliance with such regulations shall be deemed to be compliance with the obligations and agreements of Landlord hereunder.

4.2 Excess Electrical Service. Tenant's use of electrical service shall not exceed, in voltage, rated capacity, use beyond normal business hours or overall load, the Building standard electrical service ("Building Standard Electrical Service") which is electricity for standard office lighting fixtures and equipment and accessories customary for offices where: (i) the connected electrical load of Tenant's lighting in the premises does not exceed 1.5 watts per net rentable area of the Premises and the connected electrical load of the Premises excluding lighting does not exceed an average of 4.0 watts per net rentable area of the Premises; (ii) the electricity will be nominal 120 volts, single phase (or 110 volts, depending on available service in the Building), except that electricity for lighting will be at 277/480 volts; and (iii) the safe and lawful capacity of the existing electrical circuit(s) serving the Premises is not exceeded. If Tenant requests permission to consume excess electrical service, Landlord may refuse to consent or may condition consent upon conditions that Landlord reasonably elects (including the installation of utility service upgrades, meters, submeters, air handlers or cooling units). The costs of any approved additional consumption (to the extent permitted by Law), installation and maintenance shall be paid by Tenant.

4.3 Third Party Services. If Tenant desires any service which Landlord has not specifically agreed to provide in this Lease, such as private security systems or telecommunications services serving the Premises, Tenant shall procure such service directly from a reputable third-party service provider ("Provider") for Tenant's own account. Tenant shall require each Provider to comply with the Building's rules and regulations, all laws, and Landlord's reasonable policies and practices for the Building. Tenant acknowledges Landlord's current policy that requires all Providers utilizing any area of the Building or Property outside the Premises to be approved by Landlord and to enter into a written agreement acceptable to Landlord prior to gaining access to, or making any installations in or through, such area. Accordingly, Tenant shall give Landlord written notice sufficient for such purposes, but in no event less than fourteen (14) days' prior written notice.

4.4 Keys and Locks. Landlord agrees to furnish to Tenant on the Tenancy Commencement Date up to ten (10) electronic or physical key access for the Building and each

corridor door entering the Premises. Additional keys will be furnished at a charge by Landlord on an order signed by Tenant or Tenant's authorized representative. All such electronic and/or physical keys shall remain the property of Landlord. No additional locks shall be allowed on any door of the Premises without the written permission of Landlord, and Tenant shall not make or permit to be made any duplicate keys of the Premises, except those furnished by Landlord. Upon expiration or termination of this Lease, Tenant shall surrender all keys to the Premises, and give to Landlord the explanation of the combination of all locks for safes, safe cabinets, and vault doors, if any, in the Premises.

4.5 **Graphics.** Landlord agrees to provide and install, at Landlord's cost, letters or numerals on the entrance doors to the Premises to identify the suite number of the Premises and the name of the business of Tenant to be conducted in the Premises. All such letters and numerals shall be in the Building standard graphics, and no other shall be permitted on or within the Premises without Landlord's prior written consent. In addition, Landlord shall initially input, at Landlord's expense, a listing of Tenant's name on the Building's directory board, if any, located in the main lobby of the Building. In no event shall any signs of any kind or nature, symbol or identifying mark be put in the halls, elevators, staircases, entrances or parking areas without the prior written approval of Landlord.

4.6 **Parking and Service Areas.** Landlord shall have sole control over the parking of automobiles and other vehicles and the entrances, exits, and traffic lanes of the parking areas and Building service areas. Landlord shall have the right to establish and alter, from time to time, reasonable rules and regulations relating to the use of the parking facilities, which may include designating certain areas of said parking facilities for use by Tenant and Tenant's employees. Tenant hereby waives, to the extent permitted by law, any liability of Landlord to Tenant resulting from the exercise of Landlord's rights in the immediately preceding sentence. Tenant shall notify Tenant's employees of the provisions of this Section 4.6 prior to commencement of the employment or work on behalf of Tenant by such person.

4.7 **Landlord Access.** Tenant shall permit Landlord or its agents or representatives to enter into and upon any part of the Premises at all reasonable hours with at least twenty-four (24) hours prior notice to inspect the same, clean or make repairs, alterations or additions thereto, as Landlord may deem necessary or desirable, and Tenant shall not be entitled to any abatement or reduction of rent by reason thereof. Landlord may enter into and upon any part of the Premises with twenty-four (24) hours advance notice within the final six (6) months of the Lease Term to show the Premises to prospective tenants.

ARTICLE V

IMPROVEMENTS, REPAIRS AND MAINTENANCE

5.1 **Tenant's Repair and Maintenance Obligations.** Tenant shall keep the Premises in good condition and repair, ordinary wear and tear excepted, and if any portion of the Premises is visible from any Common Area, such portion of the Premises shall be kept neat and clean. Tenant's repair obligations shall not include repairs to the extent necessitated by the acts of Landlord or Landlord's agents. Tenant's repair obligations include, without limitation, repairs to: (1) floor covering and/or raised flooring; (2) interior partitions; (3) doors; (4) the interior side of

demising walls; (5) electronic, phone, data and other cabling and related equipment (collectively, "Cable") that is installed by or for the benefit of Tenant whether located in the Premises or in other portions of the Building; (6) supplemental air conditioning units, private showers and kitchens, including hot water heaters, non-Building standard plumbing, dishwashers, ice machines and similar facilities serving Tenant exclusively; (7) phone rooms used exclusively by Tenant; (8) Alterations (defined below) performed by contractors retained by Tenant, including related HVAC balancing; and (9) all of Tenant's furnishings, trade fixtures, equipment and inventory. Prior to performing any such repair obligation, Tenant shall give written notice to Landlord describing the necessary maintenance or repair. All work shall be performed at Tenant's expense in accordance with the rules and procedures provided by Landlord. If Tenant fails to make any repairs to the Premises for more than fifteen (15) days after written notice from Landlord that an item subject to repair by Tenant under this Paragraph requires such repair (although notice shall not be required if there is an emergency), Landlord may, in addition to any other remedy available to Landlord, make the repairs, and Tenant shall pay to Landlord the reasonable cost of the repairs within thirty (30) days after receipt of an invoice together with an administrative charge in an amount equal to 5% of the cost of the repairs.

5.2 Landlord's Repair and Maintenance Obligations. Landlord shall keep and maintain in good repair and working order and make repairs to and perform maintenance upon: (1) structural elements of the Building; (2) standard mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building generally; (3) Common Areas; (4) the roof of the Building; (5) exterior windows of the Building; and (6) elevators serving the Building. Landlord shall promptly make repairs (taking into account the nature and urgency of the repair) for which Landlord is responsible. If any of the foregoing maintenance or repair is necessitated due to the acts or omissions of any Tenant Party, as hereinafter defined, Tenant shall pay the costs of such repairs or maintenance to Landlord within thirty (30) days after receipt of an invoice, together with an administrative charge in an amount equal to 5% of the cost of the repairs. Landlord shall maintain, throughout the Term of this Lease, Building fire and life safety systems in full compliance with applicable codes

5.3 Alterations. Tenant shall not make alterations, additions or improvements to the Premises or install any Cable in the Premises or other portions of the Building (collectively, "Alterations") without first obtaining the written consent of Landlord in each instance, which consent shall not be unreasonably withheld, conditioned, or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria (a "Minor Alteration"): (a) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpeting; (b) is not visible from outside the Premises or Building; (c) will not affect the systems or structure of the Building; and (d) does not require work to be performed inside the walls or above the ceiling of the Premises.

5.4 No Landlord Liability. Landlord's approval of an Alteration shall not be a representation by Landlord that the Alteration complies with applicable Laws or will be adequate for Tenant's use. Tenant acknowledges that Landlord is not an architect or engineer, and that the Alterations will be designed and/or constructed using independent architects, engineers and contractors. Accordingly, Landlord does not guarantee or warrant that the applicable construction documents will comply with laws or be free from errors or omissions, or that the Alterations will be free from defects, and Landlord will have no liability therefor.

5.5 **Project Configuration.** Landlord expressly reserves the right in its sole discretion to (i) temporarily or permanently change the location of, close, block or otherwise alter or restrict the use of any entrances, corridors, doorways or walkways leading to or providing access to the Building or any part thereof provided such activities do not unreasonably impair Tenant's access to the Premises and (ii) improve or remodel the common areas of the Building or construct additional buildings on the Property so long as Landlord continues to comply with its obligations under this Lease, and it is agreed that Landlord shall not incur any liability whatsoever to Tenant as a consequence thereof and such activities shall not be deemed to be a breach of any of Landlord's obligations. Any diminution or obstruction of light, air or view by any structure which may hereafter be constructed on the Property or lands adjacent to the Property shall in no way affect this Lease or impose any liability on Landlord. Noise, dust or vibration or other incidents to new construction of improvements, whether or not owned by Landlord, shall in no way affect this Lease or impose any liability on Landlord. Landlord hereby reserves and shall have the right at any time and from time to time to change the name of the Building as Landlord may deem advisable, and Landlord shall not incur any liability to Tenant as a consequence.

ARTICLE VI

HAZARDOUS MATERIALS

6.1 **Restrictions.** During the Term of Tenant's occupancy, no Hazardous Material (defined below) (except for *de minimis* quantities of household cleaning products and office supplies used in the ordinary course of Tenant's business at the Premises and that are used, kept and disposed of in compliance with applicable laws) shall be brought upon, used, kept or disposed of in or about the Premises or the Property by any Tenant Parties or any of Tenant's transferees, contractors or licensees without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. Tenant's request for such consent shall include a representation and warranty by Tenant that the Hazardous Material in question (1) is necessary in the ordinary course of Tenant's business, and (2) shall be used, kept and disposed of in compliance with all laws. Landlord represents that, to Landlord's current and actual knowledge, as of the Effective Date, Landlord has received no written notice of any violation in the Property of any laws regulating Hazardous Materials.

6.2 **Remediation.** Tenant shall, at its expense, monitor the Premises for the presence of Hazardous Materials or conditions which may reasonably give rise to Contamination (defined below) and promptly notify Landlord if it suspects Contamination in the Premises. Any remediation of Contamination caused by a Tenant Party or its contractors or invitees which is required by law or which is deemed necessary by Landlord, in Landlord's opinion, shall be performed by Landlord and Tenant shall reimburse Landlord for the cost thereof, plus a 5% administrative fee.

6.3 **Definitions.** For purposes of this Section, a "Hazardous Material" is any substance the presence of which requires, or may hereafter require, notification, investigation or remediation under any laws or which is now or hereafter defined, listed or regulated by any governmental authority as a "hazardous waste", "extremely hazardous waste", "solid waste",

“toxic substance”, “hazardous substance”, “hazardous material” or “regulated substance”, or otherwise regulated under any Laws. “Contamination” means the existence or any release or disposal of a Hazardous Material or biological or organic contaminant, including any such contaminant which could adversely impact air quality, such as mold, fungi or other bacterial agents, in, on, under, at or from the Premises, the Building or the Property which may result in any liability, fine, use restriction, cost recovery lien, remediation requirement, or other government or private party action or imposition affecting any Landlord Party. For purposes of this Lease, claims arising from Contamination shall include diminution in value, restrictions on use, adverse impact on leasing space, and all costs of site investigation, remediation, removal and restoration work, including response costs under CERCLA and similar statutes.

ARTICLE VII

INDEMNITY/LIMITATION OF LIABILITY/INSURANCE

7.1 **Indemnity.** To the extent permitted by law, Landlord shall not be liable to Tenant or Tenant’s agents, employees, licensees, or invitees, for any damage or injury to person or property resulting from any act or omission or negligence of any co-tenant, visitor or other occupant of the Building.

7.2 **Limitation of Liability.** Notwithstanding anything to the contrary contained in this Lease, and only to the extent permitted by law, the liability of Landlord (and of any successor Landlord) to Tenant (or any person or entity claiming by, through or under Tenant) shall be limited to the interest of Landlord in the Property, which includes Landlord’s insurance. To the extent permitted by law, Tenant shall look solely to Landlord’s interest in the Property, including its insurance coverage, for the recovery of any judgment or award against Landlord. No Landlord Party shall be personally liable for any judgment or deficiency. Before filing suit for an alleged default by Landlord, Tenant shall give Landlord and the Mortgagee(s) whom Tenant has been notified hold mortgages on the Property, Building or Premises, notice and reasonable time to cure the alleged default. To the extent permitted by law, Tenant hereby waives all claims against all Landlord Parties for consequential, special or punitive damages allegedly suffered by any Tenant Parties, including lost profits and business interruption.

7.3 **Tenant’s Insurance.** Tenant shall maintain the following insurance (“Tenant’s Insurance”), at its sole cost and expense: (1) commercial general liability insurance applicable to the Premises and its appurtenances providing, on an occurrence basis, a per occurrence limit of no less than \$1,000,000; (2) causes of loss-special form (formerly “all risk”) property insurance, including flood and earthquake, covering all above building standard leasehold improvements (to the extent separately assessed) and Tenant’s trade fixtures, equipment, furniture and other personal property within the Premises (“Tenant’s Property”) in the amount of the full replacement cost thereof; (3) business income (formerly “business interruption”) insurance written on an actual loss sustained form or with sufficient limits to address reasonably anticipated business interruption losses; (4) business automobile liability insurance to cover all owned, hired and non-owned automobiles owned or operated by Tenant providing a minimum combined single limit of \$1,000,000; (5) workers’ compensation insurance as required by the state in which the Premises is located and in amounts as may be required by applicable statute (provided, however, if no workers’ compensation insurance is statutorily required, Tenant shall

carry workers' compensation insurance in a minimum amount of \$500,000); and (6) employer's liability insurance in an amount of at least \$500,000 per occurrence. Any company underwriting any of Tenant's Insurance shall have, according to *A.M. Best Insurance Guide*, a Best's rating of not less than A- and a Financial Size Category of not less than VIII. All commercial general liability, business automobile liability and umbrella liability insurance policies shall name Landlord (or any successor), Landlord's property manager, Landlord's Mortgagee (if any), and their respective members, principals, beneficiaries, partners, officers, directors, and employees as "additional insureds", through an Indemnity Under Contract, and shall be primary with Landlord's policy being secondary and noncontributory. If any aggregate limit is reduced because of losses paid to below 75% of the limit required by this Lease, Tenant will notify Landlord in writing within 10 days of the date of reduction. All policies of Tenant's Insurance shall contain endorsements that the insurer(s) or Tenant shall give Landlord and its agents at least 10 days' advance written notice of any change, cancellation, termination or lapse of insurance. Tenant shall provide Landlord with certificates of insurance evidencing Tenant's Insurance prior to the earlier to occur of the Commencement Date or the date Tenant is provided access to the Premises for any reason, and upon renewal of the insurance coverage. All of Tenant's Insurance policies, endorsements and certificates will be on forms and with deductibles and self-insured retention, if any, reasonably acceptable to comparable landlords. The limits of Tenant's insurance shall not limit Tenant's liability under this Lease. Tenant's failure to maintain insurance as required under this Lease shall be considered a Time Sensitive Default.

Tenant shall not occupy or use or permit any portion of the Premises to be occupied or used for any business or purpose which is unlawful, disreputable or deemed to be extra-hazardous on account of fire or permit anything to be done which would in any way increase the rate of fire or liability or any other insurance coverage on said Building and/or its contents.

7.4 Landlord's Insurance. Landlord shall maintain fire and extended coverage insurance on the portion of the Building constructed by Landlord, including additions and improvements by Tenant which are required to be made by Landlord by this Lease and which have become or are to become the property of Landlord upon vacation of the Premises by Tenant. Said insurance shall be maintained with an insurance company authorized to do business in Texas, in amounts desired by Landlord and payments for losses thereunder shall be made solely to Landlord. If the annual premiums to be paid by Landlord shall exceed the standard rates because Tenant's operations, contents of the Premises, or improvements with respect to the Premises beyond Building standard, result in extra-hazardous exposure, Tenant shall promptly pay the excess amount of the premium upon request by Landlord.

7.5 Waiver of Subrogation. To the extent permitted law, anything in this Lease to the contrary notwithstanding, each of Landlord and Tenant hereby waive any and all rights of recovery, claim, action or cause of action, against each other, their agents, officers, and employees, for any loss or damage that may occur to the Premises or any improvements thereto, or the Building of which the Premises are a part, or personal property (building contents) within the Building which is actually insured against in accordance with the terms of the Insurance required by this Lease, regardless of cause or origin, including negligence of Landlord or Tenant or the agents, officers and employees of either of them. If the respective insurer of Landlord and Tenant does not permit such a waiver without an appropriate endorsement to such party's insurance policy, then Landlord and Tenant shall each notify its insurer of the waiver set forth

herein and shall secure from such insurer an appropriate endorsement to its respective insurance policy with respect to such waiver.

ARTICLE VIII

ASSIGNMENT, APPROPRIATIONS, AND SUBLETTING

8.1 **Mutual Termination/Amendment Rights.** Landlord and Tenant acknowledge that it is Tenant's preference for Landlord to lease the Premises to other tenants, thereby relieving Tenant of Tenant's obligation to fulfill the Lease requirements. Consequently, prior to the Tenancy Commencement Date, in the event that another tenant or tenants should commit to leasing all or a portion of the Premises, Landlord and Tenant may mutually agree to terminate the Lease or to amend the Lease to reflect a reduction in the square footage of the Premises for which Tenant shall continue to have an obligation.

In the event that Landlord and the City choose to terminate the Lease in its entirety or amend the lease to reduce the area of the Premises, prior to the Tenancy Commencement Date, Tenant agrees to promptly remit to Landlord a sum equal to twenty-five percent (25%) of the gross Lease Rent over the course of the Term. Such sum is estimated to approximate One and One-Half Million and No/100 Dollars (\$1,500,000.00) in the event of a termination of the lease, which sum shall be paid in the form of reimbursement to Landlord for Building construction costs, including the Construction Allowance ("Termination Fee"). As further clarification, if only one-half (1/2) of the Premises are leased to other tenants, Tenant shall remit to Landlord the sum estimated to approximate Seven Hundred Fifty Thousand and no/100 Dollars (\$750,000.00) as the Termination Fee. If more or less than half the Premises is leased to other Tenants, the amount remitted to Landlord by Tenant as the Termination Fee will be calculated by multiplying the percentage of the Premises leased to other tenants times \$1.5 million. Should Tenant have reimbursed Landlord for expenditures in excess of the Construction Allowance for Tenant Improvements, as hereinafter defined, a proportionate amount shall either be a credit toward the Termination Fee or be promptly reimbursed to Tenant.

8.2 **Lack of Appropriations.** Notwithstanding any other provision in this Lease to the contrary, the Parties agree that (a) the provisions of this Section 8.2 shall prevail over any other provisions of this Lease and (b) the obligation of Tenant (during such periods as the City of Sugar Land, Texas or any other political subdivision of the State of Texas is "Tenant" under this Lease) to pay or expend any money (including Rent) under any provision of this Lease is contingent upon an appropriation by Tenant in the amount of such payment or other monetary obligation. Neither Tenant nor its elected officials, officers, employees, agents, attorneys or other individuals acting on behalf of Tenant, make any representation or warranty as to whether any appropriation will, from time to time during the Term of this Lease, be approved by the City Council of Tenant, however, Tenant will use best efforts to see that sufficient appropriations are made. In advance of Tenant's City Council budget approval, Tenant shall provide to Landlord information and documents to show that Tenant is diligently pursuing sufficient future appropriations. Notwithstanding anything in this Lease to the contrary, the mere failure of Tenant to make an appropriation shall not cause Tenant to be in default under the terms of this Lease, there being no obligation imposed by law requiring the same, but nonetheless, if Tenant should fail to make any appropriation and, as a result of such non-appropriation, shall fail to

perform any of its obligations under this Lease on or before the date which is thirty (30) days after delivery of notice from Landlord to Tenant of such failure (or such longer period of time as may be reasonably necessary to cure such failure in the event Tenant commences to undertake the cure of same with such thirty (30) day period and diligently pursues the prosecution of same thereafter, but in no event shall such additional period of time exceed sixty (60) days), then, in such event, and only in such event, Landlord shall be entitled, as its sole and exclusive remedy, to terminate this Lease by delivering notice to Tenant and this Lease shall terminate as of the date specified in such notice, but in all cases not any earlier than ten (10) days after the date of such notice. Within three (3) business days of Tenant's City Council budget approval, Tenant shall notify Landlord of the disposition of funds. Notwithstanding anything to the contrary contained in the lease, this Section 8.2 shall not apply to a Transfer contemplated by the remainder of this Article VIII.

8.3 Landlord's Consent Required. Subject to the remaining provisions of this Article VIII, but notwithstanding anything to the contrary contained elsewhere in this Lease, Tenant shall not assign, transfer or encumber any interest in this Lease (either absolutely or collaterally) or sublease or allow any third party to use any portion of the Premises (collectively or individually, a "Transfer") without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Without limitation, Tenant agrees that Landlord's consent shall not be considered unreasonably withheld if: (1) in the case of an assignment only, the proposed transferee's financial condition does not meet the criteria a Comparable Landlord uses in evaluating potential lease assignees or, in the case of a sublease, does not meet the criteria a Comparable Landlord uses in evaluating potential subtenants having similar sub-tenancy obligations; (2) any uncured event of default exists under this Lease (or a condition exists which, with the passage of time or giving of notice, would become an event of default); (3) any portion of the Building or Premises would likely become subject to additional or different laws as a consequence of the proposed Transfer; (4) the proposed transferee's use of the Premises conflicts with the Permitted Use or any exclusive usage rights granted to any other tenant in the Building; (5) the use, nature, business, or activities in the business community of the proposed transferee (or its principals, employees or invitees) does not meet standards for Comparable Buildings in the submarket of the Building; (6) either the Transfer or any consideration payable to Landlord in connection therewith adversely affects the real estate investment trust (or pension fund) qualification tests applicable to Landlord or its affiliates; (7) the proposed transferee is or has been involved in litigation with Landlord or any of its affiliates within the past two (2) years; or (8) the City has rejected the Landlord's request to mutually terminate the Lease or amend the Lease to reduce the area of the Premises pursuant to Sec. 8.1. Tenant shall not be entitled to receive monetary damages based upon a claim that Landlord unreasonably withheld its consent to a proposed Transfer and Tenant's sole remedy shall be an action to enforce any such provision through specific performance or declaratory judgment. Any attempted Transfer in violation of this Article is voidable at Landlord's option.

8.4 Consent Parameters/Requirements. As part of Tenant's request for, and as a condition to, Landlord's consent to a Transfer, Tenant shall provide Landlord with financial statements for the proposed transferee, a complete copy of the proposed assignment or sublease and other contractual documents, and such other information as Landlord may reasonably request ("Required Information"). Landlord shall, within ten (10) business days after Landlord's receipt of the Required Information, deliver to Tenant a written notice (a "Landlord Response")

in which Landlord either (i) consents to the proposed sublease or assignment, or (ii) withholds its consent to the proposed sublease or assignment, which consent shall not be unreasonably withheld so long as Tenant is not in default hereunder and Landlord has received all Required Information. In lieu of consenting to any such proposed sublease or assignment (and without regard to whether Landlord's action is "reasonable" or "unreasonable") Landlord shall have the right, within ten (10) business days after Landlord's receipt of the Required Information to (1) suspend this Lease as to the space so affected as of the date and for the duration of the proposed sublease or assignment, whereupon Tenant shall be relieved of all obligations hereunder as to such space during such suspension, but after such suspension, Tenant shall once again become liable hereunder as to the relevant space or, (2) if the proposed assignment or sublease is for the remainder of the Term of this Lease, terminate this Lease as to the space so affected as of the date so specified by Tenant in its notice to Landlord, in which event Tenant shall be relieved of any and all further obligations hereunder as to such space. Consent by Landlord to one or more Transfer(s) shall not operate as a waiver of Landlord's rights to approve any subsequent Transfers. In no event shall any Transfer release or relieve Tenant from any obligation under this Lease, nor shall the acceptance of Rent from any assignee, subtenant or occupant constitute a waiver or release of Tenant from any of its obligations or liabilities under this Lease. Tenant shall pay Landlord any reasonable attorney's fees not to exceed \$1,500.00 incurred by Landlord for review of any Transfer or requested Transfer.

8.5 **Payment to Landlord.** If the aggregate consideration paid to a Tenant Party for a Transfer exceeds that payable by Tenant under this Lease, Tenant shall pay Landlord Fifty Percent (50%) of such excess. Tenant shall pay Landlord for Landlord's share of any excess within thirty (30) days after Tenant's receipt of such excess consideration. If any uncured event of default exists under this Lease (or a condition exists which, with the passage of time or giving of notice, would become an event of default), Landlord may require that all sublease payments be made directly to Landlord, in which case Tenant shall receive a credit against Rent in the amount of any payments received, but not to exceed the amount payable by Tenant under this Lease.

8.6 **Transferability; Release of Landlord.** Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Building and/or Property, and upon such transfer Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations.

ARTICLE IX

CASUALTY/CONDEMNATION

9.1 **Repair or Termination by Landlord.** If all or any part of the Premises are damaged by fire or other casualty, Tenant shall immediately notify Landlord in writing. Landlord shall have the right to terminate this Lease if: (1) the Building shall be damaged so that, in Landlord's judgment, substantial alteration or reconstruction of the Building shall be required (whether or not the Premises have been damaged); (2) Landlord is not permitted by law

to rebuild the Building in substantially the same form as existed before the fire or casualty; (3) the Premises have been materially damaged and there is less than 2 years of the Term remaining on the date of the casualty; (4) any Mortgagee requires that the insurance proceeds be applied to the payment of the mortgage debt; or (5) an uninsured loss of the Building occurs. Landlord may exercise its right to terminate this Lease by notifying Tenant in writing within sixty (60) days after the date of the casualty, in which event Tenant's obligation to pay Rent shall equitably abate while and to the extent Tenant is unable to conduct its business in the Premises prior to such termination. If Landlord does not terminate this Lease under this Article IX, Landlord shall commence and proceed with reasonable diligence to repair and restore the Building and/or the Premises to substantially the same condition as existed immediately prior to the date of damage, excluding Tenant's Work, in which event Tenant's obligation to pay Rent shall equitably abate while and to the extent Tenant is unable to conduct its business in the Premises prior to such restoration. All insurance proceeds received by Tenant with respect to damage to the Premises and/or Building, but excluding proceeds received for damages to Tenant's fixtures, furnishings, and equipment, will be immediately paid to Landlord.

9.2 Timing for Repair; Termination by Either Party. If all or any portion of the Premises is damaged as a result of fire or other casualty, Landlord shall, with reasonable promptness, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises, using standard working methods ("Completion Estimate"). If the Completion Estimate indicates that the Premises cannot be made tenantable within two hundred and ten (210) days from the date of damage, then regardless of anything in this Article to the contrary, either party shall have the right to terminate this Lease by giving written notice to the other of such election within ten (10) days after receipt of the Completion Estimate. Tenant, however, shall not have the right to terminate this Lease if the fire or casualty was caused by the gross negligence or intentional misconduct of any of the Tenant Parties. If neither party terminates this Lease under this Article IX, then Landlord shall repair and restore the Premises in accordance with, and subject to the limitations of this Article IX.

9.3 Abatement. In the event a material portion of the Premises is damaged as a result of a fire or other casualty, the Base Rent shall abate from the date of such damage for the portion of the Premises that is damaged and not usable by Tenant until substantial completion of the repairs and restoration required to be made by Landlord. Tenant, however, shall not be entitled to such abatement if the fire or other casualty was caused by the gross negligence or intentional misconduct of any of the Tenant Parties. Landlord shall not be liable for any loss or damage to Tenant's Property or to the business of Tenant resulting in any way from the fire or other casualty or from the repair and restoration of the damage, unless such damage was caused by the gross negligence or intentional misconduct of Landlord or Landlord's agents. To the extent permitted by law, Landlord and Tenant hereby waive the provisions of any law relating to the matters addressed in this Article and agree that their respective rights for damage to or destruction of the Premises shall be those specifically provided in this Lease.

9.4 Condemnation. Either party may terminate this Lease if the whole or any material part of the Premises are taken or condemned for any public or quasi-public use under law, by eminent domain or private purchase in lieu thereof (a "Taking"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or

Property which would leave the remainder of the Building unsuitable for use as an office building in a manner comparable to the Building's use prior to the Taking. In order to exercise its right to terminate this Lease under this Article IX, Landlord or Tenant, as the case may be, must provide written notice of termination to the other within forty-five (45) days after the terminating party first receives notice of the Taking. Any such termination shall be effective as of the date the physical taking of the Premises or the portion of the Building or Property occurs. If this Lease is not terminated, the net rentable area of the Building, the net rentable area of the Premises and Tenant's Pro Rata Share shall, if applicable, be appropriately adjusted by Landlord. In addition, Base Rent for any portion of the Premises taken or condemned shall be abated during the unexpired Term effective when the physical taking of the portion of the Premises occurs. All compensation awarded for a Taking, or sale proceeds, shall be the property of Landlord, any right to receive compensation or proceeds being expressly waived by Tenant. However, Tenant may file a separate claim at its sole cost and expense for Tenant's Property (excluding above building standard leasehold improvements) and Tenant's reasonable relocation expenses.

9.5 **Other Causes.** To the extent permitted by law, Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, or for any damage or inconvenience which may arise through repair or alteration of any part of the Building made necessary by virtue of any such cause.

ARTICLE X

DEFAULT

10.1 **Events of Default.** Tenant shall be in default under this Lease upon the occurrence of any of the following events of default:

(a) Tenant's failure to pay when due all or any portion of the Rent ("Monetary Default").

(b) Tenant's failure to perform any of the obligations of Tenant in the manner set forth in Article VII (Insurance) and Article XI (Holding Over, Estoppel Certificate) (each a "Time Sensitive Default").

(c) Tenant's failure (other than a Monetary Default or a Time Sensitive Default) to comply with any term, provision or covenant of this Lease, if the failure is not cured within fifteen (15) days after written notice to Tenant. However, if Tenant's failure to comply cannot reasonably be cured within fifteen (15) days, Tenant shall be allowed additional time (not to exceed an additional fifteen (15) days) as is reasonably necessary to cure the failure so long as: (1) Tenant commences to cure the failure within the fifteen (15) day period following Landlord's initial written notice, and (2) Tenant diligently pursues a course of action that will cure the failure and bring Tenant back into compliance with this Lease. However, if Tenant's failure to comply creates a hazardous condition, the failure must be cured immediately upon notice to Tenant. In addition, if Landlord provides Tenant with notice of Tenant's failure to comply with the same

specific term, provision or covenant of this Lease on more than two (2) occasions during any twelve (12) month period, Tenant's subsequent violation of the same term, provision or covenant shall, at Landlord's option, be deemed an incurable event of default by Tenant.

(d) Tenant or any Guarantor becomes insolvent, files a petition for protection under the U.S. Bankruptcy Code (or similar law) or a petition is filed against Tenant or any Guarantor under such laws and is not dismissed within forty-five (45) days after the date of such filing, makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts when due.

(e) The leasehold estate is taken by process or operation of law.

10.2 **Landlord's Remedies.** Upon any default, Landlord shall have the right without notice or demand (except as provided above) to pursue any of its rights and remedies at law or in equity, including any one or more of the following remedies:

(a) Terminate this Lease;

(b) Re-enter the Premises, change locks, alter security devices and lock out Tenant or terminate Tenant's right of possession of the Premises without terminating this Lease;

(c) Remove and store, at Tenant's expense, all the property in the Premises using such lawful force as may be necessary;

(d) Cure such event of default for Tenant at Tenant's expense (plus a 5% administrative fee);

(e) Withhold or suspend payment of sums Landlord would otherwise be obligated to pay to Tenant under this Lease;

(f) Require all future payments to be made by cashier's check, money order or wire transfer after the first time any check is returned for insufficient funds, or the second time any sum due hereunder is more than five (5) business days late; and/or

(g) Recover such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law, including any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of events would be likely to result therefrom.

10.3 **Measure of Damages.**

(a) **Calculation.** If Landlord either terminates this Lease or terminates Tenant's right to possession of the Premises, Tenant shall immediately surrender and vacate the Premises and pay Landlord on demand: (a) all Rent accrued through the end of the month in which the termination becomes effective; (b) interest on all unpaid Rent from the date due at a rate equal to the lesser of 18% per annum or the highest interest rate permitted by applicable Law; (c) Costs of Reletting (defined below); and (d) all Landlord's Rental Damages (defined below). In the event

that Landlord relets the Premises for an amount greater than the Rent due during the Term, Tenant shall not receive a credit for any such excess.

(b) **Definitions.** “Costs of Reletting” shall include commercially reasonable costs, losses and expenses incurred by Landlord in reletting all or any portion of the Premises including, without limitation, the cost of removing and storing Tenant’s furniture, trade fixtures, equipment, inventory or other property, repairing and/or demolishing the Premises, removing and/or replacing Tenant’s signage and other fixtures, making the Premises ready for a new tenant, including the cost of advertising, commissions, architectural fees, legal fees and leasehold improvements, and any allowances and/or concessions provided by Landlord. “Landlord’s Rental Damages” shall mean the total Rent which Landlord would have received under this Lease (had Tenant made all such Lease payments as required) for the remainder of the Term minus the fair rental value of the Premises for the same period, or, if the Premises are re-let, the actual rental value (not to exceed the Rent due during the Term), both discounted to present value at the Prime Rate (defined below) in effect upon the date of determination. For purposes hereof, the “Prime Rate” shall be the per annum interest rate publicly announced by a federally insured bank selected by Landlord in the state in which the Building is located as such bank’s prime or base rate.

10.4 Tenant Not Relieved from Liabilities. Unless expressly provided in this Lease, the repossession or re-entering of all or any part of the Premises shall not relieve Tenant of its liabilities and obligations under this Lease. In addition, Tenant shall not be relieved of its liabilities under this Lease, nor be entitled to any damages hereunder, based upon minor or immaterial errors in the exercise of Landlord’s remedies. No right or remedy of Landlord shall be exclusive of any other right or remedy. Each right and remedy shall be cumulative and in addition to any other right and remedy now or subsequently available to Landlord at law or in equity. If Tenant fails to pay any amount when due hereunder (after the expiration of any applicable cure period), Landlord shall be entitled to receive interest on any unpaid item of Rent from the date initially due (without regard to any applicable grace period) at a rate equal to the lesser of 18% per annum or the highest rate permitted by Law. In addition, if Tenant fails to pay any item or installment of Rent when due (after the expiration of any applicable cure period), Tenant shall pay Landlord an administrative fee equal to 5% of the past due Rent. However, in no event shall the charges permitted under this Article or elsewhere in this Lease, to the extent they are considered interest under applicable law, exceed the maximum lawful rate of interest. If any payment by Tenant of an amount deemed to be interest results in Tenant having paid any interest in excess of that permitted by law, then it is the express intent of Landlord and Tenant that all such excess amounts theretofore collected by Landlord be credited against the other amounts owing by Tenant under this Lease. Receipt by Landlord of Tenant’s keys to the Premises shall not constitute an acceptance or surrender of the Premises.

10.5 Mitigation of Damages. Upon termination of Tenant’s right to possess the Premises, Landlord shall, only to the extent required by law, use objectively reasonable efforts to mitigate damages by re-letting the Premises. Landlord shall not be deemed to have failed to do so if Landlord refuses to lease the Premises to a prospective new tenant with respect to whom Landlord would be entitled to withhold its consent, or who (1) is an Affiliate, parent or subsidiary of Tenant; (2) is not acceptable to any Mortgagee of Landlord; (3) requires an unusual level of improvements to the Premises to be made at Landlord’s expense; or (4) is unwilling to

accept lease terms then proposed by Landlord, including: (a) leasing for a shorter or longer term than remains under this Lease; (b) re-configuring or combining the Premises with other space, (c) taking all or only a part of the Premises; and/or (d) changing the use of the Premises. Notwithstanding Landlord's duty to mitigate its damages as provided herein, Landlord shall not be obligated (i) to give any priority to reletting Tenant's space in connection with its leasing of space in the Building or any complex of which the Building is a part, or (ii) to accept below market rental rates for the Premises or any rate that would negatively impact the market rates for the Building.

ARTICLE XI

MISCELLANEOUS

11.1 **No Waiver.** Neither party's failure to declare a default immediately upon its occurrence or delay in taking action for a default shall constitute a waiver of the default, nor shall it constitute an estoppel. Neither party's failure to enforce its rights for a default shall constitute a waiver of that party's rights regarding any subsequent default.

11.2 **Tenant's Right to Possession.** Provided Tenant pays the Rent and fully performs all of its other covenants and agreements under this Lease, Tenant shall have the right to occupy the Premises without hindrance from Landlord or any person lawfully claiming through Landlord, subject to the terms of this Lease, all Mortgages, insurance requirements and applicable law. This covenant and all other covenants of Landlord shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building, and shall not be a personal covenant of any Landlord Parties.

11.3 **Holding Over.** Except for any permitted occupancy by Tenant under this Lease, if Tenant or any party claiming by, through or under Tenant fails to surrender the Premises at the expiration or earlier termination of this Lease, the continued occupancy of the Premises shall be that of a tenancy at sufferance. Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 150% of the sum of the Base Rent and Tenant's Pro Rata Share of Operating Expenses due for the period immediately preceding the holdover. Tenant shall otherwise continue to be subject to all of Tenant's obligations under this Lease. No holdover by Tenant or payment by Tenant after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition to the payment of the amounts provided above, if Landlord is unable to deliver possession of the Premises to a new tenant, or to perform improvements for a new tenant, as a result of Tenant's holdover and Tenant fails to vacate the Premises within fifteen (15) days after Landlord notifies Tenant of Landlord's inability to deliver possession, or perform improvements, such failure shall constitute a Time Sensitive Default hereunder.

11.4 **Subordination to Mortgages; Estoppel Certificate.** Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently affecting the Premises, the Building or the Property, and to renewals, modifications, refinancings and extensions thereof (collectively, a "Mortgage"), subject to Tenant's receipt of a subordination and non-disturbance agreement from any such Mortgagee on

such Mortgagee's then current form which may be revised to incorporate commercially reasonable changes requested by Tenant and approved by such future Mortgagee; provided however, that if Tenant requires changes to such future Mortgagee's then-current form, then Tenant shall bear all costs associated with obtaining the revised form from Mortgagee, if any. This clause shall be self-operative, but upon request from a Mortgagee, Tenant shall execute a commercially reasonable subordination agreement in favor of the Mortgagee. In lieu of having the Mortgage be superior to this Lease, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. If requested by a successor-in-interest to all or a part of Landlord's interest in this Lease, Tenant shall, without charge, attorn to the successor-in-interest. Tenant shall, within ten (10) business days after receipt of a written request from Landlord, execute and deliver an estoppel certificate to those parties as are reasonably requested by Landlord (including a Mortgagee or prospective purchaser). The estoppel certificate shall include a statement certifying that this Lease is unmodified (except as identified in the estoppel certificate) and in full force and effect, describing the dates to which Rent and other charges have been paid, representing that, to the best of Tenant's knowledge, there is no default (or stating with specificity the nature of the alleged default) and certifying other matters with respect to this Lease that may reasonably be requested. Tenant's failure to provide any estoppel certificate within the ten (10) business day period specified above, and the continuation of such failure for a period of ten (10) business days after Landlord delivers a second written notice requesting same, shall constitute a Time Sensitive Default under this Lease.

11.5 Attorneys' Fees. If either party institutes a suit against the other for violation of or to enforce any covenant or condition of this Lease, or if either party intervenes in any suit in which the other is a party to enforce or protect its interest or rights, the prevailing party shall be entitled to all its costs and expenses, including reasonable attorneys' fees. The term "prevailing party" is defined to mean the party who obtains a determination of wrongful conduct by the other party, regardless of whether actual damages are awarded.

11.6 Written Notice; Delivery Methods. Each party giving or making any notice, request, demand, consent, approval, or other communication (each, a "notice") pursuant to this Lease shall: (i) give the notice in writing; and (ii) use one of the following methods of delivery, each of which for purposes of this Lease is a writing: (a) personal delivery; (b) Registered or Certified Mail, in each case, return receipt requested and postage prepaid; (c) nationally recognized overnight courier, with all fees prepaid; (d) facsimile, or (e) E-mail notification (to the extent a party's e-mail address is included in its notice address or is otherwise provided to the other party by a notice). Each notice shall be deemed to have been received or given on the earlier to occur of actual delivery (which, in the case of delivery by facsimile, shall be deemed to occur at the time of delivery indicated on the electronic confirmation of the facsimile) or the date on which delivery is first refused, or, if Tenant has vacated the Premises or the other notice address of Tenant without providing a new notice address, three (3) days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its notice address by giving the other party written notice of the new address in the manner described in this Section.

To Landlord:
1334 Brittmoore Rd, Suite 200
Houston, TX 77043

Attention: Vance Smith
vancesmith@pumadevelopment.com

To Tenant: at the Premises and, prior to the Tenancy Commencement Date as follows:

City of Sugar Land
2700 Town Center Blvd. North
Sugar Land, TX 77479
Attention: City Manager

11.7 Surrender of Premises. All improvements to the Premises (collectively, “Leasehold Improvements”) shall be owned by Landlord and shall remain upon the Premises without compensation to Tenant. At the expiration or earlier termination of this Lease or Tenant’s right of possession, Tenant shall remove Tenant’s Removable Property (defined below) from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear and damage caused by Landlord or Landlord’s agents excepted. As used herein, the term “Tenant’s Removable Property” shall mean: (A) Cable installed by or for the benefit of Tenant and located in the Premises or other portions of the Building; (B) any Leasehold Improvements that are installed by or for the benefit of Tenant and, in Landlord’s reasonable judgment, are of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard office improvements (“Special Installations”); and (C) Tenant’s personal property. However, Tenant may request at the time of submission to Landlord of Tenant’s Plans for any proposed construction that Landlord must designate which improvements, if any, are subject to removal at the end of the Term. If at that time Landlord does not specify that any specific improvements must be removed, then Tenant shall not be required to do so. If Tenant fails to remove any of Tenant’s Removable Property within two (2) days after the termination of this Lease or of Tenant’s right to possession, Landlord, at Tenant’s sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant’s Removable Property. Landlord shall not be responsible for the value, preservation, or safekeeping of Tenant’s Removable Property. Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred for Tenant’s Removable Property. In addition, if Tenant fails to remove Tenant’s Removable Property from the Premises or storage within thirty (30) days after written notice, Landlord may deem all or any part of Tenant’s Removable Property to be abandoned, and title to Tenant’s Removable Property (except with respect to any Hazardous Material) shall be deemed to be immediately vested in Landlord.

11.8 Reserved Rights. This Lease does not grant any rights to light or air over or about the Building. Landlord excepts and reserves exclusively to itself the use of: (A) roofs, (B) telephone, electrical and janitorial closets, (C) equipment rooms, Building risers or similar areas that are used by Landlord for the provision of Building services, (D) rights to the land and improvements below the floor of the Premises, (E) the improvements and air rights above the Premises, (F) the improvements and air rights outside the demising walls of the Premises, (G) the areas within the Premises used for the installation of utility lines and other installations serving occupants of the Building, and (H) any other areas designated from time to time by Landlord as service areas of the Building. Tenant shall not have the right to install or operate any equipment producing radio frequencies, electrical or electromagnetic output or other signals, noise or

emissions in or from the Building without the prior written consent of Landlord. To the extent permitted by applicable Law, Landlord reserves the right to restrict and control the use of such equipment. Landlord has the right to change the Building's name or address, provided, however, in the event Landlord voluntarily elects to change the address of the Building, Landlord shall reimburse Tenant for the reasonable out-of-pocket expenses incurred by Tenant in replacing Tenant's letterhead and other printed materials bearing the address of the Building, in such quantities on hand as of the date of such change. Landlord also has the right to make such other changes to the Property and Building as Landlord deems appropriate, provided the changes do not materially affect Tenant's ability to use the Premises for the Permitted Use. Landlord shall also have the right (but not the obligation) to temporarily close the Building if Landlord reasonably determines that there is an imminent danger of significant damage to the Building or of personal injury to Landlord's employees or the occupants of the Building. The circumstances under which Landlord may temporarily close the Building shall include, without limitation, electrical interruptions, hurricanes and civil disturbances. Closure of the Building under such circumstances shall not constitute a constructive eviction nor entitle Tenant to an abatement or reduction of Rent.

11.9 **Liens.** Tenant shall not permit mechanic's or other liens to be placed upon the Property, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of Tenant. If a lien is so placed, Tenant shall, within ten (10) days of notice from Landlord of the filing of the lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by the applicable lien Law. If Tenant fails to discharge the lien, then, in addition to any other right or remedy of Landlord, Landlord may bond or insure over the lien or otherwise discharge the lien. Tenant shall, within thirty (30) days after receipt of an invoice from Landlord, reimburse Landlord for any amount paid by Landlord, including reasonable attorneys' fees, to bond or insure over the lien or discharge the lien.

11.10 **Options.** Any option granted to Tenant in this Lease is personal to the original Tenant and may be exercised only by the original Tenant while occupying the entire Premises, and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than the original Tenant. The options, if any, herein granted to Tenant are not assignable separate and apart from this Lease, nor may any option be separated from this Lease in any manner, either by reservation or otherwise.

11.11 **Governing Law; Jurisdiction and Venue; Severability; Paragraph Headings.** This Lease and the rights and obligations of the parties shall be interpreted, construed and enforced in accordance with the laws of the state Texas. All obligations under this Lease are performable in Fort Bend County, Texas, which shall be venue for all legal actions. If any term or provision of this Lease shall be invalid or unenforceable, then such term or provision shall be automatically reformed to the extent necessary to render such term or provision enforceable, without the necessity of execution of any amendment or new document. The remainder of this Lease shall not be affected, and each remaining and reformed provision of this Lease shall be valid and enforced to the fullest extent permitted by law. The headings and titles to the Sections of this Lease are for convenience only and shall have no effect on the interpretation of any part

of this Lease. The words “include”, “including” and similar words will not be construed restrictively to limit or exclude other items not listed.

11.12 **Recording.** Tenant shall not record this Lease or any memorandum without Landlord’s prior written consent.

11.13 **Force Majeure.** Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist attacks (including bio-chemical attacks), civil disturbances and other causes beyond the reasonable control of the performing party (“Force Majeure”). However, events of Force Majeure shall not extend any period of time for the payment of Rent or other sums payable by either party or any period of time for the written exercise of an option or right by either party.

11.14 **Brokers.** Tenant represents that it has dealt directly with Landlord and only with Landlord in connection with this Lease.

11.15 **Authority; Joint and Several Liability.** Landlord covenants, warrants and represents that each individual executing, attesting and/or delivering this Lease on behalf of Landlord is authorized to do so on behalf of Landlord, this Lease is binding upon and enforceable against Landlord, and Landlord is duly organized and legally existing in the state of its organization and is qualified to do business in the state in which the Premises are located. Similarly, Tenant covenants, warrants and represents that each individual executing, attesting and/or delivering this Lease on behalf of Tenant is authorized to do so on behalf of Tenant, this Lease is binding upon and enforceable against Tenant; and Tenant is duly organized and legally existing in the state of its organization and is qualified to do business in the state in which the Premises are located. If there is more than one Tenant, or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities. Notices, payments and agreements given or made by, with or to any one person or entity shall be deemed to have been given or made by, with and to all of them.

11.16 **Time is of the Essence; Relationship; Successors and Assigns.** Time is of the essence with respect to Tenant’s performance of its obligations and the exercise of any expansion, renewal or extension rights or other options granted to Tenant. This Lease shall create only the relationship of landlord and tenant between the parties, and not a partnership, joint venture or any other relationship. This Lease and the covenants and conditions in this Lease shall inure only to the benefit of and be binding only upon Landlord and Tenant and their permitted successors and assigns.

11.17 **Survival of Obligations.** The expiration of the Term, whether by lapse of time or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or early termination of this Lease. Without limiting the scope of the prior sentence, it is agreed that Tenant’s obligations under Article III (Payment of Rent), Article IV (Use of Electrical Service); Article VI (Hazardous Materials); and Article XI (Holding Over, Surrender of Premises) shall survive the expiration or early termination of this Lease.

11.18 **Binding Effect.** Landlord has delivered a copy of this Lease to Tenant for Tenant's review only, and the delivery of it does not constitute an offer to Tenant or an option. This Lease shall not be effective against any party hereto until an original copy of this Lease has been signed by such party and delivered to the other party.

11.19 **Full Agreement; Amendments.** This Lease contains the parties' entire agreement regarding the subject matter hereof. All understandings, discussions, and agreements previously made between the parties, written or oral, are superseded by this Lease, and neither party is relying upon any warranty, statement or representation not contained in this Lease. This Lease may be modified only by a written agreement signed by Landlord and Tenant. The exhibits and riders attached hereto are incorporated herein and made a part of this Lease for all purposes.


11.20 **Method of Calculation.** Tenant does hereby acknowledge and agree that the provisions of this Lease for determining charges and amounts payable by Tenant are commercially reasonable and valid and constitute satisfactory methods for determining such charges and amounts as required by Section 93.012 of the Texas Property Code. **TENANT FURTHER VOLUNTARILY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ALL RIGHTS AND BENEFITS OF TENANT UNDER SUCH SECTION.**

11.21 **Waiver of Consumer Rights.** **TENANT HEREBY WAIVES ALL ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES - CONSUMER PROTECTION ACT, SECTION 17.41 ET SEQ. OF THE TEXAS BUSINESS AND COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF TENANT'S OWN SELECTION, TENANT VOLUNTARILY ADOPTS THIS WAIVER.**

11.22 **Table of Exhibits.** Exhibits attached hereto and made a part hereof are as follows:
 Exhibit "A": Property Legal Description
 Exhibit "B": Rules and Regulations
 Exhibit "C": Work Letter
 Exhibit "D": Parking Agreement

LANDLORD:

Puma Development, Inc., a Texas corporation

DocuSigned by:

 By: _____
 Name: Mark Toon
 Title: Manager
 Date: 1/20/2023

TENANT:

City of Sugar Land, Texas

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

Legal description

METES AND BOUNDS DESCRIPTION
1.4574 ACRES OF LAND
BEING OUT OF
RESTRICTED RESERVE "A"
IMPERIAL MARKET
SUGAR LAND, FORT BEND COUNTY, TEXAS

All that certain 1.4574 acres of land being out of Restricted Reserve "A", Imperial Market, according to the plat thereof filed in the Plat Records of Fort Bend County, Texas in Plat No.20180202 and being all that certain called 18.335 acres and 0.819 acres save and except a called 0.470 acre tract (Restricted Reserve "C") described in a deed dated 10-02-2018 from Imperial Market Development, LLC to SLP-90A, Ltd. filed in the Official Public Records of Real Property of Fort Bend County, Texas in Clerk's File No.2018112110 and being more particularly described by metes and bounds as follows:

COMMENCING at a found "X" in concrete marking the most southerly southeast corner of said Restricted Reserve "A" and being on the north right-of-way line of Kempner Street (width varies); THENCE S 75° 22' 19" W - 100.34' to a found nail for an angle corner; THENCE S 78° 03' 09" W - 220.00' to a found 5/8" iron rod with cap for the POINT OF BEGINNING of herein described tract;

THENCE N 4° 12' 13" W - 231.32' to a set 1/2" iron rod with cap for corner;

THENCE S 86° 32' 21" W - 242.98' to a set 1/2" iron rod with cap for corner;

THENCE S 4° 10' 09" E - 93.64' to a point for corner;

THENCE S 4° 59' 22" E - 199.13' to a found drill hole for corner;

THENCE N 72° 09' 49" E - 247.25', continuing with said north right-of-way line to the POINT OF BEGINNING and containing 1.4574 acres (63,484 square feet) of land, more or less.

Compiled from survey by:

PREJEAN & COMPANY, INC.
surveying/mapping
Job No. 354-3
Date: 10-24-2022

METES AND BOUNDS DESCRIPTIN
17.6963 ACRES OF LAND
BEING OUT OF
RESTRICTED RESERVE "A"
IMPERIAL MARKET
SUGAR LAND, FORT BEND COUNTY, TEXAS

All that certain 17.6963 acres of land being out of Restricted Reserve "A", Imperial Market, according to the plat thereof filed in the Plat Records of Fort Bend County, Texas in Plat No.20180202 and being all that certain called 18.335 acres and 0.819 acres save and except a called 0.470 acre tract (Restricted Reserve "C") described in a deed dated 10-02-2018 from Imperial Market Development, LLC to SLP-90A, Ltd. filed in the Official Public Records of Real Property of Fort Bend County, Texas in Clerk's File No.2018112110 and being more particularly described by metes and bounds as follows:

BEGINNING at a found 5/8" iron rod marking the southwest corner of said Restricted Reserve "A" and being on the north right-of-way line of Kempner Street (width varies) with the intersection of the east right-of-way line of Ulrich Street (60' wide);

THENCE with said east right-of-way line the following courses and distances:

THENCE N 24° 00' 35" W - 284.88' to a found 5/8" iron rod for an angle corner;

THENCE N 7° 10' 35" W - 145.54' to a found punch hole for an angle corner;

THENCE N 6° 19' 55" W - 281.39' to a found 5/8" iron rod for an angle corner;

THENCE N 5° 59' 55" W - 87.66', continuing with said east right-of-way line to a found 5/8" iron rod with cap for corner and being a point on a curve to the left having a central angle of 49° 07' 21", a radius of 30.00', a chord bearing of S 67° 52' 06" E - 24.94';

THENCE with said curve to the left and with the south line of Reserve "B" of said Imperial Market for an arc distance of 25.72' to a found 5/8" iron rod with cap for the Point of Reverse Curvature of a curve to the right having a central angle of 35° 25' 41", a radius of 232.00', a chord bearing of S 74° 42' 36" E - 141.18';

THENCE with said curve to the right and continuing with said south line for an arc distance of 143.45' to a found 5/8" iron rod with cap for the Point of Tangency;

THENCE S 56° 59' 44" E - 33.99', continuing with said south line to a found 5/8" iron rod with cap for the Point of Curvature of a curve to the left having a central angle of 37° 10' 32", a radius of 181.00', a chord bearing of S 75° 34' 57" E - 115.39';

THENCE with said curve to the left and said south line for an arc distance of 117.44' to a found 5/8" iron rod with cap for the Point of Tangency;

THENCE N 85° 49' 50" E - 263.92', continuing with said south line to a found 5/8" iron rod with cap for the Point of Curvature of a curve to the left having a central angle of 90° 01' 26", a radius of 25.50' a chord bearing of N 40° 49' 31" E - 36.07';

THENCE with said curve to the left for an arc distance of 40.07' to a found 5/8" iron rod with cap for the Point of Tangency;

THENCE N 4° 10' 47" W - 286.89', with the east line of said Reserve "B" to a found 5/8" iron rod with cap for the Point of Curvature of a curve to the left having a central angle of 32° 56' 26", a radius of 25.50', a chord bearing of N 20° 39' 37" W - 14.46';

THENCE with said curve to the left and said east line for an arc distance of 14.66' to a found 5/8" iron rod with cap for corner;

THENCE N 86° 12' 57" E - 535.14', with the north line of said Reserve "A" to a point for corner;

THENCE with the east line of said Reserve "A" the following courses and distances:

THENCE S 3° 47' 03" E - 3.01' to a point for corner;

THENCE S 25° 45' 53" E - 99.22' to a point for corner;

THENCE S 45° 51' 08" E - 24.32' to a point for corner;

THENCE S 73° 06' 24" E - 43.75' to a point for corner;

THENCE S 8° 52' 37" W - 58.30' to a point for corner;

THENCE S 5° 26' 33" W - 84.47' to a point for corner;

THENCE S 21° 12' 24" E - 46.74' to a point for corner;

THENCE S 36° 17' 11" E - 66.99' to a point for corner;

THENCE S 24° 51' 30" E - 93.96' to a point for corner;

THENCE S 2° 52' 48" W - 52.17' to a point for corner;

THENCE S 86° 19' 16" E - 20.31' to a point for corner;

THENCE S 33° 55' 23" E - 21.03' to a point for corner;

THENCE S 14° 05' 32" E - 159.20' to a point for corner;

THENCE S 28° 45' 04" W - 29.09' to a found "X" in concrete for corner;

THENCE with the north right-of-way line of said Kempner Street the following courses and distances:

THENCE S 75° 22' 19" W - 100.34' to a found nail for an angle corner;

THENCE S 78° 03' 09" W - 220.00' to a found 5/8" iron rod with cap for an angle corner;

THENCE N 4° 12' 13" W - 231.32' to a set 1/2" iron rod with cap for corner;

THENCE S 86° 32' 21" W - 242.98' to a set 1/2" iron rod with cap for corner;

THENCE S 4° 10' 09" E - 93.64' to a point for corner;

THENCE S 4° 59' 22" E - 199.13' to a found drill hole for corner;

THENCE with the north right-of-way line of said Kempner Street the following courses and distances:

THENCE S 72° 21' 31" W - 312.16' to a found nail for an angle corner;

THENCE S 72° 50' 26" W - 43.05' to a found 5/8" iron rod with cap for an angle corner;

THENCE S 10° 25' 10" W - 15.13' to a found drill hole for an angle corner;

THENCE S 72° 21' 38" W - 122.38' to a found 5/8" iron rod for an angle corner;

THENCE N 24° 03' 14" W - 10.20' to a found 5/8" iron rod for corner;

THENCE S 65° 56' 31" W - 159.93', continuing with said north right-of-way line to the POINT OF BEGINNING and containing 17.6963 acres (770,851 square feet) of land, more or less

Compiled from survey by:
PREJEAN & COMPANY, INC.
surveying/mapping
Job No. 354-3
Date: 10-24-2022

EXHIBIT B

Rules and Regulations

1. Sidewalks, halls, passageways, exits, entrances, elevators, escalators, stairways, and other common areas shall not be obstructed by Tenant or used by Tenant for any purpose other than for ingress to and egress from the Premises. Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence, in the judgment of the Landlord, shall be prejudicial to the safety, character, reputation or interests of the Building, including its tenants and occupants. Nothing shall be swept or thrown into the corridors, halls, elevators, or stairways.
2. No sign, placard, picture, name, advertisement, or notice (a "Sign") visible from the exterior of the Premises shall be inscribed, painted, affixed, installed, or displayed by Tenant without the prior written consent of Landlord. Absent any such consent, Landlord shall have the right to remove any Sign without notice to and at the expense of Tenant. Any such consent shall be deemed to relate to only the particular Sign so consented to by Landlord and shall not be construed as dispensing with the necessity of obtaining the prior written consent of Landlord with respect to any other Sign. All approved Signs or lettering on doors and walls shall be inscribed, painted, affixed, installed, printed, or otherwise displayed, at the expense of Tenant, by a person approved by Landlord and in a manner or style acceptable to Landlord.
3. No curtains, draperies, blinds, shutters, shades, screens or other coverings, awnings, hangings or decorations shall be installed or used in connection with any window or door of the Premises without the prior written consent of Landlord, except for normal and customary interior decorations to the Premises not visible from the exterior of the Building. In any event, any such items shall be installed so as to face the interior surface of the standard window treatment established by Landlord and shall in no way be visible from the exterior of the Building. No articles shall be placed or kept on the windowsills or any terraces so as to be visible from the exterior of the Building. No articles shall be placed against glass partitions or doors which might appear unsightly from the outside of the Premises. No sashes, sash doors, skylights, windows or doors that reflect or admit light or air into the halls, passageways or other public places in the Building shall be covered or obstructed by Tenant without the prior written consent of Landlord.
4. Tenant shall not employ or permit any person(s) other than the janitorial contractor of the Landlord to clean the Premises without the prior written consent of Landlord. In the event of any permitted person being employed by Tenant to do janitorial work, while in the Building and outside of the Premises such person(s) shall be subject to the control and direction of the Building's management office (not as an agent or servant of Landlord); however, Tenant shall in all cases be responsible for the acts of such person(s).
5. Tenant and its employees, upon daily departure, shall cause (a) the doors of the Premises to be securely locked, and (b) to the extent practical shut off all faucets, valves and other control apparatuses to water and other resources, so as to prevent waste or damage. With

the exception of permitting ingress and egress to the Building, Tenant shall keep doors(s) to the Building's corridors on multi-tenant floors of the Building closed at all times.

6. Tenant shall not waste electricity, water, heating, air-conditioning or any other resources and shall cooperate fully with Landlord to assure the most effective utilization of such Building resources. Tenant shall not attempt to adjust any Building resource controls other than any thermostats specifically installed for Tenant's use. No heating, air-conditioning unit or other similar apparatus shall be installed or used by Tenant without the prior written consent of Landlord.
7. Tenant shall not alter any lock or access device, nor shall Tenant install any new or additional lock, access device or bolt on any door of the Premises without the prior written consent of Landlord. In the event of any permitted installation, Tenant shall in each case furnish Landlord with a key for any such lock or device.
8. Landlord shall furnish Tenant, as applicable, access cards or keys to the Premises as specified in Section 4.4 of the Lease. Tenant shall not make or have made copies of any keys or cards furnished by Landlord. Tenant shall, upon the expiration or sooner termination of its tenancy, deliver to Landlord all of such keys and/or cards, together with any of the keys relating to the Premises including, but not limited to, all keys to any vaults or safes which remain on the Premises. In the event of the loss of any keys or cards furnished by Landlord to Tenant, Tenant shall pay Landlord (a) the cost thereof (less any deposit paid by Tenant) or (b) the cost of changing the subject lock(s) or access device(s) if Landlord deems it necessary to make such change.
9. The toilet rooms, toilets, urinals, washbowls, plumbing fixtures and any other Building apparatus shall not be used for any purpose other than that for which they were constructed; and no foreign substance of any kind shall be thrown therein. Any loss, cost or expense relating to any breakage, stoppage or damage resulting from any violation of this rule shall be borne by Tenant. In addition, Tenant will be responsible for any damage to carpeting and flooring as a result of rust or corrosion of file cabinets, water staining from planters, excessive wearing by roller chairs and metal objects.
10. Tenant shall not permit any cooking on the Premises (except that private, non-commercial use by Tenant and its employees of Underwriters' Laboratory-approved equipment for the preparation of coffee, tea, hot chocolate and similar beverages, and for the heating of foods, shall be permitted; provided that such equipment is used in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations). The Premises shall not be used for lodging or sleeping purposes. If the Premises becomes infested with vermin or pests, Tenant, at its sole cost and expense, shall have such pests exterminated by Landlord approved exterminators.
11. All tenants will refer any contractors, contractor's representatives and installation technicians rendering any services to them to Landlord for Landlord's supervision and approval prior to commencement of any work.

12. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior of the Building. Tenant shall not interfere with any radio or television broadcast or reception from within the Building.
13. Tenant shall not permit its employees, licensees and invitees to loiter around the hallways, plazas, lobbies, stairways, elevators, front, roof or any other part of the Building used in common by the occupants thereof nor permit them to use the same for purposes of lunches, coffee breaks or other similar activities.
14. The freight elevator shall be available for use by Tenant, subject to reasonable scheduling by Landlord. No furniture, freight, equipment, materials, supplies, packages, merchandise or other property shall be received in the Building or carried up or down the elevators, except between such hours and in such elevators designated by Landlord. Any deliveries, removals or relocations of large, bulky or voluminous items, such as furniture, office machinery and equipment, etc., can only be made after obtaining approval from the Landlord, which approval shall not be unreasonably withheld or delayed. The tenants assume all risks. All damages done to the Building by the installation or removal of any tenant's property or caused by any tenant's property within the Building, shall be repaired at the expense of such tenant.
15. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot the floor was designed to carry, or any load allowed by applicable law. Landlord shall have the right to prescribe the weight, size and position of safes, any library or other shelving, furniture or other heavy equipment brought into the Building, and Tenant shall bear the reasonable fees of any structural engineer hired by Landlord in connection therewith. Safes or other heavy objects shall, if considered necessary to Landlord, stand on wood strips of such thickness as determined by Landlord to be necessary to properly distribute the weight thereof. Landlord shall not be responsible for loss of or damage to any such safes or other heavy objects for any cause; all damages done to the Building by moving or maintaining of any such items shall be repaired at the expense of Tenant.
16. No machinery other than the kind considered usual and standard for general office use shall be operated by any tenant in its leased area without the prior written consent of Landlord. Business machines or mechanical equipment of Tenant, which causes noise or vibration that may be transmitted to the structure of the Building or any space therein to such a degree objectionable to Landlord or any other tenants or occupants of the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate such noise or vibration. Tenant shall bear the reasonable fees of any acoustical or structural engineer hired by Landlord in connection therewith.
17. Tenant shall not mark, drive nails or screws, or drill into the partitions, ceilings or floors of the Premises or in any way deface the Premises except for normal and customary interior decorations.

18. Tenant shall not install, maintain or operate on the Premises any vending machine without the prior written consent of Landlord.
19. No animals (other than those assisting the handicapped), including reptiles, birds, fish (or aquariums), or other non-human, non-plant living things or organic Holiday décor of any kind shall be allowed in the Building.
20. There shall not be used in the Building any hand trucks, except those equipped with rubber tires and side guards, or any other material handling equipment, except as approved in advance in writing by Landlord. No scooters, roller skates, roller blades, bicycles, and no other vehicles of any kind shall be brought into and operated within the Project. Bicycles and vehicles may only be parked in areas designated for such purpose.
21. Tenant shall store all of its trash and garbage within the interior of the Premises. No materials shall be placed in the Building's trash boxes or receptacles if such material is of such a nature that it may not be disposed of in the ordinary and customary manner, or if such an act would violate any applicable law governing such removal and disposal.
22. Canvassing, soliciting, distributing of handbills or any other written material, and peddling in the Building are prohibited; Tenant shall cooperate to prevent such activity. Tenant shall not engage in office-to-office solicitation of business from other tenants or occupants of the Building.
23. Landlord reserves the right to exclude or to expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs, or who is in violation of any of these Rules and Regulations.
24. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency. No firearms or weapons of any kind are allowed within the Premises or the Building.
25. No tenant shall invite to its premises, or permit the visit of, persons in such numbers or under such conditions to interfere with the use and enjoyment of any of the plazas, entrances, corridors, escalators, elevators, and other facilities of the Building by other tenants.
26. Landlord will not be responsible for lost or stolen personal property, money or jewelry from any tenant's Premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not, except as may be otherwise set forth in the Lease. Tenant assumes any and all responsibility for protecting the Premises from theft, robbery and pilferage by taking necessary steps including, but not limited to, keeping doors locked and other means of entry to the Premises closed.
27. Any additional or special requirements of Tenant shall be attended to only upon application to the office of the Building by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of the regular duties unless under special instructions from Landlord. No such employees shall admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.

28. Tenant shall not advertise or permit any advertising which, in Landlord's opinion, tends to impair the reputation of the Building as a first-class building. Upon written notice from the Landlord, Tenant shall refrain from or discontinue any such advertising.
29. Landlord may waive any of these Rules and Regulations for the benefit of any particular tenant or occupant of the Building in any particular instance; however, no such waiver by Landlord shall be construed as a waiver of these Rules and Regulations with respect to any other tenant or occupant thereof. Any revised rules and regulations, when made and written notice thereof is given to a tenant, shall be binding upon it in like manner as if originally herein prescribed.
30. Landlord shall have the following rights, exercisable without notice and without liability to any tenant for damage or injury to property, persons or business; and to the extent not in conflict with the Lease without effecting an eviction or disturbance of any tenant's use or possession; or giving cause to any claim for offset or abatement or rent:
 - (A) To install, affix and maintain all signs on the exterior and interior of the Building.
 - (B) To control all internal lighting that may be visible from the Building exterior.
 - (C) To decorate and to make repairs, alterations, additions, changes or improvements, whether structural or otherwise, in and about the Building or any part thereof; to enter upon any tenant's premises for such purpose; to temporarily close doors, entryways, public space, corridors; to temporarily suspend Building services and facilities; to change the arrangement and location of entrances, passageways, doors, elevators, shafts, stairs, toilets, etc., all without abatement of rent or affecting any obligations of any tenant under its lease so long as the tenant's premises are reasonably accessible.
 - (D) To bear and retain a permanent title to each tenant's premises free and clear of any act of the tenant purporting to burden or encumber its premises.
 - (E) To grant to anyone the exclusive right to conduct any business or render any service in or to the Building; provided such exclusive right shall not operate to exclude a tenant from the use expressly permitted in its lease.
 - (F) To take all reasonable measures as Landlord may deem advisable for the security of the Building and its occupants, including, without limitation, the search of the Building and its occupants and persons entering and leaving the Building; evacuation of the Building for cause, suspected cause or drill purposes; temporary denial of access to the Building; and closing of the Building after regular working hours.
 - (G) Landlord shall have the right at any time to install and utilize metal detectors or similar security screening devices in the Building and to deny access to persons who create an unreasonable risk of bodily harm to tenants or other persons lawfully present in the Building.

31. No tenant shall obtain for use in its premises ice, drinking water, food, beverage, towels or other similar services; or accept barbering or shoe shinning services in its premises from persons not authorized, or within the hours specified, or under regulations fixed by Landlord, except as otherwise set forth in the tenant's lease.
32. Except with the prior written consent of Landlord, no tenant shall sell or permit the sale of newspapers, magazines, periodicals, theater tickets or other goods or merchandise in or on its premises; nor shall any tenant carry on, permit or allow any employee or other person to carry on the business of stenography, typewriting or any similar business in or from its premises for the services or accommodation of occupants or any other portion of the Building.

These Rules and Regulations are provided as a general guideline. Landlord reserves the right to make such other and further reasonable rules and regulations as in its judgment may from time to time be necessary for the safety, care and cleanliness of the Building and its occupants and for the preservation of good order therein. Please refer to your lease for information specific to your tenancy. In the event of any conflict between the Rules and Regulations and the Lease, the Lease shall control.

EXHIBIT C

Work Letter

This Work Letter is attached as an Exhibit to that Office Lease (the “Lease”) between Puma Development, Inc., as Landlord, and City of Sugar Land, Texas, as Tenant, for the Premises, the rentable square footage of which is twenty-seven thousand (27,000) square feet, located in the Building. Unless otherwise specified, all capitalized terms used in this Work Letter shall have the same meanings as in the Lease. In the event of any conflict between the Lease and this Work Letter, the latter shall control. Project Manager has agreed to perform certain obligations as Landlord’s agent and on Landlord’s behalf, including the obligations set forth below.

1. Approved Construction Documents.

(a) Tenant’s Information. Within ten (10) days after receipt of notice by Landlord to Tenant that construction is scheduled to commence, Tenant shall submit to Project Manager (i) the name of a representative of Tenant who has been designated as the person responsible for receiving all information from and delivering all information to Project Manager relating to the construction of the Tenant Improvements, and (ii) all information necessary for the preparation of complete, detailed architectural, mechanical, electrical and plumbing drawings and specifications for construction of the Tenant Improvements in the Premises, including Tenant’s partition and furniture layout, reflected ceiling, telephone and electrical outlets and equipment rooms, initial provider(s) of telecommunications services, doors (including hardware and keying schedule), glass partitions, windows, critical dimensions, imposed loads on structure, millwork, finish schedules, security devices, if any, which Tenant desires or Property Manager requires to have integrated with other Building safety systems, and HVAC and electrical requirements (including Tenant’s connected electrical loads and the National Electrical Code (NFPA-70) Design Load Calculations), together with all supporting information and delivery schedules (“Tenant’s Information”).

(b) Construction Documents. Following Landlord’s receipt of Tenant’s Information, Landlord’s designated architectural/engineering firm shall prepare and submit to Tenant all finished and detailed architectural drawings and specifications, including mechanical, electrical and plumbing drawings (the “Construction Documents”). In addition, Project Manager shall advise Tenant of the number of days of Tenant Delay (as defined below) attributable to extraordinary requirements (if any) contained in Tenant’s Information. Project Manager reserves the right to designate the location(s) of all of Tenant’s mechanical, electrical or other equipment and the manner in which such equipment will be connected to Building systems.

(c) Approved Construction Documents. Within seven (7) business days after receipt, Tenant shall (i) approve and return the Construction Documents to Project Manager, or (ii) provide Project Manager Tenant’s written requested changes to the Construction Documents, in which event Project Manager shall have the Construction Documents revised (as Project Manager deems appropriate) and resubmitted to Tenant for approval within 7 Business Days after receipt. If Tenant fails to request changes within such 7 business day period, Tenant shall be deemed to have approved the Construction Documents. Upon Tenant’s approval, the

Construction Documents shall become the “Approved Construction Documents” and Landlord thereafter shall contract with the general contractor chosen to complete the Tenant Improvements. By granting approval of the Construction Documents (whether such approval is expressly granted or deemed given as provided above), Tenant shall be deemed to have confirmed by means of calculations or metering that the available capacity of the Building electrical system will support Tenant’s electrical requirements.

2. Pricing and Bids. Following receipt of the Approved Construction Documents, Project Manager will promptly price the construction of Tenant Improvements with approved general contractors in accordance with the Approved Construction Documents and furnish written price estimates to Tenant. Upon receipt, Tenant shall promptly review such estimates and complete negotiations with Project Manager for any changes or adjustments thereto. Within seven (7) business days after such receipt, Tenant shall return the estimates with written approval or disapproval to Project Manager. If Tenant fails to give its approval within such seven (7) business day period, the lowest competent estimates will be deemed approved by Tenant. If Tenant disapproves the estimates provided by Landlord, Landlord will recommence the approval process until Tenant’s approval is obtained.

3. Landlord’s Contributions. Landlord will provide a construction allowance not to exceed \$80.00 multiplied by the rentable square footage of the Premises (the “Construction Allowance”), toward the cost of constructing Tenant Improvements. Payments shall be made directly to Landlord’s contractor performing Tenant Improvements. The cost of (a) all space planning, design, consulting or review services and construction drawings, (b) extension of electrical wiring from Landlord’s designated location(s) to the Premises, (c) purchasing and installing all building equipment for the Premises (including any sub-meters and other above building standard electrical equipment approved by Project Manager), (d) required metering, re-circuiting or re-wiring for metering, equipment rental, engineering design services, consulting services, studies, construction services, cost of billing and collections, (e) materials and labor, and (f) an asbestos survey of the Premises if required by applicable law, shall all be included in the cost of Tenant Improvements and may be paid out of the Construction Allowance, to the extent sufficient funds are available for such purpose. The Construction Allowance must be utilized by Tenant for its intended purpose and all of Tenant’s funding requests must be received in writing by Landlord within thirty (30) days after the Tenancy Commencement Date or be forfeited with no further obligation on the part of Landlord.

4. Construction.

(a) General Terms. Subject to the terms of this Work Letter, Project Manager agrees to cause Tenant Improvements to be constructed in the Premises in a good and workmanlike manner in accordance with the Approved Construction Documents. Tenant acknowledges that neither Landlord nor Project Manager is an architect or engineer, and that Tenant Improvements will be designed and performed by independent architects, engineers and contractors. Accordingly, Landlord and Project Manager do not guarantee or warrant that the Approved Construction Documents will comply with Laws or be free from errors or omissions, or that Tenant Improvements will be free from defects, and neither Landlord nor Project Manager will have any liability therefor. In the event of such errors, omissions or defects, and upon Tenant’s written request, Project Manager will use commercially reasonable efforts to cooperate with

Tenant in enforcing any applicable warranties. In addition, Project Manager's approval of the Construction Documents or Tenant Improvements shall not be interpreted to waive or otherwise modify the terms and provisions of the Lease. Except with respect to the economic terms set forth in Paragraph 3 of this Work Letter, the terms and provisions contained in this Work Letter shall survive the completion of Tenant Improvements and shall govern in all applicable circumstances arising under the Lease throughout the term of the Lease, including the construction of future improvements in the Premises. Tenant acknowledges that Tenant's Information and the Approved Construction Documents must comply with (i) the definitions used by Project Manager for the electrical terms used in this Work Letter, (ii) the electrical and HVAC design capacities of the Building, (iii) Landlord's policies concerning communications and fire alarm services, and (iv) Landlord's policies concerning Tenant's electrical design parameters, including harmonic distortion. Upon Tenant's request, Project Manager will provide Tenant a written statement outlining items (i) through (iv) above.

(b) Gray Box. Prior to Tenant Improvements, Landlord will deliver the space as a "gray box" with the following characteristics:

- (i) Exterior walls and roof shall be constructed and properly sealed consistent with applicable codes.
- (ii) All primary HVAC equipment shall be in place and the HVAC distribution main loop shall be in place, tight to the slab above, and ready for the installation of VAV mixing boxes, low pressure ductwork, and diffusers as a part of the Tenants Improvements.
- (iii) Main distribution of electrical service to the electrical closet on each floor proposed, including transformers.
- (iv) All work in common areas and core of the Building including, but not limited to, common corridors and common elevator lobbies shall be completed and in compliance with current code.
- (v) The automatic sprinkler system main loop shall be fully completed, operational and tested in accordance with NFPA requirements and current code.
- (vi) All restroom work shall be completed and meet all applicable codes, including any ADA requirements. For multi-tenanted floors, provided in common areas. If Premises is full floor, within the Premises.
- (vii) All vertical penetrations shall be sealed and fireproofed.
- (viii) Connection "stub outs" shall be available for vent, hot and cold water at each floor.
- (ix) Connection point installed on the floor(s) for fire alarm system. The complete core fire detection system shall be installed, operating and tested in accordance with NFPA requirements.

- (x) The floor must accommodate live weight load to accommodate customary office use and equipment incidental thereto.

(c) ADA Compliance. Landlord shall, as an Operating Expense, be responsible for ADA (and any applicable state accessibility standard) compliance for the core areas of the Building (including elevators, common areas, and service areas), the Property's parking facilities and all points of access into the Property. Tenant shall, at its expense, be responsible for ADA (and any applicable state accessibility standard) compliance in the Premises, including restrooms on any floor now or hereafter leased or occupied in its entirety by Tenant, its affiliates or transferees. Neither Landlord nor Project Manager shall be responsible for determining whether Tenant is a public accommodation under ADA or whether the Approved Construction Documents comply with ADA requirements, including submission of the Approved Construction Documents for review by appropriate state agencies. Such determinations, if desired by Tenant, shall be the sole responsibility of Tenant.

(d) Substantial Completion. As to the Premises, Tenant Improvements shall be deemed to be "Substantially Complete" on the date that all Tenant Improvements in the Premises (other than any details of construction, mechanical adjustment or any other similar matter, the non-completion of which does not materially interfere with Tenant's use or occupancy of the Premises) has been performed. Time is of the essence in connection with the obligations of Project Manager and Tenant under this Work Letter. Neither Landlord nor Project Manager shall be liable or responsible for any claims incurred (or alleged) by Tenant due to any delay in achieving Substantial Completion for any reason. Tenant's sole and exclusive remedy for any delay in achieving Substantial Completion for any reason other than Tenant Delay (defined below) shall be the resulting postponement (if any) of the commencement of rental payments under the Lease. "Tenant Delay" means any act or omission of Tenant or its agents, employees, vendors or contractors that actually delays the Substantial Completion of Tenant Improvements, including: (i) Tenant's failure to furnish information or approvals within any time period specified in the Lease, including the failure to prepare or approve preliminary or final plans by any applicable due date; (ii) Tenant's selection of non-building standard equipment or materials; (iii) changes requested or made by Tenant to previously approved plans and specifications; or (iv) activities or performance of work in the initial Premises by Tenant or Tenant's contractor(s) during the performance of Tenant Improvements.

5. Costs.

(a) Change Orders and Cost Overruns. Project Manager's approval is required in advance of all changes to, and deviations from, the Approved Construction Documents (each, a "Change Order"), including any (i) omission, removal, alteration or other modification of any portion of Tenant Improvements, (ii) additional architectural or engineering services, (iii) changes to materials, whether building standard materials, specially ordered materials, or specially fabricated materials, or (iv) cancellation or modification of supply or fabrication orders. Except as otherwise expressly provided in this Work Letter, all costs of Tenant Improvements in excess of the Construction Allowance including Change Orders requested by Tenant and approved by Project Manager which increase the cost of Tenant Improvements (collectively, "Cost Overruns") shall be paid by Tenant to Landlord within 10 days of receipt of Landlord's invoice. In addition, at either Landlord's or Project Manager's election, Tenant shall prepay any

projected Cost Overruns within 10 days of receipt of Landlord's invoice for same. Project Manager may stop or decline to commence all or any portion of Tenant Improvements until such payment (or prepayment) of Cost Overruns is received. On or before the Commencement Date, and as a condition to Tenant's right to take possession of the Premises, Tenant shall pay Landlord the entire amount of all Cost Overruns, less any prepaid amounts. Tenant's failure to pay, when due, any Cost Overruns or the cost of any Change Order shall constitute an event of default under the Lease.

(b) Construction Supervisory Fee. Tenant shall, for supervision and administration of the construction and installation of Tenant Improvements, pay Landlord a Construction Supervisory Fee equal to three percent (3.0%) of the aggregate contract price for the Tenant Improvements, which may be paid from the unused portion of the Construction Allowance, if any. In the event the Construction Allowance is not sufficient to pay the Construction Supervisory Fee, Landlord shall invoice Tenant. Tenant's failure to pay the Construction Supervisory Fee within thirty (30) days following the date of invoice shall constitute an Event of Default, hereinafter defined, under this Lease. By taking possession of the Premises, Tenant agrees and acknowledges that (a) the Premises are usable by Tenant as intended; (b) neither Landlord nor Project Manager has any further obligation to perform any Tenant Improvements or other construction (except punch-list items, if any agreed upon by Project Manager and Tenant in writing); and (c) both the Building and the Premises are satisfactory in all respects.

EXHIBIT D

Parking Agreement

This Parking Agreement (the “Agreement”) is attached as an Exhibit to that Office Lease (the “Lease”) between Puma Development, Inc, as Landlord, and City of Sugar Land, Texas, as Tenant, for the Premises. Unless otherwise specified, all capitalized terms used in this Agreement shall have the same meanings as in the Lease.

1. As of Tenancy Commencement Date, Tenant shall be entitled to utilize up to three (3) permits per 1,000 square feet of Net Rentable Area in the Premises allowing access to unreserved, uncovered spaces (the “Uncovered Permits”) located in the outdoor surface parking lot (the “Parking Lot”). During the Term, Tenant shall not be required to pay Landlord or any other party for any Uncovered Permits.

2. Notwithstanding anything herein to the contrary, Landlord reserves the right, exercisable at any time and in Landlord’s sole discretion, to construct a parking garage (“Garage” and, together with the Parking Lot, the “Parking Facilities”) and to offer covered spaces at a monthly rental rate determined by Landlord. In the event that the Garage is a public garage and eligible for TIRZ reimbursements, Tenant shall not be required to pay Landlord or any other party for any unreserved, covered spaces.

3. Tenant shall at all times comply with all laws respecting the use of the Parking Facilities, if applicable. Landlord reserves the right to adopt, modify, and enforce reasonable rules and regulations governing the use of the Parking Facilities or the Property from time to time, including any key-card, sticker, or other identification or entrance systems and hours of operations. Landlord may refuse to permit any person who violates such rules and regulations to park in the Parking Facilities, and any violation of the rules and regulations shall subject the automobile in question to removal from the Parking Facilities.

4. Tenant may validate visitor parking by such method or methods as Landlord may approve, at the validation rate (as set from time to time) generally applicable to visitor parking. Unless specified to the contrary above, the parking spaces for the parking permits provided hereunder shall be provided on an unreserved, “first-come, first-served” basis. Tenant acknowledges that Landlord may arrange for the Parking Facilities to be operated by an independent contractor, unaffiliated with Landlord. In such event, Tenant acknowledges that Landlord shall have no liability for claims arising as a result of the negligent acts or omissions of such independent contractor. Landlord shall have no liability whatsoever for any damage to vehicles or any other items located in or about the Parking Facilities, and in all events, Tenant agrees to seek recovery from its insurance carrier for payment of any property damage sustained in connection with any use of the Parking Facilities. Landlord reserves the right to assign specific parking spaces, and to reserve parking spaces for visitors, small cars, handicapped persons and for other tenants, guests of tenants or other parties, with assigned and/or reserved spaces. Such reserved spaces may be relocated as determined by Landlord from time to time and Tenant and persons designated by Tenant hereunder shall not park in any such assigned or reserved parking spaces. Landlord also reserves the right to close all or any portion of the

Parking Facilities, at its discretion or if required by casualty, strike, condemnation, repair, alteration, act of God, laws, or other reason beyond Landlord's reasonable control; provided, however, that except for matters beyond Landlord's reasonable control, any such closure shall be temporary in nature. If Tenant's use of any parking permit is precluded for any reason, Tenant's sole remedy for any period during which Tenant's use of any parking permit is precluded shall be abatement of parking charges for such precluded permits. Tenant shall not assign its rights under this Agreement except in connection with a Transfer.

5. Tenant's failure to pay for any of the above-referenced Garage parking permits, if applicable, or to otherwise comply with any provision of this Agreement shall constitute an event of default under the Lease. In addition to any rights or remedies available to Landlord in the event of a Monetary Default under the Lease, Landlord shall have the right to cancel this Agreement and/or remove any vehicles from the Parking Facilities.