

WHEREAS, Resolution No. 90-0404, approved by the Dallas City Council on January 31, 1990, authorized the City Manager to execute a ten-year lease, with the right to terminate at the end of the first five-years or to continue the next five years with Crow-Redbird Associates and Petula Associates, Ltd., as landlord, and the City of Dallas as tenant, (the "Lease") for approximately 12.7 acres of land improved with approximately 31,050 square feet of office and classroom space, with a vehicle obstacle course, located at 5310 Red Bird Center Drive (the "5310 Premises") to be used by the Police Training and Education Division; and

WHEREAS, on May 25, 1995, City exercised its option to continue its lease of the 5310 Premises under the Lease Agreement into the second five years of the ten year term; and

WHEREAS, on June 15, 1999 the property was sold to Greater Dallas Realty Capital, L.P., a Texas limited partnership; and

WHEREAS, the Lease was amended and extended for a seven-year term by Lease Extension Amendment, dated June 19, 2000; and

WHEREAS, on or about January 19, 2006 the 5310 Premises was sold to Cobalt Industrial REIT, a Texas Real Estate Investment Trust (referred to herein as the "Landlord"); and

WHEREAS, by Amendment to Lease dated June 22, 2007, the Lease was amended and extended for a five-year term and the leased Premises was expanded to include an additional area of approximately 15,680 square feet of office/classroom space at a nearby building also owned by Landlord having a street address of 5610 Red Bird Center, Suite 200 (the "5610 Premises"); and

WHEREAS, the Lease expires by its own terms July 31, 2012; and

WHEREAS, the parties desire to consolidate, amend and restate the Lease to modify the terms to (i) provide for an additional ten-year term, with one (1) five-year renewal option in favor of City; (ii) expand the size of the 5610 Premises leased by City to include an additional area of approximately 11,371 square feet of office/classroom and warehouse space (the "2012 Expansion Space"), for a total of approximately 58,101 square feet of office, classroom and warehouse space and a vehicle obstacle course leased collectively between the two locations, 5310 Premises and 5610 Premises; and (iii) provide that Landlord shall (a) make certain additional leasehold improvements, repairs and refurbishments at its sole cost and expense to the 5310 Premises, and (b) make leasehold improvements, repairs and refurbishments at its sole cost and expense to the 5610 Premises, and (vi) amend certain terms of the Lease in connection with said expansion and provide other provisions as deemed appropriate by the parties; and

NOW THEREFORE,

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June 27, 2012**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

SECTION 1. That the City Manager, upon approval as to form by the City Attorney, be and is hereby authorized to execute an Amended and Restated Lease Agreement between Cobalt Industrial REIT and the City of Dallas.

SECTION 2. That the special terms and conditions of the Amended and Restated Lease Agreement are:

- (a) The Term of the Lease shall be extended for an additional ten (10) years, effective August 1, 2012 and ending July 31, 2022 (the "Term"), provided however, that City retains the right to terminate the Lease as provided elsewhere therein.
- (b) City shall be granted one (1) option to extend the Term of the Lease for an additional five-year period by giving written notice of intent to extend not later than one hundred eight (180) days prior to the expiration of the then current term, provided, however City shall have the right to terminate the Lease as provided therein. The extension shall be at the then Rental subject to annual increases at the rate of 3%.
- (c) City shall increase the square footage of the 5610 Premises to include an additional approximately 11,371 square feet of office, classroom and warehouse currently available within the 5610 Premises building, being located at 5610 Red Bird Center Drive, Suite 200-400, (the "2012 Expansion Space") for a total leased premises of approximately 58,101 square feet of office, classroom and warehouse space and a vehicle obstacle course between the two locations, 5310 Premises and 5610 Premises.
- (d) Landlord, at its sole cost and expense, shall make the leasehold improvements to the 2012 Expansion Space as specified in the Amended and Restated Lease Agreement.
- (e) Landlord, at its sole cost and expense, shall also make additional leasehold improvements, repairs and refurbishments to the 5310 Premises and the 5610 Premises as specified in the Amended and Restated Lease Agreement.
- (f) Landlord shall satisfactorily complete the improvements, repairs and refurbishments to the 5310 Premises, 5610 Premises and 2012 Expansion space by August 1, 2012 or that date agreed to by the parties.

- (g) The term "Basic Rental" shall be as follows
(subject to annual appropriations):

For the 5310 Premises:

August 1, 2012 – July 31, 2013	\$32,602.50 per month
August 1, 2013 – July 31, 2014	\$33,580.58 per month
August 1, 2014 – July 31, 2015	\$34,587.99 per month
August 1, 2015 – July 31, 2016	\$35,625.63 per month
August 1, 2016 – July 31, 2017	\$36,694.40 per month
August 1, 2017 – July 31, 2018	\$37,795.23 per month
August 1, 2018 – July 31, 2019	\$38,929.09 per month
August 1, 2019 – July 31, 2020	\$40,096.96 per month
August 1, 2020 – July 31, 2021	\$41,299.87 per month
August 1, 2021 – July 31, 2022	\$42,538.86 per month

For the 5610 Premises:

August 1, 2012 – July 31, 2013	\$16,501.11 per month
August 1, 2013 – July 31, 2014	\$16,996.14 per month
August 1, 2014 – July 31, 2015	\$17,506.03 per month
August 1, 2015 – July 31, 2016	\$18,031.21 per month
August 1, 2016 – July 31, 2017	\$18,572.15 per month
August 1, 2017 – July 31, 2018	\$19,129.31 per month
August 1, 2018 – July 31, 2019	\$19,703.19 per month
August 1, 2019 – July 31, 2020	\$20,294.28 per month
August 1, 2020 – July 31, 2021	\$20,903.11 per month
August 1, 2021 – July 31, 2022	\$21,530.21 per month

- (h) City shall pay to Landlord as the "Additional Rental" otherwise contemplated under the Amended and Restated Lease Agreement, a sum of money not to exceed as follows (the "Annual Cap" as defined in the Lease). (subject to annual appropriations):

Annual Cap for the 5310 Premises:

2012 Calendar Year	\$10,091.25 per month
2013 Calendar Year	\$10,393.99 per month
2014 Calendar Year	\$11,481.77 per month
2015 Calendar Year	\$11,826.43 per month
2016 Calendar Year	\$12,181.43 per month
2017 Calendar Year	\$20,309.29 per month
2018 Calendar Year	\$12,923.27 per month
2019 Calendar Year	\$13,310.88 per month
2020 Calendar Year	\$13,710.39 per month
2021 Calendar Year	\$14,121.54 per month
2022 Calendar Year	\$14,544.86 per month

Annual Cap for the 5610 Premises:

2012 Calendar Year	\$4,733.93 per month
2013 Calendar Year	\$4,875.94 per month
2014 Calendar Year	\$5,360.16 per month
2015 Calendar Year	\$5,521.11 per month
2016 Calendar Year	\$5,686.57 per month
2017 Calendar Year	\$9,238.82 per month
2018 Calendar Year	\$6,033.27 per month
2019 Calendar Year	\$6,214.07 per month
2020 Calendar Year	\$6,400.94 per month
2021 Calendar Year	\$6,592.55 per month
2022 Calendar Year	\$6,790.25 per month

- (i) If Landlord fails to complete the improvements to the 2012 Expansion Space in a satisfactory manner and tender possession of it to City by August 1, 2012, the Rental for the 5610 Premises shall be prorated for every day the 2012 Expansion space remains incomplete and undelivered to City.
- (j) Landlord agrees to provide the City with a Certificate of Occupancy for the 2012 Expansion Space.
- (k) City, at City's cost, shall obtain, at its election, an updated title policy.
- (l) Landlord shall be responsible to provide, at Landlord's cost, all structural and non-structural maintenance and repairs to the Premises, and to maintain in good repair and working order all equipment and systems which are located within or serve the Premises, including but not limited to all electrical, mechanical and plumbing systems, including heating, ventilating and air conditioning equipment, front and rear doors, light fixtures and bulb replacements, plumbing and floor drains, exhaust fans, windows, plate glass, interior and exterior walls, ceiling and floors, termites and pest extermination, exterior lighting, roofs, foundations and parking, sidewalks, landscaping areas constituting a part of the Premises, and all water, sewer, gas electric and other utility lines and all sprinkler systems. Landlord further agrees that all equipment and systems installed by Landlord, including to but not limited to, the mechanical, heating, ventilating and air conditioning, plumbing and the electrical systems, and all floor drains, exhaust fans, windows and floors, shall be in good working order and condition prior to the Rental Commencement Date.
- (m) Landlord shall pay all real estate taxes and provide and pay for property and general commercial liability insurance for the Premises.

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- (n) Landlord shall be responsible to keep and maintain the Exterior Facilities (as defined in the Lease) at the Premises in good and safe state of repair and in clean and orderly condition.
- (o) Landlord shall, on an annual basis, during the term of the Lease provide City with a Tenant Allowance available for City's designation of leasehold improvements to be performed by Landlord. City shall deliver to Landlord no later than January 31st of each calendar year a description of the leasehold improvements which City requests Landlord to perform, within the Tenant Allowance, and Landlord will complete such improvements within 90 days of receipt of City's improvements request.
- (p) City shall be responsible for the installation, maintenance and expense of its own telephone, communication and security services.
- (q) City shall pay all charges for utilities and janitorial services.
- (r) Landlord shall pay all Operating Expenses (as defined in the Lease) during the entire lease term.
- (s) Landlord shall, at Landlord's expense, provide City with an asbestos survey at Landlord's expense for the 2012 Expansion Space.
- (t) Landlord shall provide City with the option to have Landlord perform, at City's cost and expense, additional leasehold improvements to the 2012 Expansion Space. City agrees to deliver notice of its election to have Landlord perform those additional leasehold improvements no later than December 31, 2012.
- (u) Landlord shall provide City with parking for the Premises in compliance with applicable code so long as City does not elect its option (referenced in (t) above) as provided in the Lease to have Landlord perform the additional improvements to the 2012 Expansion Space. City agrees to secure the additional and necessary parking per applicable code related to the additional improvements.
- (v) City reserves the right to terminate the Lease, as hereby, amended and restated, on the last day of the then current fiscal year in the event of non-appropriation of funds by City. City agrees to notify Landlord in writing of such termination at least One Hundred Eighty (180) days in advance, with such notice, payment of the unamortized portion of the improvements, repairs and refurbishments of the 5310 Premises, 5610 Premises and 2012 Expansion Space as set forth in the Lease.

- (w) City shall also have a one-time right to terminate the Lease on July 31, 2017 by giving twelve (12) months written notice to Landlord.

SECTION 3. That the City Controller be and is hereby authorized to draw warrants for the Basic Rental payable to Cobalt Industrial REIT or its successors or assigns, on the first day of each month in advance beginning August 1, 2012, and charge the same to Fund 0001, Department DPD, Unit 2116, Object 3330, Vendor No. VS0000005904 and Encumbrance No. DPDLEAS12J14 as follows: (all fiscal years subject to annual appropriations)

August 1, 2012 - July 31, 2013:	\$49,103.61 per month
August 1, 2013 - July 31, 2014:	\$50,576.72 per month
August 1, 2014 - July 31, 2015:	\$52,094.02 per month
August 1, 2015 - July 31, 2016:	\$53,656.84 per month
August 1, 2016 - July 31, 2017:	\$55,266.55 per month
August 1, 2017 – July 31 2018:	\$56,924.54 per month
August 1, 2018 – July 31, 2019:	\$58,632.28 per month
August 1, 2019 – July 31, 2020	\$60,391.24 per month
August 1, 2020 – July 31, 2021	\$62,202.98 per month
August 1, 2021 – July 31, 2022	\$64,069.07 per month

SECTION 4. That the City Controller be and is hereby authorized to draw warrants for the Additional Rental payable to Cobalt Industrial REIT or its successors or assigns, on the first day of each month in advance beginning August 1, 2012, so long as the Additional Rental does not exceed the Annual Cap and charge the same to Fund 0001, Department DPD, Unit 2116, Object 3330, Vendor No. VS0000005904 and Encumbrance No. DPDLEAS12J14 as follows: (all fiscal years subject to annual appropriations)

Additional Rental Annual Cap:

Aug 1, 2012 – Dec 31, 2012:	\$14,825.18 per month
Jan 1, 2013 – Dec 31, 2013:	\$15,269.93 per month
Jan 1, 2014 – Dec 31, 2014:	\$16,841.93 per month
Jan 1, 2015 – Dec 31, 2015:	\$17,347.54 per month
Jan 1, 2016 – Dec 31, 2016:	\$17,868.00 per month
Jan 1, 2017 – Dec 31, 2017:	\$29,548.11 per month
Jan 1, 2018 – Dec 31, 2018:	\$18,956.54 per month
Jan 1, 2019 – Dec 31, 2019:	\$19,524.95 per month
Jan 1, 2020 – Dec 31, 2020:	\$20,111.33 per month
Jan 1, 2021 – Dec 31, 2021:	\$20,714.09 per month
Jan 1, 2022 – July 31, 2022:	\$21,335.11 per month

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SECTION 5. That the City Controller be and is hereby authorized to draw warrants payable to the respective utility, communication, janitorial and security companies upon receipt of bills for services or other applicable charges throughout the term of the lease and charge the same to Fund 0001, Department DPD, Unit 2116, Object 3330 and Encumbrance No. DPDLEAS12J14.

SECTION 6. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**APPROVED AS TO FORM:
THOMAS P. PERKINS, JR.
CITY ATTORNEY**

By: _____

Amuelo Per Turner
Assistant City Attorney

APPROVED BY
CITY COUNCIL

JUN 27 2012

James C. Davis
City Secretary