

ORIGINAL

**FOURTH AMENDMENT TO
PROPERTY MANAGEMENT AGREEMENT
CIVIC CENTER PLAZA**

THIS FOURTH AMENDMENT ("Fourth Amendment") TO THE PROPERTY MANAGEMENT AGREEMENT CIVIC CENTER PLAZA (which agreement is comprised of the Property Management Agreement Civic Center Plaza ("Original Agreement"), the First Amendment to Property Management Agreement Civic Center Plaza ("First Amendment"), the Second Amendment to Property Management Agreement Civic Center Plaza ("Second Amendment"), and the Third Amendment to Property Management Agreement Civic Center Plaza ("Third Amendment"), shall hereinafter, collectively, be referred to as the "Agreement") and entered into between the City of San Diego, a California municipal corporation ("Master Tenant") and CBRE, Inc., a Delaware corporation ("Manager") (collectively referred to as the "Parties"), effective on September 1, 2020.

RECITALS

- A. The Agreement between the Parties for property management services for the real property and improvements commonly known as Civic Center Plaza, located at 1200 Third Ave., San Diego, CA 92101 ("Civic Center Plaza"), the real property and improvements located at 201 A Street, San Diego, CA 92101 ("King Chavez"), and the real property located at 101 Ash Street, San Diego, CA 92101 ("101 Ash"), collectively "the Properties", currently expires on August 31, 2020.
- B. Master Tenant has determined it will require additional time to properly address and determine procedures that are in the best interest of the Master Tenant and consistent with the management of high rise office buildings and state and local laws, and, therefore, it would be in the best interest of Master Tenant to temporarily delay the issuance of a Request for Proposal for a new contract for property management services for of the Properties.
- C. Until a Request for Proposal is issued and the award of a new property management contract is approved by City Council, Master Tenant has also determined that it is in its best interests to continue utilizing the services of Manager under the terms and conditions of the Agreement for up to one (1) additional year, for an amount not to exceed Five Hundred Thirty-Nine Thousand Dollars (\$539,000.00). Manager has agreed to continue providing services as set forth in the Agreement for the up to one (1) additional year for an amount not to exceed Five Hundred Thirty-Nine Thousand Dollars (\$539,000.00). Master Tenant has also elected to remove 101 Ash from the Agreement.
- D. The Lease Agreement Between CCP 1200, LLC and the City of San Diego dated March 13, 2015, for the lease of Civic Center Plaza and King Chavez, at section 9(a), and the Lease Agreement Between 101 Ash, LLC and the City of San Diego dated January 3, 2017, at section 9(a) (collectively the "Master Leases"), require that Master Tenant contract and pay for third party property management services for the Properties. Master Tenant is extending the Agreement for property management services solely for continuity of building operations. This Fourth Amendment shall not be interpreted as a statement or admission regarding the enforceability of any provisions of the Master Leases.
- E. The Parties now wish to amend the Agreement to allow for the inclusion of a new "Term" provision into the Agreement and to remove 101 Ash from the Agreement.

AGREEMENT

DOCUMENT NO. 06-21240
FILED SEP 29 2020
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

NOW, THEREFORE, in consideration of the foregoing Recitals, which by this reference are incorporated into and made a part of this Fourth Amendment, and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, for the Parties hereto agree as follows:

1. The "Section 3.1 Term" set forth in the Agreement is DELETED in its entirety and REPLACED with the following text:
 - 3.1. Term. The term of this Agreement shall commence on August 31, 2015 (the "Commencement Date") and shall continue for a period of six (6) years, or until: (1) the Five Hundred Thirty-Nine Thousand Dollars (\$539,000.00) authorized for property management services under this Agreement has been exhausted; or (2) a contract for property management of one or more of the Properties has been awarded and commenced pursuant to a Master Tenant-issued Request for Proposal or other competitive process ("Term").
2. DELETE in its entirety Recitals A and B from the Third Amendment.
3. Schedule 2 will be DELETED in its entirety and REPLACED with the attached Schedule 2, which is incorporated into and made a part of this Fourth Amendment.
4. Counterparts. This Fourth Amendment may be executed in counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement. This Fourth Amendment may be executed by a Party's signature transmitted by email as a PDF file, and copies of this Fourth Amendment executed and delivered by means of email as a PDF file shall have the same force and effect as copies hereof executed and delivered with original signatures. All Parties hereto may rely upon such email signatures as if such signatures were originals.
5. No Further Modifications. Except as set forth in this Fourth Amendment, all of the terms and provisions of the Agreement shall remain unmodified and in full force and effect. Effective as of the Effective Date hereof, all references to the "Agreement" shall refer to the Agreement as amended by this Fourth Amendment.

IN WITNESS WHEREOF, this Fourth Amendment has been executed as first above written.

MASTER TFNANT

THE CITY OF SAN DIEGO

a California municipal corporation

BY: [Signature]

Name: Kristin Geitz

Title: Interim Director, Real Estate Assets

Date: 11/5/2020

MANAGER

CBRE, Inc., a Delaware corporation

By: [Signature]

Name: JOHN FRAGER

Title: EXECUTIVE MANAGING DIRECTOR

Date: 9-20 9-16-20

Approved to as form this 10th day, of Nov., 2020

MARA ELLIOTT, CITY ATTORNEY

By: [Signature] for Kathy Steinman

Name: Catherine Morrison

Title: Deputy City Attorney

0-21240

SCHEDULE 2

MANAGEMENT COMPENSATION

Management Fee for 1200 Third Avenue and 201 A Street, San Diego, CA: \$5,000.00 per month.

Management staff for 1200 Third Avenue and 201 A Street, San Diego, CA to be reimbursed by Master Tenant:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Cyndi Poes	Assoc. Real Estate Manager	\$63,468 + 10% annual bonus
Sharon Salvatore	SREM/GM	\$90,808 + 20% annual bonus

An overhead rate of 25% shall be applied to the above salaries for purposes of reimbursement by Master Tenant.

Glenn Chase	Chief Building Engineer	\$109,512
Mark Schulze	Lead Engineer	\$89,128

In addition to the annual salary, at the discretion of Master Tenant, the Chief Building Engineer has an annual potential bonus of \$5,000, the Lead Engineer has an annual potential bonus of \$4,500.

An overhead rate not to exceed 33% shall be applied to the Engineer salaries and represents all Costs of Employment.

City approval is required prior to any change in CBRE personnel at any of the properties who are not specifically identified in this Fourth Amendment and the City cannot be charged for unfilled positions.

ORDINANCE NUMBER O- 21240 (NEW SERIES)

DATE OF FINAL PASSAGE OCT 02 2020

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE MAYOR TO EXECUTE
THE FOURTH AMENDMENT TO THE PROPERTY
MANAGEMENT AGREEMENT WITH CBRE, INC. FOR
PROPERTY MANAGEMENT SERVICES FOR THE REAL
PROPERTIES LOCATED AT 1200 THIRD AVENUE AND 201
A STREET, SAN DIEGO, CALIFORNIA.

WHEREAS, in May 2015, the City of San Diego (City) entered into a lease-to-own agreement for the real properties located at 1200 Third Avenue, also known as Civic Center Plaza (CCP), and 201 A Street, also known as the King Chavez School (King Chavez); and

WHEREAS, that lease-to-own agreement requires the City to hire a third-party property management company for CCP and King Chavez; and

WHEREAS, because CBRE, Inc. (CBRE) had managed CCP and King Chavez for over 25 years, and for continuity of service, the City entered into a Property Management Agreement with CBRE, dated August 31, 2015, for a one (1) year term; and

WHEREAS, on March 16, 2016, the City and CBRE entered into the First Amendment to the Property Management Agreement to comply with San Diego City Charter section 45 and California Government Code section 53630; and

WHEREAS, on August 26, 2016, the City and CBRE entered into the Second Amendment to the Property Management Agreement to extend the term an additional two years, but not to exceed five (5) years unless approved by the Council of the City of San Diego; and

WHEREAS, before issuing a request for proposals and entering into a new agreement for property management services for CCP and King Chavez, (the Properties), the City desires to bring forward changes to the San Diego Municipal Code to allow the property manager to

efficiently and cost-effectively manage the Properties consistent with best management practices;
and

WHEREAS, the current Property Management Agreement expires on August 31, 2020, and the parties desire to amend the agreement to extend the term for up to one (1) year, with an amount not to exceed Five Hundred Thirty-Nine Thousand Dollars (\$539,000.00), or until a contract for the management of the Properties has been awarded and commenced; and

WHEREAS, the cost of the property management for the Properties are included in the budget for fiscal year 2020 and fiscal year 2021, and an extension of the existing Property Management Agreement will not change fiscal year 2020 or fiscal year 2021 budgeted expenses for property management of the Properties; and

WHEREAS, under Charter Section 99, no contract, agreement, or obligation extending for a period of more than five years may be authorized except by Ordinance approved by a two-thirds majority vote of the City Council; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor, or his designee, is authorized and directed to execute, for and on behalf of the City, that certain Fourth Amendment to the Property Management Agreement between CBRE, Inc. and the City of San Diego, that is on file in the Office of the City Clerk as Document No. ⁰⁰⁻21240, to retroactively extend the Property Management Agreement between CBRE, Inc. and the City of San Diego for property management services for the real properties located at 1200 Third Avenue and 201 A Street, San Diego, California to September 1, 2020, for up to one (1) year or until a contract for the management of the Properties has been awarded and commenced.

Section 2. That the Chief Financial Officer is authorized to appropriate and expend an amount not to exceed \$539,000.00, contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure, are, or will be, on deposit with the City Treasurer.

Section 3. That a full reading of this Ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 4. That this Ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Kathy J. Steinman
Kathy J. Steinman
Deputy City Attorney

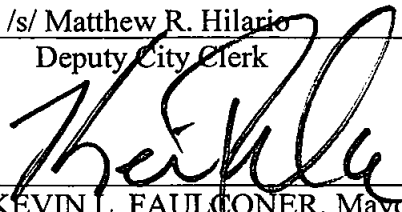
KJS:nja
08/26/20
09/17/20 Rev.Copy
Or. Dept: READ
Doc. No.: 2470251

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of 9/29/2020.

ELIZABETH S. MALAND
City Clerk

By /s/ Matthew R. Hilario
Deputy City Clerk

Approved: 10/2/2020
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on SEP 29 2020, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	☒	☐	☐	☐
Jennifer Campbell	☐	☒	☐	☐
Chris Ward	☒	☐	☐	☐
Monica Montgomery	☒	☐	☐	☐
Mark Kersey	☒	☐	☐	☐
Chris Cate	☐	☒	☐	☐
Scott Sherman	☐	☒	☐	☐
Vivian Moreno	☒	☐	☐	☐
Georgette Gómez	☒	☐	☐	☐

Date of final passage OCT 02 2020.

AUTHENTICATED BY:

KEVIN L. FAULCONER

Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California.

By Connie Patterson, Deputy
for Matthew Hilario

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

SEP 15 2020

, and on OCT 02 2020.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California.

By Connie Patterson, Deputy
for Matthew Hilario

Office of the City Clerk, San Diego, California

Ordinance Number O- 21240

Passed by the Council of The City of San Diego on September 29, 2020, by the following vote:

YEAS: **BRY, WARD, MONTGOMERY, KERSEY, MORENO, & GÓMEZ.**

NAYS: **CAMPBELL, CATE, & SHERMAN.**

NOT PRESENT: **NONE.**

RECUSED: **NONE.**

AUTHENTICATED BY:

KEVIN L. FAULCONER

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

By: **Connie Patterson**, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true, and correct copy of ORDINANCE NO. **O-21240** (New Series) of The City of San Diego, California.

I FURTHER CERTIFY that said ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on **September 15, 2020**, and on **October 2, 2020**.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(SEAL)

By: *Connie Patterson* Deputy