

AN ORDINANCE 2008-03-06-0167

AMENDING CHAPTER 6 OF THE CITY CODE OF SAN ANTONIO, TEXAS, BY REQUIRING MECHANICAL MAINTENANCE PERMITS FOR CERTAIN MULTI-FAMILY APARTMENT HOUSES; ESTABLISHING RELATED FEES; ADDING DEFINITIONS AND DELETING WRITTEN EXAMINATION PROVISIONS; AND PROVIDING FOR PENALTIES AND PUBLICATION.

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. Chapter 6 of the City Code of San Antonio, Texas, is hereby amended by adding the language that is underlined (added), and deleting the language that is stricken through (~~deleted~~).

SECTION 2. Chapter 6, Article I, Section 6-3, entitled "Fee Schedule" of the City Code of San Antonio, Texas, is hereby amended to include the following at the end of the listed subheading:

Sec. 6-3. Fee schedule

HEATING AND AIR CONDITIONING PERMITS

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<u>Annual Maintenance Permit Fee (mechanical only)</u> <u>Single Location</u>	<u>\$50.00 per permit plus \$0.21</u> <u>per residential apartment unit</u>
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<u>Annual Maintenance Permit Fee (mechanical only)</u> <u>Multiple Locations</u>	<u>\$50.00 per permit plus \$2.00</u> <u>per residential apartment unit</u>
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SECTION 3. Chapter 6, Article V, Section 6-67, entitled "Amendments" of the City Code of San Antonio, Texas, is hereby amended as follows:

Sec. 6-67. Amendments.

Section 106.6 Annual Maintenance Permit for Residential Group R-2 Apartment Houses is added to the International Mechanical Code to read as follows:

106.6 Annual Maintenance Permit for Residential Group R-2 Apartment Houses

106.6.1 Required. An Annual Maintenance Permit is required for all apartment houses containing more than four (4) dwelling units where the occupants are primarily permanent in nature. In this section, the term “permanent in nature” means having dwelling units where the original lease term is greater than two (2) months.

Exception: No permit is required for apartment houses that have self-contained, ductless air conditioning products that have a cooling capacity of three tons or less or for individual apartment houses containing less than five (5) dwelling units each.

106.6.2 Scope. The Annual Maintenance Permit replaces the necessity of obtaining individual permits for work performed on environmental air conditioning system, a process cooling or heating system, a commercial refrigeration system or commercial refrigeration equipment. The permit does not cover nor is a permit required for the installation, repair, or removal of the following:

1. vent hood used in residential kitchens
2. portable or self-contained ductless air conditioning product that has a cooling capacity of three tons or less
3. portable or self-contained heating product that does not require the forced movement of air outside the heating unit
4. environmental air conditioning equipment that is intended for temporary use and is not fixed in place
5. residential refrigerator, freezer or ice machine

106.6.3 Permit holder. An Annual Maintenance Permit for mechanical maintenance work will only be issued to the Building Owner/Manager or their authorized agent. For properties that contain less than twenty (20) dwelling units, the permit holder may obtain one permit covering multiple locations. For properties that contain twenty (20) or more dwelling units, the permit holder shall obtain one permit for the dwelling units contained within the property.

106.6.4 Annual Maintenance Permit fee. The annual maintenance permit fee shall be as follows:

Annual Maintenance Permit Fee (mechanical only) \$50.00 per permit plus \$0.21
Single Location per residential apartment unit

Annual Maintenance Permit Fee (mechanical only) \$50.00 per permit plus \$2.00
Multiple Locations per residential apartment unit

106.6.5 Record keeping. Records of all work performed under the Annual Maintenance Permit shall be maintained by the permit holder for no less than

twelve (12) months after performing such work and shall be made available for the Development Services Department's review upon request.

106.6.6 Periodic inspections. Work performed under the Annual Maintenance Permit will be subject to the Development Services Department's periodic inspections. No notice will be required by the Development Services Department to make periodic inspections of equipment located on the exterior of apartment houses. For periodic inspections of equipment located on the interior of apartment houses or their rooftops, coordination shall take place with the permit holder with a minimum five (5) days notice prior to the inspections. A date and time for the inspections shall be established by the Development Services Department. Maintenance records for both interior work and exterior work shall be made available during all interior inspections.

106.6.7 Limits of work performed under Annual Maintenance Permit. Work performed under the Annual Maintenance Permit shall be limited as follows:

1. All work required for the continued normal performance of an existing environmental air conditioning system, a process cooling or heating system, or a commercial refrigeration system. Work does not include the following:
 - a. Total replacement of a system.
 - b. Installation or repair of a boiler or pressure vessel that must be installed in accordance with rules adopted by the commission under Chapter 755, Health and Safety Code.
2. Diagnosing and repairing problems associated with air conditioning, commercial refrigeration, or process cooling or heating equipment, and remedying or attempting to remedy these problems.

106.6.8 Work not covered by the Annual Maintenance Permit. The following work is not covered by the Annual Maintenance Permit unless it is performed by either a licensed contractor or licensed engineer:

1. Simultaneous replacement of the condensing unit, furnace and evaporator coil.
2. Replacement of any condensing unit that is more than ½ ton larger than the current size.
3. Replacement of any furnace that is more than 35,000 BTU's larger than the current size.
4. Replacement of any evaporator coil that is more than ½ ton larger than the current size.
5. Extension of any duct work more than one (1) foot.

6. Relocating any equipment to a new location more than five (5) feet from the original location.

106.6.9 Who may perform work. The following may perform maintenance work under the Annual Maintenance Permit:

1. Licensed air conditioning contractors.
2. A person who is licensed as an engineer under Chapter 1001 of the Texas Occupational Code and who engages in air conditioning and refrigeration contracting work in connection with the business in which the person is employed but does not engage in that work for the public.
3. A person who performs air conditioning and refrigeration maintenance work if the person:
 - a. is a maintenance technician or maintenance engineer and is a regular employee of the building owner/manager of the property where the work is being performed;
 - b. performs the work in connection with the business in which the person is employed; and
 - c. the person's employer does not engage in air conditioning and refrigeration contracting for the public.

Section 110 of the International Mechanical Code is amended by deleting references to a written examination, providing a 30 day grace period for license renewal, and renumbering sections to read as follows:

110.2.5 4 Certificate of insurance. Any person applying for a master mechanical license shall present a certificate of insurance issued by an insurance company authorized to do business in the state of Texas, certifying that the applicant is insured to the limits of at \$100,000 public liability insurance per occurrence and \$100,000 property damage liability insurance per occurrence.

~~**110.2.5 Written examination.** Any person applying for a master mechanical license shall pass a written examination to be administered at times and places and by persons specified by the building official. Such examination shall be offered at intervals of not greater than once each quarter. Examination fees must be paid prior to taking the examination, in the amounts set forth by the fee schedule adopted by the city of San Antonio. If an applicant for a mechanical license fails to pass the required examination, he shall not be eligible for re-examination for a period of 90 days.~~

110.2.6 7 Duplicate Licenses. Any person whose license was destroyed or lost may obtain a duplicate license upon payment of the fee set forth in the fee schedule adopted by the City of San Antonio.

110.2.7 8 Expiration date of license. All licenses shall expire on December 31 of each year. Licenses shall be renewed prior to expiration date. Each person holding a valid mechanical license shall renew same in sufficient time to have the license renewal form returned to the Development Services Department with the appropriate renewal fee prior to license expiration date. A thirty (30) day grace period shall be authorized for good cause shown. ~~Any person who does not renew his license prior to expiration date must appear before the Mechanical Board of Appeals and show cause why his license should be renewed without taking the required examination. In the event that a person does not renew his license after one year from date of expiration, he shall be required to take an examination as per a new license, and pay the full fee.~~

110.2.8 9 Certain acts prohibited. In addition to other provisions of this code, it shall be unlawful for any person to do any of the following acts:

1. To display, cause or permit to be displayed or to have in one's possession any instrument purporting to be licensed for the doing of any mechanical work, knowing such instrument to be fictitious or to have canceled, revoked suspended or altered;
2. To lend or knowingly permit the use of any license for the doing of any mechanical work to any person not entitled thereto, under the provisions of this chapter;
3. To display or represent as one's own a license for the doing of any mechanical work when such license has not been lawfully issued to the person so displaying the same;
4. To fail or refuse to surrender to the building official on demand any license for the doing of any mechanical work, which has been suspended, canceled or revoked as provided for in this chapter.
5. To apply for or have in one's possession more than one current license of the same type provided for in this chapter.
6. To use a false or fictitious name or give a false or fictitious address in any application for any license provided for in this chapter, or any renewal or duplicate thereof, or knowingly make a false statement or knowingly conceal a material fact or otherwise commit fraud in making any such application;
7. To employ as a master, technician or apprentice in mechanical work any person not licensed as provided in this chapter;

8. To perform any character of mechanical work for which a license is required by this chapter while such license is suspended, canceled or revoked.

Section 202 Definitions of the International Mechanical Code is amended to include the following definitions:

AIR CONDITIONING AND REFRIGERATION CONTRACTING. Performing or offering to perform the design, installation, construction, repair, maintenance, service, or modification of equipment or a product in an environmental air conditioning system, a commercial refrigeration system, or a process cooling or heating system for the general public.

BUILDER OWNER/MANAGER. A person or company that is in the business of managing properties and is responsible for the upkeep and maintenance of such properties.

DWELLING UNIT. A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

SECTION 4. Funds generated by this Ordinance will be deposited into Fund 29097000 Development Services and Planning, Internal Order 229000000002 Development Inspections, General Ledger 4202264 Permit - Mechanical Annual Maintenance Fee.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance for the City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 6. Wherever a fee established for a specific code section by this Ordinance is reflected in the Fee Schedule for the Development Services Department, the Fee Schedule shall be amended to reflect the new fee.

SECTION 7. Should any Article, Section, Part, Paragraph, Sentence, Phrase, Clause, or Word of this Ordinance, or any appendix thereof, for any reason, be held illegal, inoperative, or invalid or if any exception to or limitation upon any general provision herein contained be held to be unconstitutional or invalid or ineffective, the remainder shall, nevertheless, stand effective and valid as if it had been enacted and ordained without the portion held to be unconstitutional or invalid or ineffective.

SECTION 8. All other provisions of Chapter 6, City Code of San Antonio, Texas, remain in full force and effect except as expressly amended and adopted by this Ordinance.

SECTION 9. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Revised Civil Statutes Annotated as amended Title 5, Chapter 551, Government Code.

SECTION 10. A violation of this Ordinance is subject to the penalties and provisions of Chapter 6, Section 6-68 entitled "Penalties" of the City Code of San Antonio, Texas.

SECTION 11. The publishers of the City Code of San Antonio, Texas, are authorized to amend said Code to reflect the changes adopted herein, to correct typographical errors and to index, format and number paragraphs to conform to the existing code.

SECTION 12. The City Clerk for the City of San Antonio is hereby directed to publish notice of this Ordinance in a newspaper published in the City of San Antonio, Texas, as required by the Charter of the City of San Antonio.

SECTION 13. This Ordinance shall become effective on the 4th day of June, 2008.

PASSED AND APPROVED this 6th day of March, 2008.



M A Y O R

PHIL HARDBERGER

ATTEST:

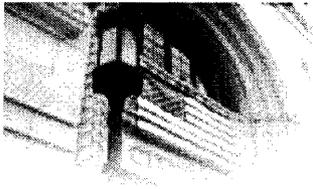


City Clerk

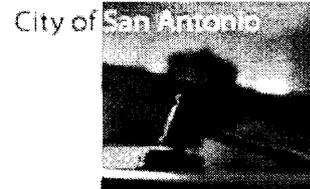
APPROVED AS TO FORM:



City Attorney



Request for
COUNCIL
ACTION



Agenda Voting Results - 14

Name:	14						
Date:	03/06/2008						
Time:	10:58:09 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance amending Chapter 6, entitled "Buildings", of the City Code by requiring annual mechanical maintenance permits for certain multi-family houses; establishing related fees; and providing for penalties and publication. [Jelynn LeBlanc Burley, Deputy City Manager; Roderick Sanchez, Director, Development Services]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				x
Sheila D. McNeil	District 2		x				
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4	x					
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6		x			x	
Justin Rodriguez	District 7		x				
Diane G. Cibrian	District 8		x				
Louis E. Rowe	District 9		x				
John G. Clamp	District 10		x				

Affidavit of Publisher

AMENDING CHAPTER 6 OF THE CITY CODE OF SAN ANTONIO, TEXAS, BY REQUIRING MECHANICAL MAINTENANCE PERMITS FOR CERTAIN MULTI-FAMILY APARTMENT HOUSES; ESTABLISHING RELATED FEES; ADDING DEFINITIONS AND DELETING WRITTEN EXAMINATION PROVISIONS; AND PROVIDING FOR PENALTIES AND PUBLICATION.

PASSED AND APPROVED this 6th day of March, 2008.

/S/ PHIL HARDBERGER
MAYOR

ATTEST: LETICIA VACEK
CITY CLERK
3/12

STATE OF TEXAS
COUNTY OF BEXAR
S.A. - CITY CLERK

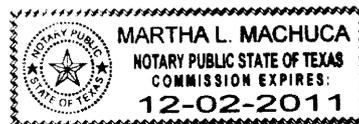
Before me, the undersigned authority, on this day personally appeared Helen I. Lutz, who being by me duly sworn, says on oath that she is Publisher of the Commercial Recorder, a newspaper of general circulation in the City of San Antonio, in the State and County aforesaid, and that the An Ordinance 2008-03-06-0167 here to attached has been published in every issue of said newspaper on the following days, to wit:

03/12/2008.

Helen I. Lutz

Sworn to and subscribed before me this 12th day of of March, 2008.

Martha L. Machuca





CMS or Ordinance Number: CN4600007124

TSLGRS File Code:1000-25

Document Title:
CONT - 4600007124

Commencement Date:
10/1/2008

Expiration Date:
3/5/2048

LEASE AGREEMENT

Dated , 2008

BETWEEN

THE CITY OF SAN ANTONIO, A TEXAS MUNICIPAL CORPORATION,
As Lessor

and

THE HAVEN FOR HOPE OF BEXAR COUNTY, A TEXAS NON-PROFIT
CORPORATION
As Lessee

**For a human services campus to include a homeless transformational facility
also known as the "Haven for Hope",
located in the City of San Antonio, Bexar County, Texas**

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This **LEASE** (this “**Lease**”) is hereby made and entered into on this the _____ day of March, 2008, by and between the **City of San Antonio, a Texas municipal corporation and a home rule municipality** (hereinafter referred to as “**LESSOR**” or “**City**”) acting by and through its City Manager or authorized designee pursuant to City of San Antonio Ordinance No. _____, passed and approved on March 6, 2008 and effective on _____, 2008 (the “**Effective Date**”), and the **Haven for Hope of Bexar County, a Texas non-profit corporation** (hereinafter referred to as “**LESSEE**”) acting by and through its Board chair, hereto duly authorized.

WITNESSETH:

WHEREAS, LESSOR is the fee simple owner of certain real property, generally bounded by Ruiz Street on the north, North Frio Street on the east, Martin Street on the south, and Union Pacific Railroad on the west, in the City of San Antonio, Bexar County, Texas, and more specifically described in Exhibit “A” (as the same may be supplemented or changed by the Subsequent Survey, as defined below), which is attached hereto and incorporated herein by reference for all purposes as if copied at length, and all improvements currently located thereon (the “**Premises**”); and

WHEREAS, the LESSOR and LESSEE have expressly indicated their mutual desire to enter into this long-term lease on the Premises for LESSEE to: (i) develop new improvements and modify existing improvements thereon, as necessary, at LESSEE’s sole cost and expense according to the site plan previously approved by the City of San Antonio in Ordinance No. 2007-09-06-0952; (ii) manage; and (iii) operate a comprehensive human services campus for the homeless (the “**Campus**”); and

WHEREAS, the purpose of the Campus setting is to treat the root causes of homelessness and address the housing, workforce training, medical, mental health, and substance abuse needs of the homeless population by providing humane and therapeutic services and connecting individuals and families to services appropriate to their needs; and

WHEREAS, the LESSEE is undertaking a fund raising and planning effort to raise the money necessary for the development and construction of the Campus on the Premises and to thereafter maintain, operate and manage the Campus; and

WHEREAS, the LESSOR intends to contract with the LESSEE for the management and operation of the Campus (the management and operation of the Campus is hereinafter referred to as the “**Project**”); and

WHEREAS, it is proposed that the Project be conducted on a collaborative basis among a number of experienced and specialized providers of services under the management and

leadership of LESSEE as the general operator: and

WHEREAS, LESSOR and LESSEE desire to enter into this Lease for the purposes of delineating the respective obligations and duties of each Party in connection with the development and construction on, and use of, the Premises, for the Campus; and

WHEREAS, this lease will be executed contemporaneously with a Severance and Bill of Sale between the parties and is the lease referenced within that Severance and Bill of Sale ; and

NOW THEREFORE:

In consideration of the mutual covenants and provisions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

ARTICLE 1

DEFINITIONS

As used in this Lease, the following terms (in addition to the terms defined elsewhere herein), shall have the respective meanings indicated below when used herein with initial capital letters, unless the context requires otherwise:

“Business Days” shall mean Monday through Friday, excluding LESSOR’s established holidays. All references in this Lease to a “day” or “date” shall be to a calendar day unless specifically referred to as a “Business Day.”

“Event of Default” shall have the meaning ascribed to it in Section 16.1.

“Force Majeure” shall mean any delay due to strikes, lockouts, or other labor or civil disturbance, future order of any government, governmental act or failure of government to act (other than denial of, or failure to grant, regulatory approval and/or license due to incomplete application, information, or inadequate or substandard performance on the part of the party requesting approval or license), court or regulatory body claiming jurisdiction, act of public enemy, war, riot, sabotage, blockade, embargo, act of God, and unusually adverse weather conditions. If a party is delayed, hindered or prevented from the performance of any obligation hereunder by reason of an event of Force Majeure (and such party shall not otherwise be in default of its obligations hereunder) the time for performance of the obligation shall be extended for a reasonable time period to compensate for the delay.

“Governmental Authority” shall mean the federal government of the United States of America, the State of Texas, County of Bexar, City of San Antonio, and any other governmental body, subdivision, agency, authority now or hereafter in existence that has jurisdiction over the Premises, or any use or activity with respect to the Premises.

“**Legal Requirements**” shall mean all orders, injunctions, writs, statutes, rulings, rules, regulations, requirements, permits, certificates or ordinances of any Governmental Authority applicable to (and as enforced from time to time with respect to) the Premises, the improvements thereon, or the parties to this Lease.

“**Person**” shall mean an individual, a corporation, a limited partnership, a limited liability company, a partnership, a joint stock association, a trust, or any other legal entity.

“**Subsequent Survey**” shall have the meaning ascribed to it in Section 2.3 and shall mean a metes and bounds description sufficient to delete the survey exception from the title policy to be obtained by LESSEE.

“**Taking**” shall mean the taking of all or any portion of the Premises by or on behalf of any Governmental Authority or any other Person pursuant to its power of eminent domain, condemnation or similar right.

ARTICLE 2

DESCRIPTION OF PREMISES; TITLE

Section 2.1 **Premises.** LESSOR, for and in consideration of the rents, covenants, and agreements hereinafter mentioned, reserved and contained, to be paid, kept, and performed by LESSEE, does hereby demise, rent and lease unto LESSEE, and LESSEE hereby agrees to lease and take from LESSOR upon the terms and conditions hereinafter set forth, the Premises, together with all rights and interests appurtenant thereto, subject to (i) the terms, covenants and agreements contained herein, (ii) all matters of public record or which LESSEE is otherwise aware to the extent such matters affect the Premises or any portion thereof and (iii) the public right of way to streets that have not been closed, vacated or abandoned, notwithstanding the boundary of the Premises delineated on the attached Exhibit “A.”.

Section 2.2 **No Easement for Light and Air.** No easement for light or air is included in the Premises.

Section 2.3 **Delivery of Title Commitment and Survey.** LESSEE, at its expense, may obtain and deliver to LESSOR within two (2) weeks after the Effective Date, (i) a current, effective commitment for title insurance (the “**Title Commitment**”) issued by Independence Title Company (the “**Title Company**”), naming LESSEE as the proposed insured, and accompanied by true, complete, and legible copies of all documents referred to in the Title Commitment; and (ii) a current (dated within two (2) weeks after the Effective Date) [on-the-ground survey prepared in accordance with the Texas Surveyors Association Standards and Specifications for a Category IA, Condition II survey (including field notes)] of the Premises (the “**Subsequent Survey**”) made by a duly licensed surveyor acceptable to LESSEE and using a certification reasonably acceptable to LESSEE.

Section 2.4 **Title Review and Cure.** LESSEE shall notify LESSOR in writing (the “**Title Notice**”) within two (2) weeks after last to be received by LESSEE of the Title

Commitment, including all documents referred to in the Title Commitment, and the Subsequent Survey, which exceptions to title (including survey matters), if any, will not be accepted by LESSEE (the “**Title Review Period**”). If LESSEE fails to notify LESSOR in writing of its disapproval of any exceptions to title prior to the expiration of the Title Review Period, LESSEE shall be deemed to have approved the condition of title (including survey matters) to the Premises as then reflected in the Title Commitment and on the Subsequent Survey. LESSOR shall notify LESSEE in writing within five (5) business days after its receipt of the Title Notice, indicating which objections to title (and survey) LESSOR will cure (the “**Cure Notice**”). If LESSOR fails to timely deliver the Cure Notice to LESSEE, LESSOR shall be deemed to have elected not to cure any of the objections specified in the Title Notice. LESSEE shall have until ten (10) days after delivery of the Cure Notice or the date by which LESSOR has been deemed to have elected not to cure any of the title objections to provide LESSOR with written notice indicating that either (A) LESSEE waives the objections that LESSOR has not agreed to cure (whereby such exceptions shall be deemed Permitted Exceptions (as hereinafter defined)); or (B) LESSEE elects to terminate this Lease in which event neither party hereto shall have any further obligations hereunder. If LESSOR does not receive such a notice from LESSEE then LESSEE shall be deemed to have elected option (A) above. LESSOR agrees to remove any exceptions or encumbrances to title which are created by, under or through LESSOR after the date of this Lease and which are not permitted by the terms of this Lease. As used in this Lease, the term “**Permitted Exceptions**” shall mean:

- (i) those matters that either are not objected to in writing within the time period provided in Sections 2.3 and 2.4, or if objected to in writing by LESSEE, are those which LESSOR has elected not to remove or cure, and subject to which LESSEE has elected or is deemed to have elected to accept the Lease of the Premises;
- (ii) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the Effective Date;
- (iii) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Premises; and
- (iv) the standard pre-printed exceptions to title customarily excepted by title companies in similar transactions.

Section 2.5 **Delivery of Title Policy.** LESSEE shall have the right to obtain, at LESSEE’s expense: a Texas standard Leasehold Policy of Title Insurance (“**Title Policy**”) issued by the Title Company, insuring LESSEE as lessee of a valid leasehold interest in the Premises, free and clear of all liens, claims, easements and encumbrances whatsoever, subject only to the Permitted Exceptions. LESSOR shall execute an affidavit satisfactory to LESSEE and to the Title Company in order for the Title Company to delete its standard printed exception as to parties in possession, unrecorded liens, and similar matters.

Section 2.6 **Third Parties In Possession.** To the extent any portion of the Premises is, as of the Effective Date, being used, occupied or otherwise possessed by third parties, LESSOR agrees to clear such parties and their property from the Premises within ninety (90) days of the Effective Date. If all such third parties have not been cleared by such time and LESSEE suffers or has suffered damages as a result of such use, occupation or possession, LESSOR shall make LESSEE whole for any such reasonable damages suffered by LESSEE as a result of such use, occupation or possession.

ARTICLE 3

TERM

Section 3.1 **Term.** Unless sooner terminated as herein provided, this Lease shall be and continue in full force and effect for the following consecutive terms (all terms hereunder referred to collectively as the “**Term**”):

- a. A term during which the Campus will be built-out (the “**Build-out**”) commencing on the Effective Date and ending on June 30, 2009 (the “**Build-out Completion Date**”).
- b. An operating term (the “**Operating Term**”) commencing on October 1, 2008 and ending at midnight on March 5, 2048.
- c. Two (2) successive renewal terms (“**Renewal Terms**”) of ten (10) years each, each Renewal Term being subject to the approval of the City Council of LESSOR. LESSEE shall provide LESSOR written notice of its desire to renew no later than six (6) months prior to the end of a given term. If such notice is not timely provided, LESSEE shall be deemed to have waived its right to all Renewal Terms then remaining. Such notice shall include a copy of this Lease, together with any amendments thereto.

Section 3.2 **Continued Fundraising.** If the required level of funding and/or financing to substantially complete construction of the Campus (“**Adequate Funding**”) has not been achieved by March 1, 2009, then LESSOR may, in its discretion: (i) agree to extend the time for fundraising for the development and construction of the Campus during the initial Operating Term, or (ii) require redesign of the Campus to fit within the available funding. Notwithstanding the preceding, in the event that Adequate Funding has not been obtained by March 1, 2009, and the parties are unable to come to agreement on an extension of time or redesign, then LESSOR shall have the right to terminate this Lease and neither party shall have any further obligations or liabilities to the other party under this Lease. LESSOR and LESSEE shall execute a writing commemorating the date upon which the completion of the construction of the Campus occurs, which documentation shall be in a form suitable for recording in the real property records of Bexar County, Texas.

ARTICLE 4

RENT AND UTILITY BILLS

Section 4.1 **Annual Rent.** Beginning on the Effective Date and continuing thereafter throughout the Term of this Lease, LESSEE agrees to pay to LESSOR at the address of LESSOR as stated in this Lease, without prior notice or demand, deduction or set off, an annual base rental of ONE DOLLAR (\$1.00) (the “**Annual Rent**”) payable in advance on the Effective Date and on the anniversary of the Effective Date for each year thereafter at the address set forth for notice to the LESSOR in Article 21 or at such place as LESSOR may from time to time direct.

Section 4.2 **Additional Expenses.** All amounts required to be paid by LESSEE under the terms of this Lease other than Annual Rent, including but not limited to Impositions and Utilities (as defined below), are collectively referred to as “**Additional Expenses.**” Annual Rent and Additional Expenses are collectively referred to as “**Rent.**”

a. **Impositions.** The term “**Impositions**” shall mean all ad valorem taxes and any use, sales, and occupancy taxes that during the Term shall be assessed, levied, or imposed by any Governmental Authority upon the Premises, the Campus, or the Project or any part thereof during the Term, except as provided in Section 7.1 herein. LESSEE will pay or cause to be paid prior to delinquency, as Additional Expenses, any and all Impositions. Impositions that are payable by LESSEE for the tax year in which this Lease commences as well as during the tax year in which the Term ends shall be apportioned so that LESSEE shall pay its proportionate share of the Impositions payable for such periods of time and LESSOR shall pay its proportionate share (if and to the extent LESSOR is not exempt under applicable Legal Requirements); provided, however, such Impositions shall not be prorated, and LESSEE shall be responsible for the full extent thereof, notwithstanding the termination of their Lease if LESSOR would not have been responsible for such Impositions had LESSOR not entered into this Lease. Where any Imposition that LESSEE is obligated to pay may be paid pursuant to law in installments, LESSEE may pay such Imposition in installments prior to delinquency. LESSEE may, at its sole cost and expense, contest the validity or amount of any Imposition for which it is responsible, in which event the payment thereof may be deferred during the pendency of such contest, if diligently prosecuted. Additionally, LESSEE may apply for, and thereby avail itself of, any credits, discounts, exceptions or exemptions from Impositions that may be legally available to LESSEE (i) by virtue of its status as a tax exempt non-profit corporation; (ii) by virtue of the services offered by LESSEE at the human services campus; (iii) because the purpose for which it is organized affords LESSEE such benefit; or (iv) if the same may be transferred to LESSEE by virtue of its contractual relationship with a Governmental Authority. Nothing herein contained, however, shall be construed to allow any Imposition to remain unpaid for such length of time as would permit the Premises, the Campus or the Project or any part thereof, to become the subject of a tax lien imposed by any Governmental Authority, or to be sold or seized by any Governmental Authority for the nonpayment of the same. Notwithstanding anything herein to the contrary, LESSEE will take no action with any Governmental Authority with respect to any

Imposition without first securing the written consent of LESSOR, and LESSOR may, in LESSOR's sole discretion and without notice to or the consent of LESSEE, pay or otherwise satisfy any Imposition if, in LESSOR's reasonable discretion, the continued failure to pay or otherwise satisfy such Imposition is likely to result in seizure or forfeiture of the Premises, the Campus or the Project or the imposition of a lien upon the Premises, the Campus or the Project and in the event LESSOR takes such action, LESSEE shall immediately reimburse LESSOR for all costs incurred by LESSOR in connection therewith. LESSEE will indemnify, defend and hold LESSOR harmless from and against any and all losses, costs and expenses, including reasonable attorneys' fees, as the result of the Impositions.

b. **Utilities and Services.** LESSEE shall contract with service providers for the provision of utilities and other services for the Premises, Campus, or Project including, but not limited to electricity, air conditioning, power, telephone, water, sewer, gas, fuel, light, heat, communication services, garbage collection services or other sanitary services rendered to the Premises, Campus, or Project or used by LESSEE in connection therewith. LESSEE shall be solely responsible for the payment of all costs of such utilities and other services and shall remit such payments directly to the service providers. However, LESSEE may apply for, and thereby avail itself of, any credits, discounts, exceptions or exemptions from the payment of utilities that may be legally transferred to LESSEE by virtue of its contractual relationship with a Governmental Authority.

ARTICLE 5

CONDITION OF PREMISES AND CONSTRUCTION

Section 5.1 **Acceptance of Premises.** LESSEE accepts the Premises in its "AS IS – WHERE IS" condition, with all faults, on the Effective Date of the Term hereof. LESSEE agrees that LESSEE has had a full, adequate and fair opportunity to inspect the Premises and has done so to its satisfaction. LESSOR has not made and LESSEE has relied on no representations and warranties, whether express or implied or arising by operation of law, as to the condition of the Premises, or its fitness for a particular purpose or suitability for LESSEE's use. LESSEE agrees that LESSOR is leasing to LESSEE all of LESSOR's right, title and interest to the Premises without warranty of title. LESSEE shall make all necessary repairs, improvements, and modifications to the Premises as are required to construct a human services campus to include a homeless transformational facility without any cost or expense to the LESSOR, unless jointly agreed to by both parties, subject to the provisions and requirements hereinafter set forth.

Section 5.2 **LESSEE's Entry Prior to Construction.** Prior to the commencement of construction, LESSEE may enter upon the Premises to: (i) inspect the Premises, (ii) prepare development and building plans and specifications, (iii) obtain all necessary permits, (iv) perform any and all engineering or other feasibility studies or tests (including, without limitation, soil studies or similar tests) which LESSEE deems necessary or desirable. LESSEE agrees to indemnify, defend and hold LESSOR harmless from and against any and all losses, costs,

expenses, claims, demands and causes of action of whatsoever nature arising out of or in connection with such entry and the acts, omissions or negligence of LESSEE or any of its officers, agents, employees or contractors, including, without limitation, all mechanics', surveyors', engineers' and materialmen's liens or claims of liens. Further, LESSEE agrees to provide LESSOR, within fifteen (15) Business Days after LESSEE's receipt thereof, with copies of all surveys and all title commitments, searches or abstracts obtained by LESSEE.

Section 5.3 **Construction Plans.** For the purposes of clarification, the review and approval by LESSOR of construction plans or changes thereto set forth in Sections 5.3, 5.4 and 5.8 shall mean the LESSOR in its capacity as landlord and not the LESSOR in its capacity as a governmental authority charged with enforcement of City Code provisions relating to building and other industry standards for development and construction. Consequently, when and where the LESSEE is obligated to submit plans for approval to "LESSOR," LESSEE shall submit said plans to the Director of the Department of Community Initiatives, or his designee, acting on behalf of the LESSOR as landlord. Separate and apart from the review and approval processes set forth in this Article, LESSEE shall continue to comply with all procedures established for obtaining the approval of design, construction or development plans by the LESSOR in its capacity as a governmental authority charged with enforcement of City Code provisions relating to building and other industry standards for development and construction. Prior to any commencement of construction on the Premises by or for LESSEE, LESSEE shall cause to be prepared by a qualified architect and/or engineer licensed to do business in the State of Texas, and submit to LESSOR detailed plans and specifications for the Campus (the "**Campus Plans**"), which Campus Plans shall include, without limitation, plans, schematic drawings and site elevations for the Campus, together with any demolition, destruction and/or site preparation for the Campus, as well as provisions for landscaping, grading, drainage, signage, parking, and construction safety plans that are necessary for the Campus. The Campus Plans shall show in reasonable detail (i) all proposed buildings, structures, fixtures, signage, equipment and other improvements to be constructed as part of the Campus, and (ii) all uses to be made of each lot or area of the Premises. The Campus Plans will include without limitation, plans for residential housing for men, women and families, transformational facilities, food service, outdoor sleeping, medical facilities, dental facilities, administration and intake, storage, parking, animal care and a security site. LESSEE shall also submit to LESSOR detailed plans and specifications for each individual improvement or structure to be constructed or erected on a lot or in an area on the Campus (the "**Structure Plans**"), which shall include, without limitation, schematic drawings and site elevations, and all proposed fixtures, signage, and equipment for the particular improvement or structure in question. In lieu of Campus Plans and/or Structure Plans, LESSEE may submit general conceptual site plans ("**General Conceptual Site Plans**") to LESSOR accompanied by a request that they be considered in lieu of the Campus Plans and/or the Structure Plans. LESSOR may accept for consideration the General Conceptual Site Plans in lieu of the Campus Plans and/or the Structure Plans by indicating receipt and acceptance as a satisfactory substitute in writing.

Section 5.4 **Plan Approval.** If LESSOR, in its capacity as landlord, acting by and through its Director of Community Initiatives Department, or his designee, disapproves of the Campus Plans, the Structure Plans, or the General Conceptual Site Plans, as the case may be, LESSOR shall give LESSEE notice thereof of the plans in question within five (5) Business

Days after receipt by the Director of the Community Initiatives Department, or his designee, describing specifically all items which fail to meet LESSOR's approval. LESSOR and LESSEE shall work together to resolve all objections and, upon resolution, LESSEE shall have the proposed plans modified as necessary for resubmission to LESSOR. If LESSOR fails to give LESSEE notice of its disapproval within five (5) Business Days, the Proposed Campus Plans, the Proposed Structure Plans, or the General Conceptual Site Plans, as the case may be, shall be deemed approved by LESSOR. LESSEE shall continue to comply with all procedures established for obtaining the approval of design, construction or development plans by the LESSOR in its capacity as a governmental authority charged with enforcement of City Code provisions relating to building and other industry standards for development and construction. LESSOR's failure to notify LESSEE in its capacity as a landlord of its disapproval shall not constitute a representation that the Campus Plans, the Structure Plans or the General Conceptual Site Plans comply with any Legal Requirements, safety standards or industry standards, and LESSOR shall have no liability as a result of its approval or disapproval of the final plans in question.

Section 5.5 **Construction of Campus.** Commencing promptly upon the Effective Date and continuing diligently thereafter until Build-out Completion Date (subject only to delays occasioned by Force Majeure not due to LESSOR), LESSEE shall construct or cause to be constructed the Campus on the Premises, in accordance with the Campus Plans, the Structure Plans, or the General Conceptual Site Plans, as the case may be, and all Legal Requirements; and provided that construction shall be made in a good and workmanlike manner and shall be at LESSEE's sole cost and expense. The Parties agree that during the construction:

- a. LESSEE shall procure, and LESSOR will, if requested by LESSEE, cooperate with LESSEE in procuring, any and all approvals of Governmental Authorities, and all zoning changes, building permits, certificates of occupancy and other licenses and permits that may be required in connection with the construction of the Campus. LESSEE shall pay any fees associated with such licenses and permits. LESSEE shall furnish copies of all such licenses and permits to LESSOR prior to the commencement of any work. Without limiting the foregoing, LESSOR agrees that upon the request of LESSEE, LESSOR will join in applications for licenses and permits where the signature of LESSOR is required by applicable laws, regulations, or ordinances as the fee simple owner of the Premises.
- b. LESSEE shall give written notice to LESSOR not less than five (5) Business Days prior to the commencement of any construction, alteration or repairs on the Premises in order that LESSOR may, but shall not be obligated to post notices of non-responsibility, and LESSEE agrees that such notices may remain posted until the acceptance of such work.
- c. LESSOR shall not be required to remove any trees or landscaping, perform any site grading, or undertake any other site preparation. LESSOR approves of the destruction of any existing improvements on the Premises by LESSEE as part of the construction of the Campus and the Project, provided such destruction is in accordance with the approved Campus Plans, Structure Plans, or

General Conceptual Site Plans, as the case may be, and conducted in accordance with all applicable laws.

d. LESSEE shall have no right, authority, or power to bind the Premises, LESSOR or LESSOR's interest under this Lease and in and to the Premises ("**LESSOR's Interest**") for any claim for labor or material or for any other charge or expense incurred in the construction of the Campus and the Project or any change, alteration, or addition thereto, or any replacement or substitution therefore, nor to render LESSOR's Interest subject to any lien or right of lien for any labor or material or other charge or expense incurred in connection therewith without specific written approval of LESSOR. Notice is hereby given that the LESSOR shall not be liable for any labor or materials furnished, or to be furnished, to LESSEE and that no mechanics' liens or other liens for any such labor or materials shall attach to or affect the reversionary or other estate or interest of LESSOR in and to the Premises. If any involuntary liens for labor and materials supplied or claimed to have been supplied to the Premises shall be filed in connection with the work, LESSEE shall defend, indemnify and hold LESSOR free and harmless from any costs or expenses or liability for labor or materials supplied for such work and shall promptly pay or bond such liens to LESSOR's satisfaction or otherwise obtain the release or discharge thereof in recordable form within thirty (30) days from receipt of notice of the filing thereof.

e. LESSEE will not pledge, hypothecate or otherwise encumber LESSEE's interest under this Lease and in and to the Premises ("**LESSEE's Interest**"), LESSOR's Interest, the Premises or any part thereof with any restrictions or conditions, nor shall LESSEE pledge as collateral or place a lien or mortgage on the LESSOR's Interest, LESSEE's Interest, the Premises or any part thereof without the prior written consent of LESSOR which consent may be withheld in LESSOR's sole and absolute discretion.

f. Except as specifically stated otherwise herein, LESSEE shall comply with the provisions in Chapter 6 of the Code of the City of San Antonio, Texas (Building Code). Moreover, LESSEE shall comply with applicable statutes, ordinances, all zoning and land use requirements as required by any Governmental Authority applicable to the Premises and rules and regulations of such authorities with proper jurisdiction. LESSEE shall comply with all requirements associated with the demolition, partial demolition, renovation and modification of buildings on the Premises as facilities owned by a municipality. LESSEE shall further comply with all requirements of the Americans with Disabilities Act (Public Law 101-336 (July 26, 1990) and the Texas Architectural Barriers Act (Article 9102, TEX. REV. CIV. ST. (1991)) applicable to the Premises and LESSEE's operation thereon, as amended or modified from time to time. LESSEE shall provide to LESSOR copies of all permits, certificates of occupancy and other documents related to the Premises in connection with any construction during the Build-out or thereafter.

g. LESSEE agrees that buildings or other permanent improvements shall be constructed only on parcels of land zoned "C3-NA" S General Commercial, Non Alcoholic Sales with a Specific Use Permit for a Human Services Campus, and as more specifically described in Exhibit "B," which is attached hereto and incorporated herein by reference for all purposes as if copied at length, unless construction on other parcels of land within the boundaries of the Premises is approved in writing by LESSOR in its sole discretion.

Section 5.6 **Easements.** LESSEE shall not, without LESSOR's prior written consent, grant any easements or other encumbrances on the Premises.

Section 5.7 **Design Meetings.** LESSEE shall notify LESSOR of the date and time of scheduled design and development meetings associated with the Campus or the Project in advance of said scheduled meetings and shall invite LESSOR to attend said meetings.

Section 5.8 **Alterations and Additions to the Campus.** LESSEE shall have the right, from time to time, to make non-structural and interior structural additions, alterations and changes to existing buildings on the Campus during and after construction of the Campus has been completed, provided that such additions, alterations and changes do not deviate materially from the approved Campus Plans or General Conceptual Site Plans, as the case may be, or have a materially detrimental effect on the operation of the Campus, and provided further that no uncured Event of Default then exists hereunder. Whenever LESSEE shall make alterations to external walls of, or expand, existing structures after construction of the Campus, or shall construct new buildings or improvements upon unimproved real property, LESSEE shall obtain LESSOR's prior written consent and approval in accordance with the procedure set forth in Sections 5.3 and 5.4.

Section 5.9 **Removal and Ownership of Improvements.** At the time of execution of this Lease, LESSOR is the owner of improvements currently located on the Premises. The parties agree that LESSOR shall convey to LESSEE certain improvements currently located on the Premises. A copy of the Severance and Bill of Sale is attached hereto as Exhibit "D" and incorporated herein by reference for all purposes as if copied at length. The parties agree that the conveyance of the improvements to LESSEE is in consideration of the mutual covenants and provisions contained herein, and other good and valuable consideration, to include the accomplishment of the public purpose of providing for the welfare, health, and safety of San Antonio inhabitants through the development, construction, management and operation of a homeless campus by the LESSEE. The conveyance is for only the duration of this Lease, and upon this Lease's expiration or early termination, all buildings conveyed to LESSEE by LESSOR automatically revert to LESSOR. Until such time as the LESSOR shall execute the Severance and Bill of Sale conveying the improvements listed in Exhibit "D," the listed improvements shall be included within the property leased to LESSEE. LESSOR approves of the destruction of any existing improvements on the Premises not listed in Exhibit "D" by LESSEE as part of the construction of the Campus and the Project, provided such destruction is in accordance with the Campus Plans, Structure Plans, or General Conceptual Site Plans approved by LESSOR and conducted in accordance with all applicable laws. LESSEE owns all permanent improvements constructed by LESSEE on the Premises for the duration of this Lease

only. At the expiration or earlier termination of this Lease, all such improvements automatically become the property of LESSOR. If necessary, LESSEE shall execute any and all documents to effectuate transfer back to LESSOR. LESSEE shall have no right to alter or remove any improvements, whether constructed by LESSEE or not, without the approval of LESSOR. LESSOR may require LESSEE to remove or alter improvements made by LESSEE, in which case, LESSEE must completely repair any resulting damage at LESSEE's sole cost and expense. All such approved removals and restoration shall be accomplished in a good and workmanlike manner. LESSEE shall keep the Premises free of any mechanic's lien or encumbrance due to LESSEE's removal of the alterations, additions, or improvements. Title to all improvements that have not been removed or are of such a nature as cannot be removed without material damage to the Premises (including trade fixtures, furniture, equipment and other personal property) shall vest in LESSOR, all without payment or compensation to LESSEE. Without liability whatsoever for loss thereof or damage thereto, LESSOR may, at its option, remove all or any part of said property in any manner that LESSOR shall choose and store the same, or dispose of said property which LESSOR, in its sole discretion, shall determine is of no value to LESSOR upon fifteen (15) days after LESSEE has received written notice from LESSOR listing all such personal property that LESSOR has designated for removal, storage or disposal. LESSEE shall be liable to LESSOR for all costs and expenses incurred in such removal, storage or disposal of said property. The provisions hereof shall survive the termination or expiration of this Lease.

Section 5.10 **Signs and Naming of Improvements.** The parties agree that LESSEE shall comply with all applicable federal and state laws and ordinances relating to the regulation of signs. Compliance shall include, but in no way is limited by, size, shape, construction materials, design, height, spacing, manner of construction, building permits and color of signs. With regard to the naming of all buildings on the Premises, LESSEE shall comply with the parameters and limitations set forth in Exhibit "E," which is attached hereto and incorporated herein by reference for all purposes as if copied at length. Compliance under Exhibit "E" as contractually agreed upon under this Lease shall not subject LESSEE to Chapter 6, Article XVI "Naming of City Facilities and Streets" of the City Code of San Antonio, Texas. With respect to the use of signs and naming of improvements at the Campus, neither the LESSOR nor the LESSEE shall take any action to adversely affect the tax-exempt status of the debt issued by either the LESSOR, the LESSEE, or by one or more Governmental Authorities to construct or improve the Campus or to fund the LESSOR's or the LESSEE's obligations under this Lease. This section shall not be construed as to remove LESSEE from compliance with applicable provisions of the City Code of San Antonio, Texas, unless specifically stated otherwise.

ARTICLE 6

USE, RESTRICTIONS AND ENTRY OF THE PREMISES

Section 6.1 **LESSEE Use.** Subject to the terms and provisions hereof, LESSEE shall continuously throughout the Term of this Lease use and occupy the Premises for the purpose of constructing, maintaining the Campus and operating the Project, a human services campus for the homeless in which multiple structures and related grounds or portions thereof are used to provide a multitude of services including, but not limited to the following: emergency food,

medical or shelter services; animal care facilities; schools, including educational, business and vocational; community health care clinics, including those that provide mental health care; alcohol or drug abuse services; information and referral services for dependent care, housing, emergency services, transportation assistance, employment or education; multi-family housing; consumer and credit counseling; or day care services for children and adults (the "Permitted Uses"). No change of use of the Premises shall be permitted without LESSOR's prior written consent.

a. LESSEE shall use the Premises and provide the services authorized under its Permitted Uses in full accordance and compliance with the standards set by any regulatory agencies having jurisdiction, in full accordance and compliance with all applicable Legal Requirements and in full accordance and compliance with any applicable accreditation, notification, licensing, permit, and certification requirements pertaining to the services provided. LESSEE shall not use or allow the Premises to be used for any other purpose. LESSEE shall not use or allow the Premises to be used by any person, entity or organization for any illegal purpose, nor violate any Legal Requirements in its use thereof, nor in a manner which would cause injury or damage to invitees, licensees, or to the Premises. LESSEE shall promptly pay all fines, penalties, and damages that arise out of or be imposed because of LESSEE's failure to comply with any Legal Requirements.

b. LESSEE shall not use or occupy the Premises in a manner which would make void or voidable any insurance then in force with respect thereto, or which would make it impossible to obtain the insurance required to be furnished by LESSEE hereunder, or which would in any way increase the rate of insurance or cause the cancellation of any insurance policy on the Premises, or which would constitute a public nuisance. LESSEE shall be permitted to use the Premises for the Permitted Uses only.

c. The Public Information Act, Government Code Section 552.021, requires the LESSOR to make public information available to the public. Under Government Code Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: i) by a governmental body; or ii) for a governmental body and the governmental body owns the information or has a right of access to it. Therefore, LESSEE agrees to cooperate with LESSOR to satisfy, to the extent required by law, any and all requests for information received by LESSOR under the Texas Public Information Act or related laws pertaining to this Lease. If LESSEE receives inquiries regarding documents within its possession pursuant to this LEASE, LESSEE shall within three (3) Business Days of receiving the requests forward such requests to LESSOR for disposition. If the requested information is confidential pursuant to state or Federal law, the LESSEE shall submit to LESSOR the list of specific statutory authority mandating confidentiality no later than three (3) Business Days of LESSEE's receipt of such request.

Section 6.2 **Securing the Premises.** LESSEE, at LESSEE's own expense, shall at all times provide security necessary, sufficient, and appropriate for the protection of the Premises and of LESSEE's improvements, fixtures, inventory and equipment located therein against theft, burglary, graffiti and vandalism. In no event will LESSOR be responsible for the loss of or damage to any of LESSEE's fixtures, inventory, and equipment situated inside the Premises.

Section 6.3 **Nondiscrimination.** LESSEE covenants that it, or agents, employees or anyone under its control, shall not discriminate against any individual or group on account of race, color, sex, age, religion, national origin, handicap or familial status, in employment practices or in the use of, or admission to, the Premises, or in the participation of programs or services offered at the Campus, which said discrimination LESSEE acknowledges is prohibited. LESSEE shall comply with all applicable laws relating to non-discrimination and equal employment opportunity.

Section 6.4 **Maintenance and Repairs.** Commencing on the Effective Date and for the remainder of the Term, and except as otherwise subsequently agreed in writing by the parties hereto, LESSEE, at its sole cost and expense, shall take good care of and maintain the Premises, shall make all repairs thereto (including, without limitation, entrances, repairs to the walls, structural components, foundation, roof, mechanical, electrical and plumbing systems of the buildings on the Campus), and shall maintain and keep the Premises and the landscaping, sidewalks, passageways and curbs around the Premises in a good, clean and safe operating condition. To the extent that the Premises are shared with, or leased by, or subleased to, other organizations or lessees, LESSEE shall cooperate with other organizations or lessees to keep the sidewalks, curbs, entrances, passageways, parking lots and areas adjoining the Premises in a clean and orderly condition, free from garbage, snow, ice, rubbish and obstructions. LESSEE shall, out of LESSEE's operating budget, establish (i) a maintenance fund to provide for future repairs of the Campus, and (ii) a preservation fund to be used for capital replacements and improvements (but not for routine maintenance and repair). During the Operating Term and any Renewal Terms, LESSOR shall have no obligation or responsibility for maintenance and repairs to the Premises.

Section 6.5 **LESSOR Use.** LESSEE agrees that LESSOR and its agents, employees, architects, engineers, and contractors may enter the Premises to continue external and internal remediation to include soil remediation and asbestos abatement upon the Premises after the Effective Date of this Lease, provided that such entrance or use does not unreasonably interfere with LESSEE's use and quiet enjoyment. Additionally, LESSEE agrees that LESSOR and its agents, employees, architects, engineers, and contractors may enter the Premises, but without any obligation to do so, at such other times during the Term of the Lease as LESSOR deems necessary to make such repairs, additions, alterations, and improvements as LESSOR is required or is entitled to make to the Premises or to the improvements located and constructed thereon, or to inspect the Premises to determine whether or not LESSEE is complying with the terms of this Lease or to examine the Premises in connection with any improvements and related activities in the development of the Campus, or for any other reason, provided that such entrance or use does not unreasonably interfere with LESSEE's use and quiet enjoyment. In the event of an emergency, or if otherwise necessary to prevent injury to persons or damage to property, such entry to the Premises may be made by force without any liability whatsoever on the part of

LESSOR for any resulting damage.

Section 6.6. **Street Closure and Replatting.** Without violating LESSEE's rights, LESSOR agrees to use its best efforts to close, vacate, and abandon streets within or about the Premises in accordance with LESSEE's and the Campus' needs. In addition, LESSOR agrees to use its best efforts to replat areas within the Premises or the entire Premises, in accordance with LESSEE's and the Campus' needs or as LESSOR determines is required by law. LESSEE shall bear all costs and expenses associated with replatting.

ARTICLE 7

TAXES

Section 7.1 **Taxes.** It is acknowledged that the Premises shall not be subject to any ad valorem real property taxes levied or imposed by the City of San Antonio.

ARTICLE 8

SUBLETTING AND ASSIGNMENT

Section 8.1 **Assignments or Subleases.** LESSEE shall not voluntarily or involuntarily sell, assign, or otherwise transfer all or any portion of its interests under this Lease or otherwise with respect to the Premises or the improvements comprising the Project and the leasehold estate hereby created without the prior written consent of LESSOR. Any LESSOR-approved assignment shall not nullify this provision, and all later assignments shall be made likewise only after the prior written consent of LESSOR is obtained in each instance.

Notwithstanding anything else provided elsewhere herein, LESSEE shall have the right, with (i) notice to LESSOR, to sublease or license any portion of the Premises to any third party non-profit entity, including, without limitation, any governmental authority, agency, department, or other instrumentality, or any service provider exempt from federal income taxation or charitable organization, to operate certain services provided at the Campus; and (ii) prior notice to, and approval by, LESSOR, to sublease or license, any portion of the Premises to any third party for-profit entity to operate certain services provided at the Campus.

Notwithstanding the foregoing, LESSEE agrees to submit for review, comment and approval by LESSOR its proposed sublease to the American GI Forum. LESSEE shall not enter into a sublease with American GI Forum unless and until LESSOR consents, approving it as to form. LESSOR shall have the right to prohibit the execution of a sublease or license by LESSEE if the same shall be in violation of the bond covenants associated with LESSOR's acquisition of the Premises. Any sublease shall expressly be made subject to the provisions of, and subordinate to, this Lease. LESSEE shall attach to each sublease a copy of this Lease so as to advise each sublessee of the provisions to which the sublease is subordinate. Regardless of any subletting or licensing, LESSEE shall be primarily liable for the performance of its obligations under this Lease. In the event of any sublease, LESSOR shall have the right to notify such sublessee of any default by LESSEE under this Lease and permit such sublessee to cure such default within the same

cure periods provided to LESSEE. LESSEE covenants and agrees to provide LESSOR with an executed counterpart of any sublease or assignment permitted hereunder within ten (10) days following execution thereof.

ARTICLE 9

INSURANCE

Section 9.1 **Insurance by LESSEE.** LESSEE shall obtain and continuously maintain in full force and effect during the Term, commencing on the Build-out commencement date, policies of insurance covering the Campus and providing that the LESSOR is an additional insured and loss payee for the amount of its interest as defined in this Lease against (i) loss or damage by fire; (ii) loss or damage from such other risks or hazards now or hereafter embraced by an "All Risks" property insurance policy including, but not limited to, windstorm, hail, explosion, vandalism, riot and civil commotion, damage from vehicles, smoke damage, water damage and debris removal; (iii) loss for flood if the Campus is in a designated flood or flood insurance area; and (iv) loss or damage from such other risks or hazards of a similar or dissimilar nature which are now or may hereafter be customarily insured against with respect to structures similar in construction, design, general location, use and occupancy to the Campus. At all times, such insurance coverage shall be in an amount equal to Replacement Cost coverage of the Campus. "**Replacement Cost**" shall be interpreted to mean the cost of replacing the improvements without deduction for depreciation or wear and tear, and it shall include a reasonable sum for architectural, engineering, legal, administrative and supervisory fees connected with the restoration or replacement of the Campus in the event of damage thereto or destruction thereof.

Section 9.2 **Other Insurance Coverage By LESSEE.** Commencing on the Build-out commencement date and continuing for the remainder of the Term, LESSEE shall obtain and continuously maintain in full force and effect the following insurance coverage (all of the following along with insurance on the Campus referred to collectively herein as "**LESSEE's Insurance**"):

- a. Commercial general liability broad form insurance against any loss, liability or damage on, about or relating to the Premises, or any portion thereof, with limits of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit, per occurrence, coverage on an occurrence basis and Two Million and No/100 Dollars (\$2,000,000.00) general aggregate or its equivalent in umbrella or excess liability coverage, and providing for reasonable loss retentions or deductibles. Such insurance shall be obtained with contractual liability endorsement concerning LESSEE's obligations under this Lease, insuring LESSEE against any and all liability for injury to or death of a person or persons and for damage to property occasioned by or arising out of any construction work done in the Premises by LESSEE, its agents, contractors or employees, licensees and invitees, or arising out of LESSEE's use or occupancy of the Premises or occasioned by or arising out of the activities of LESSEE, its agents, contractors, licensees, guests, invitees, visitors, or employees, on or about the Premises or

other portions of the Premises or Property. Any such insurance obtained and maintained by LESSEE shall provide that the LESSOR is an additional insured by endorsement therein.

b. Workers' Compensation and Employer's Liability Insurance providing for statutory benefits and limits for Employer's Liability of not less than One Million and No/100 Dollars (\$1,000,000.00) per claim.

c. Commercial Auto Liability Insurance providing for a Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000.00 per occurrence for (i) Owned/leased vehicles, (ii) Non-owned vehicles, (iii) Hired Vehicles.

d. "Builders risk" insurance in commercially reasonable amounts during construction of the Campus. LESSEE shall require LESSEE's contractors, suppliers or agents to provide and maintain this insurance.

e. Boiler and pressure vessel insurance (including, but not limited to, pressure pipes, steam pipes and condensation return pipes), provided the Campus structures contain a boiler or other pressure vessel or pressure pipes. LESSOR shall be provided for as an additional insured and loss payee as its interest may appear in such policy or policies of insurance.

f. Property insurance coverage upon LESSEE's real and business personal property (structure and contents) and upon all personal property, including any and all furniture, equipment, supplies, and inventory owned, leased, held or possessed by LESSEE or the personal property of others kept, stored or maintained on the Premises against loss or damage by theft, fire, windstorm or other casualties or causes for such amount reasonably acceptable to LESSOR, including annual business income expense and listing the LESSOR as additional insured.

g. Pollution Legal Liability, with a minimum limit of liability of \$5,000,000.00.

h. Each policy required under this Article 9 shall contain a waiver of subrogation clause as to LESSOR and shall contain a provision through endorsement or otherwise that (i) LESSOR shall be provided written notice of a cancellation, and (ii) an endorsement to the effect that the insurance as to the interest of LESSOR shall not be invalidated by any act or neglect of LESSOR or LESSEE.

Section 9.3 **Contractor and subcontractor insurance.** LESSEE will cause its contractors and subcontractors to carry sufficient workers' compensation, general liability and personal and property damage insurance and shall obtain the LESSOR's approval of such insurance prior to the start of the proposed work. All contractors and subcontractors shall also be required to comply with the insurance requirements of Section 9.2 (a) – (d) and Surety Bond

Requirements as set forth in Exhibit "C," which is attached hereto and incorporated herein by reference for all purposes as if copied at length. LESSEE shall provide LESSOR with documents evidencing compliance with this section.

Section 9.4 **Insurer.** All insurance policies procured and maintained by LESSEE contractors and/or subcontractors pursuant to this Section 9.4 shall: (i) be carried with companies authorized and admitted to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII) (ii) be non-cancelable except after thirty (30) days written notice to LESSOR and any designees of LESSOR and (iii) name LESSOR in the comprehensive general liability insurance policy as an additional insured and insure LESSOR's contingent liability under this Lease. Such policies or duly executed certificates of insurance with respect thereto shall be delivered to LESSOR prior to the date that LESSEE takes possession of the Premises, and renewals thereof as required shall be delivered to LESSOR at thirty (30) days prior to the expiration of each respective policy term. Moreover, the policy shall provide that no act or omission by LESSEE shall invalidate such policies as they apply to LESSOR. In the interim, LESSEE agrees to pay any reasonable additional insurance costs incurred by LESSOR as a result of the use of the Premises by LESSEE under this Lease.

Section 9.5 The LESSOR shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by the LESSOR, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). LESSEE shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to LESSOR within ten (10) days of the requested change. LESSEE shall pay any costs incurred resulting from said changes.

Section 9.6 All insurance policies procured and maintained by LESSEE, contractors and/or subcontractors pursuant to Section 9.4 shall name the LESSOR, its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the LESSEE, with the exception of the workers' compensation and professional liability policies.

Section 9.7 All insurance policies procured and maintained by LESSEE, contractors and/or subcontractors pursuant to Section 9.4 shall provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy.

Section 9.8 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, LESSEE shall provide a replacement Certificate of Insurance and applicable endorsements to LESSOR. LESSOR shall have the option to suspend LESSEE's performance should there be a lapse in coverage at any time during this Lease. Failure to provide and to maintain the required insurance shall constitute a material breach of this Lease.

Section 9.9 Nothing herein contained shall be construed as limiting in any way the extent to which LESSEE may be held responsible for payments of damages to persons or property resulting from LESSEE's or its contractors' performance of the work covered under this Lease.

Section 9.10 It is agreed that LESSEE's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the LESSOR for liability arising out of operations under this Lease.

Section 9.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Lease.

ARTICLE 10

PROPERTY LOSS

Section 10.1 **Notice of Damage.** LESSEE shall immediately notify LESSOR of any destruction or damage to the Premises in an amount, in each case, in excess of \$100,000.00.

Section 10.2 **LESSEE's Obligation to Restore.**

a. **Total or Partial Destruction.** Should any structure or building or other improvements be wholly or partially destroyed or damaged by fire, wind or any other casualty covered by the insurance to be provided by LESSEE pursuant to Article 9 of this Lease, the parties shall discuss the facilities and services that are necessary, beneficial or in the best interests of the goals, purpose, or mission of the human services campus at the time of destruction, taking into account changes in service needs of the community since the time of initial construction. LESSEE shall have the opportunity to present to LESSOR a design or plan for reconstruction that satisfies service needs at the time of destruction. However, if the parties mutually determine that repair or replacement is necessary, beneficial or in the best interests of the goals, purpose, or mission of the human services campus, then LESSEE shall promptly repair, replace, restore, and reconstruct the destroyed or damaged structures or buildings or such other improvements as the parties agree, with at least as good workmanship and quality as the improvements being repaired or replaced; provided however, any such reconstruction shall be subject to design approval by LESSOR. LESSEE shall complete any such reconstruction within the period of time agreed upon by the parties as being reasonable given the nature and extent of the destruction. In the event that LESSEE should fail to complete such repairs and rebuilding within the period of time agreed upon by the parties, LESSOR may, at its option, terminate this Lease by delivering written notice of termination within thirty (30) days to LESSEE, whereupon all rights and obligations hereunder (other than those which survive the termination of this Lease) shall cease and terminate. The Rent payable

hereunder, except to the extent covered by insurance, shall in no event abate by reason of damage or destruction.

b. Use of Insurance Funds for Restoration. In the event of destruction or damage to the improvements by casualty where LESSEE is obligated to repair, replace, restore and reconstruct any structure, building or other improvements, all of the proceeds of LESSEE's Insurance may be used by LESSEE in connection with such restoration and LESSOR shall not make any claim on such proceeds.

Section 10.3 **Personal Property Liability.** Except as expressly provided in this Lease, LESSOR shall have no liability to LESSEE with respect to any loss sustained by LESSEE to LESSEE's personal property, fixtures or inventory located within the Premises.

ARTICLE 11

CONDEMNATION

Section 11.1 **Notice of Taking.** LESSEE shall immediately notify LESSOR and LESSOR shall immediately notify LESSEE (whichever receives notice of or becomes aware of such activity), of the commencement of any eminent domain, condemnation, or other similar proceedings with regard to the Premises.

Section 11.2 **Total Taking.** Upon the Taking of the entire Premises by a Governmental Authority other than LESSOR, this Lease shall terminate as of the date the condemning authority is entitled to possession and no further Annual Rent shall be due. In no event shall LESSEE have any right or claim to any part of any award made to or received by LESSOR for such taking, or against LESSOR for the value of any unexpired Term of this Lease; provided, however, LESSEE may separately claim and receive from the condemning authority, if legally payable, compensation for LESSEE's renovations, improvements and removal and relocation costs. The LESSOR reserves, and LESSEE grants to the LESSOR, all other rights which LESSEE may have for damages or injury to the Premises for any taking or eminent domain.

Section 11.3 **Partial Taking.** Upon the Taking of a portion of the Premises, (including without limitation any building, structures, and the equipment, machinery, and fixtures comprising a part thereof) by a Governmental Authority other than LESSOR, this Lease shall nevertheless continue in effect as to the remainder of the Premises unless, in LESSEE's and LESSOR's reasonable judgment, so much of the Premises shall be subject to the Taking as to make it economically unsound to use the remainder for the uses and purposes contemplated hereby, whereupon this Lease shall terminate (as of the date the condemning authority is entitled to possession) in the same manner as if the whole of the Premises had thus been subject to the Taking, and the condemnation proceeds shall be distributed as provided in Section 11.2. In the event of a partial Taking where this Lease is not terminated, then to the extent of the condemnation proceeds made available to LESSEE for restoration, LESSEE shall proceed promptly to restore the remaining portion of the Premises to an integral unit, and the Rent payable during the remainder of the Term after the condemning authority is entitled to possession shall not be reduced.

Section 11.4 **Temporary Taking.** Upon a Taking of all or any portion of the Premises for temporary use or occupancy by a Governmental Authority other than LESSOR, the Term shall not be reduced or affected and LESSEE shall continue to pay the Rent in full. Except to the extent LESSEE is prevented from so doing pursuant to the terms of the order of the condemning authority, LESSEE shall continue to perform and observe all of the other covenants, agreements, terms, and provisions of this Lease. LESSEE shall be entitled to receive the entire amount of any award provided for any temporary Taking.

ARTICLE 12

RELEASE OF LIABILITY AND INDEMNIFICATION

Section 12.1 **Risk of Use.** Except as otherwise provided herein, LESSEE shall use and occupy the Premises at its own risk. Except as otherwise provided herein, LESSOR shall have no responsibility or liability for any loss or damage to fixtures or any other personal property of LESSEE or LESSEE's employees, agents, contractors, visitors, licensees, invitees or guests.

Section 12.2 **INTENTIONALLY LEFT BLANK**

Section 12.3 **Indemnification.**

LESSEE covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the LESSOR and the elected officials, employees, officers, directors, volunteers and representatives of the LESSOR, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature (collectively, "Claims"), including but not limited to, personal or bodily injury, death and property damage, made upon the LESSOR directly or indirectly arising out of, resulting from or related to LESSEE's activities under this LEASE, including any acts or omissions of LESSEE, any agent, officer, director, representative, employee, consultant or sublessee of LESSEE, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this LEASE to the extent such Claims are caused by LESSEE's negligence, gross negligence, or intentional, willful or criminal misconduct.

The indemnity provided for in the preceding paragraph shall not apply to any liability resulting from the negligence of LESSOR, its officers or employees, in instances where such negligence causes personal injury, death, or property damage.

IN THE EVENT LESSEE AND LESSOR ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE LESSOR UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. LESSEE shall promptly advise the LESSOR in writing

of any claim or demand against the LESSOR or LESSEE known to LESSEE related to or arising out of LESSEE's activities under this LEASE.

Section 12.4 **Environmental Indemnification.** LESSEE hereby agrees to INDEMNIFY and HOLD LESSOR HARMLESS from any and all losses, costs, expenses, claims, demands and causes of action of whatsoever nature, including all reasonable fees for attorneys, experts, environmental consultants and engineers, plus court costs and costs of remediation, relating to or in any way arising out of:

(i) LESSEE's breach or violation of any of the Environmental Regulations by LESSEE or any of its agents, employees, representatives, invitees or contractors,

(ii) any noncompliance under the Environmental Regulations of the Premises that first exists or is directly attributable to LESSEE from an event arising after the Effective Date, but prior to the expiration of the Term and that is not attributable to or caused by LESSOR, or

(iii) any property damage or personal injury alleged to be caused by environmental conditions of the Premises first existing after the Effective Date, but prior to the expiration of the Term attributable to activities by LESSEE and that is not attributable to or caused by LESSOR.

The provisions of this Section 12.4 are solely for the benefit of the LESSOR and are not intended to create or grant any rights, contractual or otherwise, to any other Person. The provisions of this Section 12.4 shall not apply to any environmental damage or violation of Environmental Regulations occurring prior to the Effective Date, unless caused by LESSEE. The LESSOR hereby agrees that it retains any obligations and liabilities related to any breach or violation of any of the Environmental Regulations occurring prior to the Effective Date, unless caused by LESSEE. In addition, the LESSOR hereby agrees that it will retain any obligations and liabilities related to any breach or violation of any of the Environmental Regulations caused by LESSOR's negligence, or intentional, willful or criminal misconduct, or such conduct of any of its agents, employees, representatives, invitees or contractors on the Premises.

As used herein, the term "**Environmental Regulations**" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §6901 et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. §1251 et seq., the Toxic Substances Control Act of 1976, 15 U.S.C. §2601 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §11001 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. §7401 et seq., the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136 et seq., the National Environmental Policy Act of 1975, 42 U.S.C. §4321, the Rivers and Harbors Act of 1899, 33 U.S.C. §401 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. §651, et seq., the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. §300(f) et seq., the Texas Solid Waste Disposal Act, TEX. REV. CIV. STAT. ANN. art. 4477-7, the Texas Water Code Chapters 26 and 27; and the Texas Clean Air Act, Tex. REV. CIV. STAT. ANN. art 4477-5, and all rules, regulations and guidance documents promulgated or published thereunder, and any state, regional, county or local statute, law, rule, regulation or ordinance relating to public health, safety or the environment, including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or groundwater, to the withdrawal or use of

groundwater, to the use, handling or disposal of polychlorinated biphenyls (PCB's), asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, its derivatives, by-products or other hydrocarbons), to exposure to toxic, hazardous, or other controlled, prohibited or regulated substances, to the transportation, storage, disposal, management or release of gaseous or liquid substances, and any regulation, order, injunction, judgment, declaration, notice or demand issued thereunder.

ARTICLE 13

EXPIRATION OF TERM

Section 13.1 LESSEE, at the expiration or termination of this Lease as herein provided, shall peaceably yield up the Premises, and other fixtures and all additions, improvements and alterations made thereupon in the same condition and repair as the same were in at the commencement of the Term hereof, or may have been put in thereafter pursuant to this Lease, reasonable wear and use excepted.

Section 13.2 Upon the expiration or earlier termination of this Lease, Articles 12, 19 and 20, and all provisions which by their nature are intended to survive termination of this Lease, shall continue in effect.

ARTICLE 14

HOLDING OVER; PEACEFUL ENJOYMENT

Section 14.1 In no event shall there be any renewal of this Lease by operation of law, and if LESSEE remains in possession of the Premises after expiration of the term or the earlier termination of this Lease, or any renewals, extensions or modifications thereof, with LESSOR's acquiescence and without the execution of a new lease or any express agreement of the parties, LESSEE shall be deemed to be occupying the Premises as a tenant-at-will at a rate of \$10,000.00 per month and otherwise subject to all the covenants and provisions of this Lease insofar as the same are applicable to a month-to-month tenancy. If LESSEE fails to surrender the Premises to LESSOR upon the expiration of the Term or upon the earlier termination of this Lease, in addition to any other liabilities to LESSOR accruing there from, LESSEE shall defend, indemnify and hold LESSOR harmless from any loss, cost, damage, expense or liability (including, without limitation, court costs and attorneys' fees) resulting from such failure, including, without limitation, any claims made by any succeeding tenant founded on such failure.

LESSEE shall, and may peacefully have, hold and enjoy the Premises, provided that LESSEE pays the Rent and other sums herein recited to be paid by LESSEE and performs all of LESSEE's covenants and agreements herein contained. Except for such rights as LESSOR may have under this Lease, LESSOR agrees not to interfere with LESSEE's possession of the Premises so long as LESSEE is not in default under the Lease.

ARTICLE 15

ESTOPPEL CERTIFICATES AND COMPLIANCE WITH COVENANTS

Section 15.1 **Estoppel Certificates.** At any time and from time to time, LESSEE and LESSOR, on or before the date specified in a request therefore made by the other party, which date shall not be earlier than ten (10) days from the making of such request, shall execute, acknowledge and deliver to the requesting party and to such assignee, mortgagee or other party as may be designated by the requesting party a certificate (in a form to be reasonably required by the requesting party) setting forth the commencement date, expiration date and the current amount of the Rent, if any, payable hereunder, and stating whether or not: (i) this Lease is in full force and effect; (ii) this Lease has been amended in any way; (iii) there are any existing events of default on the part of any party hereunder to the knowledge of such party and specifying the nature of such events of default, if any; and (iv) the date through which Rent, if any, have been paid. Any such assignee, mortgagee or other party may rely upon the certificate delivered by a party hereunder.

Section 15.2 **Federal Covenants.** LESSEE understands that LESSOR owns property utilized by the LESSOR as a homeless shelter located at 307 Dwyer Avenue, and more commonly referred to as the Dwyer Center (the “**Shelter**”), which Shelter was acquired by the LESSOR by Quitclaim Deed from the Department of Health and Human Services as federal surplus property. LESSEE further understands that LESSOR is negotiating the release of the restrictive covenants, or, alternatively the modification of LESSOR’s obligations under said Quitclaim Deed and that the negotiations may incorporate, but are not limited to, agreements relating to the Premises leased to LESSEE pursuant to this Lease or relating to improvements constructed by LESSEE, notwithstanding ownership thereof, including agreements regarding restrictive uses, restrictive transfers and attachment of liens to property. LESSEE agrees that the mission, and the needs of the beneficiaries, of the human services campus are of paramount importance. Consequently, LESSEE shall, upon demand, at any time or times, execute, acknowledge and deliver to LESSOR, without expense to LESSOR, any and all instruments that may be reasonably requested by the federal government or agency pursuant to said negotiations for release or satisfactory modification of the restrictive covenants set forth in the Quitclaim Deed, and if LESSEE shall fail at any time to execute, acknowledge, and deliver any such instrument, LESSOR, in addition to any other remedies available to it in consequence thereof, may execute, acknowledge and deliver the same as the attorney in fact of LESSEE and in LESSEE’s name, place and stead, and LESSEE hereby irrevocably makes, constitutes and appoints LESSOR, its successors and assigns, such attorney in fact for that purpose.

ARTICLE 16

DEFAULT AND TERMINATION OF LEASE

Section 16.1 **LESSEE Default.** Each of the following shall be deemed an “**Event of Default**” by LESSEE hereunder and a material breach of this Lease:

- a. LESSEE shall fail to pay any installment of Annual Rent and such failure shall continue for a period of thirty (30) days after written notice from LESSOR of non-payment.

b. LESSEE shall fail to pay, or is delinquent, in the ordinary course of business, in the payment of taxes or in the payment of costs of performance of this Lease, or of Additional Rent when due, and the failure continues for a period of thirty (30) days after LESSEE shall have been given written notice specifying the same by LESSOR; provided, however, that so long any such amount shall be disputed in good faith by appropriate procedures, and the non-payment of such amount does not result in the imposition by a Governmental Authority of a lien against the Land or any threat of seizure of the Premises or forfeiture of title thereto, then LESSEE shall not be in default of its obligation hereunder until final resolution of such dispute.

c. LESSEE shall fail to keep, perform, or observe any of the covenants, agreements, terms or provisions contained in this Lease that are to be kept or performed by LESSEE other than with respect to payment of Rent, and LESSEE shall fail to commence and take such steps as are necessary to remedy the same as soon as reasonably possible, and in any event within thirty (30) days after LESSEE shall have been given a written notice by LESSOR specifying the same, or having so commenced, shall thereafter fail to proceed diligently and with continuity to remedy the same; unless such occurrence is of a nature that remedy is possible but will take longer than thirty (30) days, in which event LESSEE will not be in default so long as it promptly commences and diligently pursues such cure to completion within ninety (90) days following the original notice from LESSOR.

d. LESSEE shall sell, assign or sublet its interest in this Lease in violation of Section 8.1 above.

e. LESSEE shall abandon or vacate the Premises for thirty (30) days, unless such abandonment or vacation is due to casualty or condemnation;

f. If LESSEE shall cease using the Premises for the Permitted Uses for a period of sixty (60) days or more, then LESSOR may terminate this Lease upon thirty (30) days' written notice to LESSEE unless LESSEE, within such thirty (30) day period, resumes such use and operation of the Premises.

g. LESSEE, either voluntarily or involuntarily, shall take advantage of any debt or relief proceedings under any present or future law, whereby the Rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred;

h. LESSEE shall be adjudicated bankrupt;

i. A permanent receiver is appointed for LESSEE's property and such receiver is not removed within sixty (60) days after written notice from LESSOR to LESSEE to obtain such removal;

j. LESSEE makes an assignment for benefit of creditors, which is not

satisfied or dissolved within thirty (30) days after written notice from LESSOR to LESSEE to obtain satisfaction thereof: or

k. Substantially all of LESSEE's effects are levied upon or attached process, which is not satisfied or dissolved within thirty (30) days after written notice from LESSOR to LESSEE to obtain satisfaction thereof.

Section 16.2 **LESSOR Remedies.** Upon the occurrence of an Event of Default and after the time for cure, if any, has run, LESSOR may, in addition to and without prejudicing any remedies available to LESSOR at law or in equity, exercise any one of more of the following rights and remedies:

a. Terminate the Lease, in which event LESSEE shall immediately surrender the Premises to LESSOR, and if LESSEE fails to do so, LESSOR may, without prejudice to any other remedy which LESSOR may have, enter upon and take possession of Premises and expel or remove LESSEE and any other Person who may be occupying Premises or any part thereof by, through, or under LESSEE, by force, if necessary, without being liable for prosecution or any claim or damages therefore. In the event of such termination, LESSEE's liability hereunder as to Rent still due and owing for periods prior to such surrendering of the Premises shall not be waived. Upon surrender of the Premises by LESSEE, all rights and obligations hereunder (other than those which survive the termination of this Lease) shall cease and terminate. Though LESSOR has the right to require LESSEE's sublessees to vacate immediately and without legal process on termination of this Lease, LESSOR also reserves the right, on a case-by-case basis, to require sublessees to remain and perform under their subleases.

b. LESSOR may, in addition to any other remedies at law or in equity or elsewhere in this Lease provided, enter upon the Premises and correct the failure or violation at reasonable expenses, which expenses shall be paid to LESSOR by LESSEE on demand. LESSEE agrees that in the event of any failure or violation covered by this Section 16.2, all rights of LESSOR may be exercised by Persons acting on behalf of LESSOR, under authority granted by LESSOR, with full right of reimbursement as provided hereunder. LESSEE agrees that neither LESSOR nor any such Person acting on LESSOR's behalf shall be liable for any damage resulting to LESSEE by the exercise of the rights granted under this Section 16.2.

Section 16.3 **LESSOR's Right of Entry.** LESSOR shall have the right but not the obligation, prior or subsequent to an Event of Default without in any way limiting LESSOR's other rights and remedies under this Lease, to enter onto the Premises to make inspections or to take such other actions as it deems reasonably necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any event or condition at the Premises. If such entry has been made necessary by the failure of LESSEE to perform its obligations under this Lease, all reasonable costs and expenses paid or incurred by LESSOR in the exercise of any such rights shall be payable by LESSEE within thirty (30) days after demand, which obligation shall survive the expiration of the Term or earlier termination of this Lease.

Section 16.4 **Remedies Cumulative.** Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to LESSOR hereunder or any damages accruing to LESSOR by reason of the violation of any of the covenants and provisions herein contained.

ARTICLE 17

REPRESENTATIONS AND WARRANTIES

Section 17.1 **LESSOR Representations.** LESSOR makes the following representations with respect to the Premises as of the Effective Date:

- a. LESSOR owns good and indefeasible fee simple title to the Premises subject to the Permitted Exceptions.

Section 17.2 **LESSEE as Non-Profit.** LESSEE represents that as of the Effective Date, LESSEE is a validly formed 501(c)(3) foundation, and LESSEE agrees that it shall continue to maintain its 501(c)(3) status for the duration of the Term.

Section 17.3 **Funding.** The LESSOR and LESSEE to this Lease recognize that funding for each party's participation in the construction, development, operation, and management of the Campus and the Project may be derived all or in part from the issuance of tax-exempt obligations by one or more Governmental Authorities. Neither the LESSOR nor the LESSEE shall take any action to adversely affect the tax-exempt status of the debt issued by either the LESSOR, the LESSEE, or by one or more Governmental Authorities to construct or improve the Campus or to fund the LESSOR's or the LESSEE's obligations under this Lease.

ARTICLE 18

CONFLICT OF INTEREST

Section 18.1 **LESSEE Covenants.** LESSEE covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Lease. LESSEE further covenants that in the performance of this Lease, no Persons having such interest shall be employed or appointed as a member of its governing body or of its staff. LESSEE further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

Section 18.2 **Prohibited Financial Interest.** LESSEE acknowledges that it is informed that the Charter of the City of San Antonio (for purposes of this paragraph, the "City") and the City's Ethics Code prohibit a City officer or employee, as those terms are defined in the Ethics

Code, from having a financial interest in any contract with the City or any City agency such as City-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or services, if any of the following individual(s) or entities is party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

Section 18.3 **LESSEE Certification.** LESSEE warrants and certifies, and this Lease is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of LESSOR. LESSEE further warrants and certifies that it has tendered to LESSOR a Discretionary Contracts Disclosure Statement in compliance with the LESSOR's Ethics Code.

ARTICLE 19

HAZARDOUS SUBSTANCES

Section 19.1 LESSEE hereby covenants that LESSEE shall not cause or permit any "Hazardous Substances" (as hereinafter defined) to be placed, held, or disposed of in, on or at the Premises or any part thereof, excluding normal cleaning and office products, which shall be used in compliance with all applicable laws, and LESSEE shall not use the Premises or improvements nor any part thereof as a dump site or storage site (whether permanent or temporary) for any Hazardous Substances during the Term of this Lease, or prior to the effective date of the Lease. Nothing contained herein is intended to be nor shall be construed to be any covenant, responsibility or obligation of LESSEE with respect to any pre-Effective Date environmental condition or underground storage tank (UST) System, unless caused by LESSEE.

Section 19.2 LESSEE shall defend, indemnify LESSOR and hold LESSOR harmless from and against any and all claims, losses paid, incurred or suffered by, or asserted against, LESSOR by any Person or entity or governmental agency for, with respect to, or as a result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from, the Premises of any Hazardous Substances or regulated wastes placed, held, or disposed of by LESSEE or any Person claiming by, through or under LESSEE in, on or at the Premises or any part thereof (including, without limitation, any losses asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called federal or state "Superfund" or "Superlien" law, statute, ordinance, code, rule, or regulation, regulating, relating to or imposing liability, including strict liability, concerning any Hazardous Substance), provided, however, that the foregoing indemnity is limited to matters arising solely from LESSEE's violation of the covenant contained in Section 19.1 above and does not include any pre-Effective Date environmental condition or UST System, unless caused by LESSEE.

Section 19.3 The LESSOR hereby agrees that it retains any obligations and liabilities related to any obligations or losses for, with respect to, or as a result of, the presence on or under,

or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from, the Premises of any Hazardous Substances or regulated wastes placed, held, or disposed of in, on or at the Premises prior to the Effective Date, unless caused by LESSEE. In addition, the LESSOR hereby agrees that it will retain any obligations and liabilities related to any such discharge of Hazardous Substances or regulated wastes occurring after the Effective Date caused by LESSOR's negligence, or intentional, willful or criminal misconduct, or such conduct of any of its agents, employees, representatives, invitees or contractors on the Premises.

Section 19.4 For purposes of this Lease, "**Hazardous Substances**" shall mean and include those elements or compounds which are contained in the list of Hazardous Substances adopted by the United States Environmental Protection Agency (the "**EPA**"), regulated wastes under authority of the Texas Commission on Environmental Quality ("**TCEQ**"), and the list of toxic pollutants designated by United States Congress or the EPA, any and all oil and petroleum, oil and petroleum products, and oil and petroleum constituents, or other wastes which are defined as hazardous, toxic, pollutant, infectious or radioactive by any other federal, state or local statute, law, ordinance, code, rule, or regulation, regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, regulated or dangerous waste, substance or material, as now or at any time hereafter in effect.

Section 19.5 If LESSOR or LESSEE receives notice of the presence of a Hazardous Substance on the Premises in amounts which require cleanup or which could result in any claim against LESSOR or LESSEE, then, LESSEE shall undertake the responsibility to address the presence of the Hazardous Substance on the Premises and any related claim.

If LESSOR alone receives notice of the presence of a Hazardous Substance on the Premises, LESSOR shall provide a copy of such notice to LESSEE.

If after a reasonable time after LESSEE's receipt of such notice LESSEE fails to act, LESSOR shall have the right, but not the obligation, and without limitation of LESSOR's rights under this Lease, to enter onto the Premises or to take such other actions as it deems necessary or advisable to cleanup, remove, resolve or minimize the impact of, or otherwise deal with, any Hazardous Substance following receipt of any notice from any Person or entity (including without limitation the EPA or TCEQ) asserting the existence of any Hazardous Substance in, on, or at the Premises or any part thereof which, if true, could result in an order, suit or other action against LESSEE and/or LESSOR. All reasonable costs and expenses incurred by LESSOR in the exercise of any such rights, which costs and expenses are finally judicially determined to have resulted from LESSEE's violation of the covenant contained in Section 19.1 above, not including any pre-Effective Date environmental condition or UST System, unless caused by LESSEE, shall be deemed Additional Rent under this Lease and shall be payable to LESSOR upon demand.

Section 19.6 This Article 19 shall survive the termination or expiration of this Lease.

ARTICLE 20

MISCELLANEOUS PROVISIONS

Section 20.1 **Construction.** Unless the context of this Lease clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the term “includes” or “including” shall mean “including without limitation”; and (d) the words “hereof” or “herein” refer to this entire Lease and not merely the Section or Article number in which such words appear. Article and Section headings in this Lease are for convenience of reference and shall not affect the construction or interpretation of this Lease. Any reference to a particular Article or Section shall be construed as referring to the indicated article or section of this Lease.

Section 20.2 **Captions.** The captions used in this Lease are for convenience only and do not in any way limit or amplify the Terms and provisions hereof.

Section 20.3 **Time of the Essence.** Time is of the essence with respect to each provision, term and covenant of this Lease.

Section 20.4 **Sale of Property.** LESSOR specifically reserves the right to sell the Premises, or a part thereof, subject to this Lease, or to assign or transfer this Lease with respect to the entire leasehold estate, or a part thereof, to the new owner or to any other party, subject to this Lease. In the event of a transfer or assignment, LESSEE agrees to look solely to LESSOR’s successor in interest for obligations to be performed by LESSOR under this Lease with respect to the transferred leasehold estate. LESSEE shall promptly execute all documentation reasonably required to effect the sale of the Premises.

Section 20.5 **Relation of Parties.** Nothing contained herein shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers or any other similar such relationship between the parties. It is expressly understood and agreed that LESSEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that LESSOR shall in no way be responsible therefore.

Section 20.6 **Rights Cumulative.** All rights, powers, and privileges conferred herein upon the parties hereto shall be cumulative but not restrictive of those given by law.

Section 20.7 **No Waiver of Rights.** No failure or delay by LESSOR to exercise any right or power given it or to insist upon strict compliance by LESSEE with any obligation imposed on it, and no custom or practice of either party hereto at variance with any term hereof shall constitute a waiver or a modification of the terms hereof by LESSOR or any right it has herein to demand strict compliance with the terms hereof by LESSEE. No payment by LESSEE or acceptance by LESSOR of a lesser amount than shall be due from LESSEE to LESSOR shall be deemed to be anything but payment on account, and the acceptance by LESSOR of such lesser amount, whether by check with an endorsement or statement thereon or by an accompanying letter or otherwise stating that said lesser amount is payment in full shall not be deemed an accord and satisfaction, and LESSOR may accept such payment without prejudice to LESSOR’s rights to recover the balance due or pursue any of LESSOR’s other remedies hereunder. For the purpose of any suit brought by LESSOR in connection with the Lease, the

failure to include any sum or sums maintained shall not be a bar to the maintenance of any suit or action for the recovery of said sum or sums so omitted.

Section 20.8 **Attorney's Fees.** If any Rent or other debt owing by LESSEE to LESSOR hereunder is collected by or through an attorney at law, LESSEE agrees to pay reasonable attorney's fees incurred in connection with such collection.

Section 20.9 **Successors and Assigns.** The provisions of this Lease shall inure to the benefit of and be binding upon LESSOR and LESSEE, and such respective successors, heirs, legal representatives and assigns, as are permitted under this Lease. Whenever a reference is made herein to a party, such reference shall include the party's successors and assigns.

Section 20.10 **Representations.** LESSEE acknowledges that neither LESSOR nor LESSOR's agents, employees or contractors have made any representations or promises with respect to the Premises or this Lease except as expressly set forth herein and that LESSEE shall have no claim, right or cause of action based on or attributable to any representation or promises with respect to the Premises or this Lease except as expressly set forth herein.

Section 20.11 **Governing Law.** This Lease has been made and is performable in Bexar County, Texas, and shall be construed and enforced in accordance with the laws of the State of Texas. The Parties expressly acknowledge the applicability of the laws of the State of Texas, including but not limited to Article 11, Section 5 of the Texas Constitution, to this Lease.

Section 20.12 **Severability.** This Lease is intended to be performed in accordance with and only to the extent permitted by applicable law. If any clause or provision of this Lease or the application thereof to any Person or circumstance is or becomes illegal, invalid or unenforceable because of present or future laws, rule or regulation of any governmental body, or becomes unenforceable for any reason, the intention of the parties hereto is that the remaining parts of this Lease and the application of such provision to other Persons or circumstances shall not be thereby affected, but rather shall be enforced to the greatest extent permitted by law.

Section 20.13 **Entire Agreement.** This Lease (including all attachments and exhibits hereto) contains the sole and entire agreement of LESSOR and LESSEE and no prior or contemporaneous oral or written representation or agreement between the parties and affecting the Premises shall be deemed to exist or to bind the parties hereto. No representative, agent or employee of LESSOR has or shall have any authority to waive any provision of this Lease unless such waiver is expressly made in writing and signed by an authorized representative of LESSOR.

Section 20.14 **Amendments.** This Lease may only be amended in a written document expressly described as an amendment to this Lease, dated subsequent to the Effective Date and duly executed by the parties.

Section 20.15 **Counterparts.** This Lease may be executed in any number of counterparts, which together shall constitute but one and the same instrument, and counterparts of the signature pages hereto separately executed by each of the parties may be collated and attached to one counterpart hereof to collectively constitute one fully executed instrument.

Section 20.16 **Authorized Signatory.** The Person or Persons executing this Lease on behalf of LESSEE does hereby covenant and warrant that LESSEE is an existing non-profit corporation, that LESSEE has and is qualified to do business in Texas, that the non-profit corporation has full right and authority to enter into this Lease, that each of the persons executing this Lease on behalf of the non-profit corporation are authorized to do so, and that such execution is fully binding on the non-profit corporation.

Section 20.17 **Exhibits and Attachments.** All exhibits, attachments, riders and addenda referred to in this Lease are incorporated herein and made a part hereof for all intents and purposes.

Section 20.18 **Lessor's Municipal Powers.** LESSOR is a municipality as well as landlord under this Lease. As a municipality, it may from time to time exercise municipal powers unrelated to the Lease that will nevertheless adversely affect LESSEE. Such actions may include redirection of traffic, street closures, or other actions intended to facilitate public safety, the public interest, or the conduct of major events. No such action by LESSOR as a municipality is a breach of LESSOR's duties as LESSOR or entitles LESSEE to any relief under this Lease. Likewise, no breach of contract or other duty by the municipal utility providers is a breach of LESSOR's duties as LESSOR or entitles LESSEE to any relief under this Lease. LESSEE has no more rights under this Lease than it would if the LESSOR were a private entity.

ARTICLE 21

NOTICES

Section 21.1 **Notices.** All notices, consents, approvals or demands of any kind required or permitted by the terms of this Lease to be given shall be in writing and sent in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, or by hand delivery, addressed as follows:

To LESSOR: City of San Antonio
Director, Department of Community Initiatives
Plaza de Armas, Suite 210
San Antonio, Texas 78205

With a copy to: City Clerk of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966

City of San Antonio
Director, Department of Asset Management
P.O. Box 839966
San Antonio, Texas 78283

To LESSEE: Haven for Hope of Bexar County, Inc.
2330 N. Loop 1604 West
San Antonio, Texas 78248
Attention: Executive Director

or to such other address or addresses as the parties have agreed to in writing. Notice shall be deemed to have been duly served when it is hand-delivered or if mailed, two (2) days after it is so mailed.

Section 21.2 **Notices During Emergencies.** In the event of an emergency, natural disaster, terrorist attack, or declaration of war, affecting the operation of the human services campus, the following representatives of LESSEE and LESSOR shall be immediately notified by the other party using the most expeditious means of communicating such information:

To LESSOR: City of San Antonio
Director, Department of Community Initiatives
Plaza de Armas, Suite 210
San Antonio, Texas 78205

To LESSEE: Haven for Hope of Bexar County, Inc.
2330 N. Loop 1604 West
San Antonio, Texas 78248
Attention: Executive Director

Section 21.3 **Change of Address.** Each party shall apprise the other party immediately of any change in address, telephone number, or personnel or representatives with responsibilities under this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease by their duly authorized officers the day and year first hereinabove written.

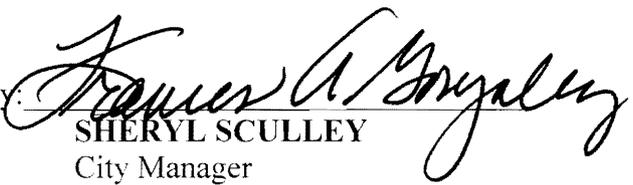
LESSEE:

**HAVEN FOR HOPE OF BEXAR
COUNTY, A TEXAS NON-PROFIT
CORPORATION**

By: 
ROBERT G. MARBUT, JR.
Executive Director

LESSOR:

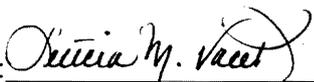
CITY OF SAN ANTONIO, TEXAS

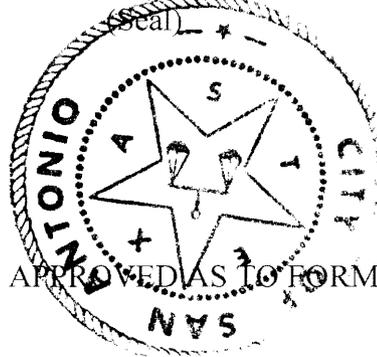
By: 
SHERYL SCULLEY
City Manager

ATTEST:


Secretary
(Seal)

ATTEST:

By: 
LETICIA M. VACEK
City Clerk



By: 
for City Attorney

EXHIBIT A

DESCRIPTION OF THE PREMISES

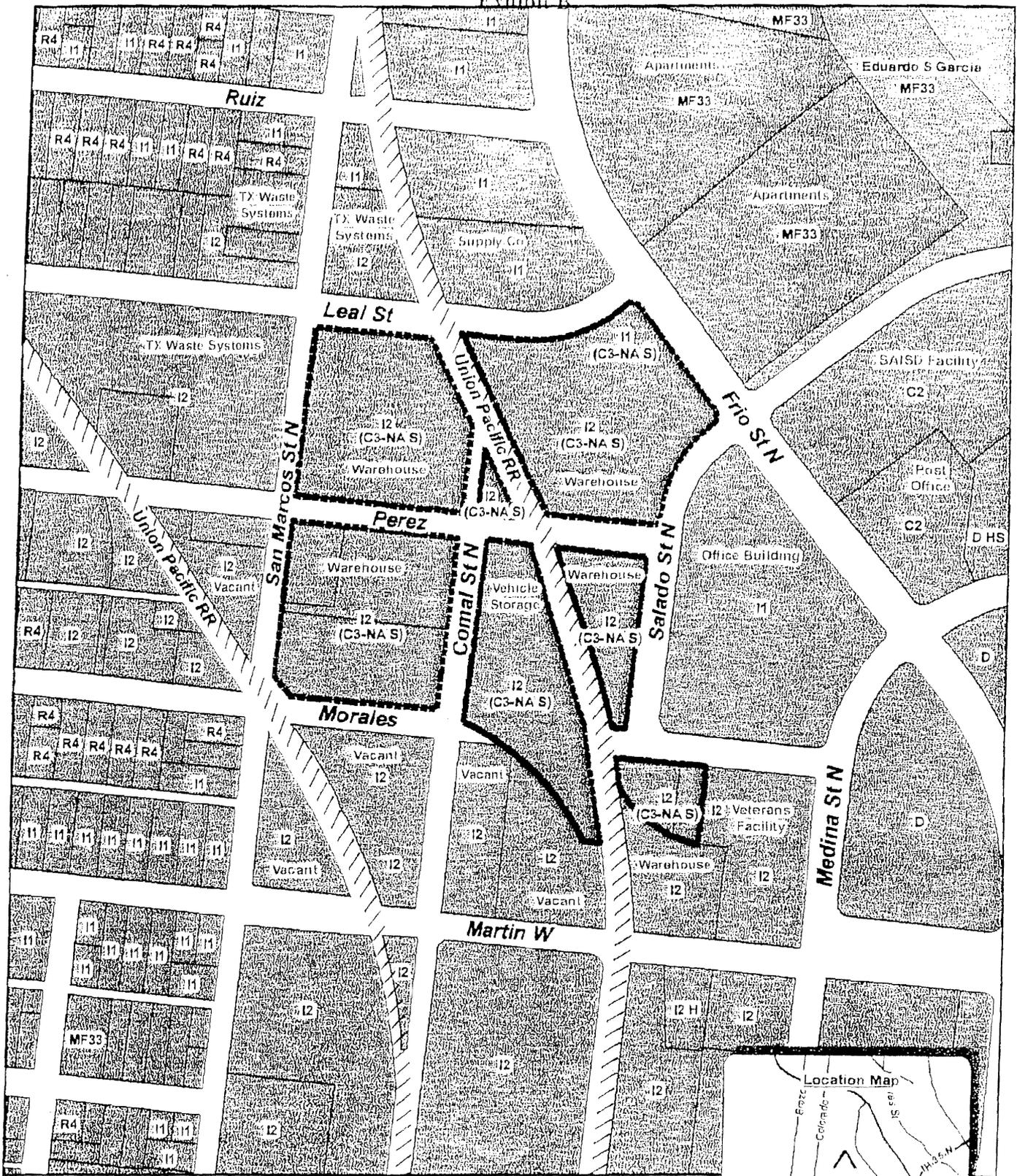
EXHIBIT B

PARCELS OF LAND ZONED C3-NA S
GENERAL COMMERCIAL, NON ALCOHOLIC SALES WITH A SPECIFIC USE
PERMIT FOR A HUMAN SERVICES CAMPUS

Z2007217 S - Legal Descriptions

Change of "J-1" General Industrial District and "J-2" Heavy Industrial District to "C-3 NA" S General Commercial Nonalcoholic Sales District with Specific Use Permit for a Human Services Campus on 11.372 acres out of NCB 197, NCB 198, NCB 219, NCB 220, NCB 221, NCB 250, and NCB 252,

Also known as 601 North Frio Street, 717 North Frio Street, 524 Leal Street, 1301 West Martin Street; 1323 West Martin Street, 519 North Medina, 720-722 Morales, 801 Morales, 825 Morales, 903 Morales, 523 Perez Street, 615 Perez Street, 701 North Salado Street, 727 North Salado Street and 626 North San Marcos Street .



Zoning Case Notification Plan

Case Z-2007-217

Council District 5

Scale: 1" approx. = 250'



Legend

- Subject Property
- 200' Notification Buffer
- Current Zoning
- Requested Zoning Change
- 100-Year FEMA Floodplain

R6
 (R6)
 Floodplain

EXHIBIT C

BONDING REQUIREMENTS

Lease Agreement between the City of San Antonio and
the Haven for Hope of Bexar County, a Texas non-profit corporation

PERFORMANCE BOND AND PAYMENT BONDS

C.1 LESSEE shall require its contractors and subcontractors providing services or materials related to the construction on the Premises to furnish and file Surety Bonds described below which shall be in accordance with the provision of Chapter 2253, Texas Government Code.

C.1.1 Performance Bond. For every contract in excess of \$100,000 a good and sufficient bond in an amount equal to 100% of the total contract sum, guaranteeing the full and faithful execution of the work and performance of the contract in accordance with plans, specifications and all other contract documents, including any extensions thereof, for the protection of the LESSEE and LESSOR. This bond shall also provide for the repair and maintenance of all defects due to faulty materials and workmanship that appear within a period of one (1) year from the date of final completion and acceptance of the improvements by the LESSEE or lesser or longer periods as may be otherwise designated in the contract documents.

C.1.2 Payment Bond. For every contract in excess of \$25,000 a good and sufficient bond in an amount equal to 100% of the total contract sum, guaranteeing the full and prompt payment of all claimants supplying labor or materials in the prosecution of the work provided for in the contract, and for the use and protection of each claimant.

C.2 No surety will be accepted by the LESSEE who is now in default or delinquent on any bonds or who is a party in any litigation against the LESSOR. No surety agreement shall be executed with less than one corporate surety that is authorized and admitted to do business in the State of Texas, is licensed by the State of Texas to issue surety bonds, is listed in the most current United States Department of the Treasury List of Acceptable Sureties, and is otherwise acceptable to the LESSOR. Each bond shall be executed by the contractor and the surety, to whom any requisite statutory notices may be delivered and on whom service of process may be had in matters arising out of the suretyship. Each bond shall name LESSOR as an additional Obligee.

EXHIBIT D

SEVERANCE AND BILL OF SALE

Notice of Confidentiality Rights: If You Are a Natural Person, You May Remove or Strike Any or All the Following Information from Any Instrument That Transfers an Interest in Real Property Before it Is Filed for Record in the Public Records: Your Social Security Number or Your Driver's License Number.

SEVERANCE AND BILL OF SALE

Authorizing Ordinance:

Seller: City of San Antonio

Seller's Mailing Address (including county): P.O. Box 839966, San Antonio, Texas 78283-3966
(Attention: Director, Community Initiatives Department)
(Bexar County)

Buyer: Haven for Hope of Bexar County

Buyer's Mailing Address (including county): 2330 North Loop 1604 West, San Antonio, Texas 78248
(Bexar County)

Consideration: Raising money for services to the homeless and neighborhood residents located in the City of San Antonio and providing those services in accordance with the terms of the Lease and other related agreements between Seller and Buyer and improving the Buildings to make them better suited for providing the requisite services, all to accomplish the public purpose of providing for the welfare, health, and safety of San Antonio inhabitants through the development, construction, management, and operation of a human services campus by the Buyer

Buildings: The structures described on **Exhibits A through D**, which are incorporated into this instrument for all purposes as if fully set forth.

Lease: Lease Agreement between the City of San Antonio, a Texas municipal corporation, as Lessor, and Haven for Hope of Bexar County, a Texas nonprofit corporation, as Lessee, for a human services campus to include a homeless transformational facility also known as the "Haven for Hope", located in the City of San Antonio, Bexar County, Texas and authorized by the Authorizing Ordinance

Predicate Facts

Seller owns the Buildings and the real estate of which they are a part ("Property").

Seller is leasing the Property to Buyer by means of the Lease so that Buyer may provide services to the homeless and residents in the neighborhood surrounding the proposed human services campus.

Buyer may raise money from private and public donations to further the services it will provide, and some of those donations may be used to make improvements to the Buildings.

That Buyer owns the Buildings to be improved would enhance Buyer's fund-raising ability for capital improvements and campus operations.

Acts of Severance and Sale

Now Therefore, the parties agree and act as follows:

1. Severance.

Subject to the terms of this instrument, Seller hereby severs the Buildings from the real estate on which they are situated. Seller expressly intends that, as a result of the severance, the Buildings become personal property as opposed to real property.

2. Conveyance.

Seller hereby sells and conveys the Buildings, as personal property, to Buyer for so long as the Lease is in effect. When the Lease expires or otherwise terminates, ownership of the Buildings automatically reverts to Seller without action or formality by Seller, Buyer, or any other person. Buyer may not remove or claim compensation for improvements made to the Buildings, and all such improvements pass with the Buildings to Seller.

3. Reversion to Realty.

In addition, when the Lease expires or otherwise terminates, the severance of the Buildings from the real estate on which they are situated likewise terminates. Thereupon, the Buildings again automatically become fixtures and real property, without action or formality by Seller, Buyer, or any other person, to the same effect as would have been the case had they never been severed. At termination of the Lease, all improvements to the Buildings that would be considered fixtures under

ordinary principles of law are considered fixtures for the purpose of this transaction and become part of the real estate to the same extent as the Buildings themselves.

4. Liens.

While Buyer owns the Buildings, it may subject them to liens, but no lienholder claiming through Buyer can acquire more rights than Buyer has in the Buildings. Without limiting the generality of that statement, all lien rights and rights arising from lien rights are extinguished when the Buildings revert to Seller. If a lienholder forecloses and takes title to a Building, its title, or the title of those claiming through the lienholder, reverts to Seller just as Buyer's would at termination of the Lease.

5. Disclaimer.

The conveyance made by this instrument is as-is, where-is, without warranty, either express or implied. Without limiting the generality of the above disclaimer, Seller disclaims all other warranties of title, condition, or character, including the warranty of merchantability and the warranty of fitness for any intended purpose.

6. Coupled with Lease.

This instrument is void unless, contemporaneously with its execution and delivery, Seller and Buyer likewise execute and deliver the Lease. At the expiration or other termination of the Lease, Seller may execute and record a certificate of termination of the Lease without joinder of Buyer. Third parties may rely on the certificate without inquiry as proof that the Lease is terminated, that Seller is revested with title to the Buildings, and that the Buildings are part of the real estate to which they are attached.

7. Indemnity.

7.01. Buyer covenants and agrees to fully indemnify and hold harmless, the Seller and the elected officials, employees, officers, directors, volunteers and representatives of the Seller, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature (collectively, "Claims"), including but not limited to, personal or bodily injury, death and property damage, made upon the Seller directly or indirectly arising out of, resulting from, or related to this conveyance or Buyer's use and occupancy of the Buildings. Claims may include acts or omissions of Buyer, any agent, officer,

director, representative, employee, consultant or sublessee of Buyer, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this instrument, to the extent such Claims are caused by Buyer's negligence, gross negligence, or intentional, willful or criminal misconduct.

7.02. The indemnity provided for in the preceding paragraph does not apply to any liability resulting from the negligence of Seller, its officers or employees, when the negligence causes personal injury, death, or property damage.

7.03. If both Buyer and Seller are found jointly liable by a court of competent jurisdiction, liability shall be apportioned comparatively, in accordance with the laws of the State of Texas. But nothing waives any governmental immunity available to the Seller under Texas law. Likewise, nothing waives any defenses of the parties under Texas law. The provisions of this indemnification are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Buyer shall promptly advise the Seller in writing of any claim or demand against the Seller or Buyer known to Buyer related to or arising out of Buyer's activities under this instrument.

8. Risk of Loss.

8.01. At the expiration or earlier termination of the Lease, Buyer must return the Buildings to Seller in substantially the same condition as that in which they were received, ordinary wear and tear excepted.

8.02. To secure partially Buyer's obligation to return the Buildings to Seller, Buyer must at all times maintain property insurance for physical damage to the Buildings in an amount equal to the Buildings' replacement cost. All insurers must be authorized and admitted to do business in the State of Texas and rated A or better by A.M. Best Company.

8.03. Seller may at any time during normal business hours ask to see evidence of Buyer's insurance required above. If Buyer (A) fails to cooperate in providing evidence of such insurance or (B) does not have such insurance in place and fails to procure it within 10 business days of Seller's notice to Buyer, this conveyance to Buyer reverts to Seller and the Buildings become automatically become fixtures and real property, without action or formality by Seller, Buyer, or any other person, to the same effect as would have been the case had they never been severed.

9. Acceptance of Obligations.

Buyer's acceptance of the interest conveyed by this instrument is likewise Buyer's agreement to assume the obligations contained in it.

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

City of San Antonio,
a Texas municipal corporation

Haven for Hope of Bexar County, a
Texas nonprofit corporation

By: Frances A. Gonzalez By: [Signature]

Printed Name: FRANCES A. GONZALEZ Printed Name: [Signature]

Title: Asst. City Manager Title: [Signature]

Date: 3/12/08 Date: 3/12/08

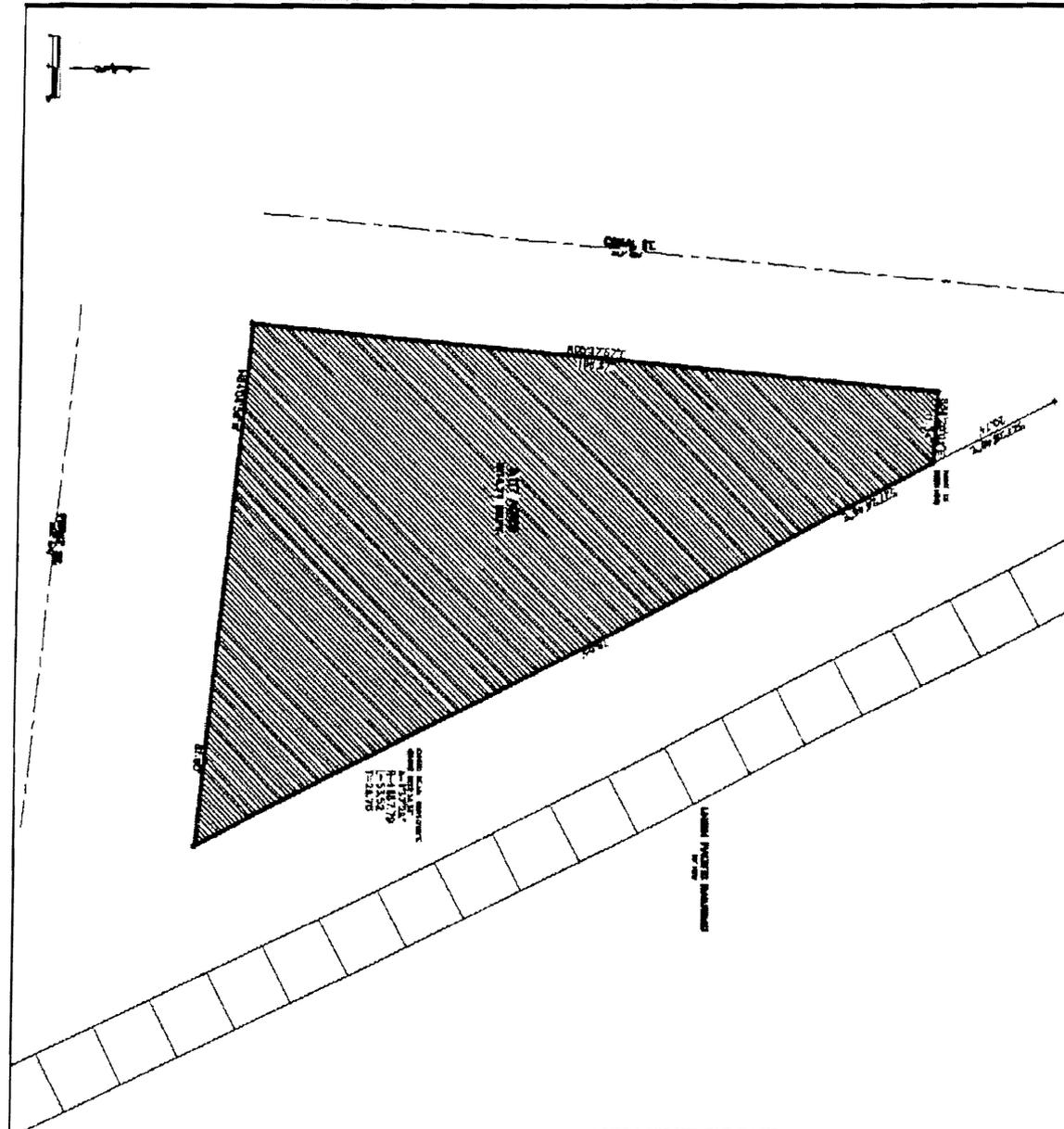
Attest:

[Signature]
City Clerk

Approved As To Form:

[Signature]
City Attorney

Exhibit A



* BEING A 0.117 ACRE TRACT OF LAND

<p>DATE: 2/21/08 BY: [Signature] CHECKED BY: [Signature]</p>	<p>I, A PROFESSIONAL ENGINEER, LAST REGISTERED IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE FOREGOING PLAN IS THE PROPERTY OF THE CITY OF SAN ANTONIO, TEXAS, AND THAT THE SAME IS A TRUE AND CORRECT REPRESENTATION OF THE PROPERTY DESCRIBED HEREIN. I FURTHER CERTIFY THAT THE FOREGOING PLAN IS A TRUE AND CORRECT REPRESENTATION OF THE PROPERTY DESCRIBED HEREIN. I FURTHER CERTIFY THAT THE FOREGOING PLAN IS A TRUE AND CORRECT REPRESENTATION OF THE PROPERTY DESCRIBED HEREIN. I FURTHER CERTIFY THAT THE FOREGOING PLAN IS A TRUE AND CORRECT REPRESENTATION OF THE PROPERTY DESCRIBED HEREIN.</p> <p style="text-align: right;">[Signature]</p> <p>STEVEN A. COCK, P.E. 12000 STARBUCKS, SUITE 107 SAN ANTONIO, TEXAS 78247-4117 210/681-6555 • FAX 210/681-8180 WWW.SGCCENT.COM STEPHEN A. COCK ENGINEERING, P.C. REGISTERED LAND SURVEYOR</p>
<p>PROJECT NAME: 323 PEREZ ST.</p>	<p>SCALE: 1" = 10'</p>
<p>PARCEL #18148D</p>	<p>SHEET: 1 OF 1</p>
<p>JOB # 597-003-014A DATE FEBRUARY 21, 2008</p>	<p>ENG: SGC BMD: N.A.</p>

METES AND BOUNDS DESCRIPTON

February 21, 2008

BEING a 0.117 acre tract of land situated in the City of San Antonio, Bexar County, Texas and being a portion of Comal St. conveyed by City Ordinance No. 13.613, December 14, 1950, said 0.117 acre tract being more particularly described as follows:

BEGINNING at a point in the westerly Right-of-Way (R.O.W.) line of the Union Pacific Railroad for the northeast corner of the herein described tract, said point being South 27°28'46" East, 20.74 feet along the westerly R.O.W. line of said Union Pacific Railroad from the intersection of the westerly R.O.W. line of said Union Pacific Railroad and the east R.O.W. line of Comal St.;

THENCE, South 27°28'46" East, 76.65 feet along the westerly R.O.W. line of said Union Pacific Railroad to a point;

THENCE, 53.52 feet along the westerly R.O.W. line of said Union Pacific Railroad by a circular curve to the right having the following parameters:

Radius	= 1887.79 feet
Chord Bearing	= South 26°40'05" East
Chord Distance	= 53.52 feet

to an ½" iron rod found at the intersection of the westerly R.O.W. line of said Union Pacific Railroad and the north R.O.W. line of Perez St. for the southeast corner of the herein described tract;

THENCE, North 84°06'56" West, 81.80 feet along the north R.O.W. line of said Perez St. to a ½" iron rod found at the intersection of the north R.O.W. line of said Perez St. and the easterly R.O.W. line of said Comal St. for the southwest corner of the herein described tract;

THENCE, North 05°37'57" East, 108.67 feet along the easterly R.O.W. line of said Comal St. to the northwest corner of the herein described tract;

THENCE, South 86°25'02" East, 11.34 feet to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-003-014A

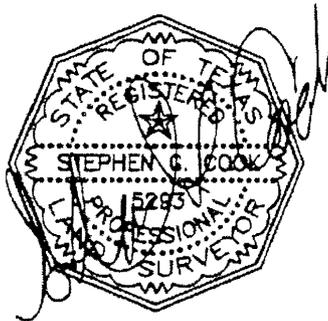
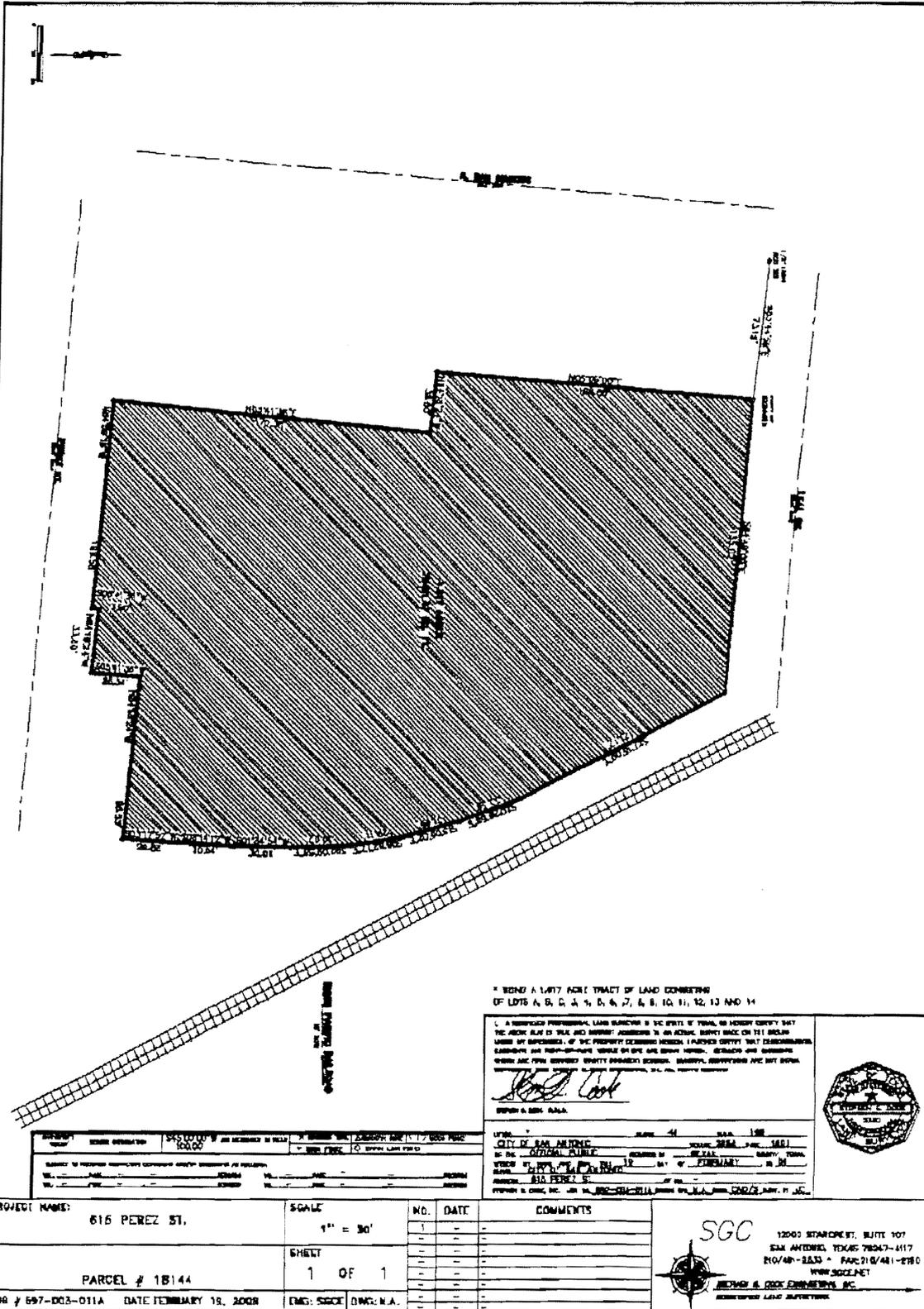


Exhibit B



* BEING A 1.6177 ACRE TRACT OF LAND COMPREHENSIVE OF LOTS A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, 10, 11, 12, 13 AND 14

I, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE ABOVE MAP IS TRUE AND CORRECT ACCORDING TO AN ACTUAL SURVEY MADE ON THE 15th DAY OF FEBRUARY, 2008, OF THE PROPERTY DESCRIBED HEREIN. I FURTHER CERTIFY THAT I AM A LICENSED SURVEYOR AND THAT I AM NOT PROVIDING ANY SERVICES OR OPINIONS THAT ARE NOT WITHIN THE SCOPE OF MY LICENSE. I AM NOT PROVIDING ANY SERVICES OR OPINIONS THAT ARE NOT WITHIN THE SCOPE OF MY LICENSE.

Robert A. Cook
 ROBERT A. COOK, S.A.S.



PROJECT NAME	616 PEREZ ST.	SCALE	1" = 30'
DATE	FEBRUARY 18, 2008	NO.	1 OF 1
PROJECT #	JOB # 697-003-011A	DATE	FEBRUARY 18, 2008
ENGINEER	ENG: SGC	DRAWN	N.A.

DATE	15 FEB 2008	TIME	10:00 AM
BY	ROBERT A. COOK	FOR	CITY OF SAN ANTONIO
PROJECT	616 PEREZ ST.	DATE	15 FEB 2008
PROJECT #	JOB # 697-003-011A	DATE	FEBRUARY 18, 2008

PROJECT NAME:	SCALE	NO.	DATE	COMMENTS
616 PEREZ ST.	1" = 30'	1		
PARCEL # 1B144		1	OF 1	
JOB # 697-003-011A	DATE FEBRUARY 18, 2008	ENG: SGC	DWG: N.A.	

SGC
 12040 STANFORD BLVD, SUITE 107
 SAN ANTONIO, TEXAS 78247-4117
 210/481-2233 • FAX: 210/481-2780
 WWW.SGC.NET
ROBERT A. COOK ENGINEERING, INC.
 REGISTERED LAND SURVEYORS

METES AND BOUNDS DESCRIPTION

February 19, 2008

BEING a 1.617 acre tract of land consisting of the east portion of Lots A, B and C, all of Lots 3, 4, 5, 6, 7, 11, 12, 13, 14 and a portion of Lot 10, Block 49, New City Block 198, in the City of San Antonio, Bexar County, Texas said 1.617 acre tract of land being more particularly described as follows:

BEGINNING at an existing corner of a building in the south Right-of-Way (R.O.W.) line of Leal St. for the northwest corner of the herein described tract, said northwest corner being South $84^{\circ}37'20''$ East, 73.19 feet across said Lot A from the intersection of the south R.O.W. line of said Leal St. and the east R.O.W. line N. San Marcos;

THENCE, South $84^{\circ}49'58''$ East, 155.02 feet along the north face of said building to a corner of said building;

THENCE, South $27^{\circ}15'09''$ East, 121.17 feet along the northeast face of said building to a corner of said building;

THENCE, South $20^{\circ}28'55''$ East, 33.39 feet along the easterly face of said building to a corner of said building;

THENCE, South $15^{\circ}05'02''$ East, 31.86 feet along the easterly face of said building to a corner of said building;

THENCE, South $08^{\circ}52'17''$ East, 29.11 feet along the easterly face of said building to a corner of said building;

THENCE, South $02^{\circ}09'58''$ East, 30.02 feet along the easterly face of said building to a corner of said building;

THENCE, South 01°34'54" West, 30.08 feet along the easterly face of said building to a corner of said building;

THENCE, South 03°14'12" West, 30.04 feet along the easterly face of said building to the southeast corner of said building;

THENCE, North 84°18'24" West, 85.53 feet along the south face of said building to an inside corner of said building;

THENCE, South 05°41'36" West, 26.34 feet along the east face of said building to a corner of said building;

THENCE, North 84°18'24" West, 33.60 feet along the south face of said building to an inside corner of said building;

THENCE, South 05°41'36" West, 3.50 feet along the east face of said building to a corner of said building;

THENCE, North 84°59'16" West, 109.56 feet along the south face of said building to the southwest corner of said building;

THENCE, North 05°41'36" East, 170.38 feet along the west face of said building to an inside corner of said building;

THENCE, North 84°18'24" West, 32.60 feet along the south face of said building to a corner of said building;

THENCE, North 05°05'00" East, 168.58 feet along the westerly face of said building to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor

No. 5293

SGCE No. 597-003-011A

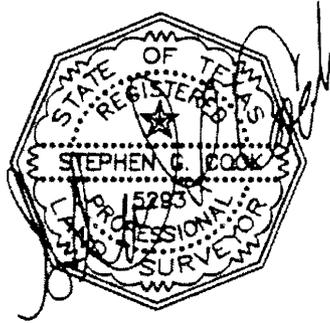
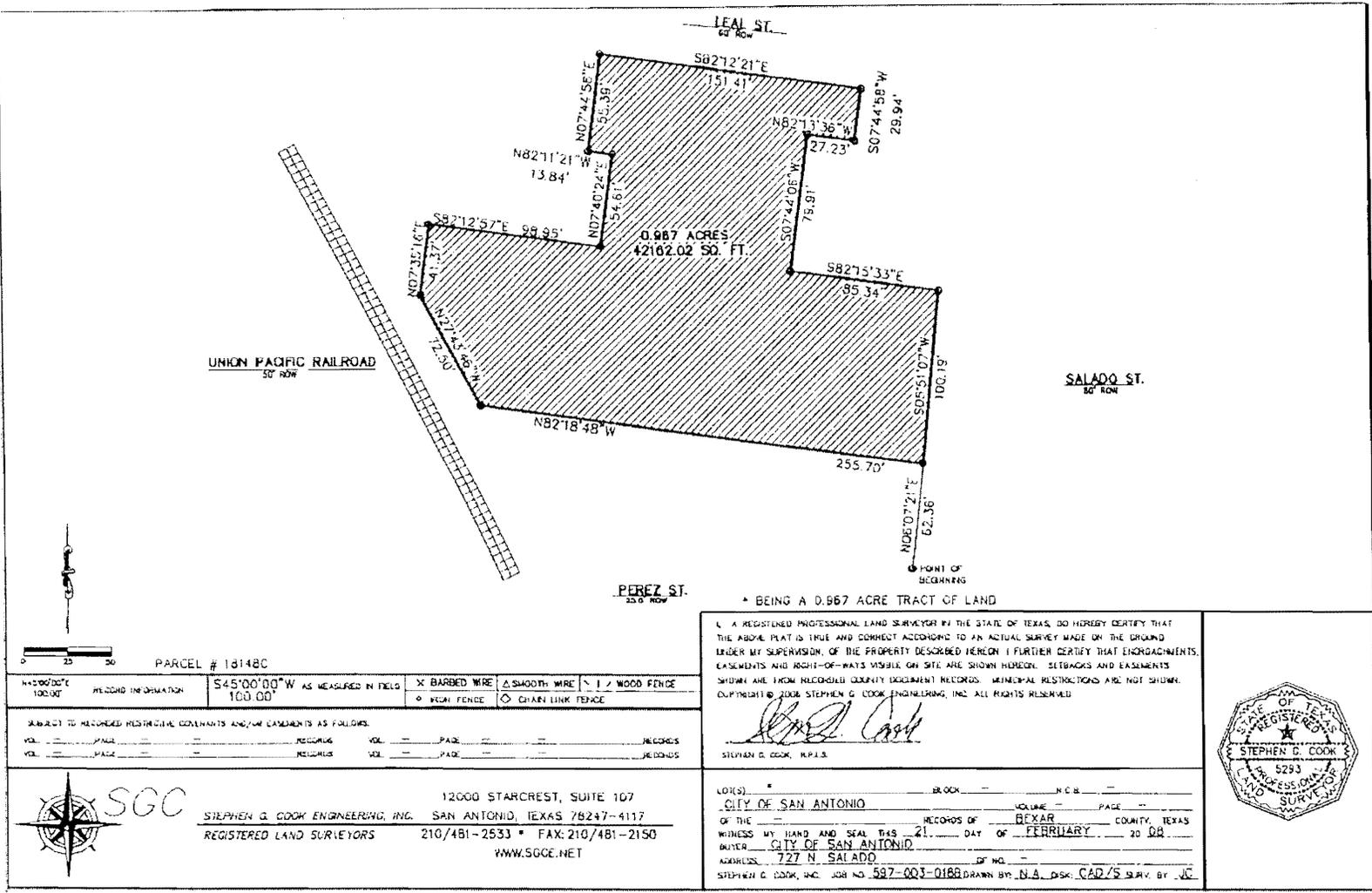


Exhibit C



* BEING A 0.987 ACRE TRACT OF LAND

I, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE ABOVE PLAT IS TRUE AND CORRECT ACCORDING TO AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION. OF THE PROPERTY DESCRIBED HEREON I FURTHER CERTIFY THAT ENCROACHMENTS, EASEMENTS AND RIGHTS-OF-WAYS VISIBLE ON SITE ARE SHOWN HEREON. SETBACKS AND EASEMENTS SHOWN ARE FROM RECORDED DEEDS (DEPARTMENT RECORDS). MINERAL RESTRICTIONS ARE NOT SHOWN. COPYRIGHT © 2008 STEPHEN G. COOK ENGINEERING, INC. ALL RIGHTS RESERVED.

Stephen G. Cook
STEPHEN G. COOK, R.P.L.S.



<p>0 25 50</p> <p>PARCEL # 13148C</p>	<p>W 545°00'00"W AS MEASURED IN FIELD</p> <p>100.00'</p>	<p>X BARBED WIRE</p> <p>◊ IRON FENCE</p>	<p>△ SMOOTH WIRE</p> <p>○ CHAIN LINK FENCE</p>	<p>1 / 2 WOOD FENCE</p>
<p>SUBJECT TO RECORDED RESTRICTIVE COVENANTS AND/OR EASEMENTS AS FOLLOWS:</p>				
<p>VOL. _____ PAGE _____</p> <p>VOL. _____ PAGE _____</p>	<p>RECORDING _____</p> <p>RECORDS _____</p>	<p>VOL. _____ PAGE _____</p> <p>RECORDS _____</p>	<p>VOL. _____ PAGE _____</p> <p>RECORDS _____</p>	<p>VOL. _____ PAGE _____</p> <p>RECORDS _____</p>

 **SGC**

12000 STARCREST, SUITE 107
 STEPHEN G. COOK ENGINEERING, INC. SAN ANTONIO, TEXAS 78247-4117
 REGISTERED LAND SURVEYORS 210/481-2533 * FAX: 210/481-2150
 WWW.SGCE.NET

LORES _____ BROOK _____ N.C.B. _____
 CITY OF SAN ANTONIO _____ VOLUME _____ PAGE _____
 OF THE _____ RECORDS OF _____ BEXAR COUNTY, TEXAS
 WITNESS MY HAND AND SEAL THIS 21 DAY OF FEBRUARY 20 08
 AT _____ CITY OF SAN ANTONIO _____
 ADDRESS 727 N. SALADO _____ OF NO. _____
 STEPHEN G. COOK, INC. JOB NO. 587-003-0188 DRAWN BY: N.B. DSK. CAD/S. SLAY BY: JC

METES AND BOUNDS DESCRIPTION

February 21, 2008

BEING a 0.967 acre tract of land out of New City Block 219, in the City of San Antonio, Bexar County, Texas and a portion of New City Block, 48, in the City of San Antonio, Texas including a portion of Lot 3, Block 48, Vista Verde Project Texas R-109 Subdivision, Unit-II recorded in Volume 7700, Page 190, Deed and Plat Records, Bexar County, Texas. said 0.967 acre tract being more particularly described as follows:

BEGINNING at a building corner for the southeast corner of the herein described tract, said building corner being North $06^{\circ}07'21''$ East, 62.36 feet from a $\frac{1}{2}$ " rod at the intersection of the westerly Right-of-Way (R.O.W.) line of Salado St. and the north R.O.W. line of Perez St.;

THENCE, North $82^{\circ}18'48''$ West, 255.70 feet along the southerly face of said building to the southwest corner of said building;

THENCE, North $27^{\circ}43'46''$ West, 72.50 feet along the westerly face of said building to the most westerly building corner;

THENCE, North $07^{\circ}35'16''$ East, 41.37 feet along the westerly face of said building to a building corner;

THENCE, South $82^{\circ}12'57''$ East, 98.95 feet along the north face of said building to an inside corner;

THENCE, North $07^{\circ}40'24''$ East, 54.61 feet along the westerly face of said building to an inside corner;

THENCE, North $82^{\circ}11'21''$ West, 13.84 feet along the south face of said building to a building corner;

THENCE, North $07^{\circ}44'56''$ East, 55.39 feet to the most northerly corner of said building;

THENCE, South $82^{\circ}12'21''$ East, 151.41 feet along the north face of said building to a building corner;

THENCE, South 07°44'58" West, 29.94 feet along the easterly face of said building to a corner of said building;

THENCE, North 82°13'36" West, 27.23 feet along the south face of said building to an inside corner;

THENCE, South 07°44'06" West, 79.91 feet along the easterly face of said building to an inside corner;

THENCE, South 82°15'33" East, 85.34 feet along the northerly face of said building to a building corner;

THENCE, South 05°51'07" West, 100.19 feet along the easterly face of said building to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-003-018B

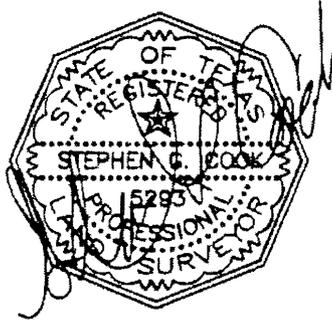
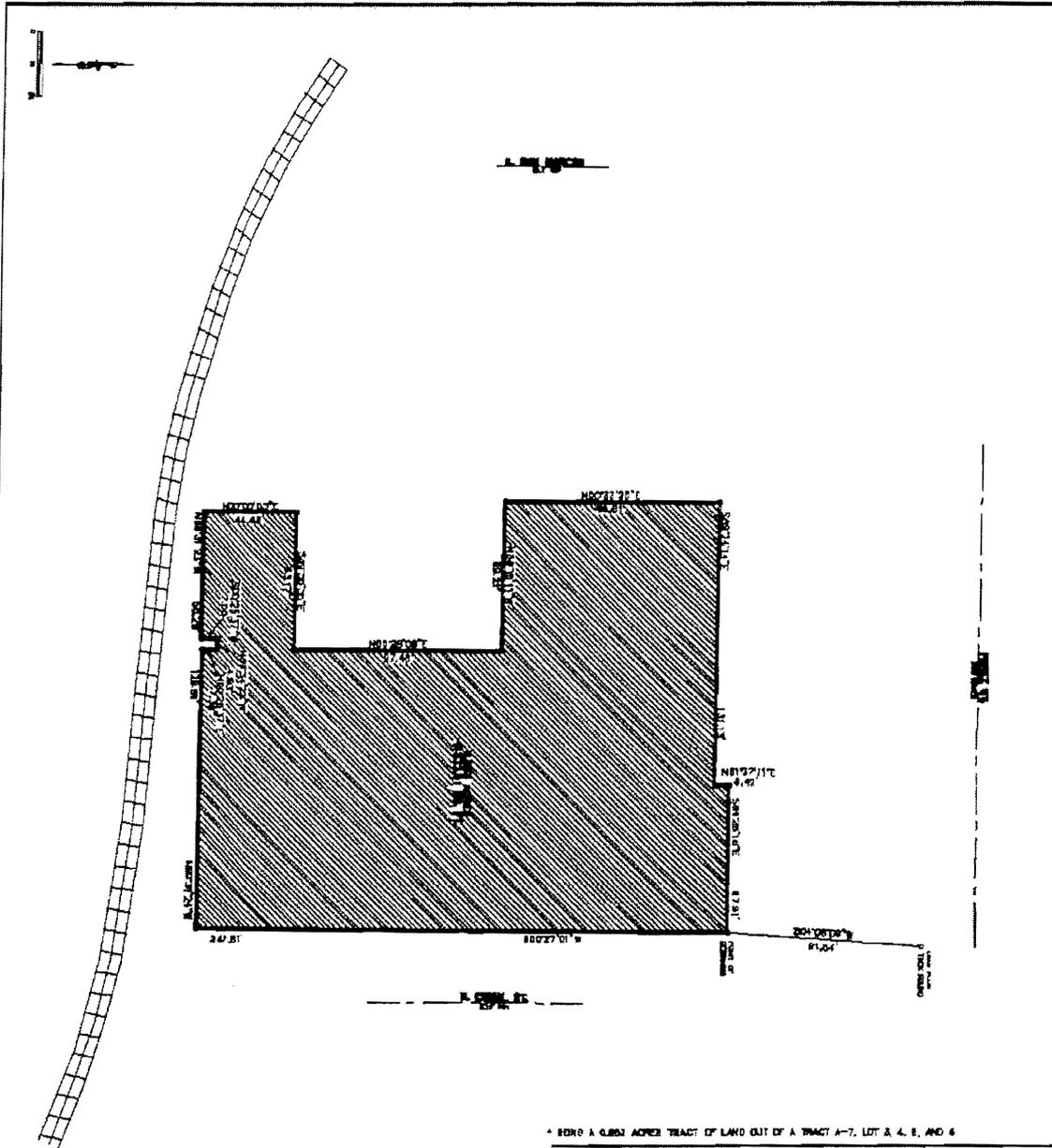


Exhibit D



* BEING A 4.863 ACRES TRACT OF LAND OUT OF A TRACT A-7, LOT 4, 5, AND 6

I, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that the above plot is true and correct according to an actual survey made on the ground. I am not responsible for the property boundaries, fixtures, utility lines, easements, encumbrances and right-of-way, visible or not, and other things, structures and improvements shown on this plat, except as shown by actual recording and not shown otherwise on this plat, and I am not responsible for any errors or omissions on all points herein.

[Signature]
 JAMES H. GAGE, S.L.S.



RECORD	INDEXED	DATE	BY
FILED			

COUNTY: DAWSON DATE: 187
 CITY OF SAN ANTONIO REGISTERED: 10218 EXPIRES: 31
 BY: JAMES H. GAGE OFFICIAL SEAL STATE OF TEXAS
 CITY OF SAN ANTONIO COUNTY OF DAWSON STATE OF TEXAS
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 10218 EXPIRES 31
 TEXAS STATE OF TEXAS COUNTY OF DAWSON STATE OF TEXAS

PROJECT NAME	903 MORALES ST.	SCALE	1" = 30'	MO.	DATE	COMMENTS	
SHEET	1 OF 1						
JOB #	597-003-002A	DATE	FEBRUARY 19, 2008	ENG:	SGCE	DWG:	N.A.

SGC
 18000 STANFORD, SUITE 107
 SAN ANTONIO, TEXAS 78247-4117
 210/481-2530 • FAX 210/481-2500
 WWW.SGCENET
JERRY E. COOK ENGINEERING, INC.
 REGISTERED LAND SURVEYORS

METES AND BOUNDS DESCRIPTION

February 19, 2008

BEING a 0.953 acre tract of land out of Tract A-7, Lot 3, 4, 5 and 6, Block 47, New City Block 197, in the City of San Antonio, Bexar County, Texas, said 0.953 acre tract being more particularly described as follows:

BEGINNING at the northeast corner of a building for the northeast corner of the herein described tract, said northeast corner being South $04^{\circ}06'09''$ West, 91.64 feet across said tract A-7 from Lead Plug with tack found at the intersection of the south Right-of-Way (R.O.W.) line of Perez St. and the west R.O.W. line of N. Comal St.;

THENCE, South $00^{\circ}27'01''$ West, 247.81 feet along the easterly face of said building to the southeast corner of said building;

THENCE, North $89^{\circ}31'24''$ West, 129.81 feet along the south face of said building to a corner of said building;

THENCE, North $00^{\circ}25'37''$ East, 7.39 feet along the west face of said building to an inside corner of said building;

THENCE, North $89^{\circ}34'23''$ West, 4.83 feet along the north face of said building to an inside corner;

THENCE, South $00^{\circ}25'37''$ West, 7.55 feet along the east face of said building to a building corner;

THENCE, North $89^{\circ}31'23''$ West, 58.29 feet along the south face of said building to the southwest corner of said building;

THENCE, North $00^{\circ}00'03''$ East, 44.48 feet along the west face of said building to a building corner;

THENCE, South $89^{\circ}36'35''$ East, 63.17 feet along the north face of said building to an inside corner of said building;

THENCE, North $00^{\circ}26'09''$ East, 97.46 feet along the west face of said building to an inside face of said building;

THENCE, North 89°16'11" West, 69.21 feet along the south face of said building to a corner of said building;

THENCE, North 00°33'20" East, 99.61 feet along the west face of said building to the northwest corner of said building;

THENCE, South 89°24'14" East, 131.13 feet along the north face of said building to an inside corner;

THENCE, North 01°37'11" East, 6.42 feet along the west face of said building to a corner of said building;

THENCE, South 89°25'16" East, 67.91 feet along the north face of said building to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor

No. 5293

SGCE No. 597-003-002A

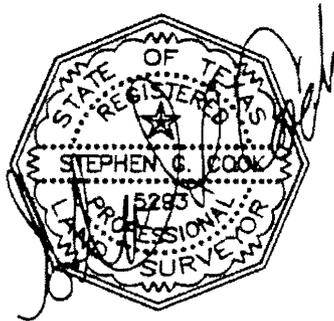


EXHIBIT F

NAMING PARAMETERS

The City of San Antonio (City) and Haven for Hope recognize that naming rights for the buildings (and any subpart thereof) located at the Haven for Hope Campus and its component parts potentially will provide revenue opportunities for Haven for Hope that will enhance the financial viability of the overall Haven for Hope Campus project.

The parties agree that the following parameters and limitations are in the best interests of the City, Haven for Hope, and the public and will be imposed upon the buildings and be enforceable by the City as an attachment to the lease agreement with Haven for Hope:

1. The name adopted for a building shall either:
 - (a) include the name of a facilitator or benefactor of the Haven for Hope campus project;
 - (b) honor a Person, place, institution, group, entity or event, whether now existing or that existed in the past, including but not limited to any corporation, limited partnerships, limited liability companies;
 - (c) recognize events or affairs of historic significance; or
 - (d) embrace civic ideals or goals.

LETTER AGREEMENT

By their respective signatures below and effective on March 6, 2008 (the “**Effective Date**”), Haven for Hope of Bexar County, a Texas non-profit corporation (“**Haven**”), and the City of San Antonio, a Texas municipal corporation and a home rule municipality (the “**City**,” and together with Haven, the “**Parties**”) agree that they will negotiate in good faith and enter into an operating agreement by no later than June 1, 2008 (unless otherwise subsequently agreed in writing by the Parties), which operating agreement will detail the respective responsibilities and rights of each of the Parties with regard to operation of a comprehensive human services campus for the homeless (the “**Campus**”) located on the property leased under that certain lease made and entered into by the Parties on March 6, 2008.

IN WITNESS WHEREOF, the parties have executed this Letter Agreement by their duly authorized officers as of the Effective Date.

HAVEN FOR HOPE OF BEXAR COUNTY, A TEXAS NON-PROFIT CORPORATION

CITY OF SAN ANTONIO, TEXAS

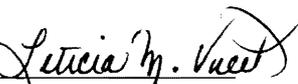
By: 
ROBERT G. MARBUT, JR.
Executive Director

By: 
SHERYL SCULLEY
City Manager

ATTEST:

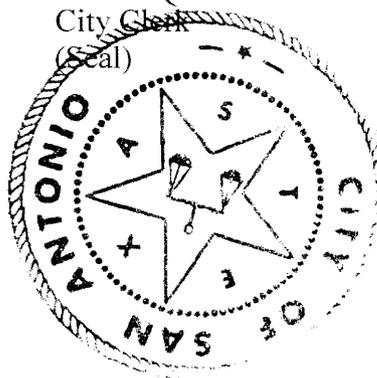
ATTEST:


Secretary
(Seal)

By: 
LETICIA M. VACEK
City Clerk
(Seal)

APPROVED AS TO FORM

By: 
for City Attorney





CMS or Ordinance Number: OR00000200803060167

TSLGRS File Code: 1000-05

Document Title:
ORD - 00000200803060167

Ordinance Date:
3/6/2008

5/15/2008

#FA