

AN ORDINANCE      2008-12-11-1154

**AUTHORIZING THE EXECUTION OF A SALES CONTRACT  
CONVEYING FIVE (5) CLINIC PROPERTIES FROM THE CITY OF  
SAN ANTONIO TO THE BEXAR COUNTY HOSPITAL DISTRICT,  
D/B/A UNIVERSITY HEALTH SYSTEM FOR THE PROVISION OF  
TRANSFERRED CLINICAL PREVENTIVE HEALTH SERVICES AT  
THOSE LOCATIONS.**

\* \* \* \* \*

**WHEREAS**, the City of San Antonio (CITY) transferred clinical preventive health services from the San Antonio Metropolitan Health District (SAMHD) to the University Health System (UHS) via an amendment to an existing Interlocal Agreement in January 2008; and

**WHEREAS**, this transition involved the transfer of 125 SAMHD staff positions, the lease of space in ten (10) SAMHD clinics, the transfer of \$1.8 million in grants to UHS, and payment of approximately \$4.2 million in City General Funds for the initial service period through December 31, 2008; and

**WHEREAS**, as part of this transition, City Council approved a plan to transfer up to six (6) of the clinics to UHS. After eight (8) months in operation, it was determined that only five (5) of the facilities should be transferred, and said transfer was presented for consideration, and approved, by the San Antonio Planning Commission on August 13, 2008. The clinics will be transferred to UHS pursuant to Texas Health & Safety Code § 281.042; and

**WHEREAS**, the transfer of these properties to UHS is one component of the transition of clinical preventive health services to UHS, and is integral to the long-term success of this transition; **NOW THEREFORE:**

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

**SECTION 1.** The City Manager or her designee, or the Director of the San Antonio Metropolitan Health District (SAMHD) or his designee, is authorized to execute a sales contract conveying five (5) clinic properties from the City of San Antonio (CITY) to the Bexar County Hospital District, d/b/a University Health System (UHS) for the provision of transferred clinical preventive health services. Said conveyance shall carry a 10-year deed restriction requiring the provision of clinical preventive health services at the transferred locations as consideration for the conveyance. A copy of the agreement, in substantially final form, is attached hereto and incorporated herein for all purposes as **Attachment I**. The City Manager, or her designee, or the Director of SAMHD, or his designee, is further authorized to negotiate and execute any and all necessary documents to effectuate and complete said conveyance.

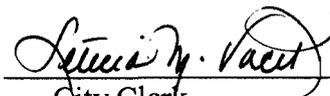
**SECTION 2.** The conveyance of property owned by the City of San Antonio must be coordinated through the city's Finance Department to assure the removal of these assets from the City's financial records and to record the proper accounting transactions.

**SECTION 3.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

**SECTION 4.** This ordinance shall be effective on and after December 21, 2008.

PASSED AND APPROVED this 11<sup>th</sup> day of December, 2008.

  
M A Y O R

ATTEST:   
City Clerk

APPROVED AS TO FORM:   
for City Attorney



Request for  
**COUNCIL  
ACTION**



**Agenda Voting Results - 26A**


<b>Name:</b>	26A, 26B
<b>Date:</b>	12/11/2008
<b>Time:</b>	05:52:35 PM
<b>Vote Type:</b>	Motion to Approve
<b>Description:</b>	An Ordinance authorizing the execution of a sales contract conveying five (5) clinic properties from the City of San Antonio to UHS for the provision of transferred clinical preventive health services at those locations.
<b>Result:</b>	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			x	
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6		x				
Justin Rodriguez	District 7	x					
Diane G. Cibrian	District 8		x				
Louis E. Rowe	District 9		x				
John G. Clamp	District 10	x					

**Real Estate Sales Contract**  
(COSA to UHS)

---

**Table of Contents**

1. Deadlines and Other Dates.....2  
2. Closing Documents.....3  
3. Exhibits.....3  
4. Purchase and Sale of Property.....4  
5. Leases.....5  
6. Title and Survey.....5  
7. Inspection Period.....6  
8. Representations.....7  
9. Condition until Closing; No Recording of Contract.....7  
10. Termination.....8  
11. Closing.....8  
12. Default and Remedies.....8  
13. Dispute Resolution.....9  
14. Miscellaneous Provisions.....9  
15. Public Information.....12  
Title Company Acknowledgment and Receipt.....13  
Exhibit A: Eastside Branch Clinic.....14  
Exhibit B: Kenwood Clinic.....15  
Exhibit C: Old Highway 90 Clinic.....16  
Exhibit D: South Flores Clinic.....17  
Exhibit E: Zarzamora Clinic.....18  
Exhibit F: Old Highway 90 easement.....19  
Exhibit G: South Flores easement.....281  
Exhibit H: Zarzamora easement.....26  
Exhibit I: Representations, Environmental Matters.....28  
Exhibit J: Leases under which Seller is tenant.....30  
Exhibit K: Inventory of Equipment.....48

---

**Authorizing Ordinance:**

**Seller:** City of San Antonio

**Address:** P.O. Box 839966, San Antonio, Texas 78283-3966  
(Attention: Charles Pruski)

**Phone:** 207-8757

**Email:** charles.pruski@sanantonio.gov

**Type of Entity:** Texas municipal corporation

**Buyer:** Bexar County Hospital District d/b/a University Health System

**Address:** 4502 Medical Drive, San Antonio, Texas 78229

**Phone:** 358-????

**Email:** carol.flores@uhs-sa.com

**Type of Entity:** A subdivision of the State of Texas

**Effective Date:** The date the Title Company acknowledges receipt of a fully executed copy of this agreement

**County for Performance** Bexar County, Texas

**Property** Five tracts in San Antonio, Bexar County, Texas, as set forth below:

1. Eastside Branch Clinic, 210 N. Rio Grande, San Antonio, Bexar County, Texas, as more particularly described on **Exhibit A**.
2. Kenwood Public Health Clinic, 302 Dora Street, San Antonio, Bexar County, Texas, as more particularly described on **Exhibit B**.
3. Old Highway 90 Public Health Clinic, 911 Old Highway 90, San Antonio, Bexar County, Texas, as more particularly described on **Exhibit C**.
4. South Flores Clinic, 7902 S. Flores, San Antonio, Bexar County, Texas, as more particularly described on **Exhibit D**.
5. Zarzamora Clinic, 4503 S. Zarzamora, San Antonio, Bexar County, Texas, as more particularly described on **Exhibit E**.
6. Easements related to Old Highway 90, South Flores, and Zarzamora Clinics described in **Exhibits F-H**.

## **1. Deadlines and Other Dates.**

All deadlines in this contract expire at 5:00 P.M. local time where the Property is located. If a deadline falls on a Saturday, Sunday, or federal or local holiday, the deadline will be extended to the next day that is not a Saturday, Sunday, or holiday. Time is of the essence.

- |       |   |    |                           |
|-------|---|----|---------------------------|
| 1.01. | Delivery of Title and Survey Objections | 10 | Days after Effective Date |
| 1.02. | End of Inspection Period                | 15 | Days after Effective Date |

- 1.03. Closing Date 25 days after Effective Date, but not later than  
December 31, 2008
- 1.04. Closing Time 10:00 A.M.

The deadlines may be altered by the mutual agreement of the parties. Seller's consent may be made by the Director of Health without further authorization of City Council.

## **2. Closing Documents.**

- 2.01. At closing, Seller will deliver the following items:

Deed Without Warranty

IRS Nonforeign Person Affidavit

Evidence of Seller's authority to close this transaction

Leases required by this agreement in which Seller will be Tenant

- 2.02. At closing, Buyer will deliver the following items:

Evidence of Buyer's authority to consummate this transaction

Deceptive Trade Practices Act waiver

Leases required by this agreement in which Buyer will be Landlord

- 2.03. The documents listed above are collectively known as the "Closing Documents."

## **3. Exhibits.**

The following are attached to and are a part of this contract:

Exhibit A—Description of the Eastside Branch Clinic

Exhibit B— Description of the Kenwood Public Health Clinic

Exhibit C— Description of the Old Highway 90 Public Health Clinic

Exhibit D— Description of the South Flores Clinic

Exhibit E— Description of the Zarzamora Clinic

Exhibit F—Description of the servient estate for Old Highway 90  
ingress and egress easement

Exhibit G— Description of the servient estate for S. Flores ingress and egress easement

Exhibit H— Description of easement for Zarzamora property

Exhibit I – Representations; Environmental Matters

Exhibit J – Form of lease under which Seller is tenant

Exhibit K – Bill of Sale and Inventory of Equipment

#### **4. Purchase and Sale of Property.**

4.01. Seller will convey the Property and equipment therein located to Buyer, and Buyer will accept conveyance of the Property and equipment from Seller.

4.02. The considerations to Seller for this agreement are (i) the mutual covenants and promises of this agreement and (ii) Buyer's use of the properties conveyed to provide clinical preventive health services to persons in San Antonio and Bexar County. Clinical preventive health services are those that focus on the prevention, identification or arrest of disease in its early stages through the promotion of healthy lifestyles, immunization against infectious disease, and screening for asymptomatic disease and disease risk factors. Specifically, these services may include prenatal care, well child exams, family planning services, STD screening and treatment, TB screening, chronic disease screening and education or any other service recommended by the most recent or current report of the U.S. Preventive Health Services Task Force for the prevention and control of disease.

4.03. The deed from Seller to Buyer will contain the following restriction :

Grantee shall use this property for the provision of preventative health care services to residents of Bexar County. This Deed is made and executed upon, and is subject to this express condition and covenant, said condition and covenant being a part of the consideration for the property hereby conveyed and is to be taken and construed as running with the land. This covenant shall remain in effect for a period of 10 years from the date of this Deed. Grantee acknowledges that, if it violates this covenant, Grantor will have no adequate remedy at law, that according Grantor meaningful relief would require judicial restraint of Grantee's noncompliance, and that an injunction compelling Grantee's compliance with this restriction would be an appropriate remedy.

4.04. The deed from Seller to Buyer will reserve and grant easements as set out below:

- a. Old Highway 90 (911 Old Highway 90) – an easement reserved to Seller for the placement, operation, maintenance, repair, replacement, and construction of a monitoring station on the servient estate and an easement across the property subject to the deed for ingress and egress to the monitoring station easement.
- b. South Flores (7902 So. Flores) – an easement granted to Buyer for ingress to and egress from the Dominant Estate by all vehicular and pedestrian means necessary for conducting the business of a public health clinic or other professional service on the Dominant Estate.
- c. Zarzamora Clinic (4503 Zarzamora) – an easement reserved to Seller for the placement, operation, maintenance, repair, replacement, and construction of a monitoring well on the servient estate and an easement across the property subject to the deed for ingress and egress to the monitoring well easement above; and an easement across the property subject for ingress and egress to any adjoining property Seller may own.

## 5. Leases.

5.01. After Closing, Seller will occupy a portion of the following properties as Tenant under a lease in the form of Exhibit G.

- a. Eastside Branch Clinic (210 N. Rio Grande)
- b. Kenwood Clinic (302 Dora St.)
- c. Zarzamora Clinic (4503 S. Zarzamora)

5.02. After Closing, Buyer or its successor in interest will be landlord and Seller tenant in the above Properties, and the leases defining the terms of Seller's occupancy will be fully integrated statements of the terms of Seller's occupancy-related rights and obligations.

## 6. Title and Survey.

6.01. *Review of Title.* The following statutory notice is provided to Buyer on behalf of the real estate licensees, if any, involved in this transaction: **Buyer is advised that it should either have the abstract covering the Property examined by an attorney of Buyer's own selection or be furnished with or obtain a policy of title insurance.**

6.02. *Objections.* Buyer must obtain its own title commitment and survey, if desired. Buyer has until the deadline stated in Article 1. (“Objection Deadline”) to review the Survey and Title Commitment, and notify Seller of Buyer’s objections to any of them (“Objections”). Buyer will be deemed to have approved all matters that might have been reflected in a Survey and Title Commitment to which Buyer has made no objection by the Objection Deadline. The matters that Buyer either approves or is deemed to have approved are “Permitted Exceptions.” If Buyer notifies Seller of any Objections, Seller has 10 days from receipt of Buyer’s notice to notify Buyer whether Seller agrees to cure the Objections before closing (“Cure Notice”). If Seller does not timely give its Cure Notice or timely gives its Cure Notice but does not agree to cure all the Objections before closing, Buyer may, within 5 days after the deadline for the giving of Seller’s Cure Notice, notify Seller that this contract is terminated. In the absence of such timely notice, Buyer must proceed to close, waiving its objections. At or before closing, Seller must cure the Objections that Seller has agreed to cure.

## **7. Inspection Period.**

7.01. *Entry onto the Property.* Buyer may enter the Property before closing to inspect it, subject to the following:

- a. Buyer must deliver evidence to Seller that Buyer has insurance for its proposed inspection activities, in amounts and with coverages that are substantially the same as those maintained by Seller or in such lesser amounts or with such lesser coverages as are reasonably satisfactory to Seller;
- b. Buyer may not unreasonably interfere with existing operations or occupants of the Property;
- c. Buyer must notify Seller in advance of Buyer’s plans to conduct tests so that Seller may be present during the tests;
- d. If the Property is altered because of Buyer’s inspections, Buyer must return the Property to its preinspection condition promptly after the alteration occurs;
- e. Buyer must deliver to Seller copies of all inspection reports that Buyer prepares or receives from third-party consultants or contractors within three days of their preparation or receipt; and
- f. Buyer must abide by any other reasonable entry rules imposed by Seller.

7.02. *Buyer’s Right to Terminate.* Buyer may terminate this contract for any reason by notifying Seller before the end of the Inspection Period.

7.03. *Buyer's Indemnity and Release of Seller*

- a. *Indemnity.* Buyer will indemnify, defend, and hold Seller harmless from any loss, attorney's fees, expenses, or claims arising out of Buyer's investigation of the Property, except for repair or remediation of existing conditions discovered by Buyer's inspection.
- b. *Release.* Buyer releases Seller and those persons acting on Seller's behalf from all claims and causes of action (including claims for attorney's fees and court and other costs) resulting from Buyer's investigation of the Property.

**8. Representations.**

The parties' representations stated in Exhibit F are true and correct as of the Effective Date and must be true and correct on the Closing Date.

**9. Condition until Closing; No Recording of Contract.**

9.01. *Casualty Damage.* Seller will notify Buyer promptly after discovery of any casualty damage to the Property. Seller will have no obligation to repair or replace the Property if it is damaged by casualty before closing. Buyer may terminate this contract if the casualty damage that occurs before closing would materially affect Buyer's intended use of the Property, by giving notice to Seller within 15 days after receipt of Seller's notice of the casualty (or before closing if Seller's notice of the casualty is received less than fifteen days before closing). If Buyer does not terminate this contract, Seller will convey the Property to Buyer in its damaged condition.

9.02. *Condemnation.* Seller will notify Buyer promptly after Seller receives notice that any part of the Property has been or is threatened to be condemned or otherwise taken by a governmental or quasi-governmental authority. Buyer may terminate this contract if the condemnation would materially affect Buyer's intended use of the Property by giving notice to Seller within 15 days after receipt of Seller's notice to Buyer (or before closing if Seller's notice is received less than fifteen days before closing). If Buyer does not terminate this contract, (a) any award in condemnation will be assigned to Seller, and (b) if the taking occurs before closing, the description of the Property will be revised to delete the portion taken.

9.03. *No Recording.* Buyer may not file this contract or any memorandum or notice of this contract in the real property records of any county. If, however, Buyer records this contract or a memorandum or notice, Seller may terminate this contract and record a notice of termination.

## **10. Termination.**

If either party terminates this contract in accordance with any of right to terminate, Buyer will promptly return to Seller all documents relating to the Property that Seller has delivered to Buyer and all copies that Buyer has made of the documents. After return of the documents and copies, neither party will have further duties or obligations to the other under this contract, except for those obligations that cannot be or were not performed before termination of this contract.

## **11. Closing.**

11.01. *Closing.* This transaction will close at a mutually agreeable location at the Closing Date and Closing Time. At closing, the following will occur:

- a. *Closing Documents.* The parties will execute and deliver the Closing Documents.
- b. *Disbursement of Funds; Recording; Copies.* Title Company will be instructed to record the deed and the other Closing Documents directed to be recorded, and distribute documents and copies in accordance with the parties' written instructions.
- c. *Possession.* Seller will deliver possession of the Property to Buyer, subject to the Permitted Exceptions existing as of 12:00 A.M., January 1, 2009, local time.

### 11.02. *Transaction Costs*

- a. Buyer pays all transaction costs, except Seller's attorneys fees.
- b. *Ad Valorem Taxes.* Seller is not a taxpayer. Seller assumes no responsibility for ad valorem taxes for any period, rollback or otherwise.
- c. *Brokers' Commissions.* Buyer and Seller each represent to the other that they have not acted or omitted to act in any way that could give rise to an entitlement to a commission for the transaction to which this agreement relates except as noted at the beginning. At closing, each party will provide the other party with a release of broker's or appraiser's liens from all brokers or appraisers for which each party was responsible.

## **12. Default and Remedies.**

If either party defaults, this contract is terminated, and Buyer has no further claim to the Property. The parties specifically intend to foreclose other relief for breach given that Buyer is not paying any money for the Property.

### **13. Dispute Resolution.**

13.01 As a condition precedent to bringing any action arising out of or relating to this agreement or any aspect thereof, including an action for declaratory relief but not an action specifically excepted below, the disputants must first submit in good faith to mediation. The parties may not assert limitations, laches, waiver, and estoppel based upon attempts to mediate.

13.02. Filing suit on a claim that should be mediated hereunder waives the filer's right to demand mediation. But one party's waiver does not affect another party's right. A defendant does not waive mediation for so long as, within a reasonable time after appearing, the defendant gives written notice to the plaintiff or its counsel of intent to require compliance with this paragraph.

13.03 Mediation must be conducted in San Antonio, Bexar County, Texas.

13.04 The party desiring relief has the burden to initiate mediation. Waiting for another party to initiate mediation does not waive the right to it.

13.05 If the parties can otherwise agree on a mediator, they may do so. Alternatively, either party may petition any court of competent jurisdiction to appoint a mediator. The only predicate issues the court need consider before appointing a mediator are whether (i) the copy of the contract before the court is authentic and (ii) the contract was duly signed and delivered by all parties to be bound to mediate. If neither of those issues is denied under oath, the court may appoint a mediator upon motion, without trial.

13.06 Mediator fees must be borne equally.

13.07. The parties need not mediate before going to court (1) for either party to seek emergency injunctive relief or (2) for Landlord to seek forcible entry and detainer relief against Tenant.

### **14. Miscellaneous Provisions.**

14.01 *Applicable Law.* This Agreement is entered into in San Antonio, Bexar County, state of Texas. **THE CONSTRUCTION OF THIS AGREEMENT AND THE RIGHTS, REMEDIES, AND OBLIGATIONS ARISING THEREUNDER ARE GOVERNED BY THE LAWS OF THE STATE OF TEXAS.** But the Texas conflicts of law rules must not be used to apply the laws of a jurisdiction other than Texas. The obligations performable hereunder by both parties are performable in San Antonio, Bexar County, Texas.

14.02 *Severability.* If any portion hereof is determined to be invalid or unenforceable, such determination does not affect the remainder hereof.

14.03 *Successors.* This Agreement inures to the benefit of and is binding on the heirs, representatives, successors, and permitted assigns of each party. This clause does not authorize any assignment not otherwise authorized.

14.04 *Integration.* **This Written Agreement Represents The Final Agreement Between The Parties And May Not Be Contradicted By Evidence Of Prior, Contemporaneous, Or Subsequent Oral Agreements Of The Parties. There Are No Oral Agreements Between The Parties.**

14.05 *Modification.*

14.05.01. This Agreement may not be changed orally but only by a written agreement, signed by the party against whom enforcement of any modification is sought. Subject to the foregoing, any of the terms of this Agreement may be modified at any time by the party entitled to the benefit thereof, but no such modification, express or implied, affects the right of the modifying party to require observance of either (i) the same term or condition as it applies on a subsequent or previous occasion or (ii) any other term hereof.

14.05.02 The Director of Capital Improvement Management Services may, without further action of City Council, agree on behalf of Seller to extensions of deadlines or other non-material modifications to the rights and obligations of the parties under this Agreement.

14.06 *Third Party Beneficiaries.* This Agreement is intended for the benefit of the parties hereto and their successors and permitted assigns only. There are no third party beneficiaries hereof.

14.07 *Notices.* Any notice provided for or permitted hereunder must be in writing and by certified mail, return receipt requested, addressed to the parties at their respective addresses set forth in the preamble hereof. If the addressee is a corporation, notices must be addressed to the attention of its President. The giving of notice is complete three days after its deposit, properly addressed and postage prepaid, with the United States Postal Service. Failure to use certified mail does not defeat the effectiveness of notice actually received, but such notice is given only upon actual receipt. Address for notice may be changed by giving notice hereunder.

14.08 *Pronouns.* In construing this Agreement, plural constructions include the singular, and singular constructions include the plural. No significance attaches to whether a pronoun is masculine, feminine, or neuter. The words "herein," "hereof," and other, similar compounds of the word "here" refer to this entire Agreement, not to any particular provision of it.

14.09 *Captions.* Paragraph captions in this Agreement are for ease of reference only and do not affect the interpretation hereof.

14.10 *Counterparts.* This Agreement may be executed in multiple counterparts, each of which is an original, whether or not all parties sign the same document. Regardless of the number of counterparts, they constitute only one agreement. In making proof of this agreement, one need not produce or account for more counterparts than necessary to show execution by or on behalf of all parties.

14.11 *Further Assurances.* The parties must execute and deliver such additional documents and instruments as may be required to effect fully the provisions hereof. No such additional document(s), however, shall alter the rights or obligations of the parties as contained in this agreement

14.12. *Assignment.* With Seller's consent, which is not to be unreasonably withheld, Buyer may assign this contract and Buyer's rights under it only to an entity that is eligible to receive a conveyance under Texas Local Government Code § 253.011. Any other assignment is void.

14.13. *Survival.* The obligations of this contract that cannot be performed before termination of this contract or before closing survive termination of this contract or closing, and the legal doctrine of merger does not apply to these matters. If there is any conflict between the Closing Documents and this contract, the Closing Documents control.

14.14. *Ambiguities Not to Be Construed against Party Who Drafted Contract.* The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this contract.

14.15. *No Special Relationship.* The parties' relationship is an ordinary commercial relationship, and they do not intend to create the relationship of principal and agent, partnership, joint venture, or any other special relationship.

14.16. *Waiver of Consumer Rights. Buyer Waives Its Rights Under The Texas Deceptive Trade Practices-Consumer Protection Act, Section 17.41 et seq. of The Texas Business and Commerce Code, A Law That Gives Consumers Special Rights and Protections. After Consultation With an Attorney of Its Own Selection, Buyer Voluntarily Consents To This Waiver.*

14.17. *Incorporation of Exhibits.* All exhibits are incorporated into this agreement for all purposes as if fully set forth.

**15. Public Information.**

Buyer acknowledges that this instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public.

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

**Seller:**

**City of San Antonio**, a Texas  
municipal corporation

Signature: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Buyer:**

**University Health System**, a subdivision of  
the State of Texas

Signature: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Attest:**

\_\_\_\_\_  
City Clerk

**Approved as to Form:**

\_\_\_\_\_  
City Attorney

## Title Company Acknowledgment and Receipt

---

**Seller:** City of San Antonio

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

**Buyer:** University Health System

**Address:** 4502 Medical Drive, San Antonio, Texas 78229

**Property:** Five tracts in San Antonio, Bexar County, Texas, as set forth below:

1. Eastside Branch Clinic, 210 N. Rio Grande, San Antonio, Bexar County, Texas.
2. Kenwood Public Health Clinic, 302 Dora Street, San Antonio, Bexar County, Texas.
3. Old Highway 90 Public Health Clinic, 911 Old Highway 90, San Antonio, Bexar County, Texas.
4. South Flores Clinic, 7902 South Flores, San Antonio, Bexar County, Texas.
5. Zaramora Clinic, 4503 S. Zaramora, San Antonio, Bexar County, Texas.

Title Company agrees to act as escrow agent according to the terms of this Contract. Further, Title Company acknowledges receipt from Buyer of three fully executed counterpart originals of the Contract on the same date, with one fully executed original Contract being returned to each of Seller and Buyer.

### Alamo Title Insurance Company

By: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A: Eastside Branch Clinic**

---

**Exhibit B: Kenwood Clinic**

---

**Exhibit C: Old Highway 90 Clinic**

---

**Exhibit D: South Flores Clinic**

---

**Exhibit E: Zarzamora Clinic**

---

## **Exhibit F: Old Highway 90 easement**

---

Grantor reserves from the conveyance of this deed an easement for the placement, operation, maintenance, repair, replacement, and construction of a monitoring station on the servient estate identified on **Exhibit B**.

In addition, Grantor reserves generally an easement across the Property subject to this deed for ingress and egress to the monitoring station easement above.

Both easements reserved in this deed are in gross in favor of the City of San Antonio or its assignor and continue indefinitely until their use is abandoned.

## Exhibit B

**H.A. KUEHLEM SURVEY COMPANY**  
Boundary \* Subdivisions \* Oil Wells \* Construction  
GPS Services

### FIELD NOTES MONITOR STATION EASEMENT

Field notes of a 0.031 of an acre Monitor Station Easement situated in the City of San Antonio, Bexar County, Texas and being over part of Lot 18, Block 4, Lady of the Lake Gardens, according to plat recorded in Volume 368, Page 143, Plat Records, said Lot 18, Block 4, conveyed to the City of San Antonio by deed recorded in Volume 2335, Page 596, of the Deed Records of Bexar County, Texas and being more particularly described by metes and bounds as follows:

Beginning at a point at the west corner of this easement, said point being N 84° 29' 05" W. 133.45 feet, N 05° 46' 31" E. 91.90 feet and S 84° 13' 29" E. 15.99 feet from a 1/2" iron pin found in the northwest line of Old Highway 90 at its intersection with the south line of Lot 18.

Thence N 62° 31' 06" E. 37.01 feet to a point at the north corner of this easement.

Thence S 25° 54' 56" E. 37.54 feet to a point at the east corner of this easement.

Thence S 62° 31' 06" W. 35.98 feet to a point at the south corner of this easement.

Thence N 27° 28' 54" W. 37.52 feet to the place of Beginning and covering 0.031 of an acre of land according to a survey made on the ground.

All 1/2" iron pins set with orange plastic cap "RPLS 4020".  
Job No. 078-08  
RE: Plat

Surveyed November 3, 2008



HENRY A. KUEHLEM  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 4020



## Exhibit G: South Flores easement

### Easement Deed, Without Warranty

---

**Authorizing Ordinance:**

**Grantor:** City of San Antonio

**Grantor's Address:** P.O. Box 839966, San Antonio, Texas 78283-3966  
(Bexar County)

**Grantee** Bexar County Hospital District d/b/a University Health System

**Grantee's Address:** 4502 Medical Drive, San Antonio, Texas 78229 (Bexar County) (Attention: President and CEO)

**Purpose of Easement:** Ingress to and egress from the Dominant Estate by all vehicular and pedestrian means necessary for conducting the business of a public health clinic or other professional service on the Dominant Estate.

**Dominant Estate:** 1.44 acres, more or less, situated in the City of San Antonio, Bexar County, Texas, located in N.C.B. 11152 and being out of that 224.3 acre tract conveyed to the City of San Antonio by deed recorded in Volume 145, Page 278, Deed Records of Bexar County, Texas, and being more particularly described on **Exhibit A**, which is incorporated herein by reference for all purposes as if it were fully set forth.

**Servient Estate:** 0.081 acre, more or less, located in N.C.B. 11152 and being out of that 224.3 acre tract conveyed to the City of San Antonio by deed recorded in Volume 145, Page 278, Deed Records of Bexar County, Texas, and being more particularly on **Exhibit B**, which is incorporated herein by reference for all purposes as if it were fully set forth.

Grantor grants, dedicates, and conveys to Grantee, for and in consideration of the benefits accruing to Grantors, to Grantors' other property, and to the public generally, a easement over, across, under and upon the Servient Estate. This easement is appurtenant to the Dominant Estate and runs with title to the Dominant Estate. The easement may be used only for the Purpose of Easement stated above. Grantor

covenants and for itself, its heirs, executors, successors, and assigns, that no building or obstruction of any kind will be placed on the servient estate herein granted.

**To Have and To Hold** the above described easement and rights unto Grantee, its successors and assigns, until its use is abandoned.

Witness my hand, this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

**City of San Antonio,**  
a Texas municipal corporation

By: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved As To Form:**

\_\_\_\_\_  
City Attorney

State of Texas        §

County of Bexar     §

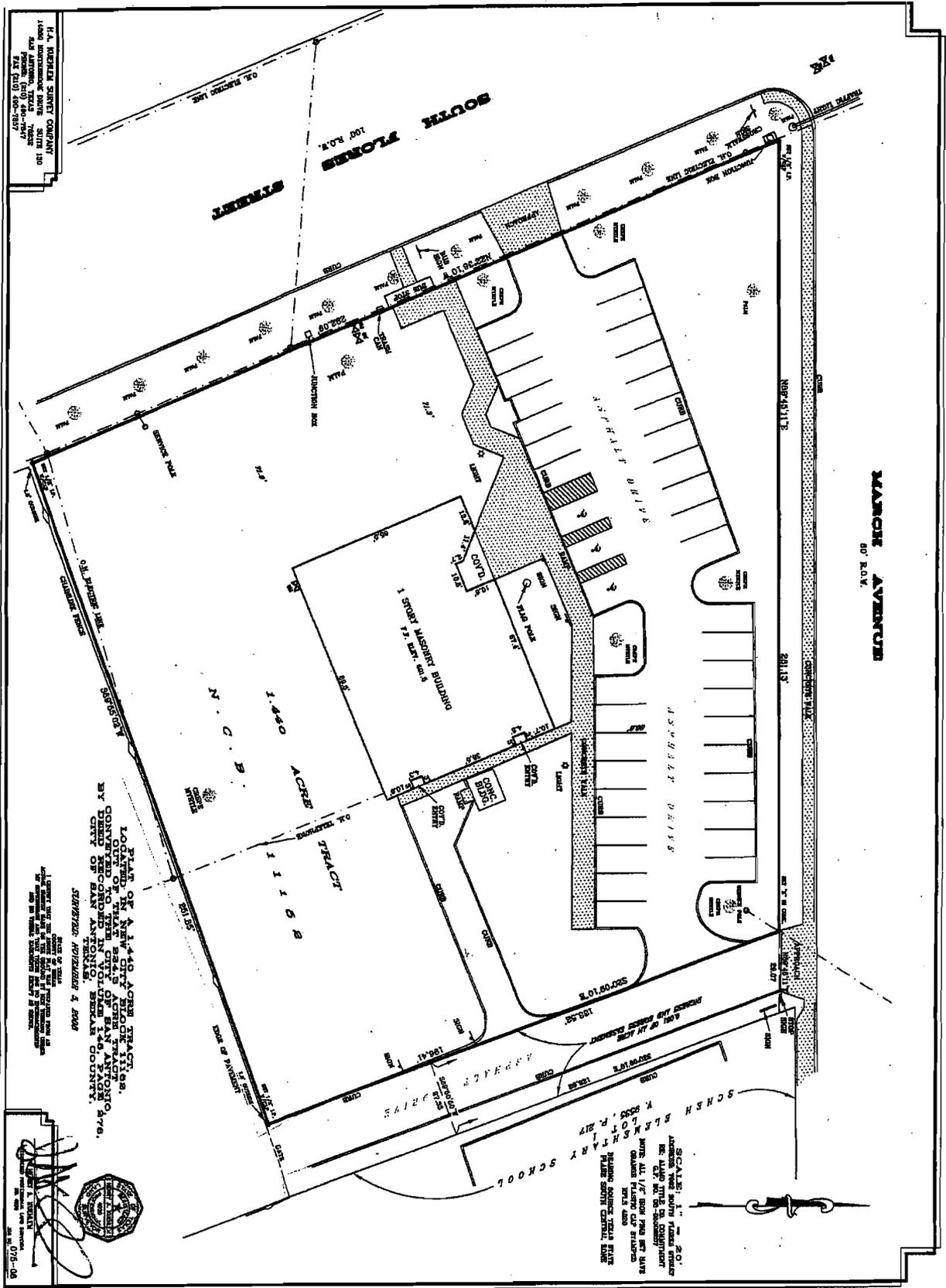
This instrument was acknowledged before me this date by \_\_\_\_\_,  
of the City of San Antonio, a Texas municipal corporation, in the capacity therein  
stated and on behalf of that entity.

Date: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

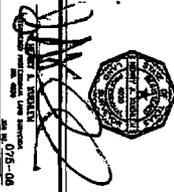
My Commission expires: \_\_\_\_\_

# Exhibit A



F.A. HENDERSON SURVEY COMPANY  
 1400 BURNHAMME DRIVE SUITE 110  
 SAN ANTONIO, TEXAS 78207  
 TEL (512) 346-3577

PLANNED BY: [Signature]  
 LOCATION: [Signature]  
 DATE: [Signature]



**H.A. KUEHLEM SURVEY COMPANY**  
Boundary \* Subdivisions \* Oil Wells \* Construction  
GPS Services

**FIELD NOTES**

Field notes of a 1.440 acre tract of land situated in the City of San Antonio, Bexar County, Texas, located in New City Block 11152, and being out of that 224.3 acre tract conveyed to the City of San Antonio by deed recorded in Volume 145, Page 278, Deed Records of Bexar County, Texas, and being more particularly described by metes and bounds as follows:

Beginning at a ½" iron pin set at the intersection of the east line of South Flores Street (100' ROW) with the south line of March Avenue (60' ROW), being the northwest corner of this tract.

Thence N 89° 45' 11" E. 281.13 feet along the south line of March Avenue to an "X" in concrete set at the northeast corner of this tract.

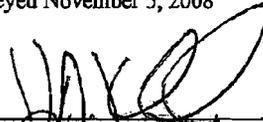
Thence S 20° 09' 10" E. 196.41 feet to a ½" iron pin set at the southeast corner of this tract.

Thence S 69° 55' 02" W. 251.85 feet to a ½" iron pin set in the east line of South Flores Street at the southwest corner of this tract.

Thence N 22° 36' 10" W. 292.09 feet along the east line of South Flores Street to the place of Beginning and containing 1.440 acres of land according to a survey made on the ground.

All 1/2" iron pins set with orange plastic cap "RPLS 4020".  
Job No. 075-08  
RE: Plat

Surveyed November 5, 2008



HENRY A. KUEHLEM  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 4020



## Exhibit B

**H.A. KUEHLEM SURVEY COMPANY**  
Boundary \* Subdivisions \* Oil Wells \* Construction  
GPS Services

**FIELD NOTES**  
**INGRESS AND EGRESS EASEMENT**

Field notes of an Ingress and Egress Easement situated in the City of San Antonio, Bexar County, Texas, located in New City Block 11152, and being over part of that 224.3 acre tract conveyed to the City of San Antonio by deed recorded in Volume 145, Page 278, Deed Records of Bexar County, Texas, and being more particularly described by metes and bounds as follows:

Beginning at an "X" scribed in concrete in the south line of March Avenue (60' ROW) at the northwest corner of this easement, being the northeast corner of a 1.440 acre tract, this day surveyed, said point being N 89° 45' 11" E. 281.13 feet from a 1/2" iron pin set at the intersection of the south line of March Avenue with the east line of South Flores Street (100' ROW).

Thence N 89° 45' 11" E. 29.07 feet along the south line of March Avenue to a point in the west line of Lot 1, Scheh Elementary School, according to plat recorded in Volume 9535, Page 217, Plat Records, being the northeast corner of this easement.

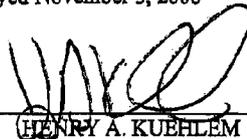
Thence S 20° 09' 10" E. 123.62 feet along the west line of Lot 1, to a point at the southeast corner of this easement.

Thence S 69° 50' 50" W. 27.33 feet to a point set in the east line of said 1.440 acre tract, being the southwest corner of this easement.

Thence N 20° 09' 10" W. 133.52 feet along the east line of said 1.440 acre tract, to the place of Beginning and covering 0.081 of an acre of land according to a survey made on the ground.

All 1/2" iron pins set with orange plastic cap "RPLS 4020".  
Job No. 075-08  
RE: Plat

Surveyed November 5, 2008



HENRY A. KUEHLEM  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 4020



## **Exhibit H: Zarzamora easement**

---

Grantor reserves from the conveyance of this deed an easement for the placement, operation, maintenance, repair, replacement, and construction of a monitoring well on the servient estate identified on **Exhibit B**.

In addition, Grantor reserves generally an easement across the Property subject to this deed for ingress and egress to the monitoring station easement above.

Both easements reserved in this deed are in gross in favor of the City of San Antonio or its assignor and continue indefinitely until their use is abandoned.

Grantor further reserves from the conveyance of this deed an easement across the Property subject to this deed for ingress and egress to any adjoining property Grantor may own. This easement is appurtenant to all property Grantor may own on the date of this conveyance and runs with the title to all such property.

The easement reserved in this deed continues indefinitely until its use is abandoned.

## Exhibit B

**H.A. KUEHLEM SURVEY COMPANY**  
Boundary \* Subdivisions \* Oil Wells \* Construction  
GPS Services

FIELD NOTES  
MONITOR WELL EASEMENT

Field notes of a Monitor Well Easement situated in the City of San Antonio, Bexar County, Texas and being out of that 30 acre tract conveyed to the City of San Antonio by deed recorded in Volume 4891, Page 215, Deed Records of Bexar County, Texas, and being more particularly described by metes and bounds as follows:

Beginning at a point in the present south line of Culberson Avenue (60' ROW), being the north line of a 1.033 acre tract, this day surveyed, being the southeast corner of this easement, said point being N 84° 00' 04" W. 90.96 feet from a 1/2" iron pin set at the intersection of the south line of Culberson Avenue with the west line of South Zarzamora Street (100' ROW).

Thence N 84° 00' 04" W. 6.00 feet along the south line of Culberson Avenue to a point at the southwest corner of this easement.

Thence N 05° 59' 56" E. 6.00 feet to a point at the northwest corner of this easement.

Thence S 84° 00' 04" E. 6.00 feet to a point at the northeast corner of this easement.

Thence S 05° 59' 56" W. 6.00 feet to the place of Beginning and covering 0.001 of an acre of land according to a survey made on the ground.

All 1/2" iron pins set with orange plastic cap "RPLS 4020".

Job No. 076-08

RE: Plat

Surveyed November 10, 2008



HENRY A. KUEHLEM  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NO. 4020



## Exhibit I: Representations, Environmental Matters

---

### A. Seller's Representations to Buyer

Seller represents to Buyer that the following are true and correct as of the Effective Date and will be true and correct on the Closing Date.

1. *Authority.* Seller is a municipal corporation, duly organized, validly existing, and in good standing under the laws of the state of Texas/with authority to convey the Property to Buyer. This contract is, and all documents required by this contract to be executed and delivered to Buyer at closing will be, duly authorized, executed, and delivered by Seller.

2. *Litigation.* There is no litigation pending or threatened against Seller that might affect the Property or Seller's ability to perform its obligations under this contract.

3. *Condemnation; Zoning; Land Use; Hazardous Materials.* Seller has not received notice of any condemnation, zoning, or land-use proceedings affecting the Property or any inquiries or notices by any governmental authority or third party with respect to the presence of hazardous materials on the Property or the migration of hazardous materials from the Property.

4. *No Other Obligation to Sell the Property or Restriction against Selling the Property.* Seller has not obligated itself to sell the Property to any party other than Buyer. Seller's performance of this contract will not cause a breach of any other agreement or obligation to which Seller is a party or to which it is bound.

5. *No Liens.* On the Closing Date, the Property will be free and clear of all mechanic's and materialman's liens and other liens and encumbrances of any nature except the Permitted Exceptions, and no work or materials will have been furnished to the Property that might give rise to mechanic's, materialman's, or other liens against the Property other than work or materials to which Buyer has given its consent.

6. *No Other Representation.* Except as stated above, Seller makes no representation with respect to the Property.

7. *No Warranty.* Seller has made no warranty in connection with this contract.

**B. "As Is, Where Is"**

**This Contract Is An Arms-Length Agreement Between The Parties. The Purchase Price Was Bargained On The Basis Of An "As Is, Where Is" Transaction And Reflects The Agreement Of The Parties That There Are No Representations, Disclosures, Or Express Or Implied Warranties, Except For The Warranty Of Title Stated In The Closing Documents And Seller's Representations To Buyer Set Forth In Section A Of This Exhibit F.**

**The Property Will Be Conveyed To Buyer In An "As Is, Where Is" Condition, With All Faults. All Warranties, Are Disclaimed.**

**C. Environmental Matters**

**After Closing, As Between Buyer And Seller, The Risk Of Liability Or Expense For Environmental Problems, Even If Arising From Events Before Closing, Will Be The Sole Responsibility Of Buyer, Regardless Of Whether The Environmental Problems Were Known Or Unknown At Closing. Once Closing Has Occurred, Buyer Indemnifies, Holds Harmless, And Releases Seller From Liability For Any Latent Defects And From Any Liability For Environmental Problems Affecting The Property, Including Liability Under The Comprehensive Environmental Response, Compensation, And Liability Act (CERCLA), The Resource Conservation And Recovery Act (RCRA), The Texas Solid Waste Disposal Act, Or The Texas Water Code. Buyer Indemnifies, Holds Harmless, And Releases Seller From Any Liability For Environmental Problems Affecting The Property Arising As The Result Of Seller's Own Negligence Or The Negligence Of Seller's Representatives. Buyer Indemnifies, Holds Harmless, And Releases Seller From Any Liability For Environmental Problems Affecting The Property Arising As The Result Of Theories Of Products Liability And Strict Liability, Or Under New Laws Or Changes To Existing Laws Enacted After The Effective Date That Would Otherwise Impose On Sellers In This Type Of Transaction New Liabilities For Environmental Problems Affecting The Property.**

## Exhibit J: Leases under which Seller is tenant

---

### Lease (UHS to City)

---

#### Table of Contents

1. Basic Information, Definitions.....	30
2. Grant.....	31
3. Rent.....	31
4. Sharing Ratios, Operation, and Maintenance.....	31
5. Term.....	33
6. Tenant's Affirmative Promises.....	33
7. Tenant's Negative Promises.....	34
8. Landlord's Affirmative Promises.....	34
9. Landlord's Negative Promise.....	35
10. Alterations.....	35
11. Insurance.....	35
12. Release of Claims/Subrogation.....	35
13. Environmental Matters.....	36
14. Casualty/Total or Partial Destruction.....	37
15. Condemnation/Substantial or Partial Taking.....	37
16. Holdover.....	37
17. Default, Remedies for Default.....	37
18. Warranty Disclaimer.....	40
29. Abandoned Property.....	40
20. Appropriations.....	40
21. Sublease, Assignment.....	41
22. Dispute Resolution.....	41
23. Miscellaneous.....	42
24. Public Information.....	44
Exhibit A: Eastside.....	45
Exhibit B: Kenwood.....	46
Exhibit C: Zarzamora.....	47

---

### 1. Basic Information, Definitions.

**Effective Date:** January 1, 2009

**Landlord:** Bexar County Hospital District d/b/a University Health System

**Landlord's Address:** 4502 Medical Drive, San Antonio, Texas 78229 (Attention:  
President and CEO)

**Tenant:** City of San Antonio

**Tenant's Address:** P.O. Box 829966, San Antonio, Texas 78283-3966 (Attention: Director of Health)

**Permitted Use:** Operation of health clinic

**Commencement Date:** January 1, 2009

**Initial Term:** 20 years

**Base Rent:** In-Kind Services as Described Below

**Address for Payment of Rent:** N/A

**Building:** A building in which a Premises is located.

**Premises:** The Premises are the following clinics:

1. **Exhibit A.** Eastside Branch Clinic, 210 N. Rio Grande
2. **Exhibit B.** Kenwood Clinic, 302 Dora
3. **Exhibit C.** Zarzamora Clinic, 4503 S. Zarzamora

**2. Grant.**

Landlord leases the Premises to Tenant, and Tenant takes the Premises from Landlord on the terms and conditions of this Lease.

**3. Rent.**

Tenant need not pay cash rent under this Lease, but it must provide preventive and/or population-based health services, including but not limited to those set out in Health & Safety Code Chapter 121 in the clinics listed in Exhibits A through C.

**4. Sharing Ratios, Operation, and Maintenance.**

4.01. The parties respective Sharing Ratios for each of the Buildings are:

<i>Building</i>	<i>City Space</i>	<i>UHS Space</i>	<i>Total Space</i>	<i>City's Sharing Ratio</i>	<i>UHS's Sharing Ratio</i>
Eastside	4,989	3,699	11,910	57%	43%
Kenwood	306	3,795	5,277	7%	93%
Zarzamora	1,177	4958.75	8,471	19%	81%

4.02. "Current Expenses" are expenses a federal income taxpayer would be permitted to deduct in the year incurred.

4.03. Landlord and Tenant allocate between themselves the Current Expense of the following services to each Building ("Allocated Current Expenses"):

- (a) HVAC reasonable for the Permitted Use;
- (b) hot and cold water for lavatories and drinking;
- (c) elevator service, if necessary, to provide access to and from the Premises;
- (d) electricity for normal office machines and the Building's standard lighting,
- (e) lighting in Common Areas,
- (f) security alarms for the Building,
- (g) janitorial service,
- (h) periodic window washing.
- (i) maintenance and repair of the exterior of the Building, including walls, foundation, roof, and windows.
- (j) maintenance and repair of the common areas of the Building.

4.04. Expenses other than Current Expenses incurred in the above categories are allocated entirely to Landlord. Maintenance and repair of each party's space is allocated to the party occupying the space. Each party is responsible for its own computer and telecommunications services and equipment.

4.05. As to each Building, Landlord and Tenant may agree in writing which party provides which services. The party providing a service bills the other monthly for the other's portion of the Allocated Current Expenses, according to their respective Sharing Ratios. Within 30 days of invoice, the billed party will reimburse the billing party for its Allocated Current Expenses according to the Sharing Ratios for the Premises to which the invoice relates. Absent an agreement to the contrary, Landlord contracts for all services subject to Allocated Current Expenses.

4.06. Tenant must submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.

## **5. Term.**

5.01. The term of this Lease is the Initial Term, unless sooner terminated as provided in this Lease.

5.02. If Tenant is not in default under this Lease, Tenant may renew it for up to two additional 10-year terms by providing Landlord with 120-days prior written notice. All renewal terms are under the same terms and conditions as the Initial Term, including rent, operation, maintenance, and sharing ratios.

5.03. Either party may terminate this lease at any time after the fifth year on 180-days prior written notice to the other party as to one or more of the Buildings in which Premises are located.. Upon such a termination, Tenant must vacate the building, and neither party has any obligations to the other relating to the period after termination.

## **6. Tenant's Affirmative Promises.**

Tenant promises that it will:

6.01. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.

6.02. Obey (a) all applicable laws relating to the use, condition, and occupancy of the Premises and Building; (b) any requirements imposed by utility companies serving or insurance companies covering the Premises or Building; and (c) any rules and regulations for the Building and Common Areas adopted by Landlord.

6.03. Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants.

6.04. After casualty loss not terminating the lease, rebuild the interior partitions, ceilings, wiring, light fixtures, and plumbing, but only if the loss is caused by Tenant's negligence.

6.05. Vacate the Premises and return all keys to the Premises on the last day of the Term, subject to any holdover rights.

6.06. On request, execute an estoppel certificate that states the Commencement Date and Termination Date of the lease, identifies any amendments to the lease, describes any rights to extend the Term or purchase rights, lists defaults by Landlord, and provides any other information reasonably requested. Tenant need not sign any certificate that purports to modify Tenant's obligations in any respect, except for a change in the address for notice or payment of rent.

6.07. Timely perform all material obligations of all other agreements between Landlord and Tenant relating to Tenant's operations of the clinics subject to this lease, including but not limited to, the Interlocal Agreement between UHS and the City.

## **7. Tenant's Negative Promises.**

Tenant promises that it will not:

7.01. Use the Premises for any purpose other than the Permitted Use.

7.02. Create a nuisance.

7.03. Interfere with any other tenant's normal business operations or Landlord's management of the Building.

7.04. Permit waste.

7.05. Use the Premises in any way that would increase insurance premiums or void insurance on the Building.

7.06. Change Landlord's lock system, without Landlord's prior written consent.

7.07. Alter the Premises, without Landlord's prior written consent.

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

## **8. Landlord's Affirmative Promises.**

Landlord promises that it will:

8.01. Lease to Tenant the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.

8.02. Obey all applicable laws with respect to Landlord's operation of the Building and Common Areas.

8.03. Allow Tenant the nonexclusive right to use the Common Areas subject to any reasonable rules and regulations that Landlord may prescribe.

8.04. Allow Tenant to retain any property and equipment within its allocated space upon expiration of the lease.

8.05. Notify Tenant of any plans for demolition, construction or renovation of the premises, and make any accommodations necessary to allow continued provision of services by Tenant at the location or some suitable alternative.

## **9. Landlord's Negative Promise.**

Landlord promises that it will not interfere with Tenant's possession of the Premises as long as Tenant is not in default.

## **10. Alterations.**

10.01. Physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.

10.02. Tenant need not remove electronic networking cables installed within walls or above suspended ceilings and need not remove network jacks properly installed according to manufacturer's directions.

## **11. Insurance.**

11.01. Tenant will self-insure as it deems advisable. As a home-rule municipality, Tenant is subject to the Texas Tort Claims Act, and the obligations of Tenant and the rights of persons claiming against Tenant are subject to that Act.

11.02. Landlord likewise will self-insure as it deems advisable. As a political subdivision of the State of Texas, Landlord is subject to the Texas Tort Claims Act, and the obligations of Landlord and the rights of persons claiming against Landlord are subject to that Act.

## **12. Release of Claims/Subrogation.**

**The insurance requirements of this Lease are a bargained-for allocation of risk of loss. Landlord and Tenant release each other from claims arising from injury or loss to either of them or to third parties to which they are liable, if the injury or loss is covered by insurance the waiving party is required by this Lease to maintain, whether or not the party actually has the insurance ("Covered Claims"). This release is additional to and does not limit any other release contained in this lease. Landlord and Tenant, to the maximum extent allowable without causing cancellation of a required policy, will require their insurers to waive subrogation against each other for Covered Claims.**

### **13. Environmental Matters.**

13.01. "Environmental Laws" means applicable federal, state, and local laws relating to protection of the public health, welfare, and the environment, including without limitation, those laws relating to the storage, handling, and use of chemicals and other hazardous substances, those relating to the generation, processing, treatment, storage, transport, disposal, or other management of waste materials of any kind, and those relating to the protection of environmentally sensitive areas.

13.02. "Hazardous Material" means "hazardous substance," "pollution or contaminant," "petroleum," and "natural gas liquids," as those terms are defined by or used in Environmental Laws, or that are regulated because of their effect or potential effect on human health and the environment.

13.03. "Release" means depositing, spilling, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing.

13.03. In its use of the Premises, Tenant must comply with all applicable Environmental Laws and must cause its employees, agents, and contractors on the Premises to do so as well. Tenant will obtain all permits required under Environmental Law for its use of the Premises. At least 180 days before expiration of any such permit, Tenant must present proof to Landlord that it has applied for renewal.

13.04. Tenant must not allow the Release of any Hazardous Material from its use of the Premises on, onto, or from the Property. Tenant further must not to handle, use, or otherwise manage any Hazardous Material on the Premises or the Property in violation of any Environmental Laws or in any but a reasonable and prudent manner.

13.05. Tenant must immediately provide to Landlord copies of: (i) any documents required to be submitted to a Governmental Authority under Environmental Law; (ii) any notice alleging a violation of Environmental Law, or (iii) any demand from or allegation by any third party in relation to Hazardous Materials or Environmental Law. Tenant must promptly deliver to Landlord any information it receives regarding any Release of Hazardous Materials on, to, from, or about the Premises.

13.06. Landlord may conduct, at Tenant's expense, periodic inspections of the Premises and Tenant's operations thereon to assure compliance with Tenant's environmental covenants. Tenant need not pay the expense of more than such inspection in any 12-month period.

13.07. If Tenant breaches any of its representations, warranties or covenants, Tenant at its sole expense, must take all actions required, including environmental cleanup of the Premises, to comply with the representations, warranties, and covenants or applicable law. Tenant must take all action required by applicable

Environmental Laws. If Tenant's actions under this provision involve cleaning up a Release of Hazardous Materials, Tenant must perform the cleanup consistently with residential use of the Premises and will not use any institutional controls or engineering controls in lieu of clean-up. Tenant will further obtain a Certificate of Completion from the TCEQ's Voluntary Cleanup Program. Institutional controls include laws, rules, or regulations or private prohibitions limiting use of a property, such as a prohibition against water well use within a certain contaminated tract or area of a local government's jurisdiction. Engineering controls mean physical apparatus such as an asphalt or concrete cap, detention basin, extraction well, or other engineered device to control, contain, or remove pollutants.

#### **14. Casualty/Total or Partial Destruction.**

If the Premises are damaged by casualty and cannot be restored within ninety days, Landlord has an option to restore the Premises. If Landlord chooses not to restore, this lease will terminate. If Landlord chooses to restore, Landlord will notify Tenant of the estimated time to restore and give Tenant an option to terminate this lease by notifying Landlord within ten days. If Tenant does not terminate this lease, the lease will continue, and Landlord will restore the Premises as provided above.

#### **15. Condemnation/Substantial or Partial Taking.**

15.01. If the Premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, this lease will terminate.

15.02. If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, Landlord will, at Landlord's expense, restore the Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.

15.03. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

#### **16. Holdover.**

If Tenant holds over after termination or expiration of this Lease, it is a Tenant at sufferance under the terms of this Lease.

#### **17. Default, Remedies for Default.**

17.01. If Tenant permits or fails to prevent any of the following occurrences, it is a Tenant event of default:

17.01.01. Tenant fails to comply with any term, provision or covenant of this Lease, other than the payment of rental or expenses demanded by Landlord and does not cure such failure within 30 days after written notice thereof to Tenant, or any representation or warranty by Tenant or any guarantor of this Lease is false or misleading in any material respect when given to Landlord.

17.01.02. This Lease or the Premises or any part thereof is taken upon execution or by other process of law directed against Tenant, or is taken upon or subject to any attachment at the instance of any creditor or claimant against Tenant, and the attachment is not to be discharged or disposed of within 30 days after the levy thereof.

17.01.03. Tenant or any guarantor of the Lease files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or voluntarily takes advantage of any such law or act by answer or otherwise, or is dissolved, or makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they mature.

17.01.04. Involuntary proceedings under any such bankruptcy law or insolvency act or for the dissolution of Tenant or any guarantor of the Lease is instituted against Tenant or such guarantor, as the case may be, or a receiver or trustee of all or substantially all of the property of Tenant or any guarantor is appointed, and such proceeding is not dismissed or such receivership or trusteeship vacated within sixty (60) days after such institution or appointment.

17.01.05. Tenant deserts, vacates or abandons all or any portion of the Premises, or ceases to physically occupy any substantial portion of the Premises and continuously operate its business on the Premises, or fails to commence business operations in the Premises on or before the Commencement Date. If Tenant removes or makes preparations to remove its goods, equipment, inventory, and fixtures (other than in the normal course of business) in amounts sufficient to indicate a probable intent to vacate the Premises, Tenant's breach is established conclusively.

17.01.06. Tenant does or permits to be done anything which creates a lien upon the Premises which is not removed or released within 30 days of its filing.

17.02. Remedies Upon Default. Upon the occurrence of any Tenant event of default, Landlord has the option to pursue anyone or more of the following:

17.02.01. In addition to, and without limiting any other remedies available to Landlord at law or in equity, immediately terminate this Lease and all rights of Tenant hereunder. If that event, Tenant must immediately surrender the Premises to Landlord. If Tenant fails to do so, Landlord may, without prejudice to any other remedy, enter and take possession of the Premises or any part thereof and expel or remove Tenant and any other person who may be occupying the Premises or any part

thereof, by force if necessary, without being liable for prosecution or any claim of damages.

17.02.02. Enter upon and take possession of the Premises or any part thereof and expel or remove Tenant and any other person who may be occupying said Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefore without having terminated the Lease.

17.03. Repossession and Alteration of Locks. Landlord's exercise of one or more remedies is not acceptance of Tenant's purported surrender of the Premises, whether by agreement or by operation of law. Surrender can occur only by the written agreement of Landlord and Tenant. No such alteration of locks or other security devices and no removal or other exercise of dominion by Landlord over the property of Tenant or others at the Premises is unauthorized or constitutes conversion. Tenant consents to Landlord's exercise of dominion over Tenant's property within the Premises in case of Tenant's default. Tenant waives (A) all claims for damages by reason of such reentry, repossession, or alteration of locks or other security devices and (B) all claims for damages by reason of any distress warrant, forcible detainer proceedings, sequestration proceedings, or other legal process. Re-entry by Landlord may be pursuant to judgment obtained in forcible detainer proceedings or other legal proceedings or without the necessity for any legal proceedings, as Landlord may elect. Landlord is not liable in trespass or otherwise for such re-entry.

17.04. Default by Landlord. If Landlord defaults, Tenant's exclusive remedy is an action for damages (Tenant hereby waiving the benefit of any laws granting it a lien upon the property of Landlord or on rent due Landlord). Tenant is not permitted to withhold Rent. Before filing any such action Tenant must give Landlord 30-days prior written notice specifying the alleged default and giving Landlord opportunity to cure. Unless and until Landlord fails to timely cure a default after written notice, Tenant has no remedy or cause of action by reason thereof. All obligations of Landlord are covenants, not conditions. Landlord's liability to Tenant for default is limited to actual, direct, but not consequential, damages. **Tenant hereby waives its statutory lien under § 91.004 of the Texas Property Code.**

17.05. Rights Respecting Personal Property. If Landlord takes possession of the Premises under the authority of this Lease, Landlord may keep in place and use all furniture, fixtures, and equipment at the Premises, including that owned by or leased to Tenant at all times before foreclosure thereon by Landlord or repossession thereof by any lessor thereof or lienholder thereon. Landlord may also remove from the Premises (without obtaining a distress warrant, writ of sequestration, or other legal process) all or any part of the furniture, fixtures, equipment, and other property and place same in storage anywhere in the county in which the Premises are located. In such case, Tenant is liable to Landlord for costs incurred by Landlord in the removal and storage. Landlord also may relinquish all or any part of the furniture, fixtures, equipment, and other property to any person ("Claimant") who presents to

Landlord a copy of any instrument represented to have been executed by Tenant, if the instrument purports to grant Claimant the right under various circumstances to take possession of the property. Landlord need not inquire into the authenticity of the instrument or Tenant's or Tenant's predecessor's signature thereon. Landlord further need not investigate or inquire into the validity of the factual or legal basis on which Claimant purports to act. These rights of Landlord are additional to any other rights that Landlord has or may hereafter have at law or in equity. Tenant stipulates that the rights herein granted Landlord are commercially reasonable.

17.06. Cumulative Remedies. Each right and remedy provided to Landlord in this Lease is cumulative to every other right or remedy provided to Landlord by this Lease or applicable law, including, but not limited to, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Landlord of one or more of the right or remedy does not preclude the simultaneous or later exercise by Landlord of another remedy. All costs incurred by Landlord in collecting any amounts and damages owed by Tenant under this Lease or to enforce any provision of it, including reasonable attorneys' fees from the date any such matter is turned over to litigation counsel, are also recoverable by Landlord from Tenant.

## **18. Warranty Disclaimer.**

**There are no implied warranties of merchantability, of fitness for a particular purpose, or of any other kind arising out of this lease, and there are no warranties that extend beyond those expressly stated in this lease. Tenant acknowledges it has had ample opportunity to perform due diligence regarding the Premises and accepts the Premises in their present condition, as-is.**

## **19. Abandoned Property.**

Landlord may retain, destroy, or dispose of any property left on the Premises at the end of the Term.

## **20. Appropriations.**

20.01. Notwithstanding anything in this agreement to the contrary, all obligations of Landlord to make payments hereunder are subject to the appropriation of sufficient funds for such payments by the Landlord's Board of Managers. If for any reason the Board fails to appropriate sufficient funds or grant expenditure authority, or funds become unavailable by operation of law, Landlord is relieved of the obligation to make such payments during the term of the non-appropriation.

20.02. Notwithstanding anything in this agreement to the contrary, all obligations of Tenant to make payments hereunder are subject to the appropriation of sufficient funds for such payments by City Council. If for any reason City Council

fails to appropriate sufficient funds or grant expenditure authority, or funds become unavailable by operation of law, it shall relieve Tenant from the obligation to make such payments during the term of the non-appropriation.

## **21. Sublease, Assignment.**

Tenant cannot assign or sublease this lease without Landlord's prior written consent. Assignments include any transaction in which (A) a material part of Tenant's assets are sold outside the ordinary course of business or (B) a change in the identity of those owning, holding, or controlling the power to vote of 50% of the equity interest in Tenant.

## **22. Dispute Resolution.**

22.01. Before bringing any action arising out of this agreement, including an action for declaratory relief but not an action specifically excepted below, the disputants must first submit in good faith to mediation. The parties may not assert limitations, laches, waiver, and estoppel based upon attempts to mediate.

22.02. Filing suit on a claim that should be mediated waives the filer's right to demand mediation. But one party's waiver does not affect another party's right. A defendant does not waive mediation for so long as, within a reasonable time after appearing, the defendant gives written notice to the plaintiff or its counsel of intent to require compliance with this paragraph.

22.03. Mediation must be conducted in San Antonio, Bexar County, Texas.

22.04 The party desiring relief has the burden to initiate mediation. Waiting for another party to initiate mediation does not waive the right to it.

22.05. If the parties can otherwise agree on a mediator, they may do so. Alternatively, either party may petition any court of competent jurisdiction to appoint a mediator. The only predicate issues the court need consider before appointing a mediator are whether (i) the copy of the contract before the court is authentic and (ii) the contract was duly signed and delivered by all parties to be bound to mediate. If neither of those issues is denied under oath, the court may appoint a mediator upon motion, without trial.

22.06. Mediator fees must be borne equally.

22.07. The parties need not mediate before going to court (1) for either party to seek emergency injunctive relief or (2) for Landlord to seek forcible entry and detainer relief against Tenant.

## 23. Miscellaneous.

23.01. *Applicable Law.* This Agreement is entered into in San Antonio, Bexar County, State of Texas. **Its Construction And The Rights, Remedies, And Obligations Arising Under It Are Governed by The Laws of The State Of Texas.** But the Texas conflicts of law rules must not be used to apply the laws of a jurisdiction other than Texas. Both parties' obligations under this agreement are performable in San Antonio, Bexar County, Texas, and venue for any action arising under this agreement is only in Bexar County, Texas.

23.02. *Severability.* If any part of this agreement is found invalid or unenforceable, the finding does not affect the remainder.

23.03. *Successors.* This Agreement inures to the benefit of and binds the heirs, representatives, successors, and permitted assigns of each party. This clause does not authorize any assignment not otherwise authorized.

23.04. *Integration.* **This Written Agreement Represents The Final Agreement Between The Parties And May Not Be Contradicted By Evidence Of Prior, Contemporaneous, Or Subsequent Oral Agreements Of The Parties. There Are No Oral Agreements Between The Parties.**

23.05. *Modification.* This Agreement may be changed only by a written agreement, signed by the party against whom enforcement of any modification is sought. Subject to that restriction, any of this Agreement's terms may be modified by the party entitled to their benefit, but no modification, express or implied, affects the right of the modifying party either (i) to apply any other term or condition or (ii) to apply the same term or condition to a later or earlier occasion.

23.06. *Third Party Beneficiaries.* This Agreement benefits the parties and their successors and permitted assigns only. It has no third party beneficiaries.

23.07. *Notices.* Notices must be in writing and by certified mail, return receipt requested, addressed to the parties at their respective addresses set forth at the beginning. If the addressee is a corporation, notices must be addressed to the attention of its President. Notice is complete three days after deposit, properly addressed and postage prepaid, with the United States Postal Service. Failure to use certified mail does not defeat the effectiveness of notice actually received, but such notice is effective only on actual receipt. Address for notice may be changed by giving notice.

23.08. *Captions.* Paragraph captions are for ease of reference only and do not affect the interpretation.

23.09. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which is an original, whether or not all parties sign the same document. Regardless of their number, counterparts constitute only one agreement.

In making proof of this agreement, one need not produce or account for more counterparts than necessary to show execution by or on behalf of all parties.

23.10. *Further Assurances.* The parties must execute and deliver such additional documents and instruments as may be necessary to effect fully the provisions hereof. But no such additional documents can alter the rights or obligations of the parties stated in this agreement

**Remainder of Page Intentionally Left  
Blank**

**24. Public Information.**

Tenant acknowledges that this instrument is public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public.

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

**Landlord**

**Tenant**

**City of San Antonio**, a Texas  
municipal corporation

**Bexar County Hospital District d/b/a  
University Health System**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Attest:**

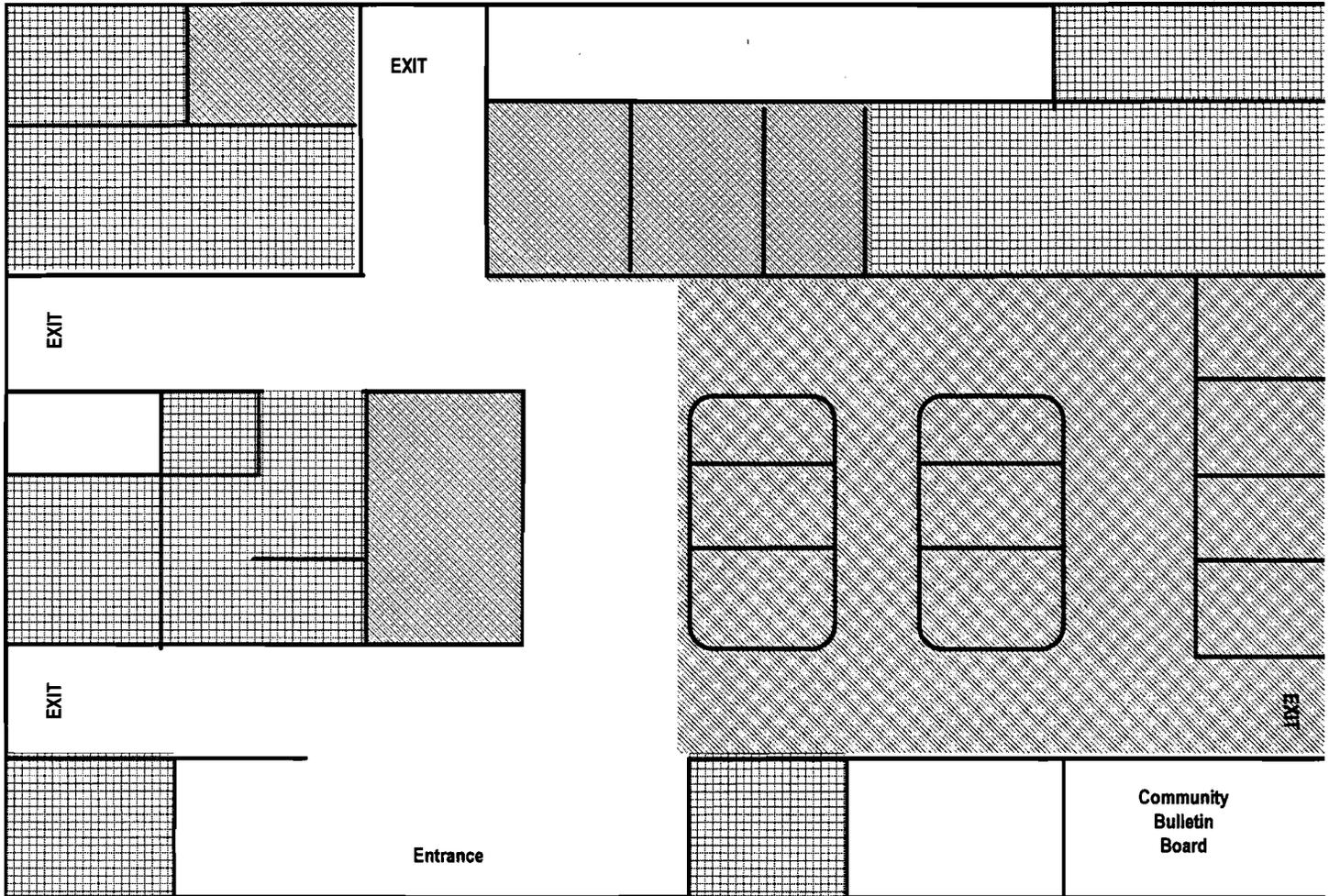
\_\_\_\_\_  
City Clerk

**Approved as to Form:**

\_\_\_\_\_  
City Attorney

# Exhibit A: Eastside Branch Clinic

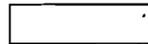
## Eastside Public Health Clinic 210 Rio Grande



UHS - 3,699 Sq. Ft.

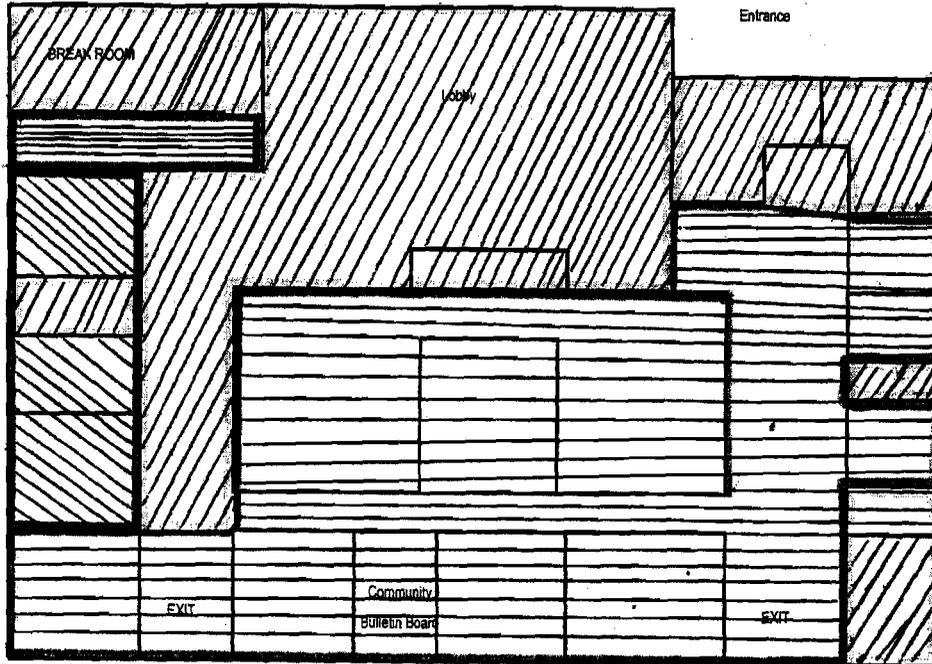
SAMHD - 4,989 Sq. Ft.

Shared - 3,222 Sq. Ft.



# Exhibit B: Kenwood Clinic

Kenwood Public Health Clinic  
302 Dora Street

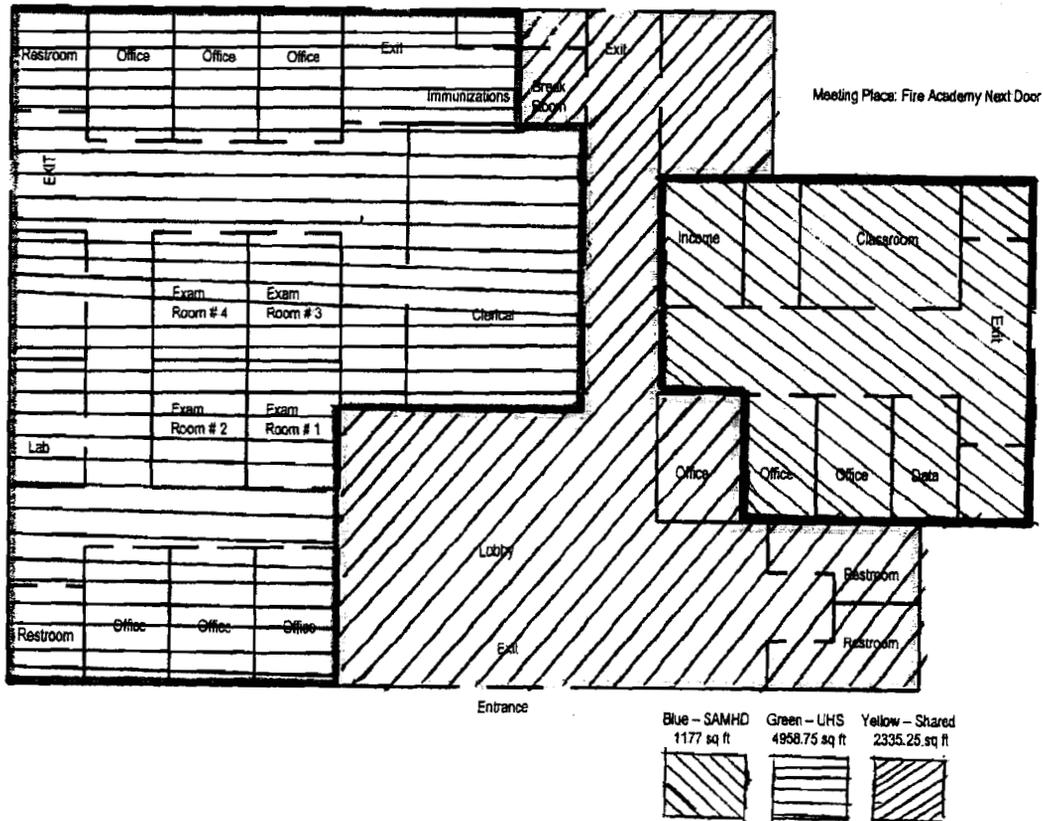


Designated Meeting Place: Back Grassy Area (by Portable Building)  
Blue - SAMHD 306 Sq ft    Green - UHS 3795 Sq ft    Yellow - Shared 1178 sq ft



# Exhibit C: Zarzamora Clinic

Zarzamora Clinic  
4503 S Zarzamora



# Exhibit K: Bill of Sale and Inventory of Equipment

## Bill of Sale

---

### Authorizing Ordinance:

**Seller:** City of San Antonio through the San Antonio Metropolitan Health District

**Seller's Address:** P.O. Box 829966, San Antonio, Texas 78283-3966

**Buyer:** Bexar County Hospital District d/b/a University Health System

**Buyer's Address:** 4501 Medical Drive, San Antonio, Texas 78229

**Consideration:** Public purpose, to wit: the provision of clinical preventive health services

**Description of Goods:** As set out in the attached Inventory

By execution of this instrument, Seller gives, grants, sells, and conveys to Buyer the Goods described in the attached inventory. **This conveyance is as-is, where-is and without warranty of title, character, condition, merchantability, or fitness for any intended purpose.**

### Seller:

City of San Antonio, a Texas municipal corporation

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### Buyer:

University Health System, a subdivision of the State of Texas

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**San Antonio Metropolitan Health District  
Inventory of Clinic Furniture and Equipment To Convey To UHS**

<b>No.</b>	<b>Item</b>
	<b>Eastside Branch Clinic</b>
	amp
	audiometer
	bookcase (metal, 3 shelves)
2	bookcase (wood, 5 shelves)
2	cabinet (30 drawer)
	cabinet (storage, 3 drawer, brown, metal)
	cabinet (storage, metal)
5	chair
	coat hanger (metal)
	computer desk
2	computer desk (wood)
	computer table (wood, 3 shelves)
2	credenza (wood)
3	desk
2	exam table
2	file cabinet (1- 2 drawer & 1 - 5 drawer)
	hb monitor
	hemata stat
	infant scale
	kid table
2	microscope
	office desk (metal, 6 drawer)
	office desk (wood, 6 drawer)
	oxygen tank
	refrig/ freezer
8	stool
	table (small, metal)
	wall mount ear/eye
	weight scale
	<b>Kenwood Clinic</b>
	adult scale
	answering machine
	at&t mlx-28d phone
	bookcase (brown)
	cabinet (gray, Steelmaster, 20 drawer)
	centrifuge
	<b>Kenwood Clinic (cont)</b>
	chair (blue, rolling)
	chair (gray)
	chair (gray, rolling)
	chair (maroon, rolling)
	chair (rolling, gray)
3	chairs (blue, rolling)
	clock (tempus)
	cloth chair
10	desk

		desk (gray)
		digital scale infant/table
2		doppler imex wall
		exam table ritter 104
11		file cabinet
		file cabinet 20 drawer
		file cabinet (black, 2 drawer)
2		file cabinet 2 drawer
7		file cabinet 5 drawer
		file cabinet 6 drawer
		file cabinets (sliding)
		front file cabinet
		hema stat II
4		lamp (exam)
		microscope
		otoscope (ear/throat)
2		phone
5		phone lucent
		refrigerator true upright
		refrigerator upright
		scale (manual, infant/table0
4		stool
		table
		table
		table (gray)
		table (gray)
4		table (small)
		time clock
		tv stand
		tv/vhs
		video camera and digital rec. (Busch)
Old Hwy 90 Clinic		audiometer
	1	chair (beige, with a back and no arms)
	2	stools (beige, with wheels and no back)
Old Hwy 90 Clinic (cont)		cabinet (black, metal)
		stool (black, rolling)
	8	chair (blue, with back and plastic arms)
		dollie
	1	chart file (brown)
		file (brown, metal, small)
		camera with dvd recorder
		centrifuge machine
		changing curtain
		chart file
	3	chart file cabinet
	11	chair (red, with back no arms)
		desk (gray)
	2	doppler
		exam curtain

		otoscope
	2	ophthalmoscope
	2	exam table
	2	file 30 compartment
	3	file cabinet
	5	fire extinguisher
		floor buffer
	2	good-lite visual acuity
	1	chair (green, plastic, with back and no arms)
		cabinet (gray, metal)
	5	hdn chart files
		hemastat machine
	2	refrigerator
		ladder
	6	desks (large)
		desk (large, gray)
		cabinet (large, metal)
	2	table (large, breakroom)
		hutch (large, wood)
		locker 18 compartments
		tv/pioneer laser disc (Magnavox)
	5	file cabinet (metal, 30 compartment)
		file cabinet
		table with rollers
	2	foot stool
		shelf (metal, with 3 sections)
		shelf (metal, with doors)
		file cabinet (metal, 30 compartment)
	3	stool
Old Hwy 90 Clinic (cont)	5	chairs with back and no arms
	2	stools with wheels and no back
		cash register
	2	desk (small)
		desk (child's)
	2	table (small)
		specimen microscope dexter instrument co. -tex hea resources
		transferring wagon
		refrigerator
		tv (rca)
		tv- rack/shelf with rollers
	3	scale (adult)
		desk (wood)
South Flores Clinic	1	cash register
	1	centrifuge
	19	chair (rolling, with arms)
	21	desk
	4	dopplers
	3	exam lamps(goose neck)
	2	exam tables

	3	file cabinet (short 2-drawer)
	4	file cabinet (tall 5-drawer)
	1	hematostat machine
	1	hutch
	1	microscope
	11	old rolling chair
	2	othalmoscope
	2	otoscope
	3	refrigerator
	1	refrigerator (vaccine)
	1	scale (adult)
	2	scale (infant)
	1	shredder
	2	stools (rolling exam)
	2	table
	2	table (long)
	2	tv
Zarzamora Clinic	12	cabinets 30 drawer
	13	desks
	3	exam room stools
	3	exam table
x	6	file cabinet
Zarzamora Clinic (cont)		file cabinet 4 drawer
	9	lateral file cabinet
		pedi weight scale
	3	refrigerator (breakroom / imm / lab)
	11	rolling chairs
		scale (adult)
	3	televisions