

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.**

AN ORDINANCE

**DECLARING AS SURPLUS CITY OWNED PROPERTY LOCATED AT
3141 CULEBRA ROAD, FORMERLY KNOWN AS THE ST. MARY'S
LEARNING CENTER, IN COUNCIL DISTRICT 7 AND AUTHORIZING
ITS SALE, INCLUDING FURNITURE, FIXTURES AND EQUIPMENT,
TO ST. MARY'S UNIVERSITY FOR \$315,000.00**

* * * * *

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

SECTION 1. The City Manager and her designee, severally, are authorized and directed to sell to St. Mary's University the property shown in **Exhibit A** for \$315,000.00. The City Manager and her designee, severally, are authorized and directed, to execute a Bill of Sale in substantially the same form shown in **Exhibit B**, which is incorporated herein by reference for all purposes as if it were fully set forth. The City manager and her designee, severally, are further authorized and directed to take all other actions reasonably necessary or convenient to effect the transaction, including delivering ancillary documents and instruments conducive to effectuating the transaction.

SECTION 2. Funds generated by this ordinance will be into Fund 11001000, Internal Order 240000000060 and General Ledger 4903101.

SECTION 3. The disposition of surplus property must be coordinated through the City's Finance Department to assure the removal of these assets out of the City's financial records and to record the proper accounting transactions.

SECTION 4. 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 5. This ordinance becomes effective 10 days after passage, unless it receives the eight votes requisite to immediate effectiveness under San Antonio Municipal Code § 1-15, in which case it becomes effective immediately.

PASSED AND APPROVED this _____ day of _____, 2014.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Robert F. Greenblum, City Attorney

Exhibit A



Exhibit A

EXHIBIT B

BILL OF SALE

Authorizing Ordinance:

Seller: City of San Antonio

Seller's Mailing Address
(including county): P.O. Box 839966, San Antonio, Bexar County, Texas
78283-3966 (Attn: Director, Department of Human
Services)

Buyer: St. Mary's University

Buyer's Mailing Address
(including county): 1 Camino Santa Maria, San Antonio, Bexar County,
Texas 78228 (Attn: Rebeckah Day, Vice President of
Administration and Finance)

Consideration: \$315,000.00

Building
(Leasehold Improvement): The building known as the St. Mary's Leadership and
Learning Center, a one story building of
approximately 7,988 square feet, and other
improvements constructed by the City of San Antonio
including the parking lot, located on the real property
at 3141 Culebra St., San Antonio Texas 78228, more
particularly described on **Exhibit A**, attached and
incorporated into this instrument for all purposes.

Lease: Lease Agreement dated May 18, 1995, between the
City of San Antonio, a Texas municipal corporation,
as Lessee, and St. Mary's University, as Lessor, for a
Learning and Leadership Development Center,
located in the City of San Antonio, Bexar County,
Texas, and attached hereto as **Exhibit B**, which is
incorporated into this instrument for all purposes as if
fully set forth.

Additional Property: All furniture, furnishings, fixtures, equipment, and
other tangible personal property, that is now affixed
to and/or located in the Building and used in
connection with the management, operation, or repair
of the Building.

Predicate Facts

Buyer and Seller entered into the Lease, wherein Seller leased from Buyer that
certain land described in the Lease and Seller committed to construct the Leasehold
Improvements on the Property. Seller owns the Building constructed on the lot
referred to as 3141 Culebra Street, San Antonio, Texas 78228, as well as the

Additional Property located in the Building (the Building and the Additional Property collectively referred to herein as the "Property").

Seller and Buyer have agreed via a separate Lease Termination Agreement to terminate the Lease and convey all of Seller's right, title, and interest in the Property to Buyer.

Sale

Now Therefore, the parties agree and act as follows:

1. Seller and Buyer agree that the Lease indicated that the Building was severed from the real estate on which it is situated when built and used by Seller. As indicated in the Lease, the Building is personal property as opposed to real property.

2. For the consideration listed hereinabove, the sufficiency and receipt of which are hereby acknowledged, Seller does hereby sell and convey the Property to Buyer.

3. THE PROPERTY IS BEING CONVEYED "AS IS", "WHERE IS", AND "WITH ALL FAULTS", WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. BUYER IS HEREBY ACQUIRING THE PERSONAL PROPERTY BASED SOLELY UPON BUYER'S OWN INDEPENDENT INVESTIGATIONS AND INSPECTIONS OF THAT PROPERTY AND NOT IN RELIANCE ON ANY INFORMATION PROVIDED BY SELLER OR SELLER'S ELECTED OFFICIALS, OFFICERS, EMPLOYEES, AGENTS, AND OTHER REPRESENTATIVES. SELLER HAS MADE NO AGREEMENT TO ALTER, REPAIR OR IMPROVE ANY OF THE PROPERTY. SELLER SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE PROPERTY OR SELLER'S TITLE THERETO.

4. This instrument is void unless, contemporaneously with its execution and delivery, Seller and Buyer likewise execute and deliver an executed Lease Termination Agreement document in substantially the same form as attached **Exhibit D**. At the termination of the Lease, Buyer may execute and record a Memorandum of Lease Termination Agreement without joinder of Seller in the same form as shown on **Exhibit C**. Third parties may rely on the Memorandum without

inquiry as proof that the Lease is terminated, that Buyer is re-vested with title to the Building, and that the Building is part of the real estate to which it is attached.

5. Indemnity. Buyer must indemnify according to the terms of this paragraph.

5.01. Buyer shall indemnify Seller and its elected officials, officers, employees, agents, and other representatives (collectively the "Indemnitees") against all loss, cost, liability, or expense, directly or indirectly arising out Buyer's use of the Property ("Indemnified Claim") from the Effective Date. Indemnified Claims include those arising from liens on the Building or from property damage and from personal or bodily injury, including death. In addition to the indemnity required under this instrument, each Indemnitee may, at its own expense, participate in its defense by counsel of its choosing without relieving or impairing Indemnitor's obligations under this paragraph. Indemnitor may not settle any Indemnified Claim without Indemnitee's consent, unless (a) the settlement will be fully funded by Indemnitor, and (b) the proposed settlement does not contain an admission of liability or wrongdoing by any Indemnitee. Even if Seller is not an Indemnitee as to a particular Indemnified Claim, Indemnitor must give Seller at least 10 days advance written notice of the details of a proposed settlement before it becomes binding.

Nothing in this instrument waives governmental immunity or other defenses of Indemnitees under applicable law.

5.02. Indemnitor must promptly advise Seller in writing of any Indemnified Claim if received within five years of the date first written above and must, at its own cost, investigate and defend the Indemnified Claim. If Seller is an Indemnitee as to a particular Indemnified Claim, Seller may require Indemnitor to replace the counsel Indemnitor has hired to defend Indemnitees. Seller may also require Indemnitor to hire specific-named counsel for so long as the named counsel's hourly rates do not exceed the usual and customary charges for counsel handling sophisticated and complex litigation in the locale where the suit is pending. No such actions impair Indemnitor's obligations under this indemnity paragraph. Regardless of who selects the counsel, the counsel's clients are Indemnitees, not Indemnitor.

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5.03. Nothing in this instrument waives governmental immunity or other defenses of Indemnitees under applicable law.

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

SELLER:

City of San Antonio,
a Texas municipal corporation

By: _____

Printed
Name: _____

Title: _____

Date: _____

Attest:

City Clerk

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: _____

BUYER:

St. Mary's University

By: Thomas M. Mengler

Printed Name: Thomas M. Mengler

Title: President

Date: November 4, 2014

State of Texas §

County of Bexar §

This instrument was acknowledged before me this date by Thomas M. Mengler
of St. Mary's University, a Texas Nonprofit Corp., in the capacity therein stated
and on behalf of that entity.

Date: November 4, 2014

Annie B. Salazar
Notary Public, State of Texas

My Commission expires: June 12, 2015



LEGAL DESCRIPTION

Lot Number Three (3), Block Two (2), N.C.B. 9292, according to the Map recorded in Volume 9537, Page 130, Deeds and Plats Records of Bexar County, Texas, said Lot Number Three (3), Block Two (2), N.C.B. 9292, being more particularly described as follows;

COMMENCING, at a ½ inch Iron Rod found at the North right of way of Culebra Road (having a 83.00' ROW) and Southeast corner of Lot 2, Block 2, N.C.B. 9292, St. Mary's University Subdivision Unit 2, as recorded in Volume 9523, Page 189 through 192, Deeds and Plats of Bexar, County, Texas; THENCE,, N 83°59'41" W, along the north right of way line of said Culebra Road a distance of 68.17 feet to a ½ inch Iron Rod found at the Southeast corner of and **POINT OF BEGINNING** of the tract herein described;

THENCE, N 83°59'41" W, continuing along the North right of way line of said Culebra Road a distance of 185.69 feet to a Mag nail with washer found for the Southwest corner of the tract herein described;

THENCE, N 00°16'26" W, leaving the North right of way of said Culebra Road a distance of 221.33 feet to a ½ inch Iron Rod found for the Northwest corner of the tract herein described;

THENCE, S 83°59'41" E, a distance of 209.90 feet to a ½ inch Iron Rod found for the Northeast corner of the tract herein described;

THENCE, S 06°00'19" W, a distance of 220.00 feet to the POINT OF BEGINNING; CONTAINING 43516.0 square feet, 1.00 acres of land more or less;

BASIS OF BEARINGS ON THIS SURVEY ARE AS PER THE TEXAS STATE PLANE COORDINATE SYSTEM – SOUTH CENTRAL ZONE (4204) NAD83 (03)


Oscar Hernandez, R.P.L.S.
R.P.L.S. Number 5005



115 East Travis St. Suite 1120
Off#: 210-208-9400

Milam Building

San Antonio, Tx 78205
Fax#: 210-208-9401

Exhibit A-2

EXHIBIT B

WF/lag (11/16/94)
REV.: 4/20/95-gg (includes all prior Revisions)

File: 94-0094
ST. MARY'S UNIVERSITY
CAMPUS: LLDC

GROUND LEASE AGREEMENT
(St. Mary's Learning and Leadership Development Center
District 7)

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF BEXAR

This Lease Agreement is made in duplicate originals by and between ST. MARY'S UNIVERSITY, hereinafter called LESSOR, and the CITY OF SAN ANTONIO, a Texas Municipal Corporation acting by and through its City Manager, Assistant City Manager, or an Assistant to the City Manager pursuant to Ordinance No. 82089 adopted on APRIL 20, 1995, hereinafter called LESSEE.

ARTICLE I

Demise and Description of Property

1.1 LESSOR, for and in consideration of the rent, covenants, and promises herein contained to be kept, performed and observed by LESSEE, does hereby lease that certain real property, hereinafter alternatively called the "Premises" or the "Leased Premises" or "Land" situated in Bexar County, Texas, and described as follows, to-wit:

A tract of approximately 42,000 square feet located at the south entrance to the St. Mary's University Campus facing Culebra Road, San Antonio, Texas, as shown on Exhibit "A" attached hereto, subject to a final plan layout as agreed to by LESSOR and LESSEE.

ARTICLE II

Acceptance of Premises

2.1 LESSEE has inspected the Leased Premises and accepts the Leased Premises in an "as-in" condition, SAVE AND EXCEPT, for the construction of an Learning and Leadership Development Center Building with emphasis on adults on a portion of said Leased Premises, along with a paved parking lot, landscaping, fencing, and other

Exhibit B-1

improvements, as necessary, on the remainder of the Premises, which improvements are still to be constructed by LESSEE pursuant to Exhibit B "Addendum to Lease" to be attached hereto and incorporated herein by reference for all purposes, upon final agreement of the parties prior to the start of such construction.

ARTICLE III

Term

3.1 The term of this Lease Agreement shall be for a period of forty (40) years, commencing on the day following the date on which LESSEE completes the construction per the Addendum to Lease, but in no event shall the term commence later than November 1, 1996. Such term shall end one day before the same date in 2036 on which the term commenced in 1996. The parties agree to execute a Memorandum of Commencement Date, being a form mutually agreed upon by the parties hereto. LESSEE anticipates completion by August 1, 1996, subject to delays in construction caused by shortages in materials, work stoppages due to strikes, acts of God, and, subject to LESSOR's approval as to extensions, if so required, any other normal "construction-related" reasons for delays.

ARTICLE IV

Access to Premises

4.1 LESSOR grants to LESSEE access to the Leased Premises for construction of all improvements thereon and thereafter during LESSEE's business hours.

4.2 LESSOR reserves the right to enter upon the land constituting the Leased Premises at anytime, subject to prior notice being delivered to LESSEE, except in the case of an emergency, for which no prior notice will be required.

ARTICLE V

Rental Rate

5.1 For and during the term of this Lease, LESSEE shall pay to LESSOR as rent for the Leased Premises the sum of \$1.00 per year each and every year for the entire term of the Lease.

5.2 Further, as additional consideration, LESSEE shall pay to LESSOR as additional rental for the Leased Premises an amount equal to the annual fair market rental for such Leased Premises less \$1.00 per year, as calculated by LESSOR; provided, however, that payment thereof will be deferred during the term of the Lease. At the conclusion of the lease term all deferred rental will be due and payable by LESSEE to LESSOR; provided that said LESSEE can fully discharge its obligation to pay such deferred rental by conveying title to the building, fencing, and other improvements to LESSOR, as abutting owner thereto. LESSOR will use its reasonable efforts to provide to

LESSEE a calculation of the Annual Fair Market Rental within sixty (60) days after the date of execution of this Lease Agreement, but in any event no later than sixty (60) days before the Commencement Date.

5.3 LESSEE's payment of rent is subject to an annual appropriation by the City Council of the CITY OF SAN ANTONIO, as approved by Ordinance as part of the budget process for each fiscal year during the term hereof, with said amounts to be paid from current funds available each year. In light thereof, LESSOR agrees to accept the payment from LESSEE, as prepayment of the entire amount of the rent set forth in Section 5.1 hereof, the sum of \$40.00, which may be paid by LESSEE on or before the Commencement Date of the Lease Agreement.

5.4 Further as additional consideration, LESSEE grants to LESSOR the right, acting by and through its faculty and student body, to use the Learning and Leadership Development Center constructed on the Leased Premises during the Center's business hours.

ARTICLE VI Use of Leased Premises

6.1 The Leased Premises are to be used by LESSEE to operate and maintain a Learning and Leadership Development Center to combat illiteracy in the City of San Antonio, to include, but not be limited to, classes for adults in reading and writing, adult basic education, GED preparation, citizenship, and computer enhanced learning and for no other purpose. LESSOR agrees that no religious ceremonies of any sort will be held on the Leased Premises at any time during the term hereof, giving evidence to the principle of separation of church and state.

ARTICLE VII No Waste, Nuisance, or Unlawful Use

7.1 LESSEE shall not commit, or allow to be committed, any waste on the Leased Premises, create or allow any nuisance to exist on the Leased Premises, or use or allow the Leased Premises to be used for an unlawful purpose, or any purpose other than that permitted pursuant to Article VI, Section 6.1, and shall comply with the "Rules and Regulations" as set out in Exhibit C attached hereto.

ARTICLE VIII Payment of Operating Expenses and Taxes

8.1 LESSEE shall pay for all utilities (gas, water, sewer, electrical, telephone, and cable TV), custodial services, and supplies required.

8.2 LESSEE agrees to pay all state, city and county taxes which may be assessed on the improvements (regardless of whether the same are assessed as personal property) and personal property contained in and on the Leased Premises. LESSOR will present a statement to LESSEE upon receipt by LESSOR. Such statement will show the assessed value and taxes due on the improvements and personal property portions, excluding the land. LESSEE shall tender payment of such portion prior to said taxes becoming delinquent. LESSOR agrees to pay all state, city and county taxes and all assessments against the land.

8.3 The parties agree that during the term of this Lease, all improvements to the land shall be considered personal property, unless otherwise determined by taxing authorities, but, notwithstanding any such determination, LESSEE shall pay all taxes associated with the improvements on the land.

ARTICLE IX Repair and Maintenance

9.1 LESSEE shall maintain all components of the building known as *St. Mary's Learning and Leadership Development Center*, to include, but not be limited to, keeping heating and air-conditioning equipment in operational condition, and repairing any damage to, or defective condition in any part or appurtenance of the Building's plumbing, electrical, heating, air-conditioning or other system serving, located in, or passing through the Premises. LESSEE shall, at LESSEE's own expense, and, as LESSEE's sole responsibility, keep the Premises in good order, condition and repair during the term hereof, including repair and replacement of window glass, all fixtures installed by LESSEE, heating and air-conditioning, equipment, outside walls, and the roof. LESSEE, at LESSEE's sole cost and expense, shall comply with all laws and ordinances, and all rules and regulations of all governmental authorities and of all insurance bodies at any time in force, applicable to the Premises or to LESSEE's use thereof, except that LESSEE shall not hereby be under any obligations to comply with any ordinance, rule or regulation requiring any structural alteration of, or in connection with, the Premises, unless such alteration is required by reason of a breach of any of the LESSEE's agreements hereunder. LESSOR is not responsible for any maintenance or repair work on the Leased Premises, including without limitation, undertaking any repairs that are necessary to bring the improvements into compliance with any applicable laws, rules or regulations.

9.2 All repairs of the roof, walls, common areas, stairway, and structural elements, specifically including the foundation, shall be the sole obligation of LESSEE.

9.3 LESSEE, at its sole cost and expense, shall maintain the parking areas, landscaping, fencing, and other improvements and shall provide, at its sole expense, all other repairs and maintenance of the land constituting the Leased Premises.

ARTICLE X
Insurance

10.1 LESSEE will self-insure to provide for and maintain comprehensive general public liability coverage on the Leased Premises and its contents for the term of the Lease, with combined single limits, for bodily injury and property damage, in the amount of \$500,000.00 being the statutory limit under the Texas Tort Claims Act. LESSEE agrees to provide to LESSOR evidence of such self-insurance herein and as secured under Section 10.2.

10.2 LESSEE shall secure such self-insurance and, at its sole cost and expense, any additional insurance beyond the amount for which LESSEE self-insures as LESSEE deems advisable to insure against loss of any of its property by fire or other casualty in the Leased Premises. LESSEE shall be entitled to receive all of the insurance proceeds, if any, received in addition to and above any self-insurance amount, since LESSEE is responsible for the payment of any premiums in the process of securing and maintaining said insurance during the term hereof.

ARTICLE XI
Responsibility

11.1 Neither LESSEE nor LESSOR shall be liable or responsible for any loss or damage to any property or person on or about the Leased Premises occasioned by theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority or other matter beyond the reasonable control of LESSEE or LESSOR, except as results from LESSEE's sole active negligence or LESSOR's sole active negligence, in either instance, as determined by a court of competent jurisdiction and upon final adjudication or settlement. It is the express intent of LESSEE and LESSOR that their respective liabilities be limited herein to acts caused by their respective sole negligence. Nothing herein shall be intended to represent an agreement by either LESSOR or LESSEE to indemnify the other party for accidents or other occurrences on the Leased Premises.

ARTICLE XII
Destruction of Improvements

12.1 If the building located on the Leased Premises is more than fifty (50%) percent destroyed, LESSEE may at its option, terminate the Lease Agreement, after removing the damaged structure and improvements from the Leased Premises, at its sole expense, unless LESSEE elects within thirty (30) days after such destruction, to repair same and complete repairs within one hundred eighty (180) days thereafter.

ARTICLE XIII
Peaceful Enjoyment

13.1 LESSOR covenants that LESSEE shall and may peacefully have, hold, and enjoy the Leased Premises, subject to the other terms hereof, provided that LESSEE pays the rental and other sums herein recited to be paid by LESSEE and performs all of LESSEE's covenants and agreements herein contained.

ARTICLE XIV
Mortgage of Lessor's Interest

14.1 LESSOR shall have the right to mortgage its fee simple interest in the land with the following conditions:

LESSEE will have the following rights:

to cure any default of LESSOR, so long as the Mortgagee will recognize the rights of LESSEE to peaceful possession under this existing Lease Agreement in case of foreclosure or any other action vesting fee title in a Mortgagee or, agree to the execution of a new Lease, if mutually agreed to by LESSEE and Mortgagee, should LESSOR default and Mortgagee become owner of the Leased Premises.

14.2 With respect to any future mortgages and as a condition of such subordination, LESSEE agrees (1) to subordinate its leasehold interest to any mortgage executed by LESSOR, as Owner, or otherwise, as applicable, which said mortgage creates a lien against the Leased Premises, and (2) to atom to the mortgage holder of said mortgage, if foreclosure thereof occurs, in exchange for said Mortgagee's recognition of LESSEE's right to remain in peaceable possession of the Leased Premises under the existing Lease Agreement with LESSOR, as long as LESSEE is not in default in payment of rent or otherwise. LESSOR shall, within thirty (30) days following the Commencement Date of this Lease Agreement, use its best efforts to secure a Non-Disturbance and Attornment Agreement from any existing mortgage holder and all future mortgage holders.

14.3 It is the intent of the parties hereto, and LESSOR agrees to incorporate into any legal documents evidencing a sale or mortgage or other hypothecation of the Leased Premises that any subsequent Mortgagee or Purchaser or LESSOR of the Leased Premises will be bound by all the provisions of this Lease Agreement, and will recognize LESSEE's rights to remain in peaceful possession of the Premises.

ARTICLE XV
Assignment or Sublease

15.1 LESSEE agrees not to assign or sublease the Leased Premises, lease any part thereof, or any right or privilege connected therewith, or to allow any other person, except LESSEE's agents and employees, to occupy the Leased Premises or any part thereof, without first obtaining the LESSOR's written consent, such consent not to be unreasonably withheld. LESSOR may make an assignment to a mortgagee without prior consent of LESSEE as long as the provisions of ARTICLE XIV, above are complied with.

ARTICLE XVI
Default and Remedies Lessee's Default

16.1 An Event of Default in the Lease Agreement shall occur should LESSEE neglect or fail to perform or observe any of the terms, provisions, conditions or covenants herein contained and on LESSEE's part to be performed or in any way observed and if such neglect or failure should continue for a period of thirty (30) days after receipt by LESSEE of written notice of such neglect or failure. However, if more than thirty (30) days shall be required because of the nature of the Event of Default, LESSEE shall be allowed to cure if within said thirty (30) days period LESSEE commences and thereafter diligently proceeds to cure such Event of Default but under no circumstances shall the period of notice and cure exceed sixty (60) days from the date of such event of Default by LESSEE. LESSEE will be notified of any monetary default through the Director of FINANCE, CITY OF SAN ANTONIO, P. O. Box 839966, San Antonio, Texas 78283-3966. Any other notice of default shall be directed to Mr. Joseph R. Kaiser, Social Services Manager, CITY HALL/PLAZA DE ARMAS, Department of Community Initiatives/Literacy Services Division, 115 Plaza De Armas, Suite 220, San Antonio, Texas 78205, ATTN.: Director, with copies in each instance to be sent to the CITY CLERK, City of San Antonio, P. O. Box 839966/2nd Floor, San Antonio, Texas 78283-3966.

16.2 Upon default and failure of LESSEE to cure as stated above, LESSOR may terminate this Lease Agreement by written notice to LESSEE or without terminating, LESSOR may, without being obligated to do so, reenter and relet the Leased Premises or any part thereof upon the best rent and best terms possible as soon as reasonably possible and with reasonable effort on the part of LESSOR. LESSEE shall be liable for the payment each year as due during the remaining balance of the lease term for said difference in rent occasioned by the reletting, so long as LESSOR has relet to a viable LESSEE, other than a related party.

16.3 LESSEE shall have the right, within thirty (30) days after the date of termination of this Lease Agreement, except when termination is a result of LESSEE's default under the provisions of this Lease Agreement, to remove from the Leased Premises all of its furniture, fixtures, equipment and furnishings, including any glass partitions, any alarm systems or other items which are not the property of LESSOR, but which are generally classified as "trade fixtures" or personal property, excluding any

permanent improvements to the Leased Premises. With respect to any damage caused by LESSEE's sole active negligence in such removal, LESSEE shall have the obligation to restore the land constituting the Leased Premises to its condition prior to such removal, save and except for normal wear and tear.

Lessor's Default

16.4 An Event of Default shall occur should LESSOR fail to perform any of its covenants or obligations hereunder after the date of commencement of this Lease Agreement, or in the instance of any of the following events:

1. Appointment of a receiver to take possession of LESSOR's assets; and
2. LESSOR's General Assignment of assets for the benefit of creditors; and
3. LESSOR's insolvency; and
4. LESSOR's taking or suffering action under the Bankruptcy Act, which action constitutes a breach of this Lease; and

said LESSEE shall have as its sole remedy the right terminate this Lease Agreement; however, LESSEE shall not exercise LESSEE's right to terminate unless and until (1) LESSEE gives written notice of such default (which notice shall specify the exact nature of said default with particularity and how the same may be cured) to the LESSOR, and (2) said LESSOR fails to cure or cause to be cured said default within thirty (30) days from the receipt of such notice from LESSEE. However, if more than thirty (30) days shall be required because of the nature of the Event of Default, LESSOR shall be allowed to cure if within said thirty (30) day period LESSOR commences and diligently proceeds to cure said Event of Default, but in no event shall such date extend later than sixty (60) days after the date of the Event of Default by LESSOR.

16.5 All obligations of LESSOR hereunder will be construed as covenants, not conditions; and all such obligations will be binding upon LESSOR only during the period of LESSOR's possession of the Leased Premises and not thereafter.

ARTICLE XVII
Effect of Waiver

17.1 Either party's waiver of a breach of one covenant or condition of this Lease Agreement is not a waiver of a breach of any other covenants or conditions, or of a subsequent breach of the one waived. LESSOR's acceptance of rent installments after a breach is not a waiver of the breach, except of a breach of the covenant to pay the rent installment or installments accepted.

ARTICLE XVIII
Effect of Eminent Domain Proceedings

18.1 Eminent Domain proceedings commenced by entities other than LESSEE which result in the condemnation of a part of the Leased Premises herein will allow LESSEE to terminate this Lease Agreement in its entirety. If 40% of the Leased Premises is condemned, either LESSOR or LESSEE may terminate this Lease Agreement in its entirety. If the Lease Agreement is terminated, LESSEE and LESSOR shall each be entitled to compensation for any loss arising from such condemnation, as their respective interests may appear.

ARTICLE XIX
Additions and Improvements

19.1 LESSEE shall construct all improvements on the Leased Premises, at LESSEE's sole cost and expense. The attached Addendum is a summary of the Plans and Specifications. LESSOR has, or will, review and approve said Plans and Specifications prior to the Commencement of Construction and, if necessary, agree to join LESSEE in seeking any approvals thereof by the applicable authorities. LESSOR's prior approval of the Plans and Specifications shall not be unreasonably withheld or delayed.

19.2 All fixtures, alterations, additions and improvements including the building made by LESSEE, (including trade fixtures), permanently attached to the Leased Premises shall be the property of LESSEE throughout the term of this Lease.

ARTICLE XX.
Security/Parking

20.1 LESSEE agrees to provide security of the interior of the Leased Premises; however, LESSOR agrees to provide campus police patrols to monitor the exterior parking lot portion of the Leased Premises.

20.2 LESSEE will require parking within the fenced Leased Premises during its weekday business hours and on special occasions, such as receptions, open houses, etc. after such hours or on some weekends. However, after LESSEE's business hours, most weekends, when not used by LESSEE and on special events, such as the annual Oyster Bake, LESSOR may use said parking spaces for its students, faculty, staff, and invitees, at their respective assumed risk. LESSEE disclaims any responsibility or liability for accidents or occurrences not within its control or not resulting from its sole active negligence when the parking spaces are used by said LESSOR, its students, faculty, staff, or invitees at times when the LESSEE's *Learning and Leadership Development Center* is closed.

ARTICLE XXI
Holding Over

21.1 Should LESSEE hold over the Leased Premises, or any part thereof, after the expiration or termination of the term of this Lease Agreement, unless otherwise agreed to in writing in advance, such holding over shall constitute and be construed as a tenancy at sufferance with a charge of \$2.00 per year for rent prorated daily for the number of days LESSEE occupies the Leased Premises. The inclusion of the preceding sentence shall not be construed as LESSOR's consent for the LESSEE to hold over.

ARTICLE XXII
Texas Law to Apply

22.1 This Agreement shall be construed under and in accordance with the laws of The State of Texas, and all obligations of the parties created hereunder are performable in Bexar County, Texas.

ARTICLE XXIII
Parties Bound

23.1 This Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective legal representatives, successors, and assigns, except as otherwise expressly provided herein.

ARTICLE XXIV
Legal Construction

24.1 In case any one or more of the provisions contained in this Lease Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

ARTICLE XXV
Prior Agreements Superseded

25.1 This Agreement, including the Addendum to Lease and all exhibits attached hereto, constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

ARTICLE XXVI
No Substantial Interest

26.1 LESSOR acknowledges that it is informed that Texas law prohibits contracts between the CITY OF SAN ANTONIO (LESSEE herein) and any local public official ("official"), such as a city officer or employee, and that the prohibition extends to an officer and employee of CITY agencies such as City-owned utilities and certain City Boards and Commissions, and to contracts involving a business entity in which the official has a substantial interest, as defined by Texas law, if it is reasonably foreseeable that an action on the matter would confer an economic benefit on the business entity. LESSOR certifies (and this Lease Agreement is made in reliance thereon) that to the best of its knowledge and belief, neither it, its individual officers, employees, or agents, nor any person having a substantial interest in this Lease Agreement is an officer or employee of the City or any of its agencies and further that LESSOR has, if applicable, complied with the CITY Disclosure Requirements.

ARTICLE XXVII
Counterparts, One Agreement

27.1 This Agreement and all other copies of this Agreement, insofar as they relate to the rights, duties, and remedies of the parties, shall be deemed to be One Agreement. This Agreement may be executed concurrently in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ARTICLE XXVIII
Notice

28.1 Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing or by Certified Mail, Postage Prepaid, Return Receipt Requested.

LESSOR:

*Mr. Daniel J. White
Vice-President
Administration & Finance
ST. MARY'S UNIVERSITY
One Camino Santa Maria
San Antonio, Texas 78228-8540*

Exhibit B-11

LESSEE:

Attention: CITY CLERK
City of San Antonio
P. O. Box 839966/2nd Floor
San Antonio, Texas 78283-3966

ARTICLE XXVIX
Memorandum of Lease

29.1 LESSOR and LESSEE each agree to execute a Memorandum of Lease for this Lease Agreement in recordable form upon reasonable request to so provide such documentation. However, the Lease Agreement itself shall not be recorded, unless both parties agree in writing thereto.

AGREED TO THIS 18TH DAY OF MAY, 1995 (DATE OF EXECUTION).

LESSOR:

ST. MARY'S UNIVERSITY
One Camino Santa Maria
San Antonio, Texas 78228-8540

LESSEE:

THE CITY OF SAN ANTONIO,
a Texas Municipal Corporation

BY: Donald J. White
Title: VP ADM & FINANCE

BY: [Signature]
City Manager

EXHIBIT C

Form of Memorandum of Lease Termination Agreement

MEMORANDUM OF LEASE TERMINATION AGREEMENT

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF BEXAR §

THIS MEMORANDUM OF LEASE TERMINATION AGREEMENT (this "Memorandum") is made by St. Mary's University ("St. Mary's").

RECITALS

A. Landlord and the City of San Antonio, a Texas municipal corporation ("City") have entered into that certain Lease Termination Agreement (the "Agreement") dated effective as of _____, 2014, pursuant to which St. Mary's and the City, subject to the terms, provisions, conditions, and covenants set forth in the Agreement, agree to terminate that certain Ground Lease Agreement (St. Mary's Learning and Leadership Development Center District 7) dated May 18, 1995 ("Lease"), between St. Mary's and the City for that certain tract of land and improvements situated in Bexar County, Texas, and being more particularly described in Exhibit A attached hereto and made a part hereof for all purposes.

B. St. Mary's executes this Memorandum, which is to be recorded in the Official Public Records of Real Property of Bexar County, Texas, in order that third parties may have notice of the termination of the Lease.

AGREEMENT TERMS

Specific reference is hereby made to the following terms and provisions of the Agreement:

1. Additional Information. Persons having an interest in the provisions of the Agreement may obtain additional information from St. Mary's or the City at the following addresses:

If to St. Mary's:

St. Mary's University
1 Camino Santa Maria
San Antonio, Bexar County, Texas 78228
Attention: Vice President of Administration and Finance

Exhibit C-1

If to City:

City of San Antonio
P.O. Box 839966101
San Antonio, Bexar County, Texas 78283-3966
Attention: Director, Department of Human Services

This Memorandum is executed for the purpose of recordation in the Official Public Records of Real Property of Bexar County, Texas in order to give notice of all of the terms, provisions, conditions and covenants of the Agreement. This Memorandum is not intended and shall not be construed to amend, modify, or change any of the terms, provisions, conditions or covenants of the Agreement, and both the Agreement and this Memorandum shall be deemed to constitute a single instrument. In the event of any conflict between this Memorandum and the Agreement, the Agreement shall in all events control.

EXECUTED as of the dates set forth in the acknowledgements below, to be effective, however, for all purposes as of _____, 2014.

ST. MARY'S UNIVERSITY

By: Thomas M. Menclor

Name: Thomas M. Menclor

Title: President

AFTER RECORDING RETURN TO:

James P. Plummer
Norton Rose Fulbright
300 Convent, Suite 2100
San Antonio, Texas 78205

Exhibit C-2

EXHIBIT A
Legal Description

LOT NUMBER THREE (3), BLOCK "2", N.C.B.
9292 ACCORDING TO THE MAP RECORDED IN
VOLUME 9537, PAGE 130, DEEDS AND PLATS
OF BEXAR COUNTY, TEXAS

Exhibit C-3

