

PROPERTY LEASE

This Lease, made as of the last date of signature below, by and between **SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT** ("**Landlord**"), an independent school district and a political subdivision of the State of Texas whose address is 5622 Ray Ellison Boulevard, San Antonio, TX 78242 and **CENTER FOR HEALTH EMPOWERMENT IN SOUTH TEXAS** (also known as CHEST) ("**Tenant**"), a Texas nonprofit corporation, whose address is 2707 W. Gerald, San Antonio, TX 78211.

ARTICLE 1. - BASIC LEASE TERMS

For the purposes of this Lease, the following terms shall have the meanings set forth below:

- 1.1 **Leased Premises.** The PREMISES is the real property located at is 2707 W. Southcross, San Antonio, Texas 78211 together with any and all improvements located thereon, including that certain commercial building currently used by Tenant.
- 1.2 **Lease Term.** Thirty-six (36) months, beginning on the Commencement Date. However, either party may terminate the Lease Term for convenience by providing ninety (90) days' written notice to the other party.. Tenant will be responsible all obligations to this Lease (including payment of Base Rent) during the notice period along with any provisions of the Lease that may survive termination. Landlord may
- 1.3 **Commencement Date.**
- 1.4 **Base Rent.** Base rent is \$2,500 per month payable on or before the 1st day of each month.
- 1.5 **Security Deposit.** N/A
- 1.6 **Landlord's Address:** SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
ATTN: Dr. Saul Hinojosa  
5622 Ray Ellison Boulevard  
San Antonio, TX 78224  
Tel: \_\_\_\_\_
- Tenant's Address:** CENTER FOR HEALTH EMPOWERMENT IN SOUTH TEXAS  
ATTN: Dr. Adriana Rocha Garcia  
2707 W. Gerald  
San Antonio, TX 78211  
Tel: \_210-286-2775\_\_\_\_\_

Landlord and/or Tenant by written notice to the other, may change from time to time the foregoing addresses, and Landlord, by written notice to Tenant, may notify Tenant from time to time of the appointment of a new Landlord's Representative and such representative's address.

- 1.8 **Permitted Use:** Administrative Office Center.. Tenant acknowledges that the above specification of a "permitted use" means only that Landlord has no objection to the specified use, and does not include any representation or warranty by Landlord as to whether or not such specified use complies with applicable laws, requires special governmental permits, or complies with applicable deed restrictions. In this regard, Tenant acknowledges that this Section 1.8 is subject also to Section 3.3 of the Lease.
- 1.9 **Common Areas.** Such parking areas, streets, driveways, aisles, sidewalks, curbs, delivery passages, loading areas, lighting facilities, and all other areas situated on or in the Property which are designated by Landlord, from time to time, for the non-exclusive use by all tenants of the Property in common.
- 1.10 **Lease Year.** Each succeeding twelve (12) month period commencing with the first day of the first full calendar month of the initial three-year Lease Term.
- 1.11 **Guarantor.** N/A
- 1.12 **Hours of Operation.** Twenty-four (24) hours each day, seven (7) days each week, three hundred sixty-five (365) days each year.

ARTICLE 2. - GRANTING CLAUSE AND RENT PROVISIONS

- 2.1 **Grant of Premises.** Landlord leases unto Tenant and Tenant hereby takes from Landlord, for the consideration and upon the terms and conditions herein set forth, the Leased Premises for the Lease Term, specified in subsection 1.2 herein and commencing on the Commencement Date specified in subsection 1.3 herein.
- 2.2 **Base Rent.** Tenant agrees to pay monthly as base rent during the term of this Lease the sum of money set forth in Section 1.4 of this Lease, which amount shall be payable to Landlord via check or ACH payment to the account

specified by Landlord in writing or physically at the address shown above or at such other address that Landlord in writing shall notify Tenant. One (1) monthly installment of rent shall be due and payable on the date of execution of this Lease by Tenant for the first month's rent and a like monthly installment shall be due and payable on or before the first day of each calendar month succeeding the Commencement Date during the term of this Lease, without demand, offset or deduction; provided, if the Commencement Date should be a date other than the first day of a calendar month, the monthly rental set forth above shall be prorated to the end of that calendar month, and all succeeding installment of rent shall be payable on or before the first day of each succeeding calendar month during the term of this Lease. Tenant shall pay, as additional rent, all other sums due under this Lease.

2.3 **Late Payment Charge.** Other remedies for nonpayment of rent notwithstanding, if any monthly rental payment is not received by Landlord on or before the fifth (5th) day of the month for which the rent is due, or if any other payment hereunder due Landlord by Tenant is not received by Landlord on or before the fifth (5th) day of the month next following the month in which Tenant was invoiced, a late payment charge of ten percent (10%) of such past due amount shall become due and payable in addition to such amounts owed under this Lease.

2.4 **Security Deposit.** N/A

### ARTICLE 3. - OCCUPANCY, USE AND OPERATIONS

3.1 **Use and Operation of Tenant.** Tenant warrants to Landlord that the Leased Premises shall be used and occupied only for the purpose as set forth in Section 1.8. Tenant shall occupy the Leased Premises, conduct its business and control its agents, employees, invitees and visitors in a lawful manner and will not create a nuisance to other tenants in the Property. Tenant shall in good faith continuously throughout the Lease Term conduct and carry on its business in the entire Leased Premises under the Trade Name specified in Article 1 hereof (or under such other name approved in writing by Landlord or utilized by Tenant on a regional, national or international scale). Tenant shall not permit any operation which emits any odor or matter which intrudes into other portion of the Property, use any apparatus or machine which makes undue noise or causes vibration in any portion of the Property or otherwise interfere with, annoy or disturb any other tenant in its normal business operations or Landlord in its business operations or management of the Property. Tenant shall neither commit any waste on the Leased Premises nor allow the Leased Premises to be used in any way which would, in the reasonable opinion of Landlord, be extra hazardous on account of fire or which would in any way increase or render void the fire insurance on the Property.

3.2 **Signs.** No signs of any type or description shall be erected, placed or painted in or about the Leased Premises or the Property and Landlord reserves the right to remove, at Tenant's expense, all signs other than signs approved in writing by Landlord under this Section 3.2.

3.3 **Compliance with Laws, Rules and Regulations.** Tenant, at Tenant's sole cost and expense, shall comply with all laws, ordinances, orders, acts, rules and regulations of state, federal, municipal or other agencies or bodies having jurisdiction over the use, condition or occupancy of the Leased Premises, including, but not limited to, the Americans with Disabilities Act of 1990 (the "ADA"). Tenant shall procure at its own expense all permits and licenses required for the transaction of its business on the Leased Premises. Tenant will comply with the rules and regulations of the Property adopted by Landlord which are set forth on a schedule attached to this Lease. If Tenant is not complying with such rules and regulations, or if Tenant is in any way not complying with this Article 3, then, notwithstanding anything to the contrary contained herein, Landlord, may, at its election, enter the Leased Premises without liability therefor and fulfill Tenant's obligations upon the passage of forty-eight hours following Landlord's delivery of written notice to Tenant specifying and notifying Tenant of the alleged non-compliance. Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with Tenant's obligations and agrees that Landlord shall not be liable for any damages resulting to Tenant from such action. Landlord shall have the right at all times upon reasonable notice to change and amend the rules and regulations in any reasonable manner as it may deem advisable for the safety, care, cleanliness, preservation of good order and regulations of the Property will be forwarded by Landlord to Tenant in writing and shall thereafter be carried out and observed by Tenant provided that the Tenant is provided a reasonable time to comply.

3.4 **Inspecting.** Landlord or its authorized agents shall at any and all reasonable times have the right to enter the Leased Premises to inspect the same, to supply any service that may be provided by Landlord to show the Leased Premises to prospective mortgagors, purchasers or prospective tenants, and to alter, improve or repair the Leased Premises or any other portion of the Property. Unless such access is required to enact emergency repairs or has otherwise been agreed by the Tenant the Landlord shall provide forty-eight hours advance written notice to the Tenant. Tenant shall not change Landlord's lock system or in any other manner prohibit Landlord from entering the Leased Premises. Landlord shall have the right at all times to enter the Leased Premises by any means in the event of an emergency without liability therefor.

3.5 **Personal Property and Rent Taxes.** Tenant shall be liable for all taxes levied against leasehold improvements, merchandise, personal property, trade fixtures and all other taxable property located in the Leased Premises. If any such taxes for which Tenant is liable are levied against Landlord or Landlord's property, Tenant shall pay to Landlord, upon demand, within three (3) days, that part of such taxes for which the Tenant is primarily liable pursuant to the terms. Tenant shall pay when due any and all taxes related to Tenant's use and operation of its business in the Leased Premises. If applicable in the jurisdiction where the Leased Premises are situated, Tenant shall pay and be liable for all rental, sales and use taxes or other similar taxes, if any, in addition to all other payments required to be paid to Landlord by Tenant under the terms of this Lease. Any such payment shall be paid concurrently with the payment of the rent, additional rent, operating expenses or other charge upon which the tax is based as set forth above.

#### ARTICLE 4. - UTILITIES AND SERVICE

Landlord shall provide or cause to be provided the mains, conduits and other facilities necessary to supply water, gas, electricity, telephone service and sewer service to the Leased Premises. Tenant shall, however, be responsible, at its expense, to make provisions for connecting or hooking up to such utilities, directly with the appropriate utility company furnishing same. Tenant shall provide routine maintenance, painting, and electric lighting service for all areas of the Property in the manner. Landlord may, in its sole discretion, provide maintenance services, such provision will be designated in writing. Tenant shall promptly pay all charges and deposits for electricity, water, gas, telephone service and sewage service and other utilities furnished to the Leased Premises (on a pro-rata basis on the applicable meter (by usage, where possible, but otherwise by leasable square footage). Landlord may, if it so elects, furnish one or more utility services to Tenant, and in such event, Tenant shall purchase the use of such services as are tendered by Landlord, and shall pay on demand the rates established therefor by Landlord which shall not exceed the rates which would be charged for the same service if furnished to Tenant directly by the local public utility furnishing the same to the public at large. Landlord may at any time discontinue furnishing any such service without obligation to Tenant other than to connect the Leased Premises to the public utility, if any, furnishing such service. Landlord shall not be liable for any interruption of such utility services which continues during any reasonable period necessary to restore such service upon the occurrence of any of the foregoing conditions. If any of the equipment or machinery necessary or useful for provision of any utility services, and for which Landlord is responsible, breaks down, or for any cause ceases to function properly, Landlord shall use reasonable diligence to repair the same promptly. Landlord shall not be liable to Tenant for losses to Tenant's property or personal injury caused by criminal acts or entry by unauthorized persons into the Leased Premises or the Property.

#### ARTICLE 5. - REPAIRS AND MAINTENANCE

Landlord shall not be required to make any improvements, replacements or repairs of any kind or character to the Leased Premises during the term of this Lease except as are set forth in this Article. Landlord shall maintain only the roof, foundation, and the structural soundness of the exterior walls. Landlord's costs of maintaining and repairing the items set forth in this Article are subject to the additional rent provisions of this Lease. Landlord shall not be liable to Tenant, except as expressly provided in this Lease, for any damage or inconvenience, and Tenant shall not be entitled to any damages nor to any abatement or reduction of rent by reason of any repairs, alterations or additions made by Landlord under this Lease. Tenant, at its own cost and expense, shall maintain the Leased Premises in the condition as at the Commencement Date, fair wear and tear excepted (except for those items that are the responsibility of Landlord under this Article). Without limiting the generality of the foregoing, Tenant shall maintain and keep in good repair to the same condition as at the Commencement Date, fair wear and tear excepted (including replacement when necessary): (a) the interior of the Leased Premises, including walls, floors and ceilings; (b) all windows and doors, including frames, glass, molding and hardware; (c) all wires and plumbing within the Leased Premises which serve the Leased Premises; (d) all signs, air conditioning and heating equipment, mechanical doors and other mechanical equipment situated on or in the Leased Premises or serving the Leased Premises; and (e) those utility facilities that are not Landlord's responsibility hereunder. Tenant shall further make all other repairs to the Leased Premises.. All fixtures installed by Tenant shall be new or shall have been completely and recently reconditioned. Tenant shall not allow any damage to be committed on any portion of the Leased Premises or Property, and at the termination of this Lease, by lapse of time or otherwise, Tenant shall deliver the Leased Premises to Landlord in as good condition as existed at the Commencement Date of this Lease, ordinary wear and tear excepted. The cost and expense of any repairs necessary to restore the condition of the Leased Premises shall be borne by Tenant and shall be completed by trained, qualified, and insured repair persons.

#### ARTICLE 6. - ALTERATIONS AND IMPROVEMENTS

6.1 **Construction.** If any construction of tenant improvements is necessary for the initial occupancy of the Leased Premises such construction shall be accomplished and the cost of such construction shall be borne by Landlord and/or Tenant in accordance with a separate Leasehold Improvements Agreement (herein so called) between Landlord and Tenant. Additionally, if any construction, modification or renovation is necessary on the Leased Premises as a result of the enactment of any federal, state or local law, act, regulation or ordinance, including the ADA, such construction, modification or renovation shall also be accomplished and the cost of such construction, modification or renovation shall be borne by the party responsible for said construction, modification or renovation in accordance with the Leasehold Improvements Agreement attached to this Lease. In accordance with the ADA, Tenant shall be responsible for all readily achievable (as defined in the ADA) changes, provisions of auxiliary aids and modifications of policies within the Leased Premises; Landlord shall only be responsible for making readily achievable changes in common areas and for modifying policies, practices or procedures applicable to all tenants. Except as expressly provided in this Lease or in the Leasehold Improvements Agreement (if any), Tenant acknowledges and agrees that Landlord has not undertaken to perform any modification, alteration or improvements to the Leased Premises, and Tenant further waives any defects in the Leased Premises and acknowledges and accepts (1) the Leased Premises as suitable for the purpose for which they are leased and (2) the Property and every part and appurtenance thereof as being in good and satisfactory condition. Upon the request of Landlord, Tenant shall deliver to Landlord a completed acceptance of premises memorandum in Landlord's prescribed form.

6.2 **Tenant Improvements.** Tenant shall not make or allow to be made any alterations, physical additions, or improvements in or to the Leased Premises in excess of One Thousand Dollars (\$1,000) in cost without first obtaining the written consent of Landlord, which consent may in the sole and absolute discretion of Landlord be denied. Any alterations, physical additions or improvements to the Leased Premises made by or installed by either party hereto

shall remain upon and be surrendered with the Leased Premises and become the property of Landlord upon the expiration or earlier termination of this Lease without credit to Tenant; provided, however, Landlord, at its option, may require Tenant to remove any physical improvements or additions and/or repair any alterations in order to restore the Leased Premises to the condition existing at the time Tenant took possession, all reasonable costs of removal and/or alteration to be borne by Tenant. This clause shall not apply to movable equipment, furniture or moveable trade fixtures owned by Tenant, which may be removed by Tenant at the end of the term of this Lease if Tenant is not then in default and if such equipment and furniture are not then subject to any other rights, liens and interests of Landlord. Tenant shall have no authority or power, express or implied, to create or cause any mechanic's or materialmen's lien, charge or encumbrance of any kind against the Leased Premises, the Property or any portion thereof. Tenant shall promptly cause any such liens that have arisen by reason of any work claimed to have been undertaken by or through Tenant to be released by payment, bonding or otherwise within thirty (30) days after request by Landlord, and shall indemnify Landlord against losses arising out of any such claim (including, without limitation, legal fees and court costs).

**Tenant acknowledges having inspected the Leased Premises and accepts same in "as is" condition.**

6.3 **Tenant Construction.** Subject to at least forty-five days written notice and consent from Landlord regarding, Tenant may at its sole cost and expense make alterations, repairs and improvements (Tenant Improvements). Such notice by Tenant shall include the plans and specifications for any such Tenant Improvements.

6.3.1 Tenant acknowledges and agrees that all contracts for construction, alteration, or repair of improvements to the Leased Premises are subject to the requirements of the Texas Government Code, including the Chapter 2253 (Public Works Contracts), as may be amended from time to time.

6.3.2 For any contract for Tenant Improvements, Tenant shall require its contractor (and any applicable subcontractors) to execute and deliver statutory performance and payment bonds that comply with applicable provisions of the Texas Government Code, including:

- a. A Performance Bond equal to 100% of the total contract amount protecting the South San Antonio Independent School District and conditioned on faithful performance of the work.
- b. A Payment Bond equal to 100% of the total contract amount protecting the laborers and materialmen as defined by Chapter 2253 of the Texas Government Code.
- c. All bonds must be executed by a corporate surety authorized to do business in Texas and comply with Texas Insurance Code requirements.
- d. The form of the payment bond must be approved by the Landlord prior to the commencement of any work.
- e. Tenant shall be prohibited from commencing any Tenant Improvements until receipt of written approval by the Landlord. In any notice to the Landlord regarding proposed improvements, Tenant shall provide a general description of the work; the total cost of the work; a copy of the written contract between the Contractor and the Tenant, satisfactory insurance by the Contractor; and copies of the required payment and performance bonds.

6.3 **Common Areas.** Tenant and its employees and customers shall have the nonexclusive right to use the common area in common with Landlord, other tenants of the Property, and other persons designated by Landlord, subject to reasonable rules and regulations governing use that Landlord from time to time prescribes. Tenant shall not take any action which would interfere with the rights of other persons to use the common area. Landlord may close any part of the common area to make repairs or alterations. Landlord may close, alter, relocate or remove common areas, and may place, inspect, repair and replace in the Leased Premises (below floors, above ceilings or next to columns) utility lines, pipes and the like to serve other areas of the Property outside the Leased Premises and otherwise alter or modify the Property, and for such purposes to enter upon the Leased Premises and, during the continuance of any such work, to take such measures for safety or for the expediting of such work as may be required, in Landlord's judgment, all without affecting any of Tenant's obligations hereunder. The common area shall be under Landlord's sole operation and control. Tenant shall be responsible for and shall indemnify and hold Landlord harmless from any liability, loss or damage arising out of or caused by Tenant, its employees, subtenants, licenses, agents, vendors, or contractors, to any part of the common area, or to the Property whether such damages be structural or nonstructural.

**ARTICLE 7. - CASUALTY AND INSURANCE AND INDEMNIFICATION OF LESSOR**

7.1 **Destruction.** Following damage or destruction to the Leased Premises by fire or other casualty, at Landlord's sole option, either (i) this Lease shall terminate, and, in such case, the rent shall be abated for the unexpired portion of the Lease, effective as of the date of the written notification, or (ii) this Lease shall not terminate, and Landlord shall proceed, to the extent of insurance proceeds actually received by debt to such mortgagee, with reasonable diligence to rebuild or repair the Leased Premises or other improvements to substantially the same conditions in which they existed prior to the damage. If the Leased Premises are to be rebuilt or repaired and are untenantable in whole or in part following the damage, and the damage or destruction was not caused or contributed to by act or negligence of Tenant, its agents, employees, invitees or those for whom Tenant is responsible, the Base Rent payable under this Lease during the period for which the Leased Premises are untenantable shall be reduced to an amount determined by multiplying the Base Rent that would otherwise be payable but for this provision by the ratio that the portion of the Leased Premises not rendered untenantable bears to the total net rentable area of the Leased Premises prior to the casualty; provided, however, that if any such damage or destruction should impact enough of the Leased Premises, such determination being made among Landlord and Tenant in good faith, so as to materially impair Tenant's operations, Tenant may either (i) terminate this Lease and, in such case, the rent shall be abated for the unexpired portion of the Lease, effective as of the date of the written notification, or (ii) if Landlord and Tenant agree that it is feasible within the Lease Term, allow Landlord a reasonable period of time to reconstruct or repair the Leased Premises to a state which does not materially impair Tenant's operations, with rent abated in full for the full duration of such non-operative period.

Landlord's obligation to rebuild or restore under this Section shall be limited to restoring the Leased Premises to the condition in which the same existed prior to the casualty, exclusive of improvements for which Tenant is responsible under the terms of the Leasehold Improvements Agreement, if any, described above in Section 6.1, and Tenant shall, promptly after the completion of such work by Landlord, proceed with reasonable diligence and at Tenant's sole cost and expense to restore those improvements for which Tenant is responsible under the terms of such Leasehold Improvements Agreement to substantially the condition in which the same existed prior to the casualty and to otherwise make the Leased Premises suitable for Tenant's use. Notwithstanding the foregoing, if Landlord fails to substantially complete the necessary repairs or rebuilding within one hundred and eighty (180) days from the date of Landlord's receipt of written notification by Tenant of the destruction, Tenant may at its option terminate this Lease by delivering written notice of termination of Landlord, whereupon all rights and obligations under this Lease shall cease to exist.

7.2 **Property Insurance.** Landlord shall not be obligated in any way or manner to insure any personal property (including, but not limited to, any furniture, machinery, goods or supplies) of Tenant upon or within the Leased Premises, any fixtures installed or paid for by Tenant upon or within the Leased Premises, or any improvements which Tenant may construct on the Leased Premises. Tenant shall have no right in or claim to the proceeds of any policy of insurance maintained by Landlord, if any, even if the cost of such insurance is borne by Tenant as set forth in Article 2. Landlord shall have the right to self-insure against the above-described risk. Tenant at all times during the term of this Lease shall, at its own expense, keep in full force and effect insurance against fire and such other risks as are from time to time included in standard all-risk insurance (including coverage against vandalism and malicious mischief) for the full insurable value of Tenant's merchandise, trade fixtures, furnishings, wall coverings, carpeting, draped, equipment, improvements and betterment's, furniture, supplies and all items of personal property of Tenant located on or within the Leased Premises. If an increase in any insurance premiums paid by Landlord for the Property is caused by Tenant's use of the Leased Premises in a manner other than as set forth in Section 1.8, or if Tenant vacates the Leased Premises and causes an increase in such premiums, Tenant shall pay to Landlord within ten (10) days after receipt of Landlord's invoice therefor, the amount of such increase, which shall be additional rent hereunder.

7.3 **Waiver of Subrogation.** Without limiting the effect of any other waiver of or limitation on the liability of Landlord set forth herein, Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other for any loss or damage with respect to Tenant's personal property, fixtures and equipment, any Tenant improvements or Tenant alterations, the building, the premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required by this lease been carried) covered by insurance. For the purposes of this waiver, any deductible with respect to a party's insurance shall be deemed covered by and recoverable by such party under valid and collectable policies of insurance. For purposes of this Section 7.3, "Landlord" shall include the Landlord Related Parties.

7.4 **Hold Harmless.** Landlord and Landlord's Representative shall not be liable to Tenant or to Tenant's customers, employees, agents, guests or invitees, or to any other person whomever, for any injury to persons or damage to property on or about the Leased Premises, including but not limited to consequential damage, (1) caused by any act or omission of Tenant, its employees, subtenants, licensees and concessionaires or of any other person entering the Property or the Leased Premises by express or implied invitation of Tenant, or (2) arising out of the use of the Leased Premises or the Property by Tenant, its employees, subtenants, licensees, concessionaires or invitees, or (3) arising out of any breach or default by Tenant in the performance of its obligations hereunder, and Tenant hereby agrees to indemnify Landlord harmless from any liability, loss, expense or claim (including but not limited to reasonable attorneys' fees) arising out of such damage or injury. Further, Tenant specifically agrees to be responsible for and indemnify and hold Landlord harmless from any and all damages or expenses of whatever kind arising out of or caused by a burglary, theft, vandalism, malicious mischief or other illegal acts performed in, at or from the Leased Premises.

7.5 **Liability Insurance.** Tenant at all times during the Lease term shall, at its own expense, keep in full force and effect commercial general liability insurance with "personal injury" coverage and contractual liability coverage, with a minimum combined single limit of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate which policy shall cover the Lessor as well as the Lessee.. Landlord shall be named as an additional insured on said policy. All insurance policies or duly executed certificates for the same required to be carried by Tenant under this Lease, together with satisfactory evidence of the payment of the premium thereof, shall be deposited with Landlord on the date Tenant first occupies the Leased Premises and upon renewals of such policies not less than fifteen (15) days prior to the expiration of the term of such coverage. All insurance required to be carried by Tenant under this Lease shall be in form and content, and written by insurers acceptable to Landlord, in its sole discretion. If Tenant shall fail to comply with any of the requirements contained relating to insurance, Landlord may obtain such insurance and Tenant shall pay to Landlord, on demand as additional rent hereunder, the premium cost therefor.

7.6 **Hazardous Material.** Throughout the term of this Lease, Tenant shall not allow the presence, use, generation, release, discharge, storage, disposal, or transportation of any Hazardous Materials (as hereinafter defined) on, under, in, above, to, or from the Leased Premises other than in strict compliance with all applicable federal, state, and local laws, rules, regulations, and orders. For purposes of this provision, the term "Hazardous Material" shall mean an refer to any wastes, materials, or other substances of any kind or character that are or become regulated as hazardous or toxic waste or substances, or which require special handling or treatment, under any applicable local, state, or federal law, rule, regulation, or order. Tenant shall indemnify, defend, and hold harmless from and against (a) any loss, cost, expense, claim, or liability arising out of any investigation, monitoring, cleanup, containment, removal, storage, or restoration work (herein referred to as "Remedial Work") required by, or incurred by Landlord or any other person or party in a reasonable belief that such Remedial Work is required by any applicable federal, state or local



law, rule, regulation or order, or by any governmental agency, authority, or political subdivision having jurisdiction over the Leased, Premises, and (b) any claims of third parties for loss, injury, expense, or damage arising out of the presence, release, or discharge of any Hazardous Materials on, under, in, above, to, or from the Leased Premises by the Tenant. In the event Tenant shall fail to commence the Remedial Work to completion, such failure shall constitute an event of default on the part of Tenant under the terms of this Lease, and Landlord, in addition to any other rights or remedies afforded it hereunder, may, but shall not be obligated to, cause the Remedial Work to be performed, and Tenant shall promptly reimburse Landlord for the reasonable cost and expense thereof upon demand.

**7.7 INDEMNIFICATION OF LESSOR.** LESSOR SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY CAUSED BY OR ARISING SOLELY FROM ANY ACT OR OMISSION OF LESSEE, OR ANY OF ITS AGENTS, EMPLOYEES, LICENSEES, OR INVITEES, OR BY OR FROM ANY ACCIDENT, FIRE, OR OTHER CASUALTY ON THE LAND, OR OCCASIONED BY THE FAILURE OF LESSEE TO MAINTAIN THE PREMISES IN A SAFE CONDITION, OR ARISING FROM OR RELATED TO ANY ACTIVITY OR USE OR BUSINESS IN OR ON THE LEASED PREMISES, OR ANY HIDDEN OR APPARENT DEFECT OR CONDITION IN OR NEAR THE PREMISES EVENT IF A NEGLIGENCE OR PREMISES LIABILITY CLAIM IS ASSERTED DIRECTLY AGAINST LESSOR THAT ANY OF THE FOREGOING OCCURRED, OR EXISTED DUE TO THE NEGLIGENCE OF LESSOR. LESSEE WAIVES ALL CLAIMS AND DEMANDS ON HIS BEHALF AGAINST LESSOR FOR ANY SUCH LOSS, DAMAGE, INJURY, AND AGREES TO INDEMNIFY, DEFEND AND HOLD LESSOR, ITS AGENTS, EMPLOYEES, AND ASSIGNS ENTIRELY FREE AND HARMLESS FROM ANY AND ALL CLAIMS, LIABILITY, OR CLAIMED LIABILITY, FOR ANY SUCH LOSS, DAMAGE OR INJURY TO OTHER PERSONS OR TO PROPERTY, AND FROM ALL COSTS AND EXPENSES ARISING FROM ANY CLAIMS OR DEMANDS OF OTHER PERSONS CONCERNING ANY SUCH LOSS, CLAIM, DAMAGE OR INJURY. THIS OBLIGATION OF LESSEE OF INDEMNIFICATION OF LESSOR SHALL ACCRUE AND BE DUE UPON PRESENTATION TO LESSOR AND/OR LESSEE OF A CLAIM OR DEMAND BY ANY PERSON OR PERSONS FOR ANY CLAIMED LOSS, DAMAGE OR INJURY. IN SUCH EVENT, LESSOR MAY RETAIN COUNSEL OF ITS CHOICE IN DEFENSE OF ANY SUCH CLAIMED LOSS, DAMAGE OR INJURY .. IN NO EVENT SHALL LESSEE INDEMNIFY LESSOR FOR ANY REASON THAT IS CAUSED BY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LESSOR, ITS AGENTS, ITS OFFICERS, ITS EMPLOYEES, OR ITS VOLUNTEERS. **THE INDEMNITY CONTAINED IN THIS PARAGRAPH IS INDEPENDENT OF TENANT'S INSURANCE, AND WILL SURVE THE END OF THE LEASE TERM.**

#### **ARTICLE 8. - CONDEMNATION**

If all or a portion of the Leased Premises shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or by Purchase in lieu thereof, this Lease shall, at the Tenant's option, either (i) terminate and the rent shall be abated during the unexpired portion of this Lease effective on the date physical possession is taken by the condemning authority, or (ii) this Lease shall not terminate and Landlord shall restore and reconstruct, to the extent of condemnation proceeds (excluding any proceeds for land) actually received after the exercise by any mortgagee of the Property of an option to apply such proceeds against Landlord's debt to such mortgagee, the Property and other improvements on the Leased Premises to the extent necessary to make it reasonably tenantable. The Base Rent payable under this Lease during the unexpired portion of the term shall be reduced to an amount determined by multiplying the Base Rent that would otherwise be payable but for this provision by the ratio that the portion of the Leased Premises not rendered untenable bears to the total net rentable area of the Leased Premises prior to the casualty. If Landlord fails to substantially complete such restoration and reconstruction within one-hundred and eighty (180) working days of the date of physical possession by the condemning authority, Tenant may at its option terminate this Lease by delivering written notice of termination to Landlord, whereupon all rights and obligations of this Lease shall cease to exist. All compensation awarded for any taking (or the proceeds of private sale in lieu thereof), whether for the whole or a part of the Leased Premises, shall be the property of Landlord (whether such award is compensation for damages to Landlord's or Tenant's interest in the Leased Premises), and Tenant hereby assigns all of its interest in any such award to Landlord; provided, however, Landlord shall have no interest in any award made to Tenant for loss of business or for taking of Tenant's fixtures and other property within the Leased Premises if a separate award for such items is made to Tenant.

#### **ARTICLE 9. - ASSIGNMENT OR SUBLEASE**

9.1 **Assignment by Tenant, Landlord.** Neither party shall not assign, in whole or in part, this Lease or any interest in the Leased Premises, or allow it to be assigned, in whole or in part, by operation of law or otherwise (including without limitation by merger, dissolution or transfer of a controlling interest in any partnership or corporate Tenant), without the prior written consent of the other party, and in no event shall any such assignment or sublease ever release said party or any guarantor from any obligation or liability hereunder. No assignee or sublessee of the Leased Premises or any portion thereof may assign or sublet the Leased Premises or any portion thereof.

#### **ARTICLE 10. - INTENTIONALLY OMITTED**

#### **ARTICLE 11. - DEFAULT AND REMEDIES**

11.1 **Default by Tenant.** The following shall be deemed to be events of default by Tenant under this Lease: (1) Tenant shall fail to pay when due any installment of rent or any other payment required pursuant to this Lease; (2) Tenant shall abandon any substantial portion of the Leased Premises; (3) Tenant or any guarantor of Tenant's obligations hereunder shall file a petition or be adjudged bankrupt or insolvent under any applicable federal or state bankruptcy or insolvency law or admit that it cannot meet its financial obligations as they become due, or a receiver

or trustee shall be appointed for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations hereunder; (4) Tenant or any guarantor of Tenant's obligations hereunder shall make a transfer in fraud of creditors or shall make an assignment for the benefit of creditors; (5) Tenant shall do or permit to be done any act which results in a lien being filed against the Leased Premises or the Property; (6) the liquidation, termination, dissolution or (if the Tenant is a natural person) the death of Tenant or any guarantor of Tenant's obligations hereunder; (7) Tenant fails to continuously conduct and carry on in good faith the type of business for which the Leased Premises are leased for a period of fifteen (15) consecutive business days; (8) Tenant shall be in default of any other term, provision or covenant of this Lease, other than those specified in subparts (1) through (9), above, and such default is not cured within ten (10) days after written notice thereof to Tenant.

11.2 **Remedies for Tenant's Default.** Upon the occurrence of any event of default set forth in this Lease, Landlord shall have the option to pursue any one or more of the remedies set forth in this Section without any additional notice or demand:

(1) Without declaring the Lease terminated, Landlord may enter upon and take possession of the Leased Premises, by picking or changing locks if necessary, and lock out, expel or remove Tenant and any other person who may be occupying all or any part of the Leased Premises without being liable for any claim for damages, and relet the Leased Premises on behalf of Tenant and receive the rent directly by reason of the reletting. Tenant agrees to pay Landlord on demand any deficiency that may arise by reason of any reletting of the Leased Premises (but provided that this shall not require payment by the Tenant of any amount in excess of which it would have been liable to pay had it remained the Tenant); further, Tenant agrees to reimburse Landlord for any reasonable expenditures made by it in order to restore the Leased Premises to substantially the same condition existing at the time Tenant took possession, fair wear and tear excepted.

(2) Without declaring the Lease terminated, Landlord may enter upon and take possession of the Leased Premises, by picking or changing locks if necessary, without being liable for any claim for damages, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to reimburse Landlord on demand for any actual, documented expenses which Landlord may incur in effecting compliance with Tenant's obligations under this Lease; further, Tenant agrees that Landlord shall not be liable for any damages resulting to Tenant from effecting compliance with Tenant's obligations under this Lease unless caused by the negligence or willful act of Landlord or its agents.

(3) Landlord may terminate this Lease, in which event Tenant shall immediately surrender the Leased Premises to Landlord, and if Tenant fails to surrender the Leased Premises, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Leased Premises, by picking or changing locks if necessary, and lock out, expel or remove Tenant and any other person who may be occupying all or any part of the Leased Premises without being liable for any claim for damages. Tenant agrees to pay on demand the amount of all actual loss and damage (with the exception of punitive or consequential damages) which Landlord may suffer for any reason due to the termination of this Lease under this Section, including (without limitation) loss and damage due to the failure of Tenant to maintain and/or repair the Leased Premises as required hereunder.

Landlord and Tenant agree that the parties hereto intend that all rights and remedies of Landlord under this Lease or otherwise available to Landlord under this Lease or otherwise available to Landlord under applicable law shall supersede any conflicting provisions of Chapters 92 and 93 of the Texas Property Code, and any amendments, modification, recodification or other changes thereto.

Notwithstanding any other remedy set forth in this Lease, if Landlord has made rent concessions of any type or character, or waived any base rent, and Tenant fails to take possession of the Leased Premises on the Commencement Date or otherwise defaults at any time during the term of this Lease, the rent concessions, including any waiver base rent, shall be canceled and the amount of the base rent or other rent concessions shall be due and payable under this Lease, including, without limitation, any sum due under Section 2.3 of this Lease. Notwithstanding anything contained in this Lease to the contrary, this Lease may be terminated by Landlord only by written notice of such termination to Tenant given in accordance with Section 12.8 below, and no other act or omission of Landlord shall be construed as a termination of this Lease.

All rights and remedies of Landlord herein or existing at law or in equity are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other.

## ARTICLE 12. - DEFINITIONS AND MISCELLANEOUS MATTERS

12.1 **Abandon.** "Abandon" means the vacating of all or a substantial portion of the Leased Premises by Tenant.

12.2 **Act of God or Force Majeure.** An "act of God" or "force majeure" is defined for purposes of this Lease as strikes, lockouts, sit-downs, materials or labor restrictions by any governmental authority, unusual transportation delays, riots, floods, washouts, explosions, earthquakes, fire storms, weather (including wet grounds or inclement weather which prevents construction), acts of the public enemy, wars, insurrections, and/or any other cause not reasonably within the control of Landlord or which by the exercise of due diligence Landlord is unable wholly or in part, to prevent or overcome. Landlord shall not be required to perform any covenant or obligation in this Lease, or be liable in damages to Tenant, so long as the performance or nonperformance of the covenant or obligation is delayed, caused or prevented by an act of God, force majeure or by Tenant.

12.3 **Square Feet.** "Square feet" or "square foot" as used in this Lease includes the area contained within the Leased Premises together with a common area percentage factor of the Leased Premises proportionate to the total building area as determined by Landlord.

12.4 **Waiver.** Failure of Landlord to declare an event of default immediately upon its occurrence, or delay in taking any action in connection with an event of default, shall not constitute a waiver of the default, but Landlord shall have the right to declare the default at any time and take such action as is lawful or authorized under this Lease. Pursuit of any one or more of the remedies set forth in Article 11 above shall not preclude pursuit of any one or more of the other remedies provided elsewhere in this Lease or provided by law, not shall pursuit of any remedy hereunder or at law constitute forfeiture or waiver of any rent or damages accruing to Landlord by reason of the violation of any of the terms, provisions or Covenants of this Lease. Failure by Landlord to enforce one or more of the remedies provided hereunder or at law upon any event of default shall not be deemed or construed to constitute a waiver of the default or of any other violation or breach of any of the terms provisions and covenants contained in this Lease. Landlord may collect and receive rent due from Tenant without waiving or affecting any rights or remedies that Landlord may have at law or in equity or by virtue of this Lease at the time of such payment. Institution of a forcible detainer action to reenter the Leased Premises shall not be construed to be an election by Landlord to terminate this Lease.

12.5 **Attorney's Fees.** If Tenant defaults in the performance of any of the terms, covenants agreements or conditions contained in this Lease and Landlord places in the hands of any attorney the enforcement of all or any part of this Lease, the collection of any rent or other sums due or to become due or recovery of the possession of the Leased Premises, Tenant agrees to pay Landlord's costs of collection, including reasonable attorney's fee, whether suit is actually filed or not.

12.6 **Successors.** This Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective heirs, personal representatives, successors and assigns.

12.7 **Interpretations; Severability.** The captions appearing in this Lease are convenience only and in no way define, limit, construe or describe the scope or intent of any Section. Grammatical changes required to make the provisions of this Lease apply (1) in the plural sense where there is more than one tenant and (2) to either corporations, associations, partnerships or individuals, males or females, shall in all instances be assumed as though in each case fully expressed. The laws of the State of Texas shall govern the validity, performance and enforcement of this Lease. This lease shall not be construed more or less favorably with respect to either party as a consequence of the Lease or various provisions hereof having been drafted by one of the parties hereto. If any provision of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. Each covenant and agreement contained in this Lease shall be construed to be a separate and independent covenant and agreement, and the breach of any such covenant or agreement by Landlord shall not discharge or relieve Tenant from Tenant's obligation to perform each and every covenant and agreement of this lease to be performed by Tenant.

12.8 **Notice.** All rent and other payments required to be made by Tenant shall be payable to Landlord via check or ACH payment to the account specified by Landlord in writing or physically at the address set forth on page 1 hereof. All payments required to be made by Landlord to Tenant shall be payable to Tenant at Tenant's address set forth on page 1. Any notice or document (other than rent) required or permitted to be delivered by the terms of this Lease shall be deemed to be delivered (whether or not actually received) when deposited in the United States Mail, postage prepaid, certified mail, return receipt required, addressed to the parties at the respective addresses set forth on page 1 (or, in the case of Tenant, at the Leased Premises), or to such other addresses as the parties may have designated by written notice to each other, with copies of notices to Landlord being sent to Landlord's address as shown on page 1.

12.9 **Multiple Tenants.** If this Lease is executed by more than one person or entity as "Tenant," each such person or entity shall be jointly and severally liable hereunder. It is expressly understood that any one of the named Tenants shall be empowered to execute any modification, amendment, exhibit, floor plan, or other document herein referred to and bind all of the named Tenants thereto; and Landlord shall be entitled to rely on same to the extent as if all of the named Tenants had executed same.

12.10 **Landlord's Liability.** If Landlord shall be in default under this Lease and, if as a consequence of such default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the right, title, and interest of Landlord in the Property as the same may then be encumbered and neither Landlord nor any person or entity comprising Landlord shall be liable for any deficiency. In no event shall Tenant have the right to levy execution against any property of Landlord nor any person or entity comprising Landlord other than its interest in the Property as herein expressly provided.

12.11 **Intentionally omitted.**

12.12 **Entire Agreement.** IT IS EXPRESSLY AGREED BY TENANT, AS A MATERIAL CONSIDERATION FOR THE EXECUTION OF THIS LEASE, THAT THIS LEASE, WITH THE SPECIFIC REFERENCES TO EXTRINSIC DOCUMENTS, IS THE ENTIRE AGREEMENT OF THE PARTIES; THAT THERE ARE, AND WERE, NO VERBAL REPRESENTATIONS, WARRANTIES, UNDERSTANDINGS, STIPULATIONS, AGREEMENT OR PROMISES PERTAINING TO THE SUBJECT MATTER OF THIS LEASE OR OF ANY



**EXPRESSLY MENTIONED EXTRINSIC DOCUMENTS THAT ARE NOT INCORPORATED IN WRITING IN THIS LEASE OR IN SUCH DOCUMENTS.**

12.13 **Amendment.** THIS LEASE MAY NOT BE ALTERED, WAIVED, AMENDED OR EXTENDED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY LANDLORD AND TENANT.

12.14 **Limitation of Warranties.** LANDLORD AND TENANT EXPRESSLY AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY SET FORTH IN THIS LEASE, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TENANT EXPRESSLY ACKNOWLEDGES THAT LANDLORD HAS MADE NO WARRANTIES OR REPRESENTATIONS CONCERNING ANY HAZARDOUS SUBSTANCES OR OTHER ENVIRONMENTAL MATTERS AFFECTING ANY PART OF THE PROPERTY, AND LANDLORD HEREBY EXPRESSLY DISCLAIMS AND TENANT WAIVES ANY EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO ANY SUCH MATTERS.

12.15 **Waiver And Releases.** TENANT SHALL NOT HAVE THE RIGHT TO WITHHOLD OR TO OFFSET RENT OR TO TERMINATE THIS LEASE EXCEPT AS EXPRESSLY PROVIDED HEREIN. TENANT WAIVES AND RELEASES ANY AND ALL STATUTORY LIENS AND OFFSET RIGHTS.

12.16 **Temporary Relocation.** If for any reason Landlord determines that it is necessary to abate or remove any material from the Leased Premises, including, but not limited to, asbestos-containing material, subject to approval by the Landlord's Board of Trustees, may agree to temporarily relocate Tenant to a different location on the Property until the abatement or removal process is completed. Tenant shall pay all costs and expenses in connection with said temporary relocation. In the event of said temporary relocation, this Lease shall continue in full force and effect without any change in the terms or conditions of this Lease, except that Landlord has the right to adjust the rent to accommodate any relocation of Tenant..

12.17 **Intentionally omitted.**

12.18 **Limitation of Liability.** Anything in the Lease to the contrary notwithstanding, in consideration of the benefits accruing hereunder, Tenant, on behalf of itself and all successors and assigns of Tenant, covenants and agrees that, in the event of any actual or alleged failure, breach or default hereunder by Landlord:

- a. Tenant's recourse against Landlord for monetary damages will be limited to the Tenant's interest in the Lease premises subject to the prior rights of any mortgage;
- b. The obligations under this Lease do not constitute personal obligations of the direct and indirect partners, directors, officers, members or shareholders of Landlord, any member of Landlord, or any affiliate of Landlord, and Tenant shall not seek recourse against the direct and indirect partners, directors, officers, members or shareholders of Landlord, any member of Landlord, or any affiliate of Landlord, or any of their personal assets for satisfaction of any liability in respect to the Lease; and
- c. These covenants and agreements are enforceable both by Tenant and also by any direct or indirect partners, directors, officers, members or shareholders of Landlord, any member of Landlord, or any affiliate of Landlord.

12.19 **Mold.** Tenant acknowledges and understands that mold can grow in any moist location, including within the Leased Premises. Tenant shall employ commercially reasonable efforts to properly prevent moisture in the Leased Premises through good housekeeping and ventilation practices; provided, however, that Landlord shall remain responsible and indemnify, defend and hold Tenant harmless for any mold growth which can be attributed to an act or omission of Landlord. Tenant acknowledges the necessity of good housekeeping, ventilation and moisture control (especially in kitchens, bathrooms, beneath cabinets and around outside walls) for mold prevention. In signing this Lease, Tenant has first inspected the Leased Premises, and certifies that Tenant has not observed mold, mildew or moisture within the Leased Premises. Tenant agrees to promptly notify Landlord if Tenant observes mold/mildew and/or moisture conditions (from any source, including leaks), and allow Landlord to evaluate and make recommendations and/or take appropriate corrective action. Tenant relieves Landlord from any liability for any personal injury or damages to property caused by or associated with moisture or the growth of or occurrence of mold or mildew on or in the Leased Premises, to the extent the same cannot be attributed to an act or omission of Landlord.

12.20 **Consumer Rights.** Landlord and Tenant each acknowledge, on its own behalf and on behalf of its successors and assigns, that the Texas Deceptive Trade Practices Consumer Protection Act, subchapter E of Chapter 17 of the Texas Business and Commerce Code ("DPTA"), is not applicable to this Lease. Accordingly, the rights and remedies of Landlord and Tenant with respect to all acts or practices of the other, past, present, or future, in connection with this Lease shall be governed by legal principles other than the DPTA. Landlord and Tenant each hereby waives its rights under the DPTA, a law that gives consumers special rights and protections. After consultation with an attorney of its own selection, Landlord and Tenant, respectively, voluntarily consent to this waiver.

12.21 **Indemnity Against Toxic Waste Clean-up.** All operations by Lessee shall be in strict compliance with all state, local, and federal laws, ordinances, and regulations applicable to the business of Lessee, and in particular those

applicable to the storage and dispensing of fuels or other hazardous or toxic chemical or substances handled, stored, or dispensed by Lessee. Lessee agrees to hold Lessor harmless from, and to fully indemnify Lessor against all fines, claims, costs, and damages, including attorneys fees relating to, or arising out of Lessee’s use of the Leased Premises, including those arising by reason of spillage, leakage, escape, or contamination of any fuel, contaminant, chemical, or substance from or upon the premises, including also the cost of removing the same. This provision shall survive the termination of the Lease Agreement.

EXECUTED effective as of the first day written herein.

**LANDLORD – SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT:**

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

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

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

**TENANT – CENTER FOR HEALTH EMPOWERMENT IN SOUTH TEXAS:**

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

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

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