

**CITY OF SAN ANTONIO
ASSET MANAGEMENT DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Rebecca Waldman, Director, Department of Asset Management
Michael Sawaya, Director, Convention Facilities Department
Malcolm Matthews, Director, Parks and Recreation Department

SUBJECT: Lease Agreement with the Instituto de Mexico

DATE: March 3, 2005

SUMMARY AND RECOMMENDATIONS

This Ordinance approves the execution of a Lease Agreement with the Instituto de Mexico for the use of approximately 21,000 square feet of space in two buildings, one located at 600 HemisFair Park (buildings 329-332) and containing approximately 16,667 square feet of space for a ten (10) year term commencing March 1, 2005 and expiring February 28, 2015 and the other known as the Kampmann House (building 235), containing a total of 4,314 square feet of space, for the same term unless the City provides notice, at which point the term will end eighteen months after notice has been given by the City.

Staff recommends approval.

BACKGROUND INFORMATION

Instituto de Mexico (IDM), formerly known as the Mexican Cultural Institute, was established for the purpose of promoting cultural exchange between Mexico and the United States of America, predominately through exhibitions of artworks, theatrical activities and educational classes. The City has had a Lease Agreement with the Mexican Government for the use of buildings 329, 330, 331, and 332, known during HemisFair '68 as the Mexican Pavilion, for almost 37 years for this purpose.

Improvements and alterations have been made to the original 1968 facility over the years. Most recently, as a part of the Convention Center and River Expansion project, a \$2.7 million dollar renovation was completed. The renovation was funded by the City and based upon plans approved by IDM. This substantial renovation resulted in a 16,667 square foot facility and included a new west/southwest façade, expansion of the building's galleries and the addition of a new state-of-the-art 200-seat theater. As a result of the additional square footage, increased ceiling heights, and windows, the utility expenses became significantly higher for IDM and proved fiscally challenging. In addition, while renovations were underway in the main facility,

IDM leased the Kampmann house for the display of art, the operation of a gift shop and for use as their administrative offices.

The proposed new Lease Agreement provides for use of the main facility for a ten (10) year term, beginning March 1, 2005 and the continued interim use of the Kampmann House. In an effort to assist IDM with the increased utility expenses and maintain consistent business points with similar tenants, the City will provide reimbursement to IDM of utility expenses, on a sliding scale, with the first year's reimbursement at \$43,500 (which represents approximately 75% of the current costs), declining to \$4,350 in year 7, and no reimbursement in years 8 through 10. Prior to reimbursing IDM for any current utility costs, the City will pay CPS and SAWS for all past-due IDM utility costs not to exceed \$43,500.

IDM is obligated to vacate the Kampmann House upon eighteen months prior notice from the City, in order to allow the City to pursue alternate lease options for this building.

POLICY ANALYSIS

Approval of this ordinance will be a continuation of City Council policy to lease space to tenants within HemisFair Park which support the adopted HemisFair Park Area Master Plan and the Downtown Neighborhood Plan and the desire to continue the long-standing relationship and mutually beneficial educational and cultural exchange between Mexico and the City.

FISCAL IMPACT

Under the terms of the Lease Agreement, the rental rate is \$1.00 per year in consideration of IDM providing educational and cultural outreach to the public, free admission for the City to various events, and the use of up to twenty-five (25) City Days each year at no cost. City will provide reimbursement to IDM for utility costs in year one (\$43,500) and declining incrementally, through year seven (\$4,350), or a total of \$167,475 over the term of the Lease. Funding to cover the utility reimbursement costs is included in the Convention Facilities FY 05 budget. In addition to monitoring the reimbursement of the utility expenses, Convention Facilities will manage the Lease Agreement for the main facility. Management of the Kampmann House will remain with the Department of Parks and Recreation.

SUPPLEMENTARY COMMENTS

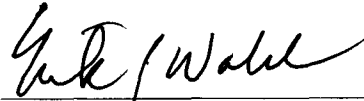
No Discretionary Contracts Disclosure Form is required as this tenant represents the Government of Mexico.

COORDINATION

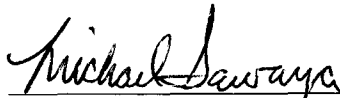
This item has been coordinated with Convention Facilities, Parks & Recreation, City Attorney's Office and the International Affairs Department.



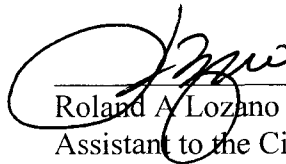
Rebecca Waldman, Director
Department of Asset Management



Erik J. Walsh
Assistant to the City Manager



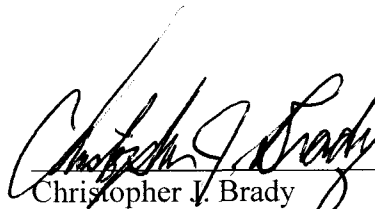
Michael Sawaya, Director
Convention Facilities Department



Roland A. Lozano
Assistant to the City Manager



Malcolm Matthews, Director
Department of Parks and Recreation



Christopher J. Brady
Assistant City Manager

LEASE AGREEMENT- HEMISFAIR PARK (IDM)

This LEASE AGREEMENT ("Lease") is made and entered into by and between the CITY OF SAN ANTONIO, a Texas Municipal Corporation, acting by and through its Mayor, pursuant to Ordinance No. _____ passed and approved on _____, 2005 ("CITY"), and THE INSTITUTO DE MEXICO, (hereinafter referred to as "**LESSEE**"), acting by and through the Consul General of Mexico in San Antonio, Texas, in accordance with the following terms as evidenced by the execution of this Lease:

WHEREAS, The LESSEE has occupied the Premises under two separate lease agreements: for the museum building under a lease approved by ordinance number 77534 which expired on November 30, 2002 and for the Kampmann House, under a lease agreement approved by ordinance number 86544 which expired on August 31, 2001; and

WHEREAS, the LESSEE, with the permission of CITY, continued to occupy both the museum building and the Kampmann House in anticipation of the negotiation of a new combined lease agreement for both facilities without either lease being extended or renewed; and

WHEREAS, LESSEE occupied the Premises throughout the period of negotiations with the permission of CITY; now therefore it is the intent of both parties that this new Lease does now supersede both of the previous lease agreements and shall control the terms of this interim period of occupancy, and in consideration of the mutual promises and benefits accruing under this Lease both parties hereby waive any right to assert a claim, including a claim for rent, based on the terms of the previous agreements for any dispute arising out of this interim period of occupancy.

1. DEMISE OF PREMISES

1.1 CITY, for and in consideration of the covenants and promises herein contained to be kept, performed and observed by **LESSEE**, does hereby lease and demise to **LESSEE**, and **LESSEE** does hereby accept from **CITY** for the Term hereinafter set out, the real property owned by **CITY** in the HemisFair Park Area as outlined on the drawing which is attached hereto as **Exhibit A** and incorporated by reference herein for the purposes of this Lease, the same as if fully copied and set forth at length. Said real property and improvements ("Leased Premises" or "Premises" or "facility") are further described as follows: (1) The museum building located at 600 HemisFair Park, specifically Buildings 329-332, containing 16,667 square feet, and (2) Building 235, also known as the Kampmann House, 142 Goliad Street, containing a total of 4314 square feet; located at HemisFair Park, within NCB 13814, Block 3, San Antonio, Bexar County, Texas, with use of the Kampmann House restricted, as to Term, as detailed in **Section 3.1** below.

2. USE OF PREMISES/COMMUNITY OUTREACH/CITY SERVICES

2.1 CITY hereby agrees to permit **LESSEE** use of above described facility for the display of art including the design, creation and sale of said art; a gift shop; and the purpose of administrative office space in accordance with applicable statutes, laws, ordinances, rules and regulations of the United States, the State of Texas and the City of San Antonio, Texas.

2.2 In conjunction with **CITY**, **LESSEE** will work with school districts, universities, and neighborhood groups to promote services and programs offered by **LESSEE**, both at the facility and within Bexar County and surrounding cities and counties, as a means of providing outreach to the community.

3. TERM AND TERMINATION

3.1 The term of this Lease ("Term") is for a ten (10) year period beginning on March 1, 2005 and ending on February 28, 2015. However, the Term as to the Kampmann House will end eighteen (18) months after the date notice has been tendered by **CITY** to **LESSEE** to vacate the Kampmann House. The right is expressly reserved to the **CITY**, acting through the **CITY** Council, to terminate this Agreement for the following:

A. In the event this Lease is deemed to be inconsistent with the public use of the property; or

B. In the event the use of the Leased Premises shall have been deemed a nuisance by a court of competent jurisdiction; or

C. In the event **LESSEE** shall default in the performance of any covenants or agreements contained herein and shall fail, following thirty (30) days' written notice of such default, to remedy same, save and except a ten (10) days' notice period will apply in the case of default in the payment of any monetary obligations.

D. Termination Without Cause. In addition to the terminations with cause set forth in **3.1 A.** through **C.** above, Either party may terminate this Lease with two hundred seventy (270) days' prior written notice to the other party.

3.2 In the event of termination by **CITY** in relation to **3.1 A.** or **B.** above, **CITY** shall give **LESSEE** notice in writing at least thirty (30) days prior to the termination date.

4. CONSIDERATION

4.1 In addition to the sum of one dollar (\$1.00) per year of rent paid by **LESSEE**, **LESSEE** agrees to provide to **CITY** the following:

A. free admission to various events, as mutually agreed upon by **LESSEE** and **CITY**, at least ten (10) days prior to the start of an event; and

B. the right for **CITY** to use the Leased Premises at no cost to **CITY** for 25 days ("**CITY** Days") of each calendar year. **CITY** agrees to give **LESSEE** at least ten (10) days' prior written notice, setting forth the time and day of **CITY's** intended use of Leased Premises. If there is a conflict in scheduling a **CITY** day (i.e., a reception in connection with a major art exhibit, etc.), then **LESSEE** agrees to provide **CITY** notice within two (2) days after the date **CITY** notifies **LESSEE** if **CITY's** intended use is in conflict with **LESSEE's** use. On **CITY** days, **CITY** shall not be responsible for any charges incurred in connection with such use, including no charges for rent, utilities, or janitorial services.

5. ACCEPTANCE AND PRESENT CONDITION OF PREMISES/YIELDING UP

5.1 **LESSEE** has been in possession of the Leased Premises under a prior lease since March 11, 1993 and thus has had full opportunity to examine the Leased Premises, in its present "AS IS, WHERE IS, WITH ALL FAULTS CONDITION", and **LESSEE** acknowledges that there is not presently in and about said Premises, nor has **LESSEE** created nor will **LESSEE** create by any installation by **LESSEE** of equipment, fixtures, trade fixtures, or otherwise, or construction of **LESSEE** Improvements, if made with **CITY's** prior written approval, anything dangerous to life, limb or health. Therefore, **LESSEE** waives any claim for damages that may arise from defects of that character after occupancy. **LESSEE's** continued possession of the Leased Premises in its present "AS IS, WHERE IS, WITH ALL FAULTS CONDITION" shall be conclusive evidence of **LESSEE's** acceptance from **CITY** of said Premises in good order and satisfactory condition and as suitable for **LESSEE's** intended purposes and uses as stated herein.

5.2 **LESSEE** agrees that no representations, respecting the condition of the Leased Premises, and no promises to decorate, alter, repair or improve the Leased Premises, either before or after the execution hereof, have been made by **CITY** or its agents to **LESSEE** unless the same are contained herein or made a part hereof by specific reference herein. Further, **CITY** specifically disclaims any and all warranties whatsoever of suitability of the Premises for **LESSEE's** intended purposes and uses.

5.3 PROHIBITION. **LESSEE** understands and agrees that no improvements, remodeling, renovations, alterations, additions, or modifications of any kind or nature, whether structural or otherwise may be made to the Leased Premises by **LESSEE**, without the prior written approval of **CITY**.

5.4 YIELDING-UP. **LESSEE** will, upon expiration or termination of the Term of the Lease, yield up the Leased Premises peacefully to **CITY**, in good order and condition, with, in all respects, repair, damage by

fire, casualty, unavoidable accident, acts of God, taking by eminent domain, acts of public authority, and reasonable use and wear excepted.

6. UTILITIES/ COMMON AREA MAINTENANCE CHARGE AND MARKETING FEE

6.1 LESSEE shall furnish and pay for all gas, water, electricity, sewer, telephone, cable TV and other utilities, if any, which may be necessary for its operations as authorized herein on the Leased Premises. **LESSEE** further agrees to pay all monthly charges associated with effective maintenance of said operation. Should connection or reconnection of any utility become necessary, **LESSEE** agrees to pay any expenses therefor. Subject to the appropriation of funds by the San Antonio City Council, **CITY** agrees to provide utility expense reimbursement to **LESSEE** on a quarterly basis, limited to expenses for gas, water, electricity, and sewer usage by **LESSEE** on the Leased Premises within twenty (20) days after **LESSEE** presents **CITY** with individual monthly statements for that quarter showing the total payments made by **LESSEE** for such reimbursable utilities, with written copies of all bills showing prior payment by **LESSEE** for the previous months within that quarter, in order to expedite processing by **CITY**, instead of presenting to **CITY** individual bills as each is paid. Payment by **CITY** will be based on the following "not to exceed" schedule, setting forth the limit of the amount for which **CITY** will reimburse **LESSEE**, with the amount of reimbursement based on a 25% reduction in the prior year's estimated utility expense, the first year being based on an estimated usage by **LESSEE** of \$58,000.00 for calendar year 2003:

YEAR	REIMBURSEMENT TO LESSEE
1	\$43,500.00
2	\$36,975.00
3	\$30,450.00
4	\$23,925.00
5	\$17,400.00
6	\$10,875.00
7	\$4,350.00
8	\$0.00
9	\$0.00
10	\$0.00

6.2 Prior to utility expense reimbursement described in **Section 6.1** above, **CITY** and **LESSEE** will establish a repayment plan with City Public Service and with San Antonio Water System for the payment of delinquent utility charges owed by **LESSEE**. **CITY** will make to payments to City Public Service and San Antonio Water System pursuant to each repayment plan and deduct said amounts from the quarterly utility reimbursement to **LESSEE** described in **Section 6.1**.

6.2 Park Common Area Maintenance and Marketing Charge. **LESSEE** acknowledges that **CITY** will be initiating a Common Area Maintenance (CAM) Charge and Marketing Fee that will be assessed to **LESSEE** at a future date. **CITY** will provide **LESSEE** eighteen (18) months written notice prior to the effective date of the CAM and Marketing Fee to allow for inclusion in **LESSEE's** operating budget. **LESSEE** agrees to promptly pay such Charge and Marketing Fee within ten (10) days after **CITY** delivers an invoice for such payment to **LESSEE**.

7. IMPROVEMENTS

7.1 LESSEE shall not construct, or allow to be constructed, any improvements or structures on the Leased Premises nor shall **LESSEE** make, or allow to be made, any alterations to the Leased Premises without the prior written approval of the **CITY** through the Director of Convention Facilities, or his designee, for the museum building or the Director of the Department of Parks and Recreation, or his designee, for the Kampmann House and any and all other necessary departments, boards or commissions of the CITY OF SAN ANTONIO, including, but not limited to, the Historic and Design Review Commission.

7.2 LESSEE covenants that it shall not bind, or attempt to bind, **CITY** for the payment of any money in connection with the construction, repair, alteration, addition or reconstruction in, on or about the Leased Premises, nor permit any liens to arise against the Premises or improvements thereon, or any equipment, machinery and/or trade fixtures therein belonging to **LESSEE**. Further, **LESSEE** agrees to remove, within thirty (30) days after filing, by payment or provisions for bonding, any mechanic's or materialman's liens filed against the Leased Premises and to indemnify **CITY** in connection with such liens to the extent of any damages, expenses, attorney's fees, or court costs incurred by **CITY**.

7.3 Failure of **LESSEE** to comply with any requirement of this Article shall be cause for immediate termination of this Lease by **CITY**, subject to the notice and cure periods set forth below.

8. MAINTENANCE OF PROPERTY

8.1 Other than as provided herein, **LESSEE** shall be responsible for the condition of the Leased Premises, including maintenance of the interior of said Premises. **LESSEE** shall repair any damage to the Leased Premises caused by **LESSEE** or other parties, and shall maintain, or caused to be maintained, the Leased Premises in a clean, neat, attractive and sanitary condition. Further, **LESSEE** shall keep and maintain the interior of the Leased Premises equipped with safety devices which may be required by any governmental authority because of **LESSEE's** use.

8.2 LESSEE shall, at all times, keep or cause to be kept the Leased Premises free of litter, trash, paper and other waste and shall place same in standard trash containers in the street or in other appropriate locations and shall conform with all applicable garbage, sanitary and health regulations of **CITY**.

8.3 If **LESSEE** installs any electrical or other equipment which would overload or clog the existing utility lines serving the Leased Premises or adjacent premises, then **LESSEE** shall, at its own expense, make whatever changes are necessary to comply with the regulations and requirements of any insurance underwriter, inspection bureau, or similar agency and/or the City of San Antonio Development Services Department to correct such overload. **LESSEE** also agrees to permit **CITY** to comply with any such regulations and requirements with respect to that portion of the Leased Premises maintained by **CITY**.

8.4 LESSEE shall, at all times, maintain the outside areas immediately adjoining the Leased Premises, including the sidewalks adjacent to the Leased Premises free and clear at all times from obstructions of any kind or other property placed by **LESSEE**, its employees, agents, officers, directors, representatives, contractors, subcontractors, consultants, subconsultants, sublessees, licensees, sublicensees, exhibitors, invitees, volunteers, utility providers, service providers and all other third parties on or otherwise using such Leased Premises, and **LESSEE** shall not use any of said sidewalk area in the exercise of privileges granted herein, except to pass to and from the Leased Premises. Further, **LESSEE** shall not place nor permit any obstructions, garbage, refuse, merchandise or displays in such outside areas or other areas of HemisFair Park. In the event any violation of this requirement is not corrected on demand, **CITY** shall have the right, without obligation for prior notice, to remove any such obstructions, garbage, refuse, merchandise or displays without liability therefor.

8.5 Subject to the availability of funds, **CITY** shall be responsible for sidewalk repairs and maintenance of the roof, exterior walls, and other structural portions of the exterior of the IDM building portion of the Leased Premises (only) other than those repairs necessitated by the actions of **LESSEE**, as required to conform to safety and aesthetic standards.

8.6 LESSEE will, at the termination of this Lease, return the Leased Premises to **CITY** in as good condition as at the commencement of the Term hereof, usual wear and tear, acts of God, or unavoidable accident only excepted.

8.7 LESSEE agrees to hold **CITY** harmless for any theft, damages or destruction of signs, goods and/or other property of **LESSEE** both during the Term of this Lease and as so left on the Leased Premises after **LESSEE** vacates the Leased Premises. If said signs, goods and any other property placed by **LESSEE** upon the Leased Premises are not removed by it within thirty (30) days after the Leased Premises are vacated, then the **CITY** may remove same without further notice or liability therefor.

9. TAXES AND LICENSES

9.1 LESSEE shall pay, on or before their respective due dates, to the appropriate collecting authority, all fees which are now or may hereafter be levied upon the Leased Premises, or upon **LESSEE**, or upon the business conducted on the Leased Premises, or upon any of **LESSEE's** property used in connection therewith; and shall maintain in current status all Federal, State and local licenses and permits required for the operation of the business conducted by **LESSEE**, including those required for any construction undertaken by **LESSEE**, i.e., securing a building permit. Failure to comply with the foregoing provisions shall constitute grounds for termination of this Lease Agreement by the **CITY**. However, in accordance with the Vienna Convention on Consular Relations, **LESSEE** is exempted from paying Federal, State, and local taxes.

10. ASSIGNMENT AND SUBLETTING

10.1 LESSEE shall not assign this Lease, or allow same to be assigned by operation of law or otherwise, or sublet the Leased Premises or any part thereof without the prior written consent of **CITY** which may be given only by or pursuant to an ordinance enacted by the **CITY** Council of San Antonio, Texas. Any assignment or subletting by **LESSEE** without such permission shall constitute grounds for termination of this Lease by the **CITY**.

10.2 The receipt by **CITY** of rent from an assignee, or occupant of the Leased Premises shall not be deemed a waiver of the covenant in this Lease against assignment and/or an acceptance of the assignee, or occupant as a **LESSEE**, or a release of **LESSEE** from further observance or performance by the **LESSEE** of the covenants contained in this Lease. No provision of this Lease shall be deemed to have been waived by **CITY** unless such waiver is in writing signed by **CITY**.

10.3 Without the prior written consent of **LESSEE**, **CITY** shall have the right to transfer and assign, in whole or in part, any of its rights and obligations under this Lease and in the building and property referred to herein; and, to the extent that such assignee assumes **CITY's** obligations hereunder, **CITY** shall, by virtue of such assignment, be released from such obligation.

11. DEFAULT AND REMEDIES

11.1 The following events shall be deemed to be events of default by **LESSEE** under this Lease:

A. LESSEE shall fail to pay any monetary obligation, including utility charges and the Common Area Maintenance (CAM) Charge and Marketing Fee, as provided for in this Lease and such failure shall continue for a period of thirty (30) days following receipt of written notice of failure to pay such obligation when due and owing.

B. LESSEE shall fail to comply with any term, provision or covenant of this Lease, other than the payment of a monetary obligation, and shall not cure such failure within sixty (60) days after written notice thereof to **LESSEE**.

11.2 Upon the occurrence of an event of default, **CITY** may, at its option, declare this Lease, and all rights and interests created by it, terminated. Upon **CITY** electing to terminate, this Lease shall cease and come to an end as if that were the day originally fixed herein for the expiration of the Term hereof; or **CITY**, its agents or attorney may, at its option, resume possession of the Leased Premises and re-let the same for the remainder of the original Term for the best rent and other monetary obligations, in accordance with any requirements of the Texas Property Code and Texas case law. **CITY**, its agents or attorney may obtain for the account of **LESSEE** without relieving **LESSEE** of any liability hereunder as to monetary obligations still due and owing in this Lease. **LESSEE** shall make good any deficiency.

11.3 Any termination of this Lease as herein provided, except under **Article III, Section 3.1 A. and B.**, shall not relieve **LESSEE** from the payment of any monetary obligations that shall then be due and payable or become due and payable to **CITY** hereunder, or any claim for damages then or theretofore accruing against **LESSEE**, and any such sum or sums or claim for damages by any remedy provided for by law, or from recovering damages from **LESSEE** for any default hereunder. All rights, options and

remedies of CITY contained in this Lease shall be cumulative of the other, and CITY shall have the right to pursue any one or all of such remedies or any other remedy or relief available at law or in equity, whether or not stated in this Lease. No waiver by CITY of a breach of any of the covenants, conditions or restrictions of this Lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition or restriction herein contained.

11.4 Upon any such expiration or termination of this Lease, LESSEE shall quit and peacefully surrender the Leased Premises to CITY, and CITY, upon or at any time after such expiration or termination, may, without further notice, enter upon and re-enter the Leased Premises and possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess LESSEE and remove LESSEE and all other persons and property, including all signs, furniture, trade fixtures, and other personal property which may be disputed as to its status as fixtures, from the Leased Premises, and such action by CITY shall not constitute CITY's acceptance of abandonment and surrender of the Leased Premises by LESSEE nor prevent CITY from pursuing all legal remedies available to it.

12. INDEMNIFICATION

12.1 To the extent allowed by law, LESSEE covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, CITY and the elected officials, employees, agents, officers, directors, volunteers, contractors, subcontractors, consultants, subconsultants, utility providers, service providers, invitees, licensees, other lessees in HemisFair Park, and representatives of CITY, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon CITY directly or indirectly arising out of, resulting from or related to LESSEE's activities or CITY's activities under this Lease, or any third party's activities, including any acts or omissions of LESSEE, its employees, agents, officers, directors, representatives, contractors, subcontractors, consultants, subconsultants, sublessees, licensees, sublicensees, exhibitors, invitees, volunteers, utility providers, and service providers, and their respective officers, agents, employees, directors and representatives or of CITY, its elected officials, employees, agents, officers, directors, volunteers, contractors, subcontractors, consultants, subconsultants, utility providers, service providers, invitees, licensees, other LESSEES in HemisFair Park, and representatives all while in the exercise or performance of the rights or duties under this Lease all without however, waiving any governmental immunity available to CITY under Texas Law and without waiving any defenses of the parties under Texas Law. IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, ITS ELECTED OFFICIALS, EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, VOLUNTEERS, CONTRACTORS, SUBCONTRACTORS, CONSULTANTS, SUBCONSULTANTS, UTILITY PROVIDERS, SERVICE PROVIDERS, INVITEES, LICENSEES, OTHER LESSEES IN HEMISFAIR PARK, AND REPRESENTATIVES UNDER THIS LEASE. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. LESSEE shall promptly advise CITY in writing of any claim or demand against the CITY or LESSEE known to LESSEE related to or arising out of LESSEE'S activities or CITY's activities or any third party's activities under this Lease and shall see to the investigation and defense of such claim or demand at LESSEE'S cost. Notwithstanding any condition imposed by a policy of insurance to which LESSEE and CITY are named, CITY shall retain the right, at its option and at its own expense, to participate in any such defense provided by any insurance or self-insurance of LESSEE under this ARTICLE without relieving LESSEE of any of its obligations under this ARTICLE.

12.2 It is the EXPRESS INTENT of the parties to this Lease, that the INDEMNITY provided for in this ARTICLE XII., is an INDEMNITY extended by LESSEE to INDEMNIFY, PROTECT and HOLD HARMLESS, CITY from the consequences of CITY'S OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this ARTICLE SHALL APPLY only when the NEGLIGENT ACT of CITY is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of CITY is the sole cause of the resultant injury, death, or

damage. To the extent allowed by law, LESSEE further AGREES TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE CITY AND IN THE NAME OF CITY, any claim or litigation brought against CITY, its elected officials, employees, agents, officers, directors, volunteers, contractors, subcontractors, consultants, subconsultants, utility providers, service providers, invitees, licensees, other lessees in HemisFair Park, and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

13. INSURANCE REQUIREMENTS

13.1 Any and all employees, representatives, sublessees, licensees, sublicensees, contractors, subcontractors, consultants, subconsultants, agents, invitees, service providers, utility providers or volunteers of LESSEE while engaged in the performance of any work required by CITY or any work related to a lease of space with CITY shall be considered employees, representatives, sublessees, licensees, sublicensees, contractors, subcontractors, consultants, subconsultants, agents, invitees, service providers, utility providers or volunteers of LESSEE only and not of CITY. Any and all claims that may result from any obligation for which LESSEE may be held liable under any Workers' Compensation, Unemployment Compensation or Disability Benefits law or under any similar law on behalf of said employees, representatives, sublessees, licensees, sublicensees, contractors, subcontractors, consultants, subconsultants, agents, invitees, service providers, utility providers or volunteers shall be the sole obligation and responsibility of LESSEE.

13.2 CITY acknowledges that prior to the date of passage of the CITY Ordinance referenced above LESSEE has provided to CITY evidence of insurance to cover LESSEE's betterments and improvements made to the Leased Premises, including contents.

14. RULES AND REGULATIONS

14.1 COMPLIANCE WITH CITY CODE, ORDINANCES AND LAWS, ETC. At all times during the Term hereof, LESSEE will observe and comply with the CITY Charter, CITY Code, Uniform Development Code, and all other codes and all laws, ordinances, and regulations of CITY, Bexar County, the State of Texas and the federal government in connection with LESSEE's business on the Premises, including but not limited to, CITY's smoking ordinance, and the provisions concerning operation of businesses in the Downtown Central Business District.

14.2 SIGNS. No advertisements, signs, logos, posters, advertising placards, names, insignia, trademarks, descriptive material, decorations or displays or any other such like item or items shall be affixed or maintained on the glass panes and supports of the show windows, if any or placed in, on or about the Leased Premises, including the exterior thereof, without the prior written approval of CITY through the Director of the Convention Facilities for the museum building, or the Director of the Department of Parks and Recreation for the Kampmann House and any and all other necessary departments, boards or commissions of the CITY OF SAN ANTONIO, including, but not limited to, the Historic and Design Review Commission, excepting only, in the case of exterior walls, windows, and doors, signs identifying LESSEE and indicating the hours of operation. LESSEE agrees to remove all signs from the Leased Premises when LESSEE vacates the Leased Premises. However, the advertisement/notification of exhibits and the display of the National Flag of Mexico by LESSEE are exempt from this provision. CITY will develop a comprehensive signage program for HemisFair Park which could result in changes regarding displayed advertisement/notification of exhibits.

14.3 No activity or method of operation shall be allowed in, on or about the Leased Premises which exposes patrons thereof to nudity or to semi nudity, as defined in CITY's Sexually Oriented Business Ordinance or which violates said Ordinance. However, CITY acknowledges that (1) displays of art offered by LESSEE or (2) other presentations offered by LESSEE will be exempt from such Ordinance if the art expresses a matter of serious literary, artistic, scientific, political or social value or the "actor" in such presentations is a person engaged in expressing a matter of serious literary, artistic, scientific, political or social value.**14.4** The operation of a massage business, tanning salon, gambling casino, or gambling of any nature shall not be allowed in, on, or about the Leased Premises.

14.5 Discrimination on account of race, color, sex, age, handicap or national origin, directly or indirectly, in employment or in the use of or admission to the Leased Premises is prohibited.

14.6 **LESSEE** shall not, except as may otherwise be permitted by applicable laws and regulations, pay less than the minimum wage required by Federal and State statutes and **CITY** ordinances to persons employed in its operations hereunder.

14.7 **LESSEE** shall not place speakers or amplified music on or near the Leased Premises or in any other location outside the enclosed building on any side of the Premises which can be seen from the adjacent public areas. **LESSEE** shall comply with **CITY's** laws pertaining to noise, including **CITY's** Noise Ordinance, as may be amended from time to time. Failure to comply with this section may, at **CITY's** option, constitute a default under this Lease.

14.8 Upon provision by **CITY** of notice to **LESSEE** of any employee in **LESSEE's** operations who may be reasonably deemed to be discourteous or objectionable or rude, **LESSEE** agrees to take immediate appropriate remedial action.

14.9 **LESSEE** shall not cause the loading or unloading of trucks or similar delivery devices in the Leased Premises except in the loading and service areas and at such reasonable times as designated by **CITY**, nor shall **LESSEE** cause the undue obstruction of streets, sidewalks or other areas of HemisFair Park, doorways, corridors, stairways, or entrances of the Leased Premises. At any time that **LESSEE** moves equipment or furniture in or out of the Leased Premises, **LESSEE** will be responsible for covering or otherwise protecting the flooring, walls, doors and other finishes of the Leased Premises from damage.

14.10 **LESSEE** shall dispose of garbage and refuse in accordance with City of San Antonio municipal Ordinances and in the space designated by **CITY**. No trash shall be stored in other portions of HemisFair Park.

14.11 **LESSEE**, its employees, and/or its agents, representatives, or volunteers, shall not solicit business and shall not distribute handbills or other advertising matters in other areas of HemisFair Park or adjoining sidewalks of the Leased Premises, or streets

14.12 Nothing is to be attached or placed on the roof or any other areas of the Leased Premises, including the exterior walls of the Leased Premises, including, but not limited to, any antenna, sound amplification equipment or other telecommunication equipment, without the prior written consent of **CITY**.

14.13 No loudspeakers, television, phonographs, radios, flashing lights, or other devices shall be used in a manner so as to be heard or seen outside of the Leased Premises without the prior written consent of **CITY**.

14.14 No auction, fire, bankruptcy, going out of business, or other selling-out sales shall be conducted on or about the Leased Premises without the prior written consent of the **CITY**.

14.15 No awning or other projections shall be attached to the outside walls of the Leased Premises without the prior written consent of **CITY** and any appropriate municipal authority.

14.16 **LESSEE** must keep the Premises clear and free of rodents, bugs and vermin. No pets of any kind will be allowed in the Leased Premises or on HemisFair Park grounds at any time.

14.17 No tables or chairs or any improvements, trade fixtures, equipment, other furniture, fixtures, furnishings, personal property or any other property of **LESSEE** whatsoever will be allowed to encroach into HemisFair Park or public right-of-way, including, but not limited to, the public sidewalk area.

14.18 Further, **CITY** will not be responsible for any loss, theft, damage or destruction of, or to, any tables, chairs or any other improvements, whether structural or non-structural, trade fixtures, equipment, other furniture, fixtures, furnishings, personal property or any other property of **LESSEE** that is placed in the Leased Premises.

14.19 Plumbing fixtures in **LESSEE's** areas shall be used only for their intended purposes and no trash or other materials that may cause stoppage or damage shall be placed in or on such plumbing fixtures.

14.20 No draperies, shutters or window coverings of any kind shall be installed by **LESSEE**, without **CITY's** prior written approval.

14.21 The Leased Premises shall not be occupied as sleeping or lodging quarters.

14.22 **LESSEE** and **LESSEE's** employees are advised that all valuables, including purses, should be kept in a safe and/or locked area.

14.23 **LESSEE** must keep the areas immediately in front of windows neat and orderly so that the view into the window from the exterior is not unsightly. No boxes, trash, trash containers, signs, decorations, or storage of materials or supplies should be placed in front of or attached to the windows.

14.24 If **LESSEE** requires additional locks, **LESSEE** shall request such locks from **CITY** and all charges will be paid by **LESSEE**. No locks shall be installed on any doors in the Leased Premises by **LESSEE** without the prior written approval of **CITY** and, in the event that **CITY** approves such installation, **LESSEE** shall provide **CITY** with duplicate keys.

14.25 Bicycles must be stored in bicycles racks outside of the Leased Premises or, if they are brought into said Premises, the bicycle must be stored in the Leased Premises, not within public view.

14.26 Electrical appliances such as coffee pots shall be used in the break room or kitchen area of the Leased premises (except for **LESSEE's** equipment, used in the regular course of business), and **LESSEE** must ensure that all such appliances are turned off at the close of business each day.

14.27 No items may be placed or displayed in other portions of HemisFair Park without **CITY's** prior written approval.

14.28 **SUBORDINATION TO SCHEDULED EVENTS.** **LESSEE** acknowledges and agrees that **CITY** will from time to time accommodate various functions or events that may require temporary street closures, controlled or limited access to the Leased Premises and/or temporary closures of access to, or temporary closure of, the Leased Premises. **LESSEE** expressly recognizes that any such determination or requirement by **CITY** is superior to any right, privilege or leasehold interest granted **LESSEE** under this Lease and **LESSEE** hereby agrees to cooperate fully with **CITY** upon notification. **LESSEE** further waives any and all claims for damages, including, but not limited to, loss of business, which **LESSEE** may suffer as a result of any such requirement by **CITY**, nor will the payment of any costs, charges or fees abate during such period.

XV. RESERVATIONS: CITY'S ACCESS TO PREMISES

15.1 **CITY** reserves the right, acting through its agents, employees representatives, utility providers, or service providers, or any person authorized by **CITY**, to enter the Leased Premises at any time for the purposes of: (a) inspecting the condition of same; (b) making such repairs, additions, alterations or improvements thereto, as **CITY** may elect or be required to make, to specifically include, but not be limited to, accessibility to sewer drainage clean outs to prevent damage; and (c) exhibiting the same to prospective purchasers or future lessees of the Leased Premises. **CITY** agrees that any such entry by **CITY** or its agents onto the Premises shall not unreasonably interfere with the conduct of **LESSEE's** business, except in emergency situations. **LESSEE** shall not be entitled to an abatement or reduction of rent by reason of such entry, nor shall said entry be deemed to be an actual or constructive eviction of **LESSEE** from the Leased Premises. Should construction or other activity by **CITY** prevent **LESSEE's** use of the Leased Premises for the purposes outlined herein for longer than ten (10) days, then this Lease Agreement shall be automatically extended for the same number of days **LESSEE's** use of Leased Premises was denied.

15.2 **CITY** hereby reserves the right at any time to make alterations or additions to, and to build additional stories on, or to remove adjoining portions of, or remodel, the Leased Premises and to build

adjoining the same, provided such alterations, additions or construction thereof do not materially alter **LESSEE's** egress and ingress to the Leased Premises for a prolonged period of time.

15.3 No provision of this Lease shall operate in any manner to prevent **CITY** from permitting displays, tournaments or amusements, or parades for the benefit of the public within HemisFair Park.

15.4 **CITY** Park Police and other safety personnel shall have the right of entry on and into the Leased Premises in accordance with the Vienna Convention on Consular Relations as needed to investigate any circumstances, conditions, or person that may appear to be suspicious. **LESSEE** shall cooperate with all reasonable requests by such personnel to facilitate public safety and orderly conduct by persons in the area. **LESSEE** expressly understands and agrees that **CITY** has not agreed to act and does not act as an insurer of **LESSEE's** property and does not guarantee security against theft, vandalism, or injury of whatever nature and kind to persons or property.

16. DAMAGE OR DESTRUCTION OF LEASED PREMISES

16.1 PARTIAL DAMAGE. In the event that the Leased Premises, are partially damaged by fire or other casualty or partially destroyed, or rendered partially unfit for occupancy by fire or other casualty, **LESSEE** shall give immediate written notice to **CITY**. **CITY** shall determine, upon consultation with **LESSEE**, whether or not the Premises, as partially damaged or so rendered partially unfit for occupancy for **LESSEE's** intended business purposes, can continue to be used by **LESSEE**. **CITY** may, but shall not be obligated to, repair the damage and restore the Leased Premises, if applicable, to substantially the same condition as existed immediately prior to the occurrence of the casualty unless **CITY** determines that the damage is so extensive that repair or rebuilding is not feasible. If **CITY** elects to rebuild the Premises and continue this Lease, **CITY** shall notify **LESSEE** of such intention within ninety (90) days ("**CITY's** Notice to Rebuild") after the date of the damage; otherwise, the Lease shall be deemed canceled and of no further force or effect. Such repairs shall be made at **CITY's** expense, unless due to **LESSEE's** negligence, but such repairs shall be limited to the extent of insurance proceeds available to **CITY** and shall proceed only if the San Antonio City Council first approves use of said proceeds for the repairs and restoration. **LESSEE** agrees to assign all insurance proceeds received by **LESSEE** as a result of the casualty, which are attributed to the elements, which the **CITY** will be responsible to restore. In the event the Premises are not repaired or restored by **CITY** within one hundred eighty (180) days after the date of **CITY's** Notice to Rebuild, subject to force majeure, in the form of acts of God, war, strikes, shortages of labor or materials, acts of terrorism, or any other reason beyond the control of **CITY**, then **LESSEE** may elect to terminate this Lease upon thirty (30) days' prior written notice to **CITY**.

16.2 DESTRUCTION. In the event that more than twenty-five (25%) percent of the gross leaseable floor area of the Premises or more than twenty-five (25%) percent of the gross leaseable floor area of the Building is damaged or destroyed, and **CITY** determines, upon consultation with **LESSEE**, that the remainder of the Premises not damaged or destroyed, cannot continue to be used by **LESSEE** for **LESSEE's** intended business purposes, or if the damage or destruction is so extensive, regardless of the amount so damaged or destroyed, and **CITY** determines, upon consultation with **LESSEE**, that the remainder of the Premises not damaged or destroyed, cannot continue to be used by **LESSEE** for **LESSEE's** intended business purposes, then either **CITY** or **LESSEE** may terminate this Lease as of the date **LESSEE** is required to vacate the damaged or destroyed portion of the Leased Premises, by giving written notice to the other party of such election within sixty (60) days after the date of damage or destruction. If termination occurs, both **CITY** and **LESSEE** shall thereupon be released from any liability thereafter accruing hereunder.

16.3 **CITY's** obligations to rebuild or repair under this **ARTICLE XVI**, shall be limited to restoring the Leased Premises to substantially the condition existing prior to the occupancy by **LESSEE** under the prior 1997 Lease referenced above. **LESSEE** agrees that if **CITY** elects to repair or rebuild the Leased Premises as herein provided, then **LESSEE** will proceed with reasonable diligence upon **CITY's** written notice and at **LESSEE's** sole cost and expense to rebuild, repair and restore **LESSEE's** signs, fixtures, furnishings, equipment and other items provided or installed by **LESSEE** in or about the Leased Premises in a manner and to a condition at least equal to that existing prior to its damage or destruction. Failure by **LESSEE** to complete its rebuilding, repair or restoration within ninety (90) days after **CITY's** notice is mailed, subject to force majeure, as defined above, or because **LESSEE's** insurer fails to provide any

insurance proceeds shall be deemed a separate act of default hereafter. If the San Antonio City Council does not elect to use **CITY's** insurance proceeds for repairs or restoration, then **LESSEE** may retain **LESSEE's** insurance proceeds.

17. EMINENT DOMAIN

17.1 In the event the entire Leased Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking and both **CITY** and **LESSEE** shall thereupon be released from any liability thereafter accruing hereunder as of the earlier of the date of taking or date on which Leased Premises become unusable. In the event more than twenty-five (25%) percent of the gross leaseable floor area of the Leased Premises or more than twenty-five (25%) percent of the gross leaseable floor area of the Building is taken under the power of eminent domain by any public or quasi-public authority, or, if by reason of any appropriation or taking, regardless of the amount so taken, and **CITY** determines, upon consultation with **LESSEE**, that the remainder of the Premises not taken, cannot continue to be used by **LESSEE** for **LESSEE's** intended business purposes, then either **CITY** or **LESSEE** may terminate this Lease as of the date **LESSEE** is required to vacate a portion of the Leased Premises so taken, by giving written notice to the other party of such election within sixty (60) days after the date of taking. If termination occurs, both **CITY** and **LESSEE** shall thereupon be released from any liability thereafter accruing hereunder.

17.2 If this Lease is terminated in either manner herein above provided, **CITY** shall be entitled to the entire award or compensation from such proceedings, and **LESSEE** hereby waives all claims to any condemnation award, but nothing herein shall be deemed to affect **LESSEE's** right to receive compensation or damages for its trade fixtures, finish out, equipment, personal property, and relocation expenses through a separate award. Any monetary obligations of **LESSEE** for the last month of **LESSEE's** occupancy shall be prorated.

17.3 If both **CITY** and **LESSEE** elect not to terminate this Lease, **LESSEE** shall remain in that portion of the Leased Premises which shall not have been appropriated or taken as herein provided. **CITY** may then, if it so elects, and as soon as reasonably possible, at **CITY's** cost and expense, limited to the amount of condemnation proceeds available to **CITY**, and made available to **CITY** by **LESSEE**, restore the remaining portion of the Leased Premises to a complete unit of like quality and character as existed prior to such appropriation or taking; and thereafter monetary obligations of **LESSEE**, if any, provided for herein shall be adjusted on an equitable basis, taking into account the relative value of the portion taken as compared to the portion remaining. During such restoration, all monetary obligations, if any, shall abate as to the portion not useable by **LESSEE**. **LESSEE** agrees to assign all of its condemnation proceeds to **CITY**, if needed, to complete such restoration. **LESSEE** shall be responsible for any finish-out, which is included in the amount given by **CITY** to **LESSEE** from **CITY's** condemnation proceeds for such "finish-out" restoration. **CITY** agrees to notify **LESSEE** of its election to proceed as soon as possible. For the purpose of this **ARTICLE**, a voluntary sale or conveyance in lieu of condemnation, but under threat of condemnation, shall be deemed an appropriation or taking under the power of eminent domain. If the San Antonio City Council does not elect to use condemnation proceeds for repairing or restoring the Leased Premises, the provisions of **Section 17.2** shall apply. However, **LESSEE** shall be entitled to retain its separate award, if any.

18. HOLDING OVER

18.1 Should **LESSEE** hold over the Leased Premises, or any part thereof, after the expiration or termination of the Term of this Lease, unless otherwise agreed in writing, such holding over shall constitute and be construed as a tenancy from month to month only, at a rental determined by **CITY** to be fair market rental for same or similar Leased Premises in the City of San Antonio, Texas. The inclusion of the preceding sentence shall not be construed as **CITY's** consent for the **LESSEE** to hold over.

19. QUIET ENJOYMENT

19.1 **CITY** covenants and agrees, subject to the provisions of this Lease, that **LESSEE**, on paying the monetary obligations set forth in this Lease provided for and observing and performing the covenants, agreements and conditions of this Lease on its part to be observed and performed, shall lawfully and

quietly hold, occupy and enjoy the Leased Premises during the Term without hindrance or molestation of any kind whatsoever.

20. CONFLICT OF INTEREST

20.1 TENANT acknowledges that it is informed that the Charter of the City of San Antonio ("CITY" herein) and City's Ethics Code prohibit CITY or a CITY officer or employee, as those terms are defined in Part B, Section 10 of the Ethics Code, as may be amended from time to time, from having a financial interest in any contract with CITY or any CITY agency such as CITY-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with CITY or in the sale to CITY of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a CITY officer or employee; his or her parent, child or spouse; a business entity in which the officer or employee, or his or her parent, child or spouse owns ten (10%) percent or more of the voting stock or shares of the business entity, or ten (10%) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a CITY contract, a partner or a parent or subsidiary business entity. **LESSEE** warrants and certifies, and this Lease is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of CITY. **LESSEE** further warrants and certifies that it has tendered to CITY a Discretionary Contracts Disclosure Statement in compliance with CITY's Ethics Code.

21. APPLICABLE LAW/CONSTRUCTION/SEPARABILITY

21.1 THIS LEASE 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.

21.2 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Term of this Lease, then and in that event it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

22. NOTICES

22.1 Any Notice hereunder shall be in writing and shall be deemed duly served if mailed by Certified Mail, Return Receipt Requested, addressed to the Party at the address designated beneath the signature line for same or at the place or places from time to time established for payment of rent or the sending of notices and shall be presumed received three (3) calendar days after mailed. Written notice may also be hand-delivered or transmitted by facsimile and in such instance immediately deemed received upon delivery or confirmation of transmission.

23. PARTIES BOUND

23.1 If there shall be more than one party designated as **LESSEE** in this Lease, they shall each be bound jointly and severally hereunder.

23.2 The covenants and agreements herein contained shall inure to the benefit of and be binding upon the parties hereto, their respective legal representatives, successors, and such assigns as have been approved by CITY.

24. RELATIONSHIP OF PARTIES

24.1 Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationships between the parties hereto other than that of Lessor and Lessee.

25. GENDER

25.1 Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

26. CAPTIONS

26.1 The captions contained in this Lease are for convenience of reference only and in no way limit or enlarge the terms and conditions of this lease agreement.

27. ENTIRE AGREEMENT/AMENDMENT

27.1 This Lease, together with its attached exhibits and the authorizing ordinance, in writing, constitutes the entire agreement between the parties, any other written or parole agreement with **CITY** being expressly waived by **LESSEE**.

27.2 No amendment, modification or alteration of the terms of this Lease shall be binding unless the same is in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

27.3 It is understood that the Charter of the **CITY** requires that all contracts with the **CITY** be in writing and adopted by ordinance. All amendments also need approval evidenced by an ordinance.

27.4 **LESSEE** acknowledges that **LESSEE** has secured all required review and approvals by the United States of America Department of State and the government of Mexico.

28. AUTHORITY

28.1 The signer of this Lease for **LESSEE** hereby represents and warrants that he or she has full authority to execute this Lease on behalf of **LESSEE**.

CITY:

**CITY OF SAN ANTONIO, TEXAS, a Texas
Municipal Corporation**

By:

Name: Edward D. Garza

Title: Mayor

LESSEE:

**INSTITUTO DE MEXICO, by and through the
Consul General of Mexico in San Antonio,
Texas**

By:

Name: Martha I. Lara

Title: Consul General of Mexico

Address: _____

By:

Title: Interim City Manager

DATE: _____, 2005

ATTEST: _____
City Clerk

DATE: _____, 2005

APPROVED AS TO FORM:

City Attorney