

AN ORDINANCE **2009-12-10-1028**

CONSENTING TO (A) A SUBLEASE FROM HAVEN FOR HOPE OF BEXAR COUNTY TO HAVEN SUPPORT, INC.; (B) THE SALE OF SIX CAMPUS BUILDINGS FROM HAVEN FOR HOPE OF BEXAR COUNTY TO HAVEN SUPPORT, INC.; (C) THE LEASE FROM HAVEN SUPPORT, INC. BACK TO HAVEN FOR HOPE OF BEXAR COUNTY; AND (D) HAVEN SUPPORT, INC.'S PLEDGE OF SIX CAMPUS BUILDINGS AND ITS LEASEHOLD INTEREST AS COLLATERAL FOR A NEW MARKET TAX CREDIT (NMTC) LOAN FROM COMMUNITY DEVELOPMENT ENTITIES AT THE HAVEN FOR HOPE CAMPUS IN ORDER TO FACILITATE A NMTC TRANSACTION FOR THE BENEFIT OF CAMPUS DEVELOPMENT; AND AUTHORIZING AMENDMENTS TO EXISTING CONTRACTS WITH HAVEN FOR HOPE OF BEXAR COUNTY TO REFLECT AGREEMENTS RELATED TO CONSENT.

* * * * *

WHEREAS, the Haven for Hope Homeless Campus (“Campus”) will provide a wide range of supportive services, including veteran benefits, educational support, identification recovery, legal assistance, financial assistance and transportation, to transform homeless people into productive residents of our community; and

WHEREAS, the Campus incorporates an integrated case management process that will result in improved outcomes for the homeless and reduced overall costs to the community; and

WHEREAS, the New Market Tax Credit (NMTC) Program is offered by the federal government, to be administered by the U. S. Department of the Treasury and its Community Development Financial Institutions Fund, to stimulate the flow of capital investment into low-income and economically-distressed areas; and

WHEREAS, the NMTC Program permits investors to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs); and

WHEREAS, all of the qualified equity investment must in turn be used by the CDEs to provide investments in distressed communities and areas; and

WHEREAS, Haven for Hope of Bexar County (“Haven for Hope”) has determined that the Campus will benefit from the funds available through the NMTC Program; and

WHEREAS, Haven for Hope has negotiated with entities including a lender and CDEs to borrow and loan funds as part of a NMTC transaction, which will result in a net amount of \$6 million to be used for capital improvements at the Campus; and

WHEREAS, additionally, in order to participate in the NMTC transaction, Haven for Hope created Haven Support, Inc. ("Support") a wholly owned subsidiary, to operate as the qualified recipient of CDE funds; and

WHEREAS, because the City's ground lease with Haven for Hope requires the City to consent to certain actions which are taking place in this particular NMTC transaction, Haven for Hope has requested that the City provide its consent: **NOW THEREFORE:**

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

SECTION 1. The City Manager, or her designee, or the Director of the Department of Community Initiatives or his designee is hereby authorized to execute and deliver an instrument in substantially the form attached as **Attachment I**, which is incorporated herein for all purposes as if fully set forth and which evidences the City's consent to (A) a sublease from Haven for Hope of Bexar County to Haven Support, Inc.; (B) the sale of six Haven for Hope campus buildings from Haven for Hope of Bexar County to Haven Support, Inc.; (C) the lease from Haven Support, Inc. back to Haven for Hope of Bexar County; and (D) Haven Support, Inc.'s pledge of six campus buildings and its leasehold interest as collateral for a New Market Tax Credit (NMTC) loan from Community Development Entities at the campus in order to facilitate a NMTC transaction for the benefit of campus development. The authorization to execute the attached consent instrument is subject to the City's receipt of all prerequisite documents deemed by City staff to be necessary to effectuate the consent instrument. The City Manager and her designee, severally, should consummate the transaction contemplated by the attached instrument according to its terms. They should further take all other actions necessary or convenient to effectuate the transaction, including agreeing to non-material changes to the approved form and executing all necessary or convenient ancillary instruments and agreements.

SECTION 2. The City Manager, or her designee, or the Director of the Department of Community Initiatives or his designee is hereby authorized to execute the amendment to the City's Operating Agreement with Haven for Hope of Bexar County, which is attached hereto as **Attachment II** and incorporated herein for all purposes as if fully set forth.

SECTION 3. City Council delegates to the person who is the City Manager, or her designee, the authority to exercise the powers of attorney from the directors of Haven for Hope of Bexar County and Haven Support, Inc. at such time as the contingency permitting exercise of the powers of attorney occurs and the manager determines that exercising the powers of attorney is in the best interests of the City. Copies of the form Powers of Attorney to be executed by the directors of Haven for Hope of Bexar County and Haven Support, Inc. are attached hereto as **Attachments III and IV**, respectively, and incorporated herein for all purposes as if fully set forth.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP

SS
12/10/09
Item #38

Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 5. This ordinance shall become effective immediately upon passage by eight (8) or more affirmative votes of the entire City Council; otherwise, said effective date shall be ten (10) days from the date of passage hereof.

PASSED AND APPROVED this 10th day of December 2009.

ATTEST: *Leticia M. Vaz*
City Clerk


M A Y O R
JULIÁN CASTRO

APPROVED AS TO FORM: *Hollis Young*
for City Attorney

| | | | | | | | |
|------------------------|--|--------------------|------------|------------|----------------|---------------|---------------|
| Agenda Item: | 38 (in consent vote: 7, 10, 11, 12, 16, 17, 18, 19, 20A, 20B, 21, 23, 24, 26, 27, 28, 29, 30, 35A, 35B, 38, 40, 41, 43, 44, 45, 46) | | | | | | |
| Date: | 12/10/2009 | | | | | | |
| Time: | 11:23:57 AM | | | | | | |
| Vote Type: | Motion to Approve | | | | | | |
| Description: | An Ordinance consenting to (A) a sublease from Haven for Hope of Bexar County to Haven Support, Inc.; (B) the sale of six campus buildings from Haven for Hope of Bexar County to Haven Support, Inc.; (C) the lease from Haven Support, Inc. back to Haven for Hope of Bexar County; and (D) Haven Support, Inc.'s pledge of six campus buildings and its leasehold interest as collateral for a NMTC loan from Community Development Entities at the Haven for Hope Campus in order to facilitate a New Market Tax Credit Transaction for the benefit of campus development; and authorizing amendments to existing contracts with Haven for Hope of Bexar County to reflect agreements related to consent. [Peter Zanoni, Interim Assistant City Manager; Dennis J. Campa, Director, Community Initiatives] | | | | | | |
| Result: | Passed | | | | | | |
| Voter | Group | Not Present | Yea | Nay | Abstain | Motion | Second |
| Julián Castro | Mayor | | x | | | | |
| Mary Alice P. Cisneros | District 1 | | x | | | | x |
| Ivy R. Taylor | District 2 | | x | | | | |
| Jennifer V. Ramos | District 3 | | x | | | x | |
| Philip A. Cortez | District 4 | | x | | | | |
| David Medina Jr. | District 5 | | x | | | | |
| Ray Lopez | District 6 | | x | | | | |
| Justin Rodriguez | District 7 | | x | | | | |
| W. Reed Williams | District 8 | | x | | | | |
| Elisa Chan | District 9 | | x | | | | |
| John G. Clamp | District 10 | | x | | | | |

**ATTACHMENT I
TO
ORDINANCE**

**Consent Related to New Markets Tax Credit Transactions
(Haven for Hope of Bexar County and Haven Support, Inc.)**

This Consent Related to New Markets Tax Credit Transactions is entered into among the City of San Antonio ("City") and the Support and HFH designated below.

Predicate Facts

HFH is the tenant under the below-described Lease, and City is the landlord under the same Lease.

HFH wishes to enter into certain Transactions (hereinafter defined), and City consents to the Transactions on the terms and conditions of this instrument.

Rights and Obligations

Now Therefore, in consideration of the premises, the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Table of Contents

1. Identifying Information..... 1
 2. Defined Terms. 2
 3. Consent. 2
 4. Modification of the Lease. 3
 5. Termination of Lease. 8
 6. No Default..... 8
 7. Scope of Agreement..... 9
 8. Assurance by Lender..... 9
 9. Same Terms and Conditions. 10
 10. Public Information. 10
 12. No Guaranty by City..... 11
 13. Applicable Law..... 12

1. Identifying Information.

| | |
|---------------------------------------|---|
| Ordinance Authorizing Consent: | 2009-12-10-1028 |
| Lease: | Lease Agreement between City and HFH pertaining |

| | |
|---|--|
| | to the area commonly known as the Haven for Hope campus in San Antonio, Bexar County, Texas (the "Premises") and authorized by the Ordinance Authorizing Lease. A copy of the Lease is attached as Exhibit A . |
| Ordinance Authorizing Lease: | 2008-03-06-0164 |
| Operating Agreement: | Operating Agreement between City of San Antonio and Haven for Hope of Bexar County relating to activities to be performed, responsibilities to be accepted, and authority to be exercised in operating a human-services campus for the homeless and authorized by the Ordinance Authorizing Operating Agreement, a copy of which is attached as Exhibit B . |
| Ordinance Authorizing Operating Agreement: | 2009-04-30-0335 |
| HFH: | Haven for Hope of Bexar County, a Texas non-profit corporation |
| HFH's Address: | 2330 N. Loop 1604 West San Antonio, Texas 78248 |
| Support: | Haven Support, Inc., a Texas non-profit corporation |
| Support's Address | 2330 N. Loop 1604 West San Antonio, Texas 78248 |

2. Defined Terms.

All terms defined in the Lease or Operating Agreement and not otherwise defined in this Consent, when used in this instrument, have the meanings ascribed to them in the Lease or Operating Agreement, as the case may be.

3. Consent.

City consents to the following transactions ("Transactions"):

- a. A sublease by HFH to Support of a portion of the premises under the Lease as further described in the Sublease (the "Sublease Premises"), by means of an instrument substantially in the form of the sublease attached as **Exhibit C** (the "Sublease"), together with a partial assignment of the Operating Agreement to Support relating to the Sublease Premises.

b. HFH's sale to Support all of HFH's right, title and interest in and to personalty, including, without limitation, the buildings and improvements located on the Sublease Premises, (the "Improvements") originally conveyed by City to HFH pursuant to Ordinance 2008-03-06-0164, which shall be conveyed subject to the Lease, by means of an instrument substantially in the form of the Purchase and Sale Agreement attached as **Exhibit D**.

c. Support's leasehold deed of trust of Support's sub-leasehold interest in the Sublease Premises and the Improvements (the "Leasehold Mortgage") and the hypothecation thereunder to secure various loans (collectively, the "Loan") in the aggregate amount of \$40,000,000 from Wachovia Community Development Enterprises IV, LLC, a North Carolina limited liability company and NNMF Sub-CDE IX, LLC, a California limited liability company (collectively, the "Lender"), the loan agreement and associated security instruments being attached collectively as **Exhibit E**.

d. Support's leaseback to HFH of the Sublease Premises subject to the Sublease by means of an instrument substantially in the form of the lease attached as **Exhibit F**.

Except as expressly set forth in Sections 4 and 5 of this Consent, City's consent to the Transactions shall not be construed as acceptance or approval of the terms and conditions of the Transaction documents, whether or not attached hereto as an exhibit. The exhibits are attached to this consent for purposes of identification only.

4. Modification of the Lease.

The City, HFH and Support hereby agree to the following modifications of the terms and conditions of the Lease.

4.01. The Transactions to which City consents in the preceding section are agreements between HFH, Support and Lender. Except as expressly set forth in Sections 4 and 5 of this Consent, the City's consent to the Transactions does not modify City's rights or obligations under the Lease or Operating Agreement, even if the Transaction agreements purport to modify such rights or obligations.

4.02. During the term of the Sublease from HFH to Support, the City and HFH shall promptly notify Support and Lender in writing of any default by the other under the terms and conditions of the Lease. To be effective, notices by City under the Lease must be delivered not only to the addresses prescribed in the Lease but also to Support and to Lender. The City shall accept Support's or Lender's performance as if such parties were the original lessee under the Lease.

4.03. Until the later of (a) seven years from the date that this Consent is recorded, or (b) the date on which the debt secured by the Leasehold Mortgage (or subsequent deeds of trust on the Sublease Premises) is repaid in full, City waives its rights to terminate the Lease for defaults under sections 16.1(e), 16.1(g), 16.1(h), 16.1(i), 16.1(j), and 16.1(k) of the Lease if Support or Lender promptly (i) obtains relief from a bankruptcy or receivership court necessary for Support or Lender to assume and perform HFH's obligations under the Lease and (ii) substantially performs HFH's obligations under the Lease and Operating Agreement that HFH is not otherwise performing (other than the obligations subject to the foregoing waiver of the City's right to terminate the Lease under sections 16.1(e), 16.1(g), 16.1(h), 16.1(i), 16.1(j), and 16.1(k) of the Lease). Nothing in this paragraph waives City's rights to terminate for fraud or material, willful misconduct.

4.04. As to defaults relating only to portions of the premises other than the Sublease Premises, City may terminate the Lease but must recognize the Sublease as a direct lease from City to Support, and the City shall, upon request of Support, confirm the direct lease by executing a new ground lease to Support of the Sublease Premises upon the same terms and conditions as the original Sublease.

4.05. Until the later of (a) seven years from the date that this Consent is recorded, or (b) the date on which the debt secured by the Leasehold Mortgage (or subsequent deeds of trust on the Sublease Premises) is repaid in full, if City delivers a notice of default under the Lease or the Operating Agreement, in addition to the addresses for notice contained in the Lease or Operating Agreement and provided for above, City will provide notice to:

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

With a copy to:

Haven for Hope of Bexar County
2330 N. Loop 1604 West
San Antonio, Texas 78248
Attention: Chairman of the Board

Support: Haven Support, Inc.
2330 N. Loop 1604 West
San Antonio, Texas 78248
Attention: Executive Director

With a copy to:

Haven Support, Inc.
2330 N. Loop 1604 West
San Antonio, Texas 78248
Attention: Chairman of the Board

Lender: Wachovia Community Development Enterprises
IV, LLC,
c/o Wells Fargo Bank
Community Lending and Investment
401 B Street, Suite 304-A
San Diego, CA 92101
Attention: Lee Winslet

NNMF Sub-CDE IX, LLC
c/o National New Markets Fund, LLC
11150 West Olympic Blvd., Suite 910
Los Angeles, CA 90064
Attention: Laura Bauer, Controller

4.06. All notices required by this consent will be in the form and delivered by the means specified in the Lease and Operating Agreement, as the case may be.

4.07. Upon an event of default under the Leasehold Mortgage which continues beyond the applicable notice and cure periods, the Lender may foreclose on its security interest in the Sublease Premises and the Improvements or may accept a deed in lieu of such foreclosure, provided that, the ultimate purchaser in such foreclosure or the ultimate grantee of such deed in lieu of foreclosure is a Permitted Transferee (as defined below). As used herein, a "Permitted Transferee" shall be any entity that satisfies the following criteria:

- a. is either a qualified tax-exempt entity under § 501(c)(3) of the Internal Revenue Code or a Lender or an affiliate of a Lender, validly existing under the laws of the state of its formation and is authorized to purchase Support's leasehold interest and perform Support's obligations under the Sublease;
- b. agrees in writing, in a form reasonably acceptable to City, to comply with the use restrictions encumbering the Sublease Premises set forth in Section 6.1 of the Lease, as the same may be modified, amended or terminated in the Lease.
- c. assumes in writing, in a form reasonably acceptable to City, the liabilities and obligations of Support as set forth in the Sublease.

d. assumes in writing, in a form reasonably acceptable to City, the liabilities and obligations of Support as set forth in the Operating Agreement to the extent assigned to Support under the Sublease.

If necessary to finance the Permitted Transferee's purchase of Support's leasehold interest, the Permitted Transferee may grant a leasehold mortgage to a lender, if such lender enters into an agreement with the City in substantially the same form as this Consent. The leasehold mortgage must be commercially reasonable in form and substance if the Permitted Transferee's lender is not affiliated with the Lender. If the Permitted Transferee's lender is affiliated with the Lender, the leasehold mortgage must be in form and substance substantially similar to the Leasehold Mortgage granted to Lender.

The parties agree that Lender and any subsequent leasehold mortgagee permitted under this Consent shall conform their security instruments to the terms and conditions of this Consent together with the provisions of Section 11 of the Sublease attached hereto as Exhibit C, which section is incorporated herein by this reference. Any deviation therefrom shall require the City's prior written approval.

4.08. If City receives notice of Support's failure to timely perform under the Loan and such default continues beyond the applicable notice and cure period, the City, as part of its cure rights described below, may:

a. pay on behalf of the non-paying entity the unaccelerated amount then due, which will effect a cure of a monetary default.

b. replace the boards of directors and assume control of HFH and Support, subject to the conditions set forth in Section 4.08(c)(i)-(iii) below. If the requirements of Section 4.08(c)(i)-(iii) below are already met when City acts under this paragraph and if City's actions do not cause the requirements to fail, then no further action is required.

c. replace either or both of HFH and Support. A replacement for Support must (i) be a "qualified active low-income community business" as such term is used under Section 45D of the Internal Revenue Code; (ii) assume Support's obligations under the Loan using forms reasonably satisfactory in form and content to Lender; and (iii) be approved in writing by Lender, which approval shall not be unreasonably withheld. Documents in the form originally entered into between Support and Lender will be satisfactory to Lender. If City replaces either HFH or Support and the replacement entities fail to perform, City again has the right to replace both HFH and Support with other entities, subject to the conditions set forth in 4.08(c)(i) through (iii) above. After satisfaction of the foregoing conditions, City may effect the replacement of HFH or Support by delivering written notice hereof to HFH, Support, and Lender. Upon receipt of such notice and satisfaction of the foregoing conditions, HFH

and Support must step aside and cooperate in an orderly transfer of operations. A replacement that assumes the Transaction-related obligations of the replaced entity has the corresponding rights of the replaced entity. Without limitation, it is entitled to receive all Transaction-related payments to which the replaced entity would have been entitled but for the replacement.

4.09. As a condition of City's obligations under this consent, Lender agrees:

a. to be effective, all default notices, notices of non-performance of Support and notices of adverse actions to be taken by Lender, under any promissory note, loan agreement, security agreement, deed of trust, or other hypothecation-related agreement ("Loan Agreements") must be delivered not only to the addresses prescribed in the Loan Agreements but also to City.

b. to be effective, no notice of default or acceleration under the Loan Agreements is effective unless City has 30-days advance written notice and opportunity to cure.

c. it will accept City's performance under the Loan Agreements as if City were the original borrower.

d. that City shall have 30-days from its receipt of written notice thereof to cure Support defaults (other than fraud or material willful misconduct by Support) under the Loan, provided if the nature of a non-monetary default is such that it cannot reasonably be cured within such 30-day period, then so long as City has commenced cure of such default and is diligently prosecuting same, then City shall have such additional time as is reasonably necessary to cure such non-monetary default. Lender will not ask, demand, sue for, take or receive from Support, by setoff or any other manner, the whole or part of any Loan, take or receive from Support a deed in lieu of foreclosure, nor enforce any security therefor, prior to the expiration of such cure period.

e. if it is not possible for City to cure a given default of Support or HFH, Lender will waive the default, provided that the City has agreed to cure all other defaults under the Loan Documents. Notwithstanding the foregoing, Lender shall not waive defaults for the following: (i) any monetary defaults by Support not cured by Support or City; (ii) material fraudulent actions by Support or material willful misconduct by Support; or (iii) a default by Support causing a New Markets Tax Credit recapture event or an event with the passage of time could result in a New Markets Tax Credit recapture event.

4.10. City's address for notice is:

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

with a copy to:

City Clerk of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-2966, and

City of San Antonio
City Attorney
P.O. Box 839966
San Antonio, Texas 78283.

4.11. City hereby acknowledges that its right to terminate the Lease under Section 3.2 of the Lease has expired on its terms.

4.12. If the Lease is terminated, and if the termination is not caused by a default of Support under the Sublease, the Sublease shall automatically become a direct lease between the City and Support, and the City shall, upon request of Support, confirm the direct lease by executing a new ground lease to Support of the Sublease Premises upon the same terms and conditions as the original Sublease.

5. Termination of Lease.

Except for the modifications to the Lease stated in Section 4 of this Consent, nothing herein shall impair the City's rights and remedies under the Lease or the Operating Agreement and the City retains the right to terminate the Lease and the Operating Agreement according to their terms. Upon such termination, City shall have all the rights and remedies as set forth in the Lease, including but not limited to the right of reversion of the improvements pursuant to Section 5.9 of the Lease.

6. No Default.

6.01. As a part of the inducement to City to execute and deliver this consent, HFH represents to City and Support that:

- a. The Lease and Operating Agreement are in full force and effect according to their terms as of the date hereof and have not been amended, modified, or terminated.
- b. City is not in default under the Lease or the Operating Agreement.

c. HFH has no offset or claim against City that would reduce or impair its obligations to City under the Lease or the Operating Agreement.

6.02. City represents to HFH and Support that:

a. The Lease and Operating Agreement are in full force and effect according to their terms as of the date hereof and have not been amended, modified, or terminated.

b. HFH is not in default under the Lease or the Operating Agreement.

c. City has no offset or claim against HFH that would reduce or impair its obligations to HFH under the Lease or the Operating Agreement.

d. Rent owing under the Lease has been paid in full for the entire term of the Lease, and to the best knowledge of the City, HFH is in compliance with all other obligations under the Ground Lease.

e. The term of the Lease expires on March 5, 2048.

f. The City's fee interest in the Premises is not encumbered by any deed of trust, mortgage, or other lien.

h. The City has approved the plans and specifications and the construction schedule and all aspects of the construction relating to Sublease Premises that is subject to the City's approval as set forth in Section 5.3 and 5.4 of the Lease.

7. Scope of Agreement.

This instrument defines the rights and obligations of City as against HFH and Support. As between themselves, HFH and Support may define the rights and obligations between themselves differently, except that City is a third party beneficiary of any retention by HFH, in any agreement with Support, of obligations or liabilities arising out of or relating to this Lease.

8. Assurance by Lender.

Neither entity comprising the Lender in this transaction may, for so long as the Loan is outstanding, engage in any transaction or line of business not directly related to the transactions to which this Consent pertains, except for reinvestments made by Lender to avoid a New Markets Tax Credit recapture event caused by a Support default under the Loan. Lender specifically intends for City to rely on this assurance in executing and delivering this consent and acknowledges that City's reliance is reasonable.

9. Same Terms and Conditions.

This Consent is a fully integrated statement of the modifications to the Lease and the Operating Agreement. Except as expressly modified by this consent, the Lease remains a comprehensive statement of the rights and obligations of City, HFH, and Support under the Lease. City, HFH, and Support reaffirm the Lease, as modified by this consent.

10. Public Information.

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

11. Indemnity.

11.01. HFH covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and 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 the CITY directly or indirectly arising out of, resulting from or related to HFH's activities under this Consent and the Transactions including any acts or omissions of HFH, any agent, officer, director, representative, employee, consultant or subcontractor of HFH, and their respective officers, agents, employees, directors and representatives while in the exercise of the rights or performance of the duties under this Consent and the Transactions. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT HFH AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

The provisions of this INDEMNITY 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. HFH shall advise the CITY in writing within 24 hours of any claim or demand against the CITY or HFH known to HFH, as the case may be, related to or arising out of HFH's activities under this Consent or the Transactions and shall see to the investigation and defense of such claim or demand at HFH's cost. The CITY shall have the right, at its option and at its own

expense, to participate in such defense without relieving HFH of any of its obligations under this paragraph.

11.02. SUPPORT covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and 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 the CITY directly or indirectly arising out of, resulting from or related to SUPPORT's activities under this Consent and the Transactions including any acts or omissions of SUPPORT, any agent, officer, director, representative, employee, consultant or subcontractor of SUPPORT, and their respective officers, agents, employees, directors and representatives while in the exercise of the rights or performance of the duties under this Consent and the Transactions. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT SUPPORT AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

The provisions of this INDEMNITY 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. SUPPORT shall advise the CITY in writing within 24 hours of any claim or demand against the CITY or SUPPORT known to SUPPORT, as the case may be, related to or arising out of SUPPORT's activities under this Consent or the Transactions and shall see to the investigation and defense of such claim or demand at SUPPORT's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving SUPPORT of any of its obligations under this paragraph.

12. No Guaranty by City.

City disclaims any guaranty of HFH's or Support's obligations to the other parties to this agreement and disclaims any guaranty of tax credits. HFH, Support, and the Lenders acknowledge that City has no implied duties under this Consent (other than the duties expressly set forth herein), that City does not represent to anyone that this transaction complies with applicable law or that any other party has the capacity to perform under it, and that though investors may indirectly

benefit from City's agreements in this document, the parties do not intend to make the investors third party beneficiaries such that they would directly have a cause of action under it.

13. Applicable Law.

The construction of this Agreement and the rights, remedies, and obligations arising under it are governed by the laws of the State of Texas. But the Texas conflicts of law rules must not be used to apply the laws of a jurisdiction other than Texas.

(Remainder of page intentionally left blank; signature page(s) to follow)

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

City:

City of San Antonio, a Texas
municipal corporation

By: *Peter Zanoni*

Printed
Name: Peter Zanoni

Title: Interim Assistant City Manager

Date: 12-15-2009

Attest:

City Clerk

Approved as to Form:

[Signature]
City Attorney

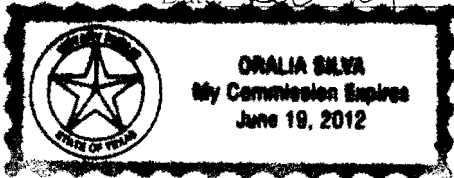
State of Texas §
County of Bexar §

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

Date: Dec 15, 2009

Oralia Silva
Notary Public, State of Texas

My Commission expires: June 19, 2012



(Signature page to Consent Related to Re: Markas Tax Credit Transaction)

HFH:

Haven for Hope of Bexar County, a
Texas non-profit corporation

By: _____

Name: Steve Oswald

Title: Chief Financial Officer and
Vice President of Sustainability

Date: _____

State of Texas §
County of _____

This instrument was acknowledged before me this date by Steve Oswald, the Chief Financial Officer and Vice President of Sustainability, of the Haven for Hope of Bexar County, a Texas non-profit corporation, in the capacity therein stated and on behalf of that entity.

Date: _____

Notary Public, State of Texas

My Commission expires: _____

Support:

Haven Support, Inc., a Texas non-profit corporation

By: _____

Name: Steve Oswald

Title: Vice Chairman and Treasurer

State of Texas §
County of _____

This instrument was acknowledged before me this date by Steve Oswald, the Vice Chairman and Treasurer, of Haven Support, Inc., a Texas non-profit corporation, in the capacity therein stated and on behalf of that entity.

Date: _____

Notary Public, State of Texas

My Commission expires: _____

(Signature page to Consent Related to New Markets Tax Credit Transactions)

Lenders:

**Wachovia Community Development
Enterprises IV, LLC, a North
Carolina limited liability company**

**By: Wachovia Community
Development Enterprises, LLC, a
North Carolina limited liability
company, its manager**

By: _____

Name: _____

Title: _____

Date: _____

State of Texas §
County of Bexar §

This instrument was acknowledged this date before me by _____,
of National New Markets Fund, LLC, a Delaware limited liability company, in
the capacity therein stated and on behalf of that entity in the entity's capacity as
manager of Wachovia Community Development Enterprises IV, LLC, a North
Carolina limited liability company.

Date: _____

Notary Public, State of Texas

My Commission expires: _____

(Signature page to Consent Related to New Markets Tax Credit Transaction)

**NNMF Sub-CDE IX, LLC. a
California limited liability company**

**By: National New Markets Fund,
LLC, a Delaware limited liability
company, its manager**

By: _____

Printed
Name: _____

Title: _____

Date: _____

State of _____ §
County of _____ §

This instrument was acknowledged this date before me by _____,
of National New Markets Fund, LLC, A Delaware limited liability company, in
the capacity therein stated and on behalf of that entity in the entity's capacity as
manager of Wachovia Community Development Enterprises IV, LLC, a North
Carolina limited liability company.

Date: _____

Notary Public, State of Texas

My Commission expires: _____

(Signature page to Consent Related to New Markets Tax Credit Transaction)

Exhibit A
Lease

LEASE AGREEMENT

Dated , 2008

BETWEEN

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

and

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

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

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

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

WITNESSETH:

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

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

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

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

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

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

leadership of LESSEE as the general operator; and

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

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

NOW THEREFORE:

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

ARTICLE 1

DEFINITIONS

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

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

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

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

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

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

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

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

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

ARTICLE 2

DESCRIPTION OF PREMISES; TITLE

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

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

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

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

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

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

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

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

ARTICLE 3

TERM

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

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

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

ARTICLE 4

RENT AND UTILITY BILLS

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

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

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

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

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

ARTICLE 5

CONDITION OF PREMISES AND CONSTRUCTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 6

USE, RESTRICTIONS AND ENTRY OF THE PREMISES

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

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

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

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

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

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

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

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

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

LESSOR for any resulting damage.

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

ARTICLE 7

TAXES

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

ARTICLE 8

SUBLETTING AND ASSIGNMENT

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

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

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

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

ARTICLE 9

INSURANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10

PROPERTY LOSS

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

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

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

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

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

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

ARTICLE 11

CONDEMNATION

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

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

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

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

ARTICLE 12

RELEASE OF LIABILITY AND INDEMNIFICATION

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

Section 12.2 **INTENTIONALLY LEFT BLANK**

Section 12.3 **Indemnification.**

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13

EXPIRATION OF TERM

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

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

ARTICLE 14

HOLDING OVER; PEACEFUL ENJOYMENT

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

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

ARTICLE 15

ESTOPPEL CERTIFICATES AND COMPLIANCE WITH COVENANTS

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

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

ARTICLE 16

DEFAULT AND TERMINATION OF LEASE

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

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

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

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

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

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

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

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

h. LESSEE shall be adjudicated bankrupt;

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

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

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

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

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

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

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

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

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

ARTICLE 17

REPRESENTATIONS AND WARRANTIES

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

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

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

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

ARTICLE 18

CONFLICT OF INTEREST

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

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

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

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

ARTICLE 19

HAZARDOUS SUBSTANCES

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

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

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

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

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

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

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

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

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

ARTICLE 20

MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 21

NOTICES

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

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

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

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

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

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

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

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

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

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

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

LESSEE:

LESSOR:

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

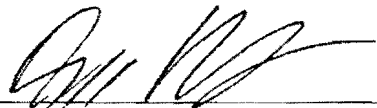
CITY OF SAN ANTONIO, TEXAS

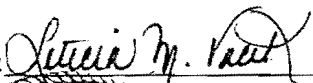
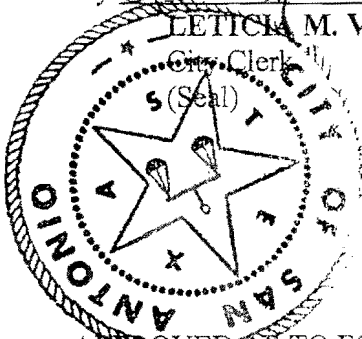
By: 
ROBERT G. MARBUT, JR.
Executive Director

By: 
SHERYL SCULLEY
City Manager

ATTEST:

ATTEST:


Secretary
(Seal)

By: 
LETICIA M. VACEK
City Clerk
(Seal)

APPROVES AS TO FORM

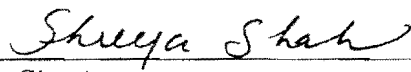
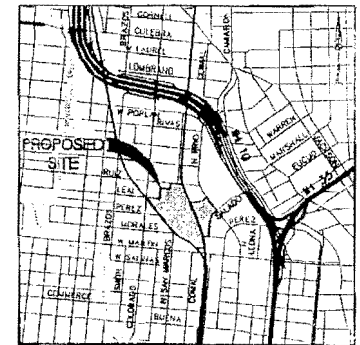
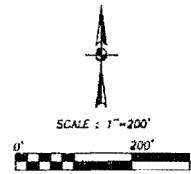
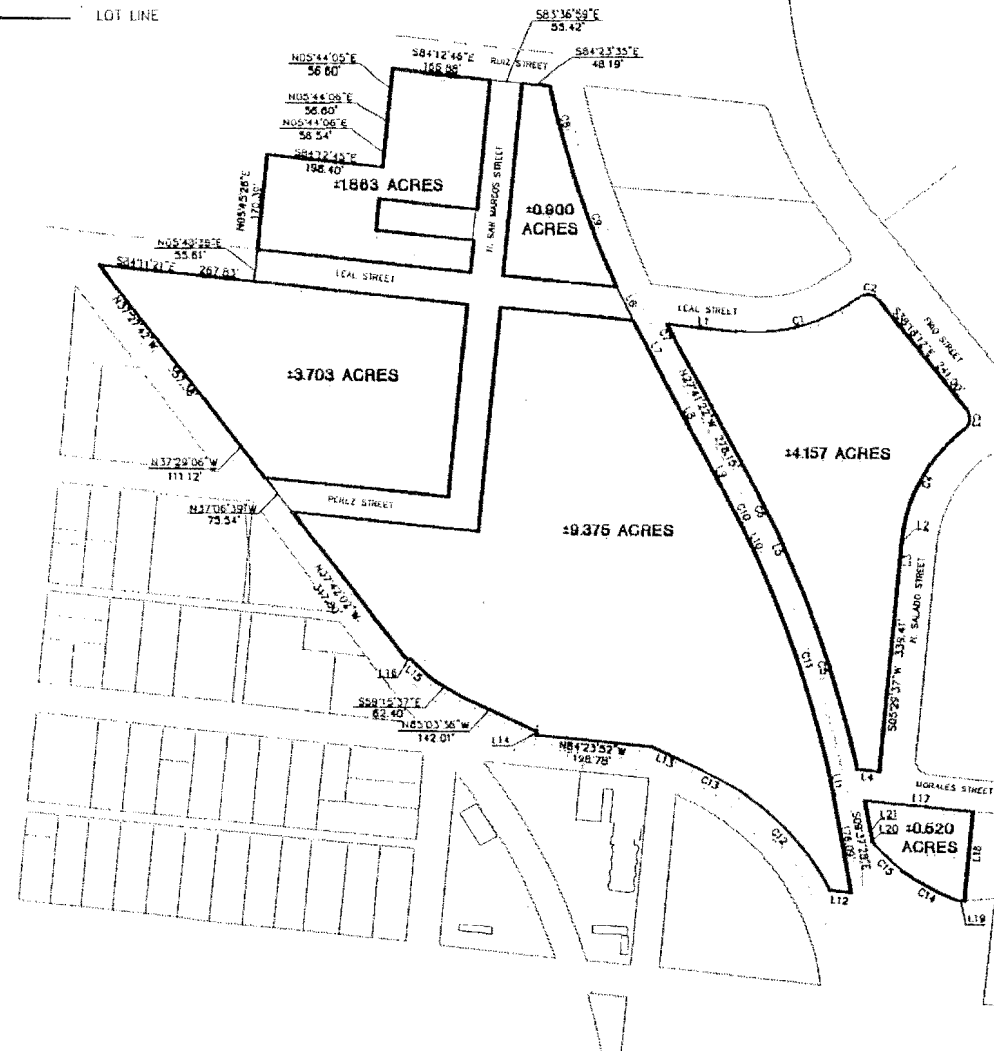
By: 
for City Attorney

EXHIBIT A

DESCRIPTION OF THE PREMISES

LEGEND:

- PROPERTY AREA
- LOT LINE



LOCATION MAP
NOT TO SCALE

| LINE TABLE | | |
|------------|---------|--------------|
| LINE | LENGTH | BEARING |
| L1 | 118.43' | S84°11'21\"E |
| L2 | 6.25' | S05°26'29\"W |
| L3 | 55.72' | S05°25'28\"W |
| L4 | 37.23' | N84°16'09\"E |
| L5 | 63.41' | N22°50'01\"W |
| L6 | 63.99' | S26°02'11\"E |
| L7 | 121.26' | S26°45'27\"E |
| L8 | 133.33' | S27°33'49\"E |
| L9 | 97.39' | S27°41'22\"E |
| L10 | 64.98' | S24°21'19\"E |
| L11 | 57.78' | S10°04'02\"E |
| L12 | 36.28' | N84°16'11\"W |
| L13 | 58.95' | N64°43'40\"W |
| L14 | 7.31' | N06°31'08\"E |
| L15 | 47.08' | S47°33'05\"E |
| L16 | 7.10' | S84°22'25\"E |
| L17 | 186.80' | S84°20'07\"E |
| L18 | 162.94' | S05°24'00\"W |
| L19 | 12.22' | N84°20'42\"W |
| L20 | 73.02' | N10°29'42\"E |
| L21 | 4.16' | N05°24'04\"E |

| CURVE TABLE | | | | | | |
|-------------|---------|----------|---------|------------|---------|---------------|
| CURVE | LENGTH | RADIUS | TANGENT | DELTA | CHORD | CHORD BEARING |
| C1 | 223.74' | 291.89' | 117.69' | 43°55'04\" | 218.30' | N73°39'19\"E |
| C2 | 39.28' | 25.00' | 25.01' | 90°00'54\" | 35.36' | S83°18'12\"E |
| C3 | 39.14' | 25.00' | 24.87' | 89°41'29\" | 35.26' | S06°41'46\"W |
| C4 | 230.21' | 284.90' | 121.81' | 46°17'51\" | 224.00' | S28°32'58\"W |
| C5 | 370.94' | 1935.08' | 186.04' | 10°58'59\" | 370.37' | N17°56'08\"W |
| C6 | 85.72' | 1937.79' | 42.87' | 2°32'04\" | 65.71' | N28°25'20\"W |
| C7 | 42.16' | 1886.05' | 21.08' | 1°16'51\" | 42.16' | N27°03'19\"W |
| C8 | 131.95' | 1565.00' | 66.01' | 4°49'51\" | 131.91' | S14°20'06\"E |
| C9 | 239.65' | 1565.00' | 120.06' | 8°46'25\" | 239.41' | S19°42'22\"E |
| C10 | 53.61' | 1889.82' | 26.81' | 1°37'32\" | 53.61' | N28°52'36\"W |
| C11 | 373.51' | 1891.82' | 187.37' | 11°22'21\" | 372.90' | N18°40'09\"W |
| C12 | 253.46' | 488.93' | 129.65' | 29°42'08\" | 250.63' | N41°37'17\"W |
| C13 | 94.55' | 489.35' | 47.42' | 11°04'13\" | 94.40' | N62°01'05\"W |
| C14 | 107.90' | 342.26' | 54.40' | 18°03'44\" | 107.45' | S61°42'17\"E |
| C15 | 73.37' | 281.82' | 36.89' | 14°54'58\" | 73.16' | S44°03'22\"E |

PAPER-TAWSON ASSOCIATES

HAVEN FOR HOPE OF BEXAR COUNTY
SAN ANTONIO, TEXAS
ON 111 BOUNDARY EXHIBIT

DATE: Nov. 14, 2008 10:41am - AutoCAD 2008
DRAWN BY: ALAN W. HARRIS (AWH) / CHECKED BY: ALAN W. HARRIS (AWH) / DATE: 11/14/08

THIS DOCUMENT IS THE PROPERTY OF PAPER-TAWSON ASSOCIATES. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. ANY OTHER USE IS STRICTLY PROHIBITED. THE USER ASSUMES ALL LIABILITY FOR ANY AND ALL DAMAGES, INCLUDING REASONABLE ATTORNEY'S FEES, ARISING FROM ANY USE OF THIS DOCUMENT.

EXHIBIT B

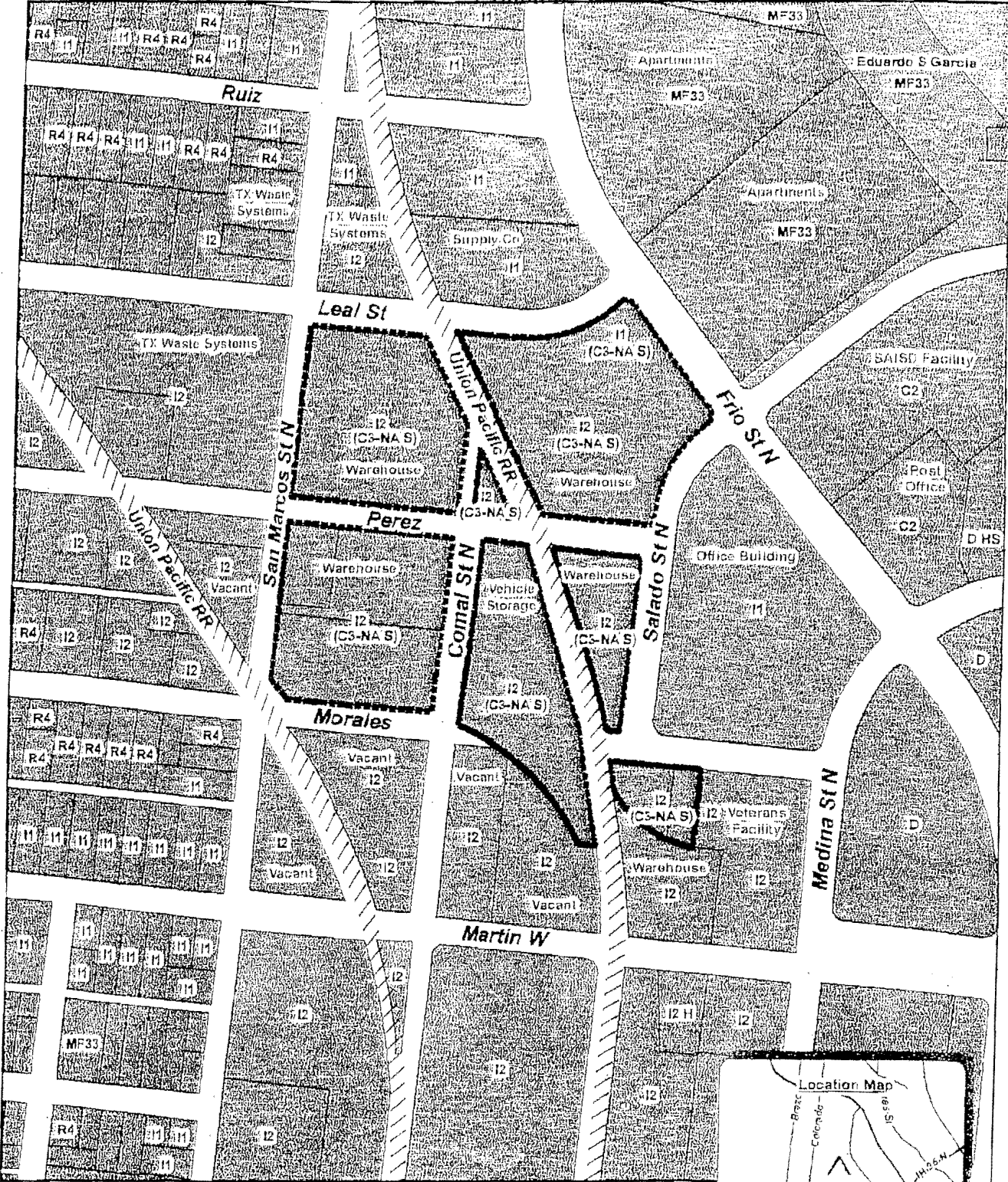
PARCELS OF LAND ZONED C3-NA S
GENERAL COMMERCIAL, NON ALCOHOLIC SALES WITH A SPECIFIC USE
PERMIT FOR A HUMAN SERVICES CAMPUS

Exhibit B

Z2007217 S - Legal Descriptions

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

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



Zoning Case Notification Plan

Case Z-2007-217

Council District 5

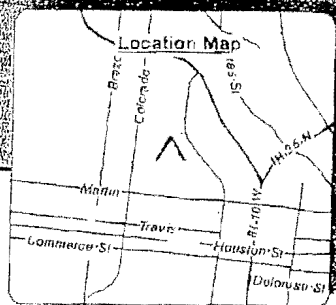
Scale: 1" approx. = 200'



Legend

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

- R6
- (R6)
- (R6)



Produced by the City of San Antonio
Development Services Department
(352.372.007)

EXHIBIT C

BONDING REQUIREMENTS

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

PERFORMANCE BOND AND PAYMENT BONDS

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

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

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

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

EXHIBIT D

SEVERANCE AND BILL OF SALE

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

SEVERANCE AND BILL OF SALE

Authorizing Ordinance:

Seller: City of San Antonio

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

Buyer: Haven for Hope of Bexar County

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

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

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

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

Predicate Facts

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

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

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

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

Acts of Severance and Sale

Now Therefore, the parties agree and act as follows:

1. Severance.

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

2. Conveyance.

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

3. Reversion to Realty.

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

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

4. Liens.

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

5. Disclaimer.

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

6. Coupled with Lease.

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

7. Indemnity.

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

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

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

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

8. Risk of Loss.

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

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

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

9. Acceptance of Obligations.

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

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

City of San Antonio,
a Texas municipal corporation

Haven for Hope of Bexar County, a
Texas nonprofit corporation

By: Frances A. Gonzalez By: [Signature]

Printed Name: FRANCES A. GONZALEZ Printed Name: Robert G. MABRY

Title: Asst. City Manager Title: Ex. Dir.

Date: 3/12/08 Date: 3/7/08

Attest:

[Signature]
City Clerk

Approved As To Form:

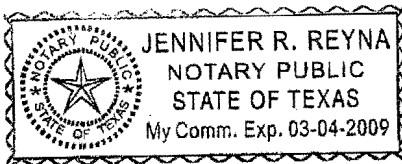
[Signature]
City Attorney

State of Texas §

County of Bexar §

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

Date: 3/12/08



Jennifer R. Reyna
Notary Public, State of Texas

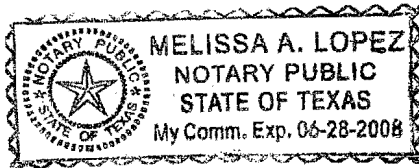
My Commission expires: 3/4/09

State of Texas §

County of Bexar §

This instrument was acknowledged before me this date by Robert G. Marbut, of the Haven for Hope of Bexar County, a Texas nonprofit corporation, in the capacity therein stated and on behalf of that entity.

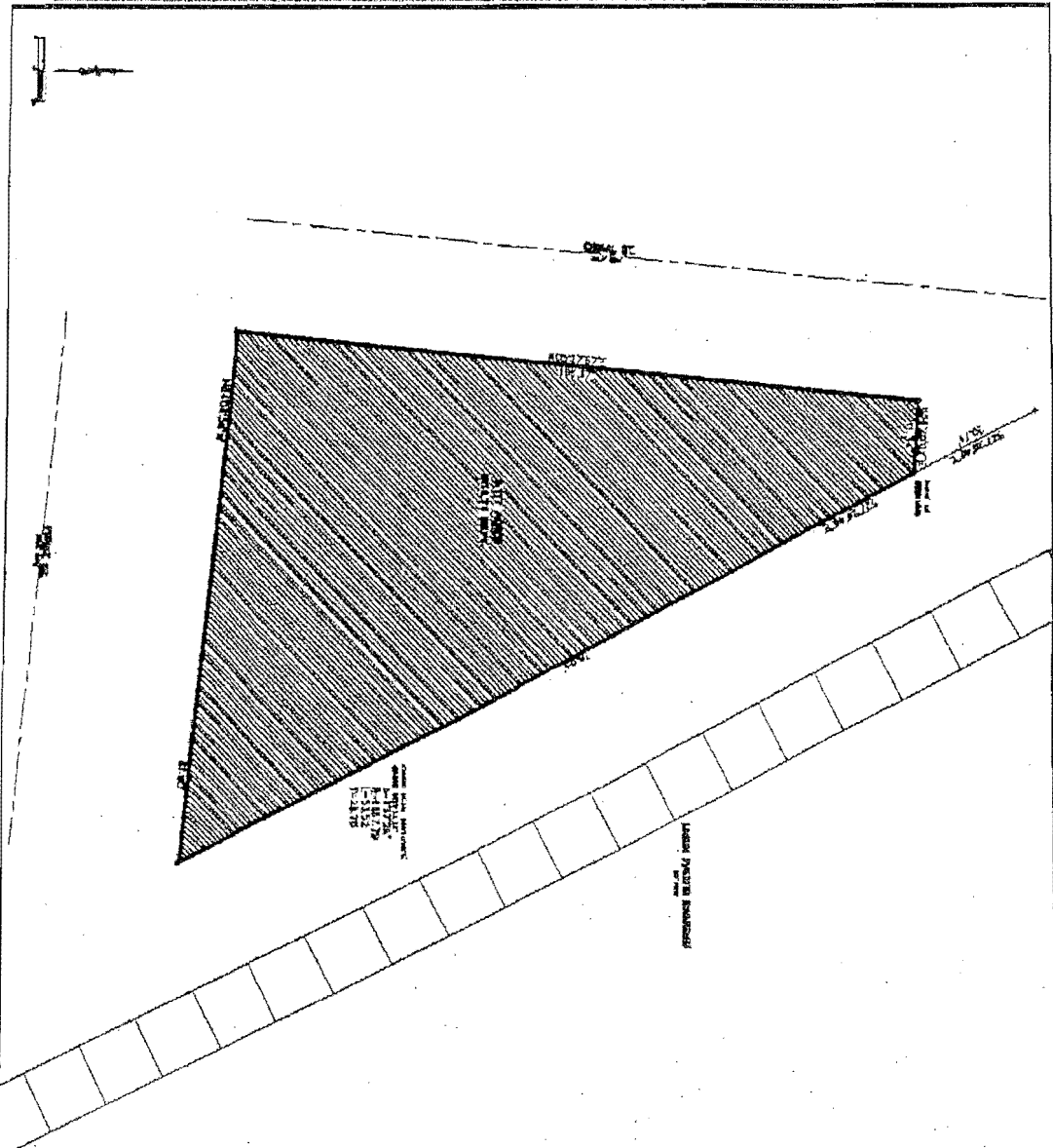
Date: 3/7/08



Melissa A. Lopez
Notary Public, State of Texas

My Commission expires: 6/28/08

Exhibit A



* BEING A CITY AGENT TRACT OF LAND

| | | | |
|---|--|------------------------|-----------------|
| <p>PROJECT NAME: 523 PEREZ ST.</p> <p>PARCEL #181480</p> <p>JOB # 887-003-0144 DATE FEBRUARY 21, 2006</p> | <p>SCALE</p> <p>1" = 10'</p> <p>SHEET</p> <p>1 OF 1</p> <p>ENG. CODE PWG1A</p> | <p>NO.</p> <p>DATE</p> | <p>COMMENTS</p> |
|---|--|------------------------|-----------------|

APPROVED: *[Signature]*

CITY OF SAN ANTONIO

DATE: FEBRUARY 21, 2006

STEPHEN R. COOK ENGINEERING, P.C.

18000 WYNDHURST, SUITE 507
SAN ANTONIO, TEXAS 78247-4117
210/491-0200 • FAX 210/491-9820

METES AND BOUNDS DESCRIPTION

February 21, 2008

BEING a 0.117 acre tract of land situated in the City of San Antonio, Bexar County, Texas and being a portion of Comal St. conveyed by City Ordinance No. 13,613, December 14, 1950, said 0.117 acre tract being more particularly described as follows:

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

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

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

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

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

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

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

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

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-003-014A

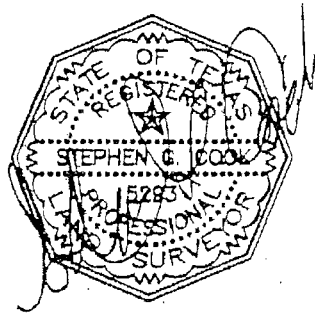
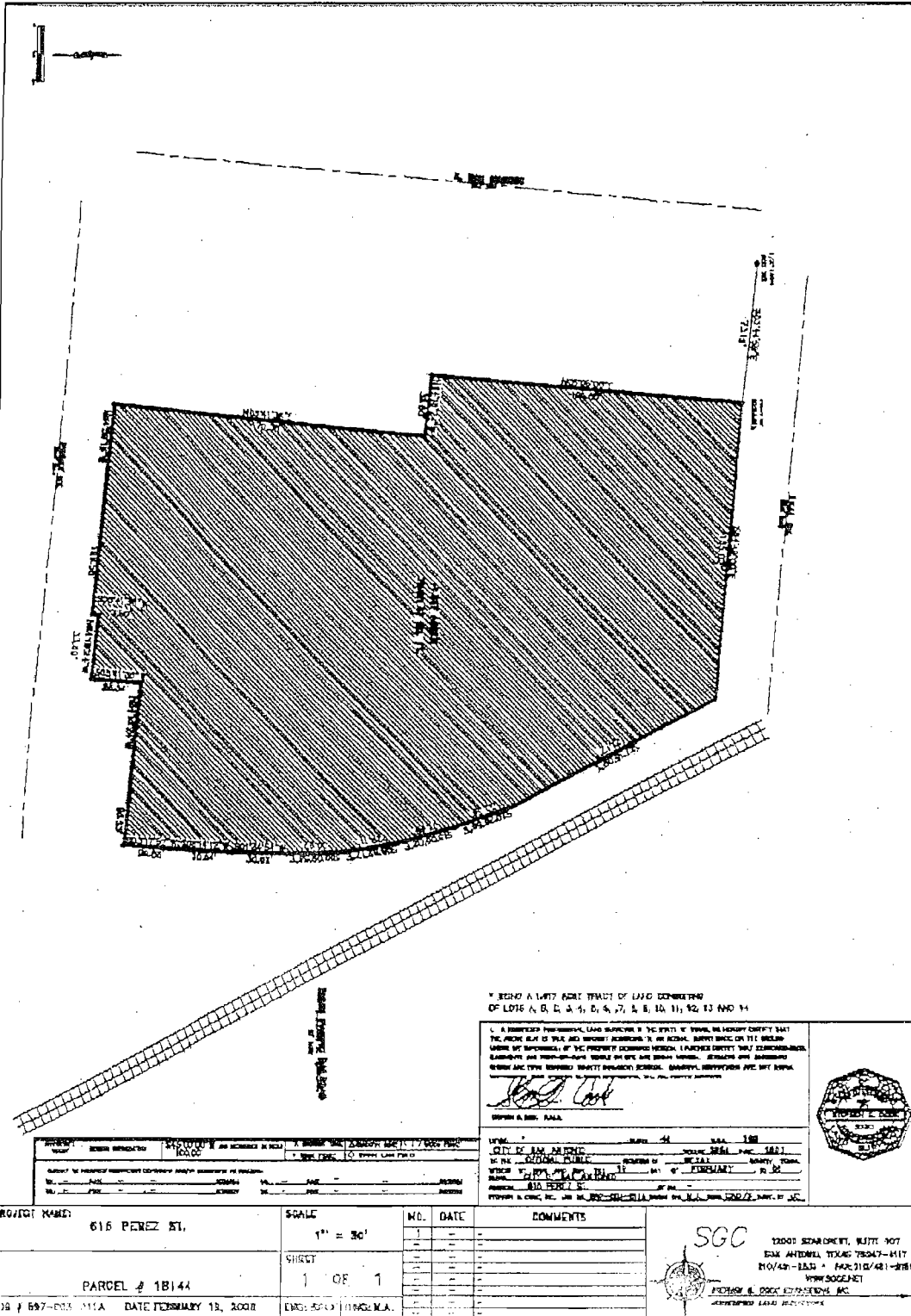


Exhibit B



* BEING A 1.4177 ACRE TRACT OF LAND COMPREHENSIVE OF LOTS A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z AND 1A

I, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THE ABOVE PLAN IS TRUE AND CORRECT ACCORDING TO AN ACCELA SURVEY DONE ON THE BEHALF OF THE PROPERTY OWNERS AND INTERESTED PARTIES. I FURTHER CERTIFY THAT THE ABOVE PLAN SHOWS THE CORRECT LOCATION OF ALL LOTS AND BLOCKS, STREETS AND HIGHWAYS, AND THAT THE SAME HAVE BEEN MEASURED AND PLACED IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING, TEXAS.

[Signature]
 ROBERT A. BIRD, ASLS



| | | | | | | | |
|--------------|---------------|-------|----------|----------|---|------|-------------------|
| PROJECT NAME | 616 PEREZ ST. | SCALE | 1" = 30' | NO. | 1 | DATE | FEBRUARY 13, 2008 |
| PARCEL # | 18144 | SHEET | 1 OF 1 | COMMENTS | | | |

| | | |
|---------------------|-----------------|----------------|
| CITY OF SAN ANTONIO | COUNTY OF BEXAR | STATE OF TEXAS |
| PROJECT NO. | DATE | BY |
| APPROVED BY | | |

| | | | | | | | | | |
|--|---------------|----------|----------|-----------|---|-------|-------------------|-----------|--|
| PROJECT NAME: | 616 PEREZ ST. | SCALE: | 1" = 30' | NO.: | 1 | DATE: | FEBRUARY 13, 2008 | COMMENTS: | |
| PARCEL #: | 18144 | SHEET: | 1 OF 1 | | | | | | |
| JOB # 597-055 MIA DATE FEBRUARY 13, 2008 | | ENG: SGL | | ING: M.A. | | | | | |

SGC

12001 SANDHURST, SUITE 301
 SAN ANTONIO, TEXAS 78247-4117
 (214) 481-1111 • FAX: (214) 481-4780
 WWW.SGCNET.COM

ROBERT A. BIRD, ASLS
 REGISTERED LAND SURVEYOR

METES AND BOUNDS DESCRIPTION

February 19, 2008

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Stephen G. Cook
Registered Professional Land Surveyor

No. 5293

SGCE No. 597-003-011A

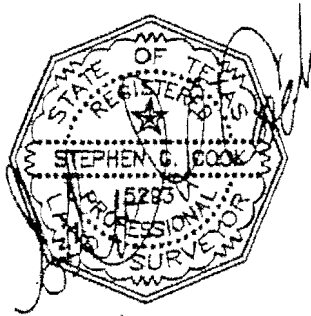
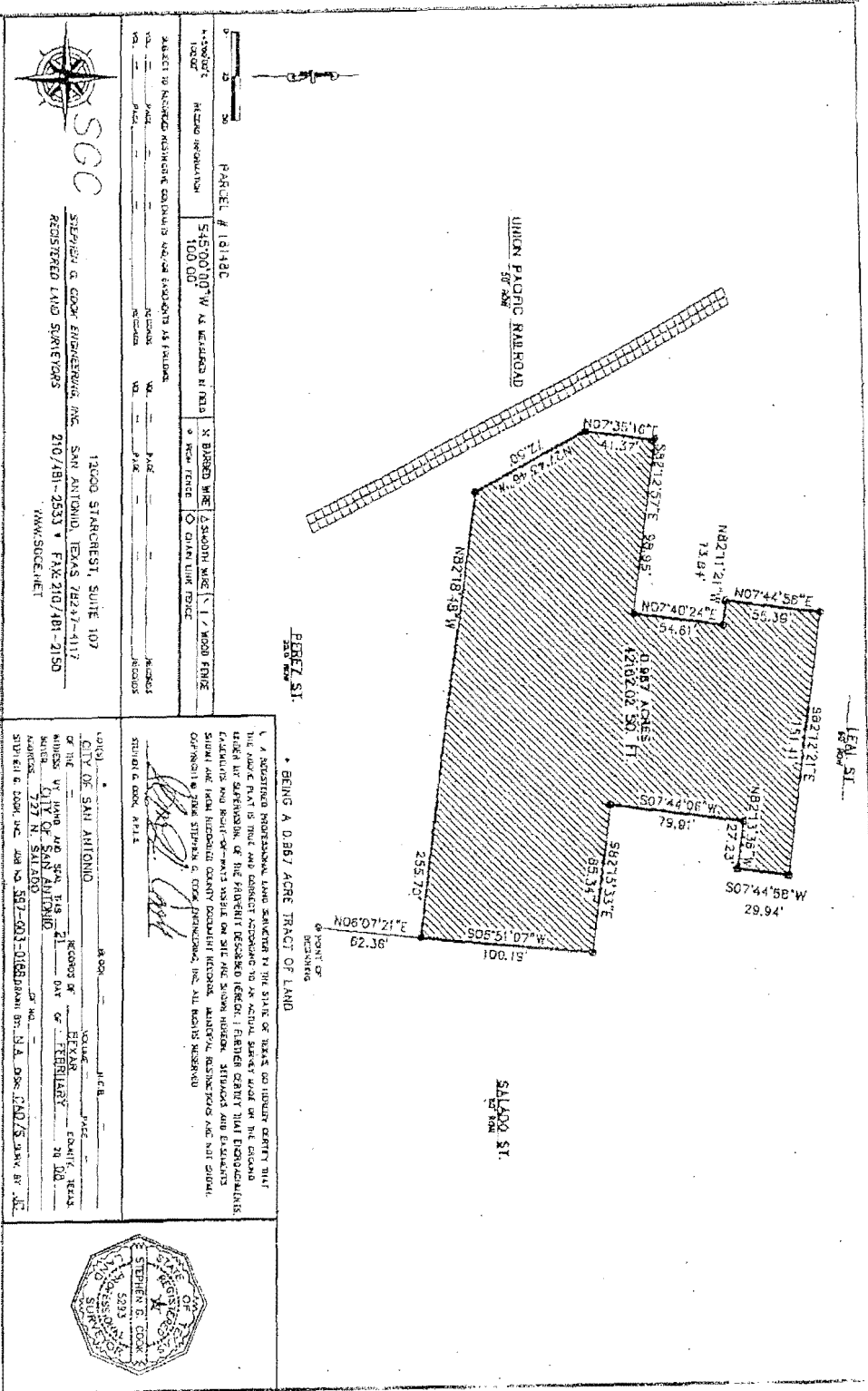


Exhibit C



13000 STARCHEST, SUITE 107
 STEPHEN & COOK ENGINEERS, INC.
 REGISTERED LAND SURVEYORS
 210/481-2533 • FAX 210/481-2150
 WWW.SOCHEMET

PARCEL # 181442

545700.007 W AS WEAPONS IN THIS

100' 00' 00'

X BARBED WIRE / SMOOTH WIRE / WOOD FENCE

NEW FENCE / CHAIN LINK FENCE

NO. RECORD NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

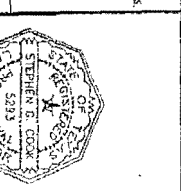
NO. NO. NO. NO. NO. NO.

NO. NO. NO. NO. NO. NO.

BEING A 0.867 ACRE TRACT OF LAND
 * BEING A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS DO HEREBY CERTIFY THAT THE ABOVE TRACT IS TRUE AND CORRECTLY REPRESENTED ON AN ACUTE SURVEY MADE ON THE CORNER
 POINT OF THE SECTION OF THE TRACTED FROM THE PUBLIC RECORDS OF THE COUNTY OF BEXAR, TEXAS
 SHOWING THE BOUNDARIES, DISTANCES, BEARINGS, AND AN AREA OF 0.867 ACRES. THE SURVEY WAS
 MADE ON FEBRUARY 21, 2006. THE SURVEY WAS MADE BY ME AND A REPUTABLE CHAIN CARRYING RECTOR, LAND SURVEYOR, AND I AM NOT AWARE OF ANY OTHER
 RECTOR OR SURVEYOR WHO HAS BEEN OR WILL BE EMPLOYED BY ME OR ANY OTHER SURVEYOR IN THE
 COUNTY OF BEXAR, TEXAS.

STEPHEN E. COOK
 SURVEYOR

CITY OF SAN ANTONIO
 RECORDS DEPARTMENT
 FEBRUARY 21 2006



METES AND BOUNDS DESCRIPTON

February 21, 2008

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-003-018B

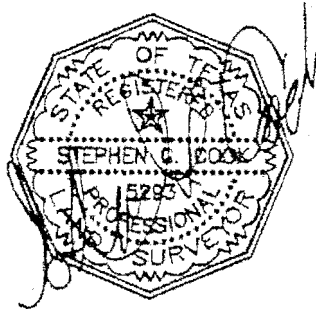
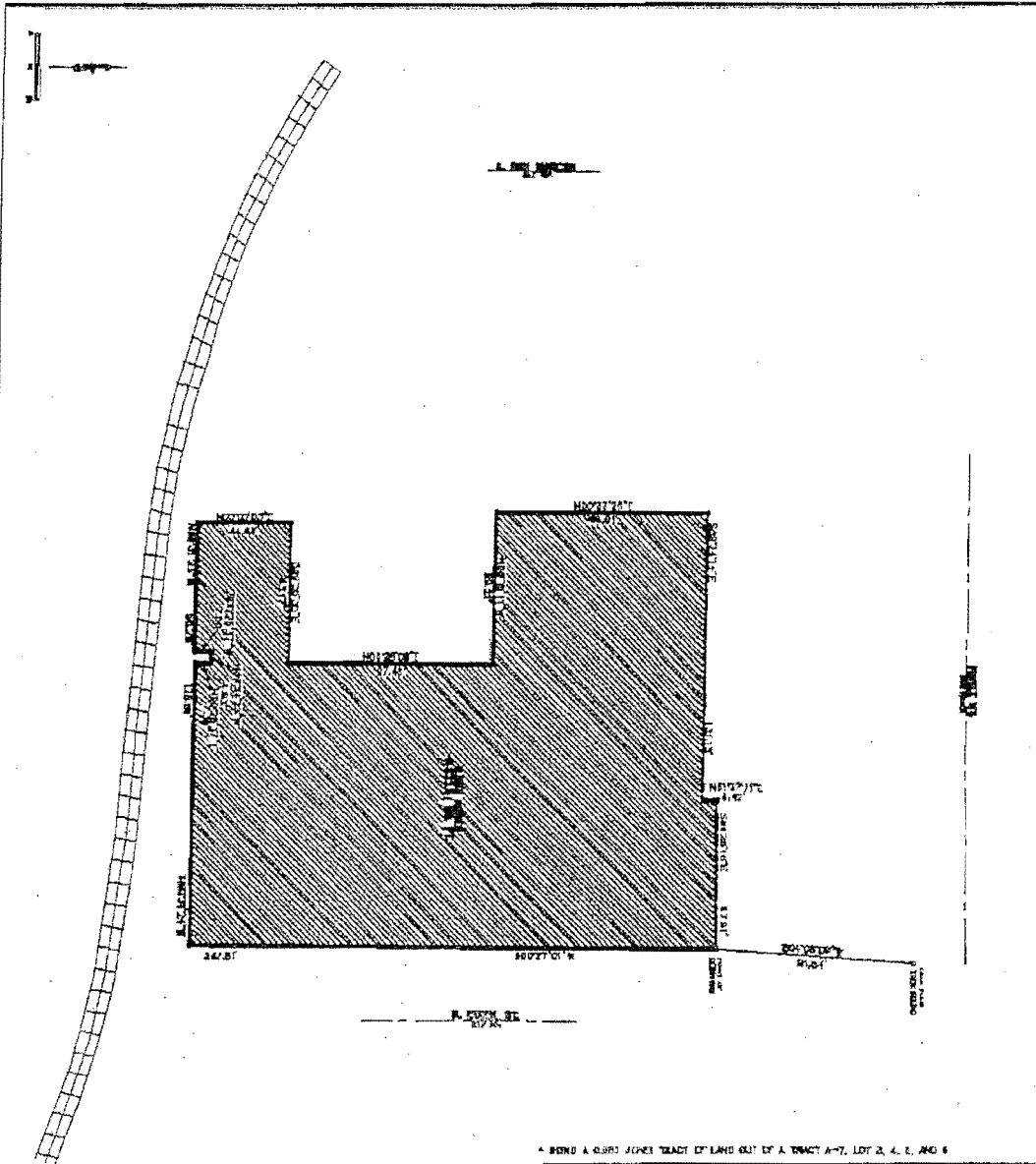


Exhibit D



BEING A CURVED TRACT OF LAND OUT OF A TRACT A-7, LOT 2, 4, 6, AND 8

I, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that the above plat is true and correct according to an official survey made by me or under my supervision, of the boundaries and contents of the above described tract of land, and that I am a duly licensed Surveyor in the State of Texas, and that I am duly qualified to perform the duties of a Surveyor in the State of Texas, and that I am duly qualified to perform the duties of a Surveyor in the State of Texas, and that I am duly qualified to perform the duties of a Surveyor in the State of Texas.

Robert Cook
 Robert Cook
 Surveyor & Land Surveyor



| | | | |
|---------|---------|---------|---------|
| SECTION | SECTION | SECTION | SECTION |
| 100.00 | 100.00 | 100.00 | 100.00 |

| | |
|------|--------------|
| DATE | NO. OF PAGES |
| 1/17 | 1 |

| PROJECT NAME | SCALE | NO. DATE | COMMENTS |
|-------------------|------------------------|----------|----------|
| 923 MORALES ST. | 1" = 30' | | |
| | SHEET | | |
| | 1 OF 1 | | |
| FIG. 597-003-0024 | DATE FEBRUARY 18, 2008 | | |

SGC
 13000 STARBUCK, SUITE 107
 SAN ANTONIO, TEXAS 78247-4117
 210/481-2533 • FAX 210/481-1500
 WWW.SGCNET.IT
 FISHBURN & COOK ENGINEERS, P.C.
 REGISTERED LAND SURVEYORS

METES AND BOUNDS DESCRIPTION

February 19, 2008

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Stephen G. Cook
Registered Professional Land Surveyor

No. 5293

SGCE No. 597-003-002A

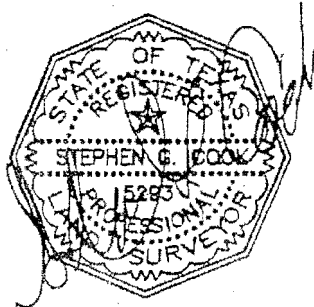


EXHIBIT E

NAMING PARAMETERS

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

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

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

Exhibit B
Operating Agreement

OPERATING AGREEMENT

BETWEEN

THE CITY OF SAN ANTONIO, A TEXAS MUNICIPAL CORPORATION

AND

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

This agreement ("Agreement") is entered into this 30th day of April, 2009, between The Haven for Hope of Bexar County, a Texas non-profit corporation, located at 1 Haven for Hope Way, San Antonio, Texas 78207 ("Operator") acting by and through its Executive Director, and the City of San Antonio, a Texas municipal corporation and a home rule municipality (the "City") acting by and through its City Manager or authorized designee pursuant to City of San Antonio Ordinance No. 2009-04-30-0335, passed and approved on April 30, 2009 and effective on April 30, 2009 relating to activities to be performed, responsibilities to be accepted and authority to be exercised with regard to the operation of a human services campus for the homeless (the "Campus") known as Haven for Hope.

WHEREAS, the City issued Certificates of Obligation, Series 2007 and Tax Notes, Series 2007 pursuant to the Constitution and general laws of the State of Texas, the City Charter, and City ordinances for the purpose of acquiring land, construction of improvements and other expenditures related to the development of the Campus; and

WHEREAS, to date, the City has invested and committed fifteen million dollars (\$15,000,000) towards the acquisition of land and development of the Campus; and

WHEREAS, the City entered into a long-term lease with Operator for the purposes of development of new improvements, modification of existing improvements on the City's property, and management and operation of the Campus (the "Lease"); and

WHEREAS, the Lease is for a forty-year term, with two (2) ten-year renewal options, for an annual rent of one dollar (\$1.00); and

WHEREAS, the City Council of the City deems it desirable to enter into this Agreement for the day-to-day operation of the Campus that will provide a wide range of transformational services to meet the needs of San Antonio's homeless community in a "one-stop" setting to be located at the Campus; and

WHEREAS, it is proposed that the operations of the Campus be conducted on a collaborative basis with the Providers under the management and leadership of Operator; and

WHEREAS, it is proposed that certain services will be provided by the City; and

WHEREAS, Operator, subject to the terms and conditions hereof, desires to enter into this Agreement to operate the Campus; and

NOW, THEREFORE, in consideration of the premises and of the terms, conditions and covenants set forth in this Agreement, the City and Operator mutually agree as follows:

ARTICLE 1
PURPOSE; COOPERATION; CONSTITUTIONAL REQUIREMENTS

Section 1.1 Purpose. The purpose of this Agreement is to facilitate the provision of services to improve the lives of homeless people in the San Antonio area by providing a wide array of necessary transformational services to foster the development of homeless people with the knowledge, resources, skills, assistance and ability necessary to become self-sufficient in a manner that is efficient and cost-effective.

Section 1.2 Cooperation. In recognition of the importance of nurturing a close spirit of cooperation between the parties to this Agreement, the complexities of the issues and obligations arising hereunder in effecting the Project (as defined below), and the enormity of the tasks being undertaken by the Operator pursuant to this unique contract between public and private interests, the parties shall endeavor to develop a relationship of trust and cooperation that will yield mutual assistance and facilitate the resolution of problems and the implementation of the Project. To that end, the parties shall engage in frequent telephone and personal conferences regarding issues arising under the Agreement and in connection with the effecting of the provisions of this Agreement, mutual participation in and shared notice of important meetings, the nurturing of singleness of purpose and meetings between the respective financial officers of the parties.

Section 1.3 Constitutional Requirements. Notwithstanding anything else provided in this Agreement, the parties hereto acknowledge and agree that any stated or implied funding obligations of the City are subject to the requirements of the Constitution of the State of Texas, more particularly Article 11, Section 5 thereof.

ARTICLE 2
DEFINITIONS

As used in this Agreement, the terms below shall have the following definitions unless context otherwise requires:

Section 2.1 **"Campus"** shall mean the land, improvements, buildings, appurtenances and equipment thereon described above located at the Premises subject to the Lease.

Section 2.2 **"Graduates"** shall mean participants who have fulfilled the Operator's program requirement under the Project and who have moved, or are in the process of moving, off the Campus.

Section 2.3 **"Graduate Needs"** shall include but are not limited to the following: housing, first month's rent and security deposit, payment of utilities, food, out placement, medical services, job training and moving costs.

Section 2.4 **"Invitee"** shall mean homeless individuals and one or more individuals at risk of becoming homeless invited into the Campus for the purpose of receiving services.

Section 2.5 **"Lease"** shall mean that certain Lease between the City and Operator, dated March 6, 2008 and authorized pursuant to Ordinance 2008-03-06-0164, together with all attachments, appendices and exhibits.

Section 2.6 **"Participants"** shall mean homeless individuals or individuals at risk of becoming homeless who are provided services at the Campus and who are identified by the Operator as "Members" or "Prospects."

Section 2.7 **"Premises"** shall mean 11.372 acres out of NCB 197, NCB 198, NCB 210, NCB 220, NCB 221, NCB 250 and NCB 252 also known as 601 North Frio Street, 717 North Frio Street, 524 Leal Street, 1301 West Martin Street, 1323 West Martin Street, 519 North Medina, 720-722 Morales, 801 Morales, 825 Morales, 903 Morales, 523 Perez Street, 615 Perez Street, 701 North Salado Street, 727 North Salado Street and 626 North San Marcos Street.]

Section 2.8 **"Project"** shall mean the programs and services offered by the Operator on the Campus to be operated, except and to the extent modified by mutual agreement of Operator and the City, as provided herein.

Section 2.9 **"Provider"** shall refer to one or more separate agencies providing specific services to homeless individuals on the Campus. The Providers will be selected by Operator in keeping with the mission, goals and objectives of the Project.

ARTICLE 3 TERM

Section 3.1 Except as otherwise provided for pursuant to the provisions hereof, this Agreement shall commence immediately upon its execution and shall terminate on March 5, 2048.

Section 3.2 The Operator may request renewal of this Agreement for two (2) successive renewal terms (**"Renewal Terms"**) of ten (10) years each, each Renewal Term being subject to the approval of the City Council of City. Operator shall provide City written notice of its request to renew no later than six (6) months prior to the end of a given term. If such notice is not timely provided, Operator shall be deemed to have waived its right to all Renewal Terms then remaining. Such notice shall include a copy of this Agreement, together with any amendments thereto.

ARTICLE 4 RESPONSIBILITIES

Section 4.1 Operator's Executive Director shall be Operator's designated representative responsible for the management of all contractual matters pertaining to this Agreement.

Section 4.2 City's Department of Community Initiatives Director or his designee shall be City's representative responsible for the administration of this Agreement.

Section 4.3 Communications between City and Operator shall be directed to the designated representatives of each as set forth in paragraphs numbered 4.1 and 4.2 hereinabove.

ARTICLE 5 CONTRIBUTIONS OF OPERATOR; SERVICES OF OPERATOR; PROVIDER SERVICES

Section 5.1 Schedule "A1" Services. Operator shall undertake the performance of all services described in Schedule "A1" (attached hereto and incorporated as a part hereof by reference). Operator and the City acknowledge that at the time of this Agreement, the construction of the Campus has not been completed. Except as otherwise provided herein, it shall be Operator's sole responsibility to obtain the funds necessary to (i) hire the architects, builders, engineers and other professionals necessary to complete construction of the Campus; (ii) complete construction and renovations as provided in the Lease; and (iii) perform the services described in Schedule "A1."

Section 5.2 Additional Responsibilities. In addition to the services described in Schedule "A1," Operator shall be responsible for:

- (i) development and establishment of such policies and procedures as are necessary to carry out Operator's responsibilities under this Agreement for the effective and efficient operation of the Project;
- (ii) establishment of bookkeeping and accounting systems sufficient to document operational income and expenses of the Project covered by this Agreement;
- (iii) management of the Campus, including maintenance, preventive maintenance and general repair of the buildings and all mechanical and electrical systems, and provision of certain custodial and housekeeping services for all Providers in the Campus;
- (iv) keeping, and requiring the Providers to keep, the sidewalks, curbs, entrances, passageways, parking lots and areas adjoining the Premises in a clean and orderly condition, free from hazardous materials, garbage, snow, ice, rubbish and obstructions.
- (v) management of (a) the Campus, (b) the Project, (c) the outreach and intake workers, including front desk, floor supervisors and volunteers, and (d) the relationships with Providers and cooperating agencies;
- (vi) coordination of the operations of all Providers operating in the Campus, pursuant to letters of understanding or agreements between such Providers and Operator, which shall include the obligation to provide services in full accordance and compliance with the standards set by any regulatory agencies having jurisdiction, with all applicable legal requirements and

with any applicable accreditation, notification, licensing, permit and certification requirements pertaining to the services provided;

- (vii) obtaining evidence of all necessary insurance coverage from the Providers based upon the services offered;
- (viii) development and management of a cooperative referral network (which may include other programs of Operator) into which Participants and Invitees can be referred for appropriate services;
- (ix) development, in coordination with Providers and the City, of outcome measures and monitoring the programs of the Providers and Operator against such measures, reporting to the City no less than annually;
- (x) cooperation and coordination with the City in communications regarding the Project;
- (xi) provision of security reasonable and necessary for the protection of the Premises and of Operator's improvements, fixtures, inventory and equipment located therein against theft, burglary, graffiti and vandalism;
- (xii) development, in collaboration with the City, of emergency protocols that include the following:
 - (1) an immediate call to 911 requesting the assistance of appropriate authorities, followed by immediate notice to the City's contact for emergencies as set forth herein; and
 - (2) an agreement as to what requires a call to 911, for purposes of this subsection; and
 - (3) quarterly reporting of emergency incidents, the measures taken by Operator to address or resolve the incident and Operator's plans to reduce the risk of recurrence of such emergency incidents.
- (xiii) maintenance of strict confidentiality of all information and records relating to Participants such that such information is not disclosed, except as required to perform services to the Participants or as may be required by law, including the Public Information Act, Government Code Section 552.021; and
- (xiv) cooperation with City to satisfy, to the extent required by law, any and all requests for information received by City under the Texas Public Information Act or related laws pertaining to this Agreement. If Operator receives inquiries regarding documents within its possession pursuant to this Agreement, Operator shall within five (5) business days of receiving the requests forward such requests to City for disposition. If the requested information is confidential pursuant to state or Federal law, the Operator

shall submit to City the list of specific statutory authority mandating confidentiality no later than three (3) business days of Operator's receipt of such request.

Section 5.3 Provider Services. Operator and City agree that the plan for the Project includes the Provider-provided services listed on Schedule "A2." In the event one or more of the Providers stops providing the Schedule "A2" services, Operator and City agree to work together to use reasonable efforts to identify and to enter into a letter of understanding with a permanent replacement Provider as soon as reasonably practicable.

ARTICLE 6 CONTRIBUTIONS OF THE CITY

Section 6.1 In addition to the City's investment in the acquisition and development of the Premises, the City shall provide the services, subject to City Council approval and an annual budget appropriation for said services, described in Schedule "B1," "B2," "B3," "B4," and "B5" (both attached hereto and incorporated as a part hereof by reference), as the same may be amended and supplemented by mutual agreement from time to time.

Section 6.2 The City agrees to continue seeking local, state and federal financial assistance for homeless services. Additionally, the City shall continue to allocate grant and General Fund financial support to those agencies and organizations providing homeless and other Campus related services in accordance with the City's established budget priorities, procurement procedures and policies, and subject to City Council approval and an annual budget appropriation for that purpose.

ARTICLE 7 ANNUAL FUNDING SUBJECT TO CONDITIONS; ASSOCIATED OBLIGATIONS

Section 7.1 For the City's 2009-2010 fiscal year, the City shall fund Operator in the amount of \$880,000 (the "**Initial Year Funding**"), subject to City Council approval of such funding and a budget appropriation for this Agreement. For each subsequent fiscal year of the Agreement, the City shall fund the Operator in the amount of \$1,000,000 (the "**Annual Funding**"), subject to annual City Council approval and a budget appropriation for this Agreement. For each year of the Agreement, Operator shall develop an annual Budget and submit such Budget for the City's review by no later than July 1st of each year for the services to be performed in the upcoming fiscal year.

Section 7.2 In addition to any other reports referenced in this Agreement, no later than the 5th business day of each month, Operator shall submit to the Department of Community Initiatives such performance reports as the City and Operator may mutually agree. The Operator ensures that all information contained in all required reports submitted to City is accurate.

Section 7.3 Operator agrees that all information required to be submitted under Section 7 shall be submitted and shall be accompanied by documentation reasonably required by the Director of the Department of Community Initiatives. Operator agrees that the City's

payments of either the Initial Year Funding or Annual Funding may be made in equal monthly payments, as determined by the Director of the Department of Community Initiatives according to standard procedures followed by the City's Finance Department.

Section 7.4 The City shall also provide grant fund monies and credits for services to each Graduate for his or her various Graduate Needs (the per Capita "**Graduate Start Funding**"), subject to (i) the Graduate's qualified eligibility for the applicable assistance or grant, (ii) the availability of City funds in the applicable assistance program or grant, (iii) the City's continued provision of the applicable assistance program or services, and (iv) City Council annual approval and annual budget appropriation of the funds for the applicable grant or assistance program.

ARTICLE 8 COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

Section 8.1 Operator agrees to comply with all city, state and federal laws, regulations, ordinances and codes affecting construction and operations pursuant to this Agreement, including, but not limited to, as applicable, the Fair Labor Standards Act, the Equal Pay Act and the Equal Employment Opportunity Act, all as amended. Operator also agrees to require by written agreement that its consultants, contractors, subcontractors and their respective officers, agents, employees, directors, and representatives shall comply with all city, state and federal laws, regulations, ordinances and codes affecting construction and operations pursuant to this Agreement, including, but not limited to, as applicable, the Fair Labor Standards Act, the Equal Pay Act and the Equal Employment Opportunity Act, all as amended.

Section 8.2 Operator is hereby advised that it is the policy, known as the Small Business Economic Development Advocacy Policy ("**SBEDA Policy**"), of the City of San Antonio that Small, Minority or Woman-Owned Business Enterprises (SMWBE) shall have the maximum practical opportunity to participate in the performance of public contracts. Operator therefore agrees that, if funds are appropriated and committed to Operator under this Agreement, or any amendments thereto, Operator shall abide by all applicable terms and provisions of the City's SBEDA Ordinance #2007-04-12-0396 and Policy, as amended, which is available in the City's Department of Economic Development. In accordance with Ordinance #69403, Operator agrees that Operator will not discriminate against any individual or group on account of race, color, sex, age, religion, national origin or disability and will not engage in employment practices that have the effect of discriminating against employees or prospective employees because of race, color, religion, national origin, sex, age or disability. Operator further agrees that Operator will abide by all applicable terms and provisions of the City's Non-Discrimination Policy and the City's Equal Opportunity Affirmative Action policy, these policies being available in the City's Department of Economic Development and the City Clerk's Office.

Section 8.3 Insofar as practical, in carrying out the terms of this Agreement, Operator shall use a good faith effort to use the City's employment and training programs.

ARTICLE 9
MEETING WITH THE CITY AND OPERATOR; RESOLUTION OF DISPUTES;
MEDIATION

The parties agree to cause an officer or a supervisory employee to attend meetings between Operator and the City when requested by the other party during the term of this Agreement on a regular and continuous basis. The party calling the meeting agrees to provide an agenda for said meetings, if requested by the other party. In the event of a dispute between the parties regarding this Agreement, the parties agree to, within ten (10) business days after a dispute arises, arrange a meeting between (a) the Operator's Executive Director, or a comparable-level decision maker of Operator, and (b) a representative of the City empowered to resolve such dispute on behalf of the City. The parties further agree that these decisionmakers shall negotiate in good faith to resolve the dispute in a timely manner.

If a dispute has not been resolved within thirty (30) days of the meeting of the party's representatives as described above, or if the representatives fail to meet within ten (10) business days of the disputing party's notice, and the parties do not otherwise agree to extend the time for negotiations, either party may initiate mediation of the dispute by giving the other party written notice setting forth such party's request to submit the dispute to mediation. The parties will have thirty (30) days from the date on which the mediation notice is received by the other party to agree upon a mediator. If the parties are unable to agree, the mediator will be selected by the American Arbitration Association on motion by either party. The mediation will be conducted in San Antonio, Texas.

ARTICLE 10
PERSONNEL OF OPERATOR

Section 10.1 Operator shall investigate, hire, pay, supervise and discharge all personnel necessary for the full and efficient performance of Operator's duties under this Agreement. All personnel shall in every instance be in Operator's and not in the City's employ. Such employees shall be physically present at the Campus. No less than one (1) responsible person shall be physically present at the Campus twenty-four (24) hours per day, seven (7) days per week. Compensation for the services of all employees shall be included as operating expenses of the Project.

Section 10.2 Operator shall develop a staffing plan that is based on resident occupancy and the level of service to be provided. Operator will be responsible for developing and implementing orientation and training for all its on-site employees.

ARTICLE 11
INDEMNIFICATION; LIMITATION ON LIABILITY

Section 11.1 **OPERATOR covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and 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 the CITY directly or indirectly arising out of, resulting from or related to OPERATOR'S activities under this Agreement, including any acts or omissions of OPERATOR, any agent, officer, director, representative, employee, consultant or subcontractor of OPERATOR, and their respective officers, agents, employees, directors and representatives, while in the exercise of the rights or performance of the duties under this Agreement. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage.

Section 11.2 **IN THE EVENT OPERATOR AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.**

The provisions of this INDEMNITY 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. OPERATOR shall promptly advise the CITY in writing of any claim or demand against the CITY or OPERATOR known to OPERATOR related to or arising out of OPERATOR's activities under this AGREEMENT and shall see to the investigation and defense of such claim or demand at OPERATOR's cost. The CITY shall promptly advise Operator of any claim or demand for which the CITY is seeking indemnification under this provision, after the CITY reviews the claims and makes a determination to seek indemnification. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving OPERATOR of any of its obligations under this paragraph.

Section 11.3 Limitation on Liability. **NO PARTY OR ITS AFFILIATES SHALL SEEK OR BE LIABLE FOR ANY EXEMPLARY, SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUE OR INCOME; provided, however, THIS LIMITATION SHALL NOT APPLY TO ANY AMOUNTS OWING DUE TO THIRD PARTY CLAIMS UNDER SECTION 11.1 AND SECTION 11.2.**

ARTICLE 12 RECORDS, REPORTS AND AUDIT RIGHTS

Section 12.1 Operator shall retain, for the period of time and under the conditions specified by City, all records, documents, reports and written accounting policies and procedures pertaining to the Project, and make available to the City at all reasonable times such records, documents, reports and written accounting policies and procedures. Operator agrees to provide City with any data determined by City to be necessary to be received in connection with the Campus, the Project or this Agreement.

Section 12.2 Operator shall submit to the City an annual report and operating budget regarding the Campus operations and Operator' performance under this Agreement.

Section 12.3 Operator shall maintain all books and financial records in accordance with generally accepted accounting principles and as may be reasonably prescribed by the City's Director of Finance or Director of the Department of Community Initiatives. Such books and financial records, together with any other documentation necessary for verification of Operator's compliance with the terms of this Agreement, shall be made available to the City on request, through the Director of the Department of Community Initiatives or the City Auditor or their representatives. The City shall have the authority to audit, examine and make excerpts or transcripts from said books, records and documentation regarding all expenditures related to this Agreement. The City's Auditor or his or her designee may review and approve Operator's system of internal accounting and administrative controls at any time during the term of this Agreement to assure compliance by Operator.

Section 12.4 Operator shall submit to the City, on a quarterly basis, the Consolidated Balance Sheet, Statement of Support and Revenue and Statement of Changes in Financial Position of Operator.

Section 12.5 Operator shall submit to the City, on an annual basis, a reviewed financial statement in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants (or then applicable standard) within ninety (90) days of Operator's fiscal year end. The reviewed financial statement shall include a detailed schedule of receipts and expenditures by budgeted cost category. Operator shall submit the reviewed financial statement and any management letter prepared by the independent CPA to both the Department of Community Initiatives, P. O. Box 839966, San Antonio, Texas 78238-3966, and to the Office of The City Auditor, 111 Soledad, Suite 600, San Antonio, Texas, 78205.

Section 12.6 During the term of this Agreement, Operator shall cause to be delivered to the City copies of all notices of meetings of its Board, setting forth the time and place thereof. Such notice shall be delivered to the City in a timely manner to give adequate notice, and shall include an agenda and a brief description of the matters to be discussed.

ARTICLE 13 INSURANCE

Section 13.1 Prior to the commencement of any work under this Agreement, Operator shall furnish copies of all required endorsements and an original completed Certificate(s) of Insurance to the City's Department of Community Initiatives that shall be clearly labeled "*Haven for Hope Operating Agreement*" in the Description of Operations block of the Certificate. The original Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept Memorandum of Insurance or Binders as proof of insurance. The original certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed,

with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Department of Community Initiatives. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

Section 13.2 The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereupon City may incur increased risk.

Section 13.3 Operator's financial integrity is of interest to the City; therefore, subject to Operator's right to maintain reasonable deductibles in such amounts as are approved by the City, Operator shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Operator's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

| <u>TYPE</u> | <u>AMOUNTS</u> |
|--|--|
| 1. Workers' Compensation 2. Employers' Liability | Statutory \$1,000,000/\$1,000,000/\$1,000,000 |
| 3. Broad Form Commercial General Liability Insurance to include coverage for the following: a. Premises operations b. Independent Contractors c. Products/completed operations d. Personal Injury e. Contractual Liability. | For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage |
| 4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles | <u>Combined Single Limit</u> for <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence, or its equivalent in Umbrella or Excess Liability Coverage. |
| | |

Section 13.4 The City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by the City, and may require the deletion, revision, or modification of particular policy

terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Operator shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Operator shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Department of Community Initiatives
P.O. Box 839966
San Antonio, Texas 78283-3966

Section 13.5 Operator agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City.
- Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

Section 13.6 Within five (5) business days of a suspension, cancellation or non-renewal of coverage, Operator shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Operator's performance should there be a lapse in coverage at any time during this Agreement. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

Section 13.7 In addition to any other remedies the City may have upon Operator's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Operator to stop work hereunder, and/or withhold any payment(s) that become due to Operator hereunder until Operator demonstrates compliance with the requirements hereof.

Section 13.8 Nothing herein contained shall be construed as limiting in any way the extent to which Operator may be held responsible for payments of damages to persons or property resulting from Operator's or its contractors' performance of the work covered under this Agreement.

Section 13.9 It is agreed that Operator's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

Section 13.10 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement.

Operator and any Providers are responsible for all damage to their own equipment and/or property.

ARTICLE 14 TERMINATION

Section 14.1 In the event that Operator shall materially breach any of its duties to observe any of the material terms hereunder or to comply with any of the material provisions of this Agreement, the City shall deliver to Operator written notice to remedy such default. If such default is not remedied, to the reasonable satisfaction of the City, within thirty (30) days from the date of notice to Operator, the City may terminate this Agreement upon expiration of the cure period.

Section 14.2 City may immediately terminate this Agreement in the event that City terminates its Lease with Operator in accordance with the provisions of the Lease. Operator shall have no opportunity to cure under this Section in this Agreement given that an opportunity to cure a default, if any, under the Lease, shall be afforded prior to termination of the Lease.

Section 14.3 Termination of this Agreement at any time for any reason by either party automatically terminates the Lease, effective the same date of termination of this Agreement. Operator shall execute any and all necessary instruments required by City to evidence termination of the Lease, but no refusal of Operator to cooperate prevents automatic termination of the Lease. Operator shall peaceably transition operations of the Campus to a substitute operator, to be selected by the City within its sole discretion, and, if necessary, cooperate in the transition beyond the effective date given in a notice of termination, it being of primary importance to the parties to minimize disruption of services to homeless people. To the extent the provisions of this subparagraph are inconsistent with the Lease, this subparagraph is a pro tanto amendment of the Lease.

Section 14.4 Within thirty (30) calendar days after the expiration or termination of this Agreement, Operator shall return to the City all unexpended funds advanced to Operator, if any, and reimburse all expended funds which the City finds, within its sole discretion, to be a disallowable expenditure under this Agreement. Within thirty (30) calendar days after the expiration or termination of this Agreement, Operator shall also turn over to the City all records, documents, files and other instruments in its possession pertaining to the Operator's Campus operations and performance under this Agreement.

Section 14.5 Operator, at the expiration or earlier termination of this Agreement as herein provided, shall peaceably yield up the Premises, and other fixtures and all additions, improvements and alterations made thereupon in the same condition and repair as the same were in at the commencement of the term hereof, or may have been put in thereafter pursuant to this

Agreement, reasonable wear and use excepted. City, upon or at any time after such expiration or termination, may, without further notice, enter upon and re-enter the Premises and possess or repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess Operator and remove Operator and all other persons and property from the Premises. Operator agrees that ownership of all improvements, including buildings, shall immediately vest in the City at the expiration or earlier termination of this Agreement, notwithstanding Operator's funding of, purchase of, or payment for the improvements. If necessary, Operator shall execute any and all documents to effectuate transfer of buildings and other improvements to the City.

ARTICLE 15 MISCELLANEOUS

Section 15.1 Funding. The City and Operator recognize that funding for the construction, development, operation, and management of the Campus and the Project may be derived all or in part from the issuance of tax-exempt obligations by the City. The Operator shall not take any action to adversely affect the tax-exempt status of the debt issued by the City to construct or improve the Campus or to fund the City's or the Operator's obligations under this Agreement.

Section 15.2 Non-Profit Status. Operator agrees that it shall continue to maintain its 501(c)(3) non-profit status during the term of this Agreement.

Section 15.3 Assignment. This Agreement shall inure to the benefit of and constitute a binding obligation upon the City and Operator, and their respective successors and assigns, provided that neither party to this Agreement can assign this Agreement or any of its duties hereunder without the prior written consent of the other party.

Section 15.4 Amendment. This Agreement constitutes the entire agreement between the City and Operator, and no amendment or modification thereto shall be valid and enforceable except by supplemental agreement executed in writing and approved by the City and Operator and evidenced by passage of a subsequent City ordinance, as to City's approval.

Section 15.5 Execution of Counterparts. For the convenience of the parties, this Agreement has been executed in counterpart copies, which together shall constitute one and the same instrument, and counterparts of the signature pages separately executed by each of the parties may be collated and attached to one counterpart hereof to collectively constitute one fully executed instrument.

Section 15.6 Texas Law to Apply. This Agreement shall be construed and enforced under and in accordance with the laws of the State of Texas. The parties hereto submit to the exclusive personal jurisdiction of the courts of the State of Texas and the Federal courts of the United States sitting in Bexar County, Texas.

Section 15.7 Construction. Wherever used in this Agreement, the singular number shall include the plural, and the plural shall include the singular; and the use of any gender shall apply

to all genders. The captions and the headings of the sections of this Agreement are for convenience only and are not to be used to interpret or define the provisions hereof.

Section 15.8 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed and enforced as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 15.9 Waiver. No waiver by either party of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of either party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by either party hereto of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

No act or omission of either party shall in any manner impair or prejudice any right, power, privilege, or remedy available to either party hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

Section 15.10 Relationship of Parties. 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 relationship between the parties hereto. It is expressly understood and agreed that Operator is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that City shall in no way be responsible therefor.

Section 15.11 Prohibited Financial Interest. Operator acknowledges that it is informed that the Charter of the City of San Antonio (for purposes of this paragraph, the "City") and the City's Ethics Code prohibit a City officer or employee, as those terms are defined in the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or services, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

Section 15.12 Operator Certification. Pursuant to the paragraph above, Operator warrants and certifies, and this Agreement is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of City; provided, however, that the parties acknowledge and agrees that "officers" and "employees" of City shall not include service

on boards or committees of City or its agencies. Operator further warrants and certifies that it has tendered to City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

Section 15.13 Notices. All notices, consents, approvals or demand of any kind required or permitted by the terms of this Agreement to be given shall be in writing and sent in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, or by hand delivery, addressed as follows:

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

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

To Operator: The Haven for Hope of Bexar County
1 Haven for Hope Way
San Antonio, Texas 78207
Attention: Executive Director

or to such other address or addresses as the parties have agreed to in writing. Notice shall be deemed to have been duly served when it is hand-delivered or if mailed, two (2) days after it is so mailed. Each party shall apprise the other party immediately of any change in address, telephone number, or personnel or representatives with responsibilities under this Agreement.

Section 15.14 Notices During Emergencies. In the event of an emergency, natural disaster, terrorist attack, or declaration of war, affecting the operating of the Campus, the following representatives of the City and Operator shall be immediately notified by the other party using the most expeditious means of communicating such information:

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

To Operator: The Haven for Hope of Bexar County
1 Haven for Hope Way
San Antonio, Texas 78207
Attention: Executive Director

Section 15.15 Entire Agreement. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transactions contemplated herein and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written, have been merged into this Agreement.

Section 15.16 Authority. The parties hereto represent and assure that they possess the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement and to perform the responsibilities herein required. The signers of this Agreement represent and assure that they have full legal authority to execute this Agreement and to bind the party for whom they are signing to all terms, performances and provisions herein contained.

Section 15.17 Remedies Cumulative. All rights, options and remedies of the parties contained in this Agreement shall be cumulative of the other, and either party 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 Agreement.

Section 15.18 Time of the Essence. Time is of the essence in this Agreement. The parties will comply with any timing requirements stated in this Agreement, subject only to Force Majeure and use any and all reasonable efforts to cure any delay caused by Force Majeure. If the date specified in this Agreement for giving any notice or taking any action is not a business day (or if the period during which any notice is required to be given or any action taken expires on a date that is not a business day), then the date for giving such notice or taking such action shall be the next day that is a business day.

Section 15.19 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and its successors, and nothing in this Agreement, express or implied, is intended to or shall confer upon any person or entity any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 15.20 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

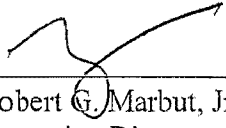
Section 15.21 Force Majeure. Both parties shall be excused from performance (except for payment obligations), and shall incur no liability for any loss or damage due to any delay or failure to perform its obligations under this Agreement when caused by occurrences beyond the reasonable control of the affected party ("**Force Majeure**"), including, but not limited to, riots, wars or hostilities between any nations, acts of God, fires, storms, floods, earthquakes, labor disputes or strikes, shortages or curtailments of raw materials, and power or other utility services. Performance shall be excused hereunder only if the affected party delivers written notice of the occurrence, including a full description thereof, to the other party and endeavors to remedy such non-performance with all reasonable dispatch.

[SIGNATURE PAGE TO FOLLOW]


IN WITNESS WHEREOF, the parties hereto set their hands this 30th day of April, 2009.

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

By: _____


Robert G. Marbut, Jr.,
Executive Director

**THE CITY OF SAN ANTONIO,
TEXAS**


Dennis J. Campa,
Director- Department of Community
Initiatives

Schedule A1
Operator Services

This is a schedule to that certain operating agreement entered into between the City of San Antonio and The Haven for Hope of Bexar County as of April 30, 2009 (the "Agreement"). The terms of the Agreement are incorporated herein. Capitalized terms used in this Schedule A1 will have the meanings given to them in the Agreement (unless otherwise defined in this schedule).

Services Description: During the term of the Agreement, the Operator will provide the following services at the Campus:

- case management;
- security;
- maintenance; and
- coordination of the activities that occur at the Campus.

Schedule A2
Provider Services

This is a schedule to that certain operating agreement entered into between the City of San Antonio and The Haven for Hope of Bexar County as of April 30, 2009 (the “**Agreement**”). The terms of the Agreement are incorporated herein. Capitalized terms used in this Schedule A2 will have the meanings given to them in the Agreement (unless otherwise defined in this schedule).

- Emergency and non-emergency food, medical, vision and dental services;
- Residential services for single members and families;
- Child care services for children and adults;
- Informational and referral services for dependent care, housing, emergency services, transportation, employment and education;
- Specialized mental health and substance abuse services/counseling;
- Legal services and governmental benefit assistance

Schedule B1
Animal Care Services

This is a schedule to that certain operating agreement entered into between the City of San Antonio and The Haven for Hope of Bexar County as of April 30, 2009 (the "Agreement"). The terms of the Agreement are incorporated herein. Capitalized terms used in this Schedule B1 will have the meanings given to them in the Agreement (unless otherwise defined in this schedule).

1. **Services Description:** Through its animal care services department ("**Animal Care Services**") or otherwise, the City shall provide General Fund support for and provide the following services and resources for Operator's on-site kennel (the "**Kennel**"), subject to annual City Council approval and an annual budget appropriation for said services:
 - a. Veterinary technician training (the "**Training Program**") for Operator-designated Invitees, Participants and volunteers ("**Kennel Participants**") at a site designated by Animal Care Services;
 - b. Vaccinations for the animals served at the Kennel;
 - c. Spay/neuter services for the animals served at the Kennel;
 - d. Consultation/transportation of animals served at the Kennel to an Animal Care Services shelter, as necessary; and
 - e. Introduction to Animal Care Services' pet food contractor so that Operator may independently contract for pet food.

2. **Training Program:** In addition, City will engage in discussions with Alamo Community College or another institution to facilitate an Alamo Community College or other program pursuant to which Kennel Participants may receive credit for their work at the Kennel toward certification as Certified Veterinary Assistants or Registered Veterinary Technicians or comparable requirements.

Schedule B2
Parks and Recreation

This is a schedule to that certain operating agreement entered into between the City of San Antonio and The Haven for Hope of Bexar County as of April 30, 2009 (the “**Agreement**”). The terms of the Agreement are incorporated herein. Capitalized terms used in this Schedule B2 will have the meanings given to them in the Agreement (unless otherwise defined in this schedule).

Services Description: Through the City’s Parks and Recreation Department, any successor department or otherwise, the City shall provide General Fund support for and provide the following services, subject to annual City Council approval and an annual budget appropriation for said services:

- a. **Training Program.** Training for the Operator designated Invitees, Participants and volunteers (the “**Grounds Maintenance Participants**”) on proper care and maintenance for the Campus grounds (the “**Grounds**”), covering topics related to lawn care, planting, landscaping, watering and the collection of trash. In addition, City will engage in discussions with Alamo Community College or another institution to facilitate an Alamo Community College or other program pursuant to which Grounds Maintenance Participants may receive credit for their work on the Grounds toward professional certification as Parks and Recreation professionals.
- b. **City Parks and Recreation Job Placement:** City, in compliance with the City’s policies and procedures for employment, will facilitate placement of Grounds Maintenance Participants in City Parks and Recreation positions as the same may be available.
- c. **Community Garden:** City shall use best efforts to partner with Master Gardens in the development of a therapeutic community garden on the Grounds.
- d. **Tree Challenge Program:** City shall facilitate Operator’s participation in the City’s Tree Challenge Program.
- e. **Transportation:** City shall provide transportation for Participants from the City Parks and Recreation Volunteer Coordination Center on Los Moras (the “**Parks Volunteer Center**”) to City Parks and Recreation locations around San Antonio (and back to the Parks Volunteer Center) so that Participants can participate in training, and provide grounds maintenance services in the course of that training, at those sites, if Haven can get Participants to and from the Parks Volunteer Center.

Schedule B3
San Antonio Police Department

This is a schedule to that certain operating agreement entered into between the City of San Antonio and The Haven for Hope of Bexar County as of April 30, 2009 (the "Agreement"). The terms of the Agreement are incorporated herein. Capitalized terms used in this Schedule B3 will have the meanings given to them in the Agreement (unless otherwise defined in this schedule).

Services / Personnel Description: Through the City's Police Department, the City shall provide General Fund support for and provide the following services and personnel, subject to annual City Council approval and an annual budget appropriation for said services and personnel:

- a. Two police officers trained in homeless relationships and de-escalation strategies to police the area surrounding the Campus.
- b. In addition to the officers delegated in Item a., each shift at two separate times both bike and street duty, will patrol the campus.
- c. The enforcement of existing City ordinances regarding loitering and the clearing of areas where the homeless population congregates in San Antonio;
- d. Training for all police officers serving the downtown San Antonio area in homeless issues and orientation on the Campus's services; and
- e. The San Antonio Police Department shall designate a "Homeless Liaison," who will be trained in homeless issues and provided with orientation to the Campus's services.

Schedule B4
Metropolitan Health District

This is a schedule to that certain operating agreement entered into between the City of San Antonio and The Haven for Hope of Bexar County as of April 30, 2009 (the “**Agreement**”). The terms of the Agreement are incorporated herein. Capitalized terms used in this Schedule B4 will have the meanings given to them in the Agreement (unless otherwise defined in this schedule).

Services Description: Through the San Antonio Metropolitan Health District or any successor agency, the City shall provide General Fund support for and provide the following services, subject to annual City Council approval and an annual budget appropriation for said services:

- a. Assistance and advice on disease outbreak prevention.

Schedule B5
Providers; Department of Community Initiatives

This is a schedule to that certain operating agreement entered into between the City of San Antonio and The Haven for Hope of Bexar County as of April 30, 2009 (the "Agreement"). The terms of the Agreement are incorporated herein. Capitalized terms used in this Schedule B5 will have the meanings given to them in the Agreement (unless otherwise defined in this schedule).

Through the City's Department of Community Initiatives, the City shall provide support for and provide the following, subject to annual City Council approval and an annual budget appropriation:

- a. Financial support to the following agencies providing homeless and other Campus related services:
 - i. residential services; and
 - ii. safe sleeping and service areas for chronic homeless; and
 - iii. food and culinary arts services.
- b. Housing First services to Participants through the San Antonio Housing Authority (SAHA) voucher program, so long as the Participant is eligible for the program, the City continues to participate in the SAHA voucher program and vouchers are available
- c. Basic needs assistance such as for utilities, rent, food and multi-benefit enrollment services to Participants, to include enrollment for benefits such as food stamps, Medicaid enrollment and Social Security Disability, so long as the Participant is eligible and the City continues to provide the applicable assistance through its grant funded and credit programs.
- d. Support of Homeless Management Information Systems (HMIS) activities by providing technical assistance, training and programming services, and appropriate access to licenses for Operator and Providers subject to availability of funding.

Exhibit C
Sublease

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

KUTAK ROCK LLP
1801 California Street
Suite 3100
Denver, CO 80202
Attention: Micah J. Halverson, Esq.

THIS SPACE ABOVE FOR RECORDER'S USE

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT ("Sublease") is made and effective as of December ___, 2009 (the "Effective Date"), by and between **HAVEN FOR HOPE OF BEXAR COUNTY**, a Texas non-profit corporation ("Sublandlord") and **HAVEN SUPPORT, INC.**, a Texas non-profit corporation ("Subtenant").

RECITALS

A. The City of San Antonio, a Texas municipal corporation ("Ground Landlord") as landlord, and Sublandlord, as tenant, entered into that certain Lease Agreement dated March 6, 2008 (the "Ground Lease"), covering certain real properties legally described in the Ground Lease and bounded by Ruiz Street on the north, North Frio Street on the east, Martin Street on the south, and Union Pacific Railroad on the west, in the City of San Antonio, Bexar County, Texas, and more specifically described in the Ground Lease (the "Premises"). A copy of the Ground Lease is attached as Exhibit A hereto and incorporated herein.

B. Subtenant desires to, among other things, sublease from Sublandlord a portion of the Premises described on Exhibit B attached hereto, together with all rights, benefits and easements held by Sublandlord under the Ground Lease or otherwise, including without limitation, all rights and easements relating to ingress and egress to and from the Premises and rights to parking on the Premises, (collectively, the "Sublease Premises") and Sublandlord desires to sublease the Sublease Premises to Subtenant on the terms, covenants and conditions contained in this Sublease. There is appurtenant to the Sublease Premises the right and easement (a) to use the roads and ways on the Premises for access to and from public ways, and (b) to construct, use, maintain and repair utilities located in the Premises to the extent reasonably necessary to serve the Sublease Premises.

C. Ground Landlord and Sublandlord are parties to that certain Operating Agreement related to the Premises dated April 30, 2009 (the "Operating Agreement"). Pursuant to the sublease contemplated herein, Sublandlord desires to assign its rights, title and interest in and to

the Operating Agreement to Subtenant to the extent the Operating Agreement affects the Sublease Premises.

D. Capitalized terms not defined herein and used in the Ground Lease shall have the same meaning as set forth in the Ground Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and promises of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant agree as follows:

1. **Sublease and Assignment.**

Upon and subject to the terms, covenants and conditions hereinafter set forth, Sublandlord hereby leases to Subtenant, and Subtenant hereby leases from Sublandlord, the Sublease Premises. Upon and subject to the terms, covenants and conditions hereinafter set forth, Sublandlord hereby assigns to Subtenant, and Subtenant hereby assumes from Sublandlord, the Operating Agreement to the extent the Operating Agreement affects the Sublease Premises.

2. **Term.**

The term of this Sublease (which shall be co-terminus with the Ground Lease (as related to the Sublease Premises)) ("Term") shall commence on the Effective Date and, unless sooner terminated as provided herein, shall terminate upon the expiration of the term of the Ground Lease as set forth in Section 3.1 of the Ground Lease ("Termination Date").

3. **Rent.**

3.1 During the Term, Subtenant agrees to pay Sublandlord as annual Rent ("Rent") for the Sublease Premises ONE DOLLAR (\$1.00). Sublandlord acknowledges that such annual Rent has been prepaid in advance for the entire Term.

3.2 Each annual installment of Rent shall be payable in the manner set forth in the Ground Lease.

3.3 In addition to Rent, Subtenant agrees to pay all costs, expenses and obligations of every kind and nature whatsoever relating to the Sublease Premises. Subtenant hereby acknowledges and agrees that Rent due hereunder shall be absolutely net, without deduction, set off or abatement.

4. **Incorporation of Ground Lease by Reference; Assumption.**

4.1 Subtenant acknowledges that it has read the Ground Lease and is fully familiar with the terms and conditions thereof. All of the paragraphs of the Ground Lease are incorporated into this Sublease as if fully set forth in this Sublease. With respect to the Ground

Lease, as incorporated herein, the term "Lessor" as used therein shall refer to Sublandlord hereunder, the term "Lessee" as used therein shall refer to Subtenant hereunder, the term "Lease" as used therein shall refer to this Sublease and the term "Premises" as used therein shall refer to the Sublease Premises described herein. Except as specified in this Sublease, this Sublease is subject to all of the terms of the Ground Lease. If any provisions of this Sublease expressly conflict with any portion of the Ground Lease as incorporated herein, the terms of this Sublease shall govern. Subtenant shall assume and perform for the benefit of Sublandlord and Ground Landlord all of Sublandlord's obligations under the Ground Lease to the extent that such provisions are applicable to the Sublease Premises. Sublandlord acknowledges and agrees that Subtenant cannot perform, and consequently is not required to perform, the obligations of Sublandlord on portions of the Premises other than the Sublease Premises. By way of illustration and example, Subtenant cannot complete construction on portions of the Premises (other than the Sublease Premises) and accordingly cannot be responsible for compliance with the provisions of Section 5 of the Ground Lease relating to construction, plan approval, alterations, etc., except with respect to the Sublease Premises. Likewise, Subtenant is not required to maintain, repair or pay Impositions on portions of the Premises other than the Sublease Premises.

4.2 At any time and on reasonable prior written notice to Subtenant, Sublandlord may elect to require Subtenant to perform Subtenant's obligations under this Sublease related to the Sublease Premises directly to Ground Landlord, in which event Subtenant shall send to Sublandlord from time to time copies of all notices and other communications it shall send to and receive from Ground Landlord. In addition, at any time and with reasonable notice to Sublandlord, Subtenant may elect to perform Subtenant's obligations under the Sublease, and Sublandlord's obligations under the Ground Lease, directly to Ground Landlord. Neither Subtenant (subject to the foregoing qualification) nor Sublandlord shall do or permit to be done anything which would constitute a violation or breach of any of the terms, conditions or provisions of the Ground Lease or which would cause the Ground Lease to be terminated or forfeited by virtue of any rights of termination or forfeiture reserved by or vested in Ground Landlord.

4.3 All utilities, road maintenance costs and Impositions shall be equitably allocated between the Sublease Premises and the remainder of the Premises. If the owner of the Premises or any portion thereof is required to pay real estate taxes, the parties shall agree to subdivide the Premises in order to allow the Sublease Premises to be assessed as separate tax parcels.

4.4 In the event the Ground Lease is hereafter amended so as to provide for less restrictive provisions on use, non-profit status of sublessees, assignment and subletting and leasehold financing, this Sublease shall be deemed likewise amended such that Subtenant shall have the benefit of said less restrictive provisions. The Ground Lease shall not be amended or modified in any manner which will affect this Sublease or the Sublease Premises without the prior written consent of Subtenant.

5. **Representations and Warranties.**

Sublandlord and Subtenant (each for itself only) represent, warrant and certify to each other, as applicable, that: (a) the Ground Lease is genuine, valid and enforceable in accordance with their respective terms, is in full force and effect as of the date hereof, and has not been

supplemented, modified, amended or terminated; (b) Sublandlord has not been given and has not received notice of the occurrence of a default under the Ground Lease, and to its best knowledge, there are no defaults, breaches, defenses, claims or offsets thereunder or to the enforcement thereof; (c) Annual Rent owing under the Ground Lease has been paid in full for the entire term of the Ground Lease, and to the best knowledge of Sublandlord, Sublandlord is in compliance with all other obligations under the Ground Lease; (d) the term of the Ground Lease expires on March 5, 2048; (e) there are no agreements between Ground Landlord and Sublandlord with respect to the Sublandlord's occupancy of the Premises other than the Ground Lease, Operating Agreement and Funding Agreement; (f) Sublandlord's leasehold interest in the Premises is not subject to any deed of trust, mortgage, or other lien; and (g) the Ground Landlord has approved the plans and specifications and the construction schedule and all aspects of the construction relating to Sublease Premises that is subject to Ground Landlord's approval as set forth in Section 5.3 and 5.4 of the Ground Lease.

6. **Acceptance of Sublease Premises "As Is"**.

The Sublease Premises shall be delivered to Subtenant in "As Is and With All Faults" condition and without any representations and warranties with respect thereto by Sublandlord, its agents, officers, directors or employees. Sublandlord and its agents, employees, officers and directors have made no representations or promises with respect to the Sublease Premises. The taking of possession of any portion of the Sublease Premises by Subtenant shall be conclusive evidence that Subtenant accepts the same "As Is and with All Faults" and that the Sublease Premises are suited for the use intended by Subtenant and are in good and satisfactory condition at the time such possession was taken.

7. **Defaults and Remedies; Holdover.**

7.1 Upon any default by Subtenant under this Sublease or under the Ground Lease, Sublandlord shall have all rights and remedies available at law or in equity, including, without limitation, the rights and remedies available to Ground Landlord as described in the Ground Lease.

7.2 Sublandlord shall promptly notify Subtenant in writing of any default by Sublandlord under the terms and conditions of the Ground Lease. Subtenant shall be entitled to all rights to receive notices and cure defaults of Sublandlord as more particularly described in Section 16.1 of the Ground Lease (or in any other similar sections of the Ground Lease).

8. **Destruction.**

During the Term, in the event of destruction of any improvements on the Sublease Premises, Subtenant may, at its option, reconstruct the same and neither Sublandlord nor Subtenant shall terminate the Ground Lease or Sublease if and for so long as Subtenant or Lenders pursues such reconstruction with reasonable diligence.

9. **Waiver of Bankruptcy.**

Unless Subtenant otherwise consents in writing, Sublandlord hereby waives, and agrees not to assert or otherwise take the benefit of, Section 36(f)(4), or any other applicable provisions,

of the United States Bankruptcy Code (11 U.S.C. § 101 et. seq.), which may cause the termination of the Ground Lease, or otherwise render it unenforceable in accordance with its terms, whether automatically by operation of law, or otherwise.

10. **Subtenant's Insurance.**

10.1 Subtenant, at its sole cost and expense, shall maintain or cause to be maintained from and after the Effective Date and throughout the Term, the insurance required to be carried by Sublandlord under the Ground Lease with respect to the Sublease Premises and shall comply with all requirements for insurance set forth in the Ground Lease.

10.2 Subtenant hereby waives on behalf of itself and on behalf of its insurers any and all rights of recovery against Sublandlord, Ground Landlord and the officers, employees, agents and representatives of Sublandlord or Ground Landlord on account of loss or damage occasioned to Subtenant or its property or the properties of others under its control caused by fire or any of the extended coverage risks described hereunder to the extent that such loss or damage is insured under any insurance policy in force at the time of such loss or damage or required to be carried hereunder. If necessary for its effectiveness, Subtenant shall give notice to its insurance carrier of the foregoing waiver of subrogation. Sublandlord hereby waives on behalf of itself and on behalf of its insurers any and all rights of recovery against Subtenant and its officers, employees, agents and representatives on account of damage to the Sublandlord or its property or the properties of others under its control caused by fire or any of the extended coverage risks described herein to the extent that such loss or damage is insured under any insurance policy in force at the time of such loss or damage or required to be carried hereunder.

11. **Leasehold Financing.**

11.1 Subject to the terms and conditions of that certain Consent Related to New Markets Tax Credit Transactions (the "Consent") dated December __, 2009 by and among the Ground Landlord, the Sublandlord, the Subtenant and others, the original Subtenant under this Sublease and any Permitted Transferee (as defined in the Consent) may grant a subleasehold deed of trust ("Deed of Trust") covering the subleasehold estate created by this Sublease without the prior consent of either Sublandlord or Ground Landlord. In addition, such original Subtenant or Permitted Transferee shall provide a copy to Sublandlord and to Ground Landlord of a Deed of Trust promptly after recording of the Deed of Trust in the applicable land records office. Sublandlord hereby agrees that the following provisions shall apply to any such Deed of Trust, notwithstanding anything herein to the contrary:

(a) If the holder of any Deed of Trust (any such holder, together with its successors and assigns, being hereinafter called "Lender") or any Permitted Transferee shall succeed to the interest of the Subtenant under the Sublease (whether by an assignment of Lender's rights hereunder, a foreclosure, transfer in lieu of foreclosure or otherwise) the Sublandlord will recognize such Lender (or an affiliate of Lender) or Permitted Transferee as its subtenant under the terms of the Lease. Notwithstanding anything in the Sublease or in the Ground Lease to the contrary, after foreclosure of the Deed of Trust or assignment of the Sublease in lieu of foreclosure, the Subtenant's interest under the Sublease may be freely sold, assigned, transferred or sublet (a "Transfer") to any Permitted Transferee without the consent of either Sublandlord or

Ground Landlord. Any other Transfer to a Person which is not a Permitted Transferee shall require the prior written approval of Ground Landlord only (but only to the extent such approval is required under the Ground Lease) and such approval by Ground Landlord shall be deemed to constitute approval by the Sublandlord for all purposes hereunder.

(b) If the Sublandlord shall give any written notice of default (hereafter "Default Notice") to the Subtenant under the Sublease, the Sublandlord shall concurrently send a copy of each such Default Notice to the Lender and to Ground Landlord. No Default Notice given by the Sublandlord to the Subtenant shall be binding upon or affect the Lender or the Subtenant unless a copy of the Default Notice is given to the Lender pursuant to the terms hereof.

(c) If a monetary default of the Subtenant shall occur under any provision of the Sublease, then the Sublandlord shall take no action with respect to such default if the Lender remedies such default not later than sixty (60) days after the Sublandlord's giving of a Default Notice relating to such default to the Lender. If a non-monetary default of the Subtenant shall occur under any provision of the Sublease, then the Sublandlord shall take no action with respect to such default if the Lender remedies such default not later than one hundred twenty (120) days after the Sublandlord's giving of a Default Notice relating to such default to the Lender, provided that in the case of a non-monetary default which cannot with diligence be remedied within such one hundred twenty (120) day period, the Lender shall have such additional period as may be necessary to obtain possession of the Sublease Premises and to remedy such default or to institute foreclosure proceedings and to complete such foreclosure or otherwise acquire the interest of Subtenant under the Lease if the Lender commences such proceedings within such one hundred twenty (120) day period and thereafter diligently prosecutes such remedy to completion.

(d) If a default of the Subtenant shall occur under any provision of the Sublease, then the Lender shall, without prejudice to its rights against the Subtenant, have the right to cure such default within the applicable grace periods provided for in section (c) above, and the Sublandlord shall accept such performance on the part of the Lender as though the same had been performed by the Subtenant.

(e) No surrender (except a surrender upon the expiration of the term of the Sublease) by the Subtenant to the Sublandlord of the Lease, or the Sublease Premises or any part thereof, or of any interest therein, and no termination of the Sublease may occur, nor may any of the terms thereof be amended, modified, changed or canceled, without the prior written consent of the Lender. No merger of the Sublease or the leasehold estate created under the Sublease with the Ground Lease or the fee title to the Premises may occur, notwithstanding that the Sublease or such leasehold estate and such fee title or Ground Lease shall be owned by the same person(s) or entity(ies), without the prior written consent of the Lender.

(f) Subject to the provisions of Section 11.4 hereof, the Lender shall not become personally liable for the performance or observance of any covenants or conditions to be performed or observed by the Subtenant under the Sublease unless and until the Lender becomes the owner of the Subtenant's interest under the Sublease or the Lender actually obtains exclusive possession of the Sublease Premises upon the exercise of any remedy provided for in the Deed of Trust, or enters into a new sublease with the Sublandlord as set forth herein. Thereafter, the Lender shall be liable for the performance and observance of such covenants and conditions only

for the period that such Lender owns such interest, maintains such possession of the Sublease Premises, or is a Subtenant under such new lease.

(g) In the case of a default of the Subtenant under the Sublease that is of such nature that it cannot be cured by the Lender (for example, the bankruptcy of the Subtenant), or the termination of the Sublease for any reason, or in the event the Sublease is rejected or disaffirmed pursuant to any bankruptcy, insolvency or other law affecting creditor's rights, the Sublandlord shall give prompt notice thereof to the Lender in the manner provided in Section 14. The Sublandlord, on written request of the Lender made any time within sixty (60) days after the giving of such notice by the Sublandlord, shall promptly execute and deliver a new sublease of the Sublease Premises to the Lender, for the remainder of the term of the Sublease (or for such period of time as would have constituted the remainder of the term of the Sublease in the absence of such termination, rejection or disaffirmance) upon all the covenants, conditions, limitations and agreements therein contained (including, without limitation, options to extend the term of the Sublease) except for such provisions which must be modified to reflect such termination, rejection or disaffirmance and the passage of time or the agreements contained herein, provided that such Lender (1) shall pay to the Sublandlord, simultaneously with the delivery of such new sublease, all unpaid rent due under the Sublease up to and including the date of the commencement of the term of such new lease and all reasonable expenses, including, without limitation, reasonable attorneys' fees and disbursements and court costs, incurred by the Sublandlord in connection with the default by the Subtenant, the termination of the Sublease and the preparation of the new lease, and (2) shall cure all defaults existing under the Sublease which are susceptible to being cured by the Lender promptly and with due diligence after the delivery of such new lease. Any such new sublease and the leasehold estate thereby created shall, subject to the same conditions contained in this Sublease, continue to maintain the same priority as this Sublease with regard to any mortgage or deed of trust, including any fee deed of trust or any deed of trust on the Sublandlord's interest in the Sublease, on the Sublease Premises or any part thereof or any leasehold interest therein or any other lien, charge or encumbrance thereon, whether or not the same shall now be in existence. Concurrently with the execution and delivery of such new sublease, the Sublandlord shall assign to the Subtenant named therein all of its right, title and interest in and to all funds (including insurance and condemnation proceeds), if any, then held by or payable to the Sublandlord or any other depository which the Subtenant would have been entitled to receive but for the termination, rejection or disaffirmance of the Sublease, and any sums then held by or payable to the Sublandlord or such depository shall be deemed to be held by or payable to it as Sublandlord or depository under the new sublease; provided, however, that the provisions of this sentence shall not be construed to grant to the Subtenant named in such new sublease any rights with respect to any such funds that are superior to or in addition to the rights that the Subtenant would have had with respect to such funds in the absence of such termination, rejection or disaffirmance of the Sublease. The Subtenant hereby agrees that, if the Sublandlord and the Lender enter into a new sublease of the Sublease Premises in accordance with the provisions of this Section 11.1(g), then the Sublandlord may assign to the Subtenant named in such new sublease all of the Sublandlord's right, title and interest in and to all funds then held by or payable to the Sublandlord or any other depository which the Subtenant would have been entitled to receive but for the termination, rejection or disaffirmance of the Sublease without thereby incurring any liability to the Subtenant. For so long as the Lender shall have the right to enter into a new sublease with the Sublandlord pursuant to the second sentence of this Section 11.1(g), the Sublandlord shall not enter into a new sublease of the Sublease

Premises with any person or entity other than the Lender, without the prior written consent of the Lender. If the Lender fails to request that the Sublandlord execute and deliver a new sublease of the Sublease Premises in accordance with the provisions of this Section 11.1(g) within sixty (60) days after the giving by the Sublandlord to the Lender of the notice described in the first sentence of this Section 11.1(g), then the Sublandlord may enter into a new sublease of the Sublease Premises with any person or entity without the consent of the Lender.

(h) The Sublandlord shall not grant a deed of trust or otherwise encumber its interest in the Sublease Premises or the Premises unless the holder of such deed of trust or encumbrance specifically agrees, in writing, that such deed of trust or encumbrance is subordinate to the Sublease and further agrees, in writing, to recognize the rights of the Lender, its successors, assigns or transferees, to the Sublease and the Sublease Premises, and the rights of Lender under this Sublease.

(i) The Sublandlord irrevocably waives any provisions of the Sublease which provide that Subtenant shall, upon request of the Sublandlord, subordinate the Sublease to any lien of any present or future deed of trust granted by the Sublandlord.

(j) In the event of the total or partial destruction of the Sublease Premises, the Sublandlord agrees that, notwithstanding anything to the contrary contained in the Sublease, (i) Sublandlord shall not have any right or claim to any insurance proceeds arising out of such loss and shall not participate in the settlement or adjustment of any such loss, (ii) any insurance proceeds arising out of any such loss shall be paid to Lender and applied in accordance with the provisions of the Deed of Trust, and (iii) the Sublease shall not terminate as a result of any casualty loss unless the insurance proceeds received as a result of said loss and paid to the Lender are sufficient to satisfy in full the obligations of the Subtenant to the Lender secured by the Deed of Trust.

(k) In the event of a total or partial taking of the Premises, the Sublandlord shall permit the Lender to participate in any proceedings relating thereto and, notwithstanding anything to the contrary contained in the Sublease, the Sublandlord agrees that any award resulting from such total or partial taking shall be paid to the Lender and applied in accordance with the provisions of the Deed of Trust.

(l) The Sublandlord recognizes the right of the Lender or any successor, assignee or transferee of the Lender to exercise any options, including, without limitation, any renewal or extension options or rights of first refusal provided to the Subtenant under the Sublease; and agree that if, prior to the exercise of the Lender of its rights under the Deed of Trust, the Subtenant fails to exercise within the applicable time periods set forth in the Sublease any option including, without limitation, any renewal or extension option or right of first refusal, the Sublandlord shall notify the Lender and the Lender shall be authorized, at its option, to exercise any option or right as attorney-in-fact for the Subtenant within sixty (60) days of receipt of such notice and the Sublandlord shall recognize said exercise of any option or right by the Lender.

11.2 Any claim by the Sublandlord against the Lender under the Sublease or any new lease or direct lease with Ground Landlord shall be satisfied solely out of the interest of the Lender in the Sublease Premises, and the Sublandlord shall not seek recovery against or out of

any other assets of the Lender. Notwithstanding the foregoing, this Section 11.2 relates only to Sublandlord in its capacity as sublandlord of the Sublease Premises and this Section 11.2 shall not be construed to limit any other liability Lender may have, if any, to Sublandlord.

11.3 The benefits and burdens of this Sublease shall inure to and bind the successors and assigns of the respective parties hereto and any and all future Lenders. It is the express intention of the parties hereto that each and every Lender (a) may rely on the provisions of this Sublease in making any loan to Subtenant and (b) shall have and enjoy the same benefits, rights and protections as are afforded to Lender hereunder AS IF such Lender had been named a party to this Sublease; the foregoing provisions shall be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon the recordation of any leasehold deed of trust on the Sublease Premises. The Sublandlord shall execute such additional instruments, in recordable form, as any Lender may deem necessary or desirable in order to confirm the provisions or benefits of this Sublease.

11.4 The provisions of this Section 11 shall survive the termination, rejection or disaffirmance of the Sublease and shall continue in full force and effect thereafter, and from the effective date of such termination, rejection or disaffirmance of the Sublease to the date of execution and delivery of a new sublease in accordance with the provisions of Section 11.1(g) above, the Lender may use and enjoy the leasehold estate created by the Sublease without hindrance by the Sublandlord; provided, however, that if the Lender either (a) fails to request that the Sublandlord execute and deliver a new sublease of the Sublease Premises in accordance with the provisions of Section 11.1(g), or (b) requests that the Sublandlord execute and deliver a new sublease of the Sublease Premises and subsequently fails to execute such new lease and deliver the same to the Sublandlord in a timely manner, then the Lender shall pay rent to the Sublandlord at the rate that would have been applicable under such a new sublease of the Premises for the period of Lender's use and enjoyment of the leasehold estate created by the Sublease. The aforesaid agreement of the Sublandlord to enter into a new sublease with the Lender shall be deemed a separate agreement between the Sublandlord and the Lender, separate and apart from the Sublease (as well as a part of the Sublease), and shall be unaffected by the rejection or disaffirmance of the Sublease in any bankruptcy proceeding by any party.

11.5 The provisions of this Section 11 are for the benefit of the Lender and may be relied upon and shall be enforceable by the Lender as if the Lender were a party to the Sublease.

11.6 This Sublease may not be amended or modified without the prior written consent of Lender. This Sublease may not be terminated without the prior written consent of Lender.

11.7 Sublandlord and Subtenant agree to deliver to Lender within fifteen (15) days after written request by Lender, an estoppel certificate from Ground Landlord, Sublandlord and Subtenant setting forth (a) the name of the tenant under the Ground Lease and Sublease, as applicable; (b) that the Ground Lease and Sublease have not been modified or, if it has been modified, the date of each modification (together with copies of each such modification); (c) the rent payable under the Ground Lease and the Sublease; (d) the date to which all rental charges have been paid by Subtenant under the Sublease; (e) whether there are any alleged defaults of Sublandlord or Subtenant under the Ground Lease and Sublease and, if there are, a description of

the nature of such defaults in reasonable detail; and (f) such other matters as Lender may reasonably request.

12. **Time.**

Time is of the essence of this Sublease.

13. **Notices.**

All notices under this Sublease shall be in writing as follows:

| | |
|------------------------|---|
| If to Sublandlord: | Haven for Hope of Bexar County 2330 N. Loop 1604 West San Antonio, Texas 78248 Attention: Executive Director |
| If to Ground Landlord: | City of San Antonio Director, Department of Community Initiatives Plaza de Armas, Suite 210 San Antonio, Texas 78205 |
| If to Subtenant: | Haven Support, Inc. 2330 N. Loop 1604 West San Antonio, Texas 78248 Attention: Executive Director |
| If to Initial Lenders: | Wachovia Community Development Enterprises IV, LLC c/o Wells Fargo Bank Community Lending and Investment 401 B Street, Suite 304-A San Diego, CA 92101 Attention: Lee Winslet NNMF Sub-CDE IX, LLC c/o National New Markets Fund, LLC 11150 West Olympic Blvd., Suite 910 Los Angeles, CA 90064 Attention: Laura Bauer, Controller |

or such addresses as may hereafter be designated by either party in writing. Any such notices shall be sent in accordance with the Ground Lease.

14. **General Provisions**

14.1 **Entire Agreement.** This Sublease contains all of the agreements of the parties, and there are no verbal or other agreements which modify or affect this Sublease. This Sublease

supersedes any and all prior agreements made or executed by or on behalf of the parties hereto regarding the Sublease Premises and sets forth obligations concerning the Sublease Premises.

14.2 Nonwaiver of performance. Unless otherwise specifically provided for in this Sublease, a waiver by any party of a breach of any of the terms, conditions, covenants, or guarantees of this Sublease shall not be construed or held to be a waiver of any succeeding or preceding breach of the same or other term, condition, covenant or guarantee herein contained. Further, any failure of any party to insist in any one or more cases upon the strict performance of any of the covenants of this Sublease, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by any party hereto of any provision of this Sublease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged. In the case of Ground Landlord, such changes must be approved by its City Council by Ordinance duly adopted. No act or omission by a party shall in any manner impair or prejudice any right, power, privilege, or remedy available to that party hereunder of by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

14.3 Terms and Headings. The words "Ground Landlord", "Sublandlord" and "Subtenant" include the plural as well as the singular, and words used in any gender include all genders. The titles to sections of this Sublease are not a part of this Sublease and shall have no effect upon the construction or interpretation of any part hereof. Capitalized terms used in this Sublease without definition which are defined in the Ground Lease shall have the same meanings given to such terms in the Ground Lease.

14.4 Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Sublease shall inure to and be binding upon Sublandlord and Subtenant and their respective successors and assigns.

14.5 Brokers. Subtenant represents and warrants to Ground Landlord and Sublandlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees with respect to the negotiation, execution or delivery of this Sublease and shall indemnify, defend and hold harmless Sublandlord and Ground Landlord against any loss, cost, liability or expense incurred by Sublandlord or Ground Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or asserted to have been made by or on behalf of Subtenant. Sublandlord represents and warrants to Subtenant that it has not engaged any broker, finder or other person who would be entitled to any commission or fees, with respect to the negotiation, execution or delivery of this Sublease and shall indemnify, defend and hold harmless Subtenant against any loss, cost, liability or expense incurred by Subtenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Sublandlord.

14.6 Severability. Any provision of this Sublease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall nevertheless remain in full force and effect.

14.7 Force Majeure. Except as may be otherwise specifically provided herein, time periods for either party's performance under any provisions of this Sublease not involving the payment of money or rent shall be extended for periods of time during which said party's performance is prevented due to circumstances beyond the party's control, including, without limitation, strikes, embargoes, governmental regulations, acts of God, war or other strife.

14.8 Examination of Lease. Submission of this instrument for examination or signature by Subtenant does not constitute a reservation of or option to lease, and it is not effective as a lease or otherwise unless and until (a) the execution by and delivery to both Sublandlord and Subtenant, and (b) the Ground Landlord consents hereto as provided above.

14.9 Recording. Subtenant may record this Sublease or any memorandum hereof in the real estate records of the state and county where the Sublease Premises is located.

14.10 Applicable Laws. This Sublease shall be governed by and construed pursuant to the laws of the state provided in the Ground Lease.

14.11 Survival of Obligations. All provisions of this Sublease which require the payment of money or the delivery of property after the termination of this Sublease or require Subtenant to indemnify, defend or hold Sublandlord and/or Ground Landlord harmless or require Sublandlord to indemnify, defend or hold Subtenant harmless shall survive the termination of this Sublease.

14.12 Appendices and Riders. The following appendices and riders are attached hereto and by this reference made a part of this Sublease:

EXHIBIT A Ground Lease

EXHIBIT B Sublease Premises – Legal Description

[Remainder of this page is intentionally left blank; Signature pages to follow]

SUBTENANT:

HAVEN SUPPORT, INC, a Texas non-profit corporation

By: _____

Name: Steve Oswald

Title: Vice Chairman and Treasurer

STATE OF _____)
) ss.
COUNTY OF _____)

On the ____ day of _____, 2009, before me, the undersigned Notary Public, personally appeared Steve Oswald, personally known to me to be the person whose name is subscribed to the foregoing instrument and personally known to me to be the Vice Chairman and Treasurer of Haven Support, Inc., a Texas non-profit corporation, and acknowledged that the same was the act and deed of the Company and that he executed the same as the act of the Company.

WITNESS my hand and official seal.

[SEAL]

Notary Public

My Commission Expires:

(Signature Page to Sublease Agreement)

EXHIBIT A
GROUND LEASE

LEASE AGREEMENT

Dated , 2008

BETWEEN

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

and

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

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

STATE OF TEXAS §
 §

COUNTY OF BEXAR §

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

WITNESSETH:

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

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

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

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

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

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

leadership of LESSEE as the general operator; and

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

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

NOW THEREFORE:

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

ARTICLE 1

DEFINITIONS

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

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

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

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

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

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

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

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

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

ARTICLE 2

DESCRIPTION OF PREMISES; TITLE

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

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

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

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

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

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

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

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

ARTICLE 3

TERM

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

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

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

ARTICLE 4

RENT AND UTILITY BILLS

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

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

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

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

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

ARTICLE 5

CONDITION OF PREMISES AND CONSTRUCTION

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

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

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

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

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

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

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

a. LESSEE shall procure, and LESSOR will, if requested by LESSEE, cooperate with LESSEE in procuring, any and all approvals of Governmental Authorities, and all zoning changes, building permits, certificates of occupancy and other licenses and permits that may be required in connection with the construction of the Campus. LESSEE shall pay any fees associated with such licenses and permits. LESSEE shall furnish copies of all such licenses and permits to LESSOR prior to the commencement of any work. Without limiting the foregoing, LESSOR agrees that upon the request of LESSEE, LESSOR will join in applications for licenses and permits where the signature of LESSOR is required by applicable laws, regulations, or ordinances as the fee simple owner of the Premises.

b. LESSEE shall give written notice to LESSOR not less than five (5) Business Days prior to the commencement of any construction, alteration or repairs on the Premises in order that LESSOR may, but shall not be obligated to post notices of non-responsibility, and LESSEE agrees that such notices may remain posted until the acceptance of such work.

c. LESSOR shall not be required to remove any trees or landscaping, perform any site grading, or undertake any other site preparation. LESSOR approves of the destruction of any existing improvements on the Premises by LESSEE as part of the construction of the Campus and the Project, provided such destruction is in accordance with the approved Campus Plans, Structure Plans, or

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 6

USE, RESTRICTIONS AND ENTRY OF THE PREMISES

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

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

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

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

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

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

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

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

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

LESSOR for any resulting damage.

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

ARTICLE 7

TAXES

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

ARTICLE 8

SUBLETTING AND ASSIGNMENT

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

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

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

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

ARTICLE 9

INSURANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10

PROPERTY LOSS

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

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

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

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

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

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

ARTICLE 11

CONDEMNATION

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

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

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

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

ARTICLE 12

RELEASE OF LIABILITY AND INDEMNIFICATION

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

Section 12.2 **INTENTIONALLY LEFT BLANK**

Section 12.3 **Indemnification.**

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13

EXPIRATION OF TERM

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

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

ARTICLE 14

HOLDING OVER; PEACEFUL ENJOYMENT

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

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

ARTICLE 15

ESTOPPEL CERTIFICATES AND COMPLIANCE WITH COVENANTS

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

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

ARTICLE 16

DEFAULT AND TERMINATION OF LEASE

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

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

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

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

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

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

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

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

h. LESSEE shall be adjudicated bankrupt;

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

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

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

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

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

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

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

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

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

ARTICLE 17

REPRESENTATIONS AND WARRANTIES

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

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

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

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

ARTICLE 18

CONFLICT OF INTEREST

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

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

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

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

ARTICLE 19

HAZARDOUS SUBSTANCES

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

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

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

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

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

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

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

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

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

ARTICLE 20

MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 21

NOTICES

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

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

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

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

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

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

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

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

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

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

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

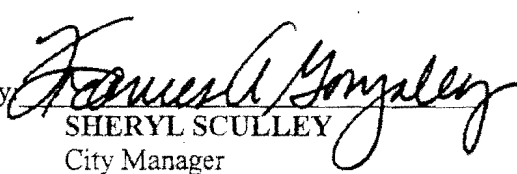
LESSEE:

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


By: 
ROBERT G. MARBUT, JR.
Executive Director

LESSOR:

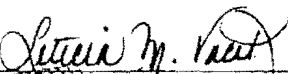
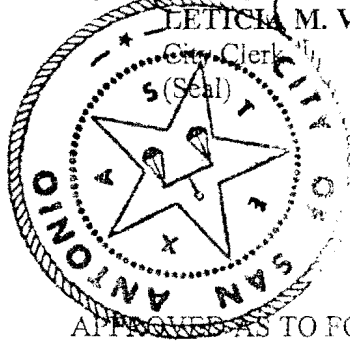
CITY OF SAN ANTONIO, TEXAS

By: 
SHERYL SCULLEY
City Manager

ATTEST:


Secretary
(Seal)

ATTEST:

By: 
LETICIA M. VACEK
City Clerk
(Seal)

APPROVED AS TO FORM

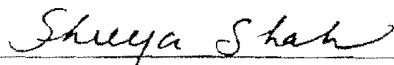
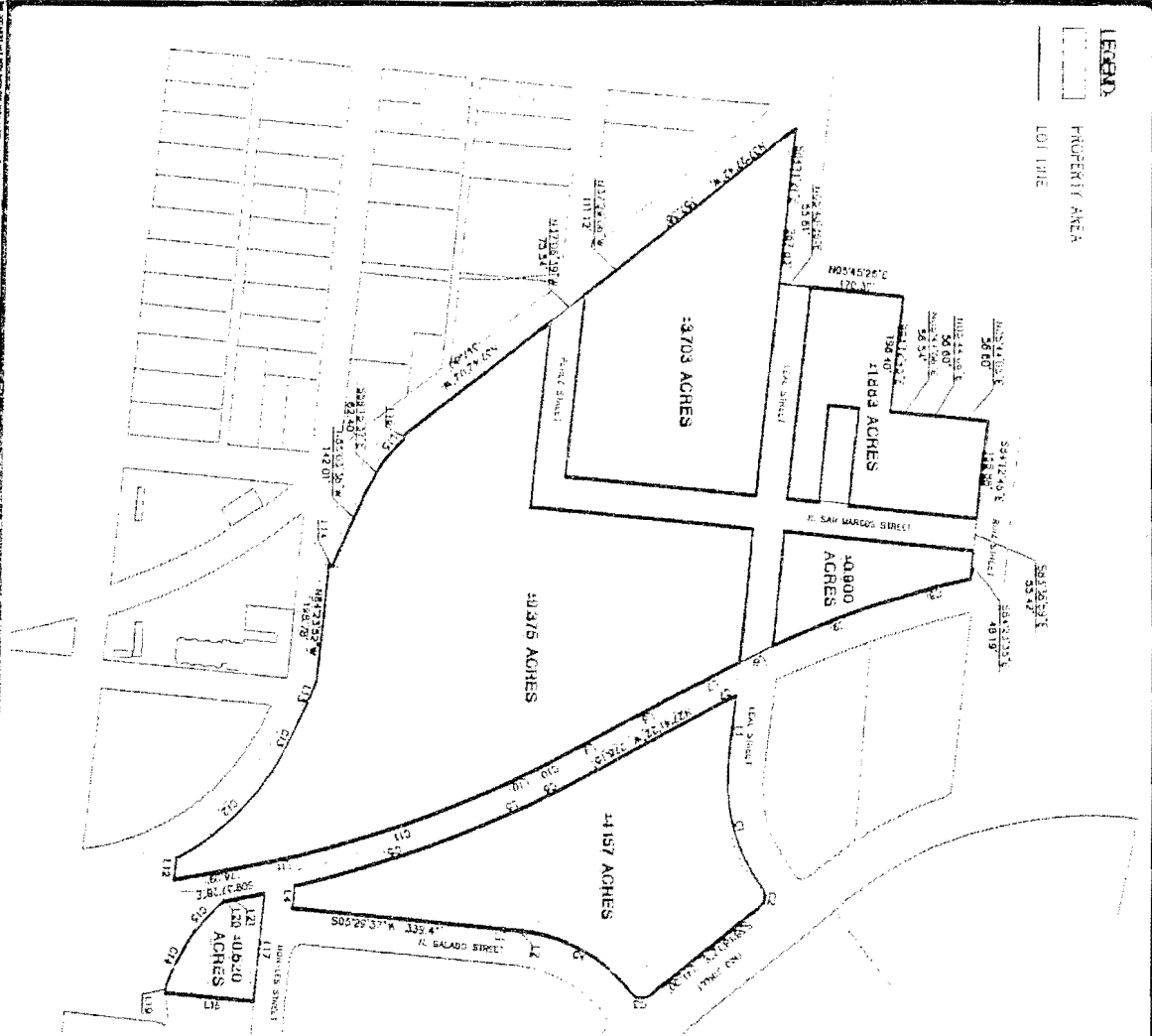
By: 
for City Attorney

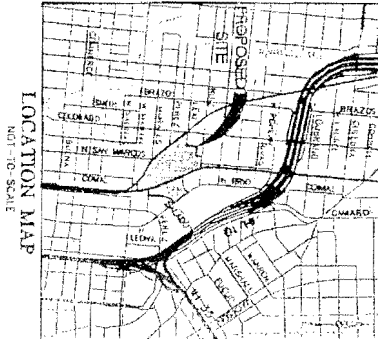
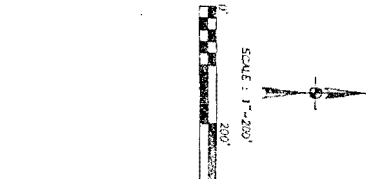
EXHIBIT A

DESCRIPTION OF THE PREMISES



| CURVE | LENGTH | RADIUS | TANGENT | CHORD | CHORD BEARING | DELTA |
|-------|---------|-----------|---------|---------|---------------|------------|
| C1 | 223.74' | 291.95' | 117.69' | 218.10' | N73.91°E | 43°55.04' |
| C2 | 39.79' | 25.00' | 25.00' | 35.36' | S63.91°E | 35.36' |
| C3 | 39.15' | 25.00' | 24.87' | 35.26' | S63.91°E | 35.26' |
| C4 | 230.21' | 284.90' | 121.81' | 461.71' | S63.91°E | 107°53.50' |
| C5 | 370.94' | 1,035.08' | 186.04' | 370.17' | N17.56°E | 107°53.50' |
| C6 | 95.72' | 1,937.29' | 42.84' | 232.03' | N28.23°W | 65.71' |
| C7 | 42.15' | 1,988.03' | 21.08' | 116.51' | N27.03°E | 42.15' |
| C8 | 131.93' | 1,988.03' | 66.01' | 131.91' | N14.31°W | 51.42°E |
| C9 | 239.65' | 1,988.03' | 120.06' | 239.41' | S19.42°E | 51.42°E |
| C10 | 53.61' | 1,988.03' | 26.81' | 53.61' | N28.23°W | 65.71' |
| C11 | 373.51' | 1,881.82' | 187.37' | 373.51' | N43.91°W | 107°53.50' |
| C12 | 253.48' | 488.53' | 129.65' | 250.63' | N43.91°W | 107°53.50' |
| C13 | 94.55' | 488.53' | 47.43' | 94.40' | N67.05°W | 107°53.50' |
| C14 | 107.90' | 342.32' | 54.40' | 107.45' | S71.42°E | 107°53.50' |
| C15 | 73.57' | 287.92' | 39.89' | 73.16' | S71.42°E | 107°53.50' |

| LINE | LENGTH | BEARING |
|------|---------|-----------|
| L1 | 119.43' | S84.11°E |
| L2 | 6.25' | S05.26°W |
| L3 | 55.72' | S05.26°E |
| L4 | 37.23' | N84.16°E |
| L5 | 67.43' | N22.86°E |
| L6 | 63.42' | S89.02°E |
| L7 | 121.26' | S28.45°E |
| L8 | 113.31' | S27.91°E |
| L9 | 97.94' | S27.42°E |
| L10 | 64.56' | S34.21°E |
| L11 | 57.76' | S100.40°E |
| L12 | 36.28' | N84.16°E |
| L13 | 26.95' | N64.43°W |
| L14 | 7.31' | N06.51°E |
| L15 | 47.08' | S47.93°E |
| L16 | 7.10' | S84.11°E |
| L17 | 188.80' | S84.11°E |
| L18 | 182.94' | S05.26°W |
| L19 | 12.22' | N87.05°W |
| L20 | 23.02' | N107.94°W |
| L21 | 4.18' | N05.26°E |



HAVEN FOR HOPE OF BEXAR COUNTY
 SAN ANTONIO, TEXAS
 OVERALL BOUNDARY EXHIBIT

PLAT NO. 8, 2008 TO 2011
 SAN ANTONIO, TEXAS

EXHIBIT B

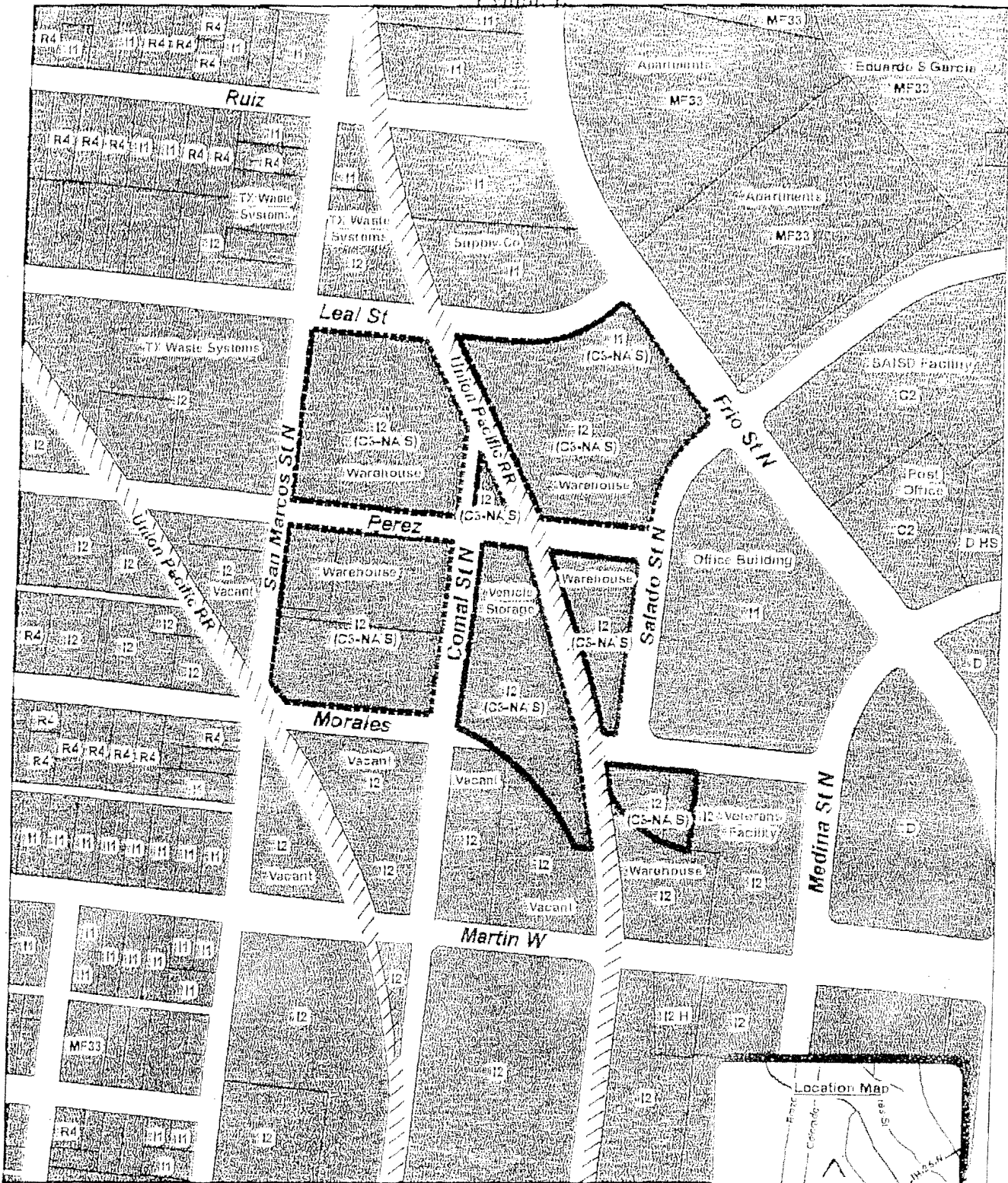
PARCELS OF LAND ZONED C3-NAS
GENERAL COMMERCIAL, NON ALCOHOLIC SALES WITH A SPECIFIC USE
PERMIT FOR A HUMAN SERVICES CAMPUS

Exhibit B

Z2007217 S - Legal Descriptions

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

Also known as 601 North Frio Street, 717 North Frio Street, 524 Leal Street, 1301 West
Martin Street, 1323 West Martin Street, 519 North Medina, 720-722 Morales, 801
Morales, 825 Morales, 903 Morales, 525 Perez Street, 615 Perez Street, 701 North Salado
Street, 727 North Salado Street and 626 North San Marcos Street .



Zoning Case Notification Plan

Case Z-2007-217

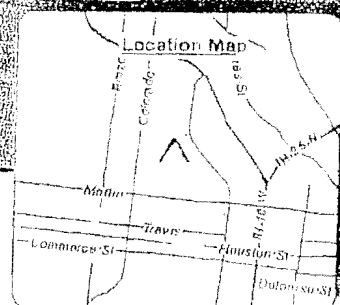
Council 10 1345

Scale: 1" approx. = 120'



Legend

- Subject Property
- 200' Notification Buffer
- Current Zoning
- Proposed Zoning Change
- City of San Antonio Floodplain



Produced by the City of San Antonio
Development Services Department
(202)326071

EXHIBIT C

BONDING REQUIREMENTS

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

PERFORMANCE BOND AND PAYMENT BONDS

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

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

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

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

EXHIBIT D

SEVERANCE AND BILL OF SALE

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

SEVERANCE AND BILL OF SALE

Authorizing Ordinance:

Seller: City of San Antonio

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

Buyer: Haven for Hope of Bexar County

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

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

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

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

Predicate Facts

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

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

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

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

Acts of Severance and Sale

Now Therefore, the parties agree and act as follows:

1. Severance.

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

2. Conveyance.

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

3. Reversion to Realty.

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

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

4. Liens.

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

5. Disclaimer.

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

6. Coupled with Lease.

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

7. Indemnity.

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

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

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

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

8. Risk of Loss.

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

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

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

9. Acceptance of Obligations.

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

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

City of San Antonio,
a Texas municipal corporation

Haven for Hope of Bexar County, a
Texas nonprofit corporation

By: Frances A. Gonzalez By: [Signature]

Printed Name: FRANCES A. GONZALEZ Printed Name: ROBERT G. MARSHALL

Title: Asst. City Manager Title: Ex. Dir.

Date: 3/12/08 Date: 3/7/08

Attest:

[Signature]
City Clerk

Approved As To Form:

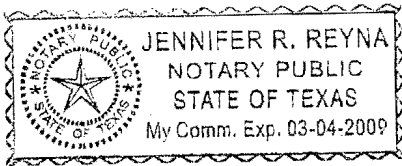
[Signature]
City Attorney

State of Texas §

County of Bexar §

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

Date: 3/12/08



Jennifer R. Reyna
Notary Public, State of Texas

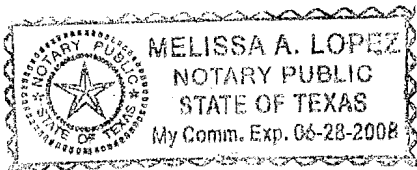
My Commission expires: 3/4/09

State of Texas §

County of Bexar §

This instrument was acknowledged before me this date by Robert G. Marbut, of the Haven for Hope of Bexar County, a Texas nonprofit corporation, in the capacity therein stated and on behalf of that entity.

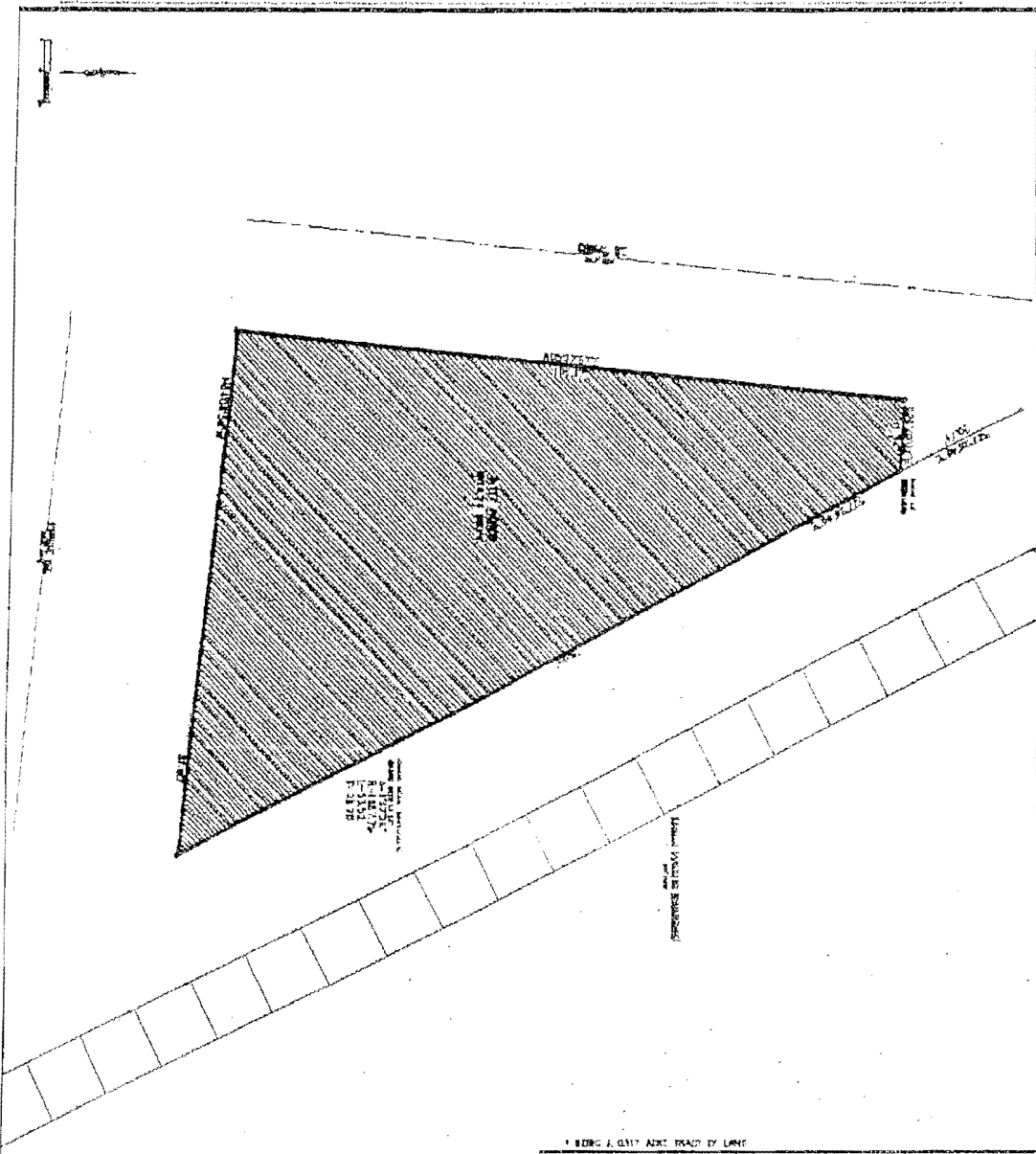
Date: 3/7/08



Melissa A. Lopez
Notary Public, State of Texas

My Commission expires: 6/28/08

Exhibit A



BEING A GUY LINE TRACT BY LINDY

I, the undersigned, Professional Land Surveyor of the State of Texas, do hereby certify that the above plat was prepared and drawn by me or under my direct supervision and that I am a duly licensed Professional Land Surveyor of the State of Texas. I further certify that the above plat is a true and correct copy of the original as shown to me by the owner or his agent and that the same is a true and correct copy of the original as shown to me by the owner or his agent.

[Signature]
 J. G. [Name]
 Professional Land Surveyor

STATE OF TEXAS
 COUNTY OF [Name]



| | | | |
|--|-----------------------|-----------|-----------|
| PROJECT NAME: 023 PEREZ ST. | SCALE: 1" = 10' | NO. DATE: | COMMENTS: |
| PARCEL #101480 | SHEET: 1 OF 1 | | |
| JOB # 367 043 2144 DATE: FEBRUARY 21, 2004 | LONG FOOT DIMENSIONS: | | |

SOC

VIDEO MEASUREMENT STATE 901
 804 AMHERST, TEXAS 76707-4111
 810/416-1220 • FAX: 810/416-1090
 www.soc-texas.com

METES AND BOUNDS DESCRIPTION

February 21, 2008

BEING a 0.117 acre tract of land situated in the City of San Antonio, Bexar County, Texas and being a portion of Comal St. conveyed by City Ordinance No. 13,613, December 14, 1950, said 0.117 acre tract being more particularly described as follows:

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

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

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

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

to an 1/2" iron rod found at the intersection of the westerly R.O.W. line of said Union Pacific Railroad and the north R.O.W. line of Perez St. for the southeast corner of the herein described tract;

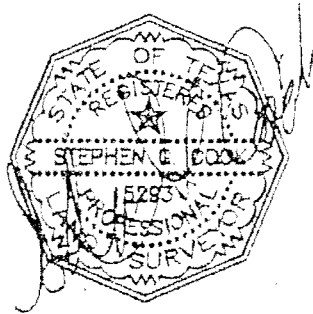
THENCE, North 84°06'56" West, 81.80 feet along the north R.O.W. line of said Perez St. to a 1/2" iron rod found at the intersection of the north R.O.W. line of said Perez St. and the easterly R.O.W. line of said Comal St. for the southwest corner of the herein described tract;

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

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

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-003-014A



METES AND BOUNDS DESCRIPTION

February 19, 2008

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

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

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

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

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

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

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

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

THENCE, South $01^{\circ}34'54''$ West, 30.08 feet along the easterly face of said building to a corner of said building;

THENCE, South $03^{\circ}14'12''$ West, 30.04 feet along the easterly face of said building to the southeast corner of said building;

THENCE, North $84^{\circ}18'24''$ West, 85.53 feet along the south face of said building to an inside corner of said building;

THENCE, South $05^{\circ}41'36''$ West, 26.34 feet along the east face of said building to a corner of said building;

THENCE, North $84^{\circ}18'24''$ West, 33.60 feet along the south face of said building to an inside corner of said building;

THENCE, South $05^{\circ}41'36''$ West, 3.50 feet along the east face of said building to a corner of said building;

THENCE, North $84^{\circ}59'16''$ West, 109.56 feet along the south face of said building to the southwest corner of said building;

THENCE, North $05^{\circ}41'36''$ East, 170.38 feet along the west face of said building to an inside corner of said building;

THENCE, North $84^{\circ}18'24''$ West, 32.60 feet along the south face of said building to a corner of said building;

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

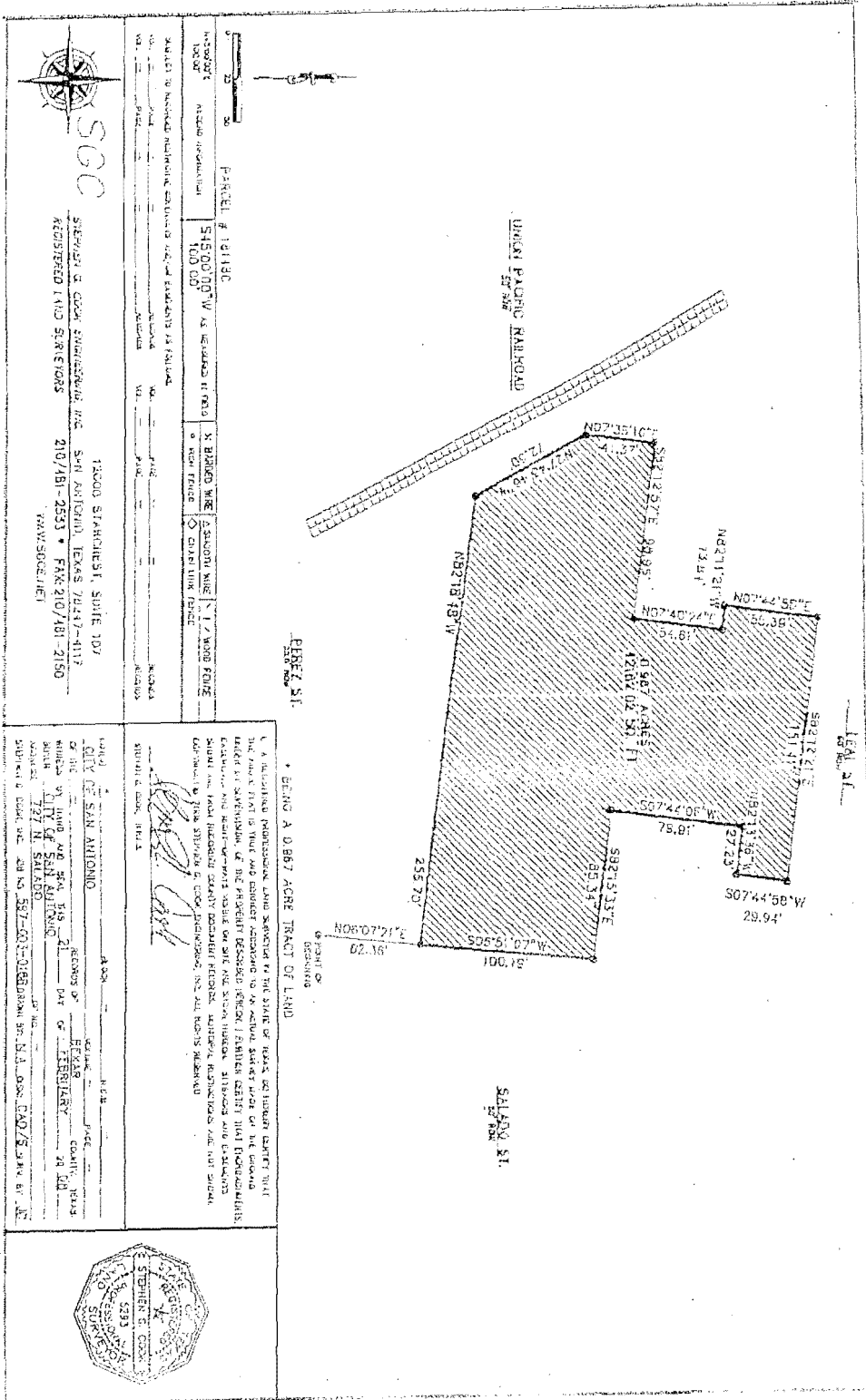
Stephen G. Cook
Registered Professional Land Surveyor

No. 5293

SGCE No. 597-003-011A



Exhibit C



SCC

STEPHEN G. COX ENGINEERING, INC.
 12000 STARBUCK ST, SUITE 107
 SAN ANTONIO, TEXAS 78247-4117
 REGISTERED LAND SURVEYORS 210/481-2531 • FAX 210/481-2150
 www.sgcc.com

BEING A 0.967 ACRE TRACT OF LAND
 CITY OF SAN ANTONIO
 COUNTY OF BREWSTER
 STATE OF TEXAS



METES AND BOUNDS DESCRIPTION

February 21, 2008

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

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

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

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

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

THENCE, South $82^{\circ}12'57''$ East, 98.99 feet along the north face of said building to an inside corner;

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

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

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

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

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

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

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

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

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

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-003-018B



METES AND BOUNDS DESCRIPTION

February 19, 2008

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

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

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

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

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

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

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

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

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

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

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

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

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

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

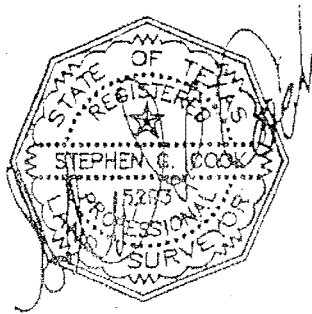
THENCE, North 01°37'11" East, 6.42 feet along the west face of said building to a corner of said building;

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

Stephen G. Cook
Registered Professional Land Surveyor

No. 5293

SGCE No. 597-003-002A



EXHIBIT

NAMING PARAMETERS

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

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

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

EXHIBIT B

SUBLEASE PREMISES – LEGAL DESCRIPTION

TRACT ONE:

A 3.017 acre, or 131,411 square feet, more or less, tract of land being a portion of Lot 1, Block 2, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described by metes and bounds in Exhibit "A", attached hereto and made a part hereof for all intents and purposes.

TRACT TWO:

A 6.860 acre, or 298,825 square feet, more or less, tract of land out of Lot 27, Block 1, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described by metes and bounds in Exhibit "B", attached hereto and made a part hereof for all intents and purposes.

**PAPE-DAWSON
ENGINEERS**

EXHIBIT 'A'

FIELD NOTES

FOR

A 3.017 acre, or 131,411 square feet more or less, tract of being a portion of Lot 1, Block 2 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

BEGINNING: At a set ½" iron rod with yellow cap marked "Pape-Dawson" at the intersection of the west right-of-way line of Haven For Hope Way, formerly known as N. Salado Street, a 60-foot public right-of-way, and the north right-of-way line of Hardberger Way, formerly known as Perez Street, a 55.6-foot public right-of-way, the southeast corner of said Lot 1, the southeast corner of the herein described tract;

THENCE: N 84°19'32" W, along and with the north right-of-way line of said Hardberger Way, the south line of said Lot 1, a distance of 214.52 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of the Union Pacific Railroad, a 50.0-foot right-of-way, the southwest corner of said Lot 1;

THENCE: Along the east right-of-way line of said railroad, the west line of said Lot 1 the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 64°50'42" W, a radius of 1937.79 feet, a central angle of 02°32'04", a chord bearing and distance of N 26°25'20" W, 85.71 feet, for an arc length of 85.72 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at a point of tangency;

N 27°41'22" W, a distance of 232.44 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the south-corner of a called 0.071 acre save and except tract recorded in Volume 13132, Pages 1539-1544 of the Official Public Records of Bexar County, Texas;

N 61°56'54" E, departing the east right-of-way line of said railroads, along and with the southeast line of said 0.071 acre tract, a distance of 42.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east corner of said 0.071 acre tract;

N 27°46'58" W, along and with the northeast corner of said 0.071 acre tract, a distance of 60.12 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Leal Street, a variable width public right-of-way, 60.0 feet wide at this point, on the north line of said Lot 1;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, the north line of said Lot 1, a distance of 68.63 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING
Haven For Hope
Lot 1 - Lease

THENCE: Along a non-tangent curve to the left, said curve having a radial bearing of N 05°36'51" E, a radius of 291.89 feet, a central angle of 43°55'04", a chord bearing and distance of N 73°39'19" E, 218.30 feet, for an arc length of 223.74 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the west return of the intersection of the south right-of-way line of said Leal Street and the southwest right-of-way line of Frio Street, an 86-foot right-of-way;

THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 38°18'39" E, a radius of 25.00 feet, a central angle of 90°00'54", a chord bearing and distance of S 83°18'12" E, 35.36 feet, for an arc length of 39.28 feet to a set ½" iron rod with yellow cap marked "Pape`Dawson" at the east return of the south right-of-way line of said Leal Street and the southwest right-of-way line of said Frio Street;

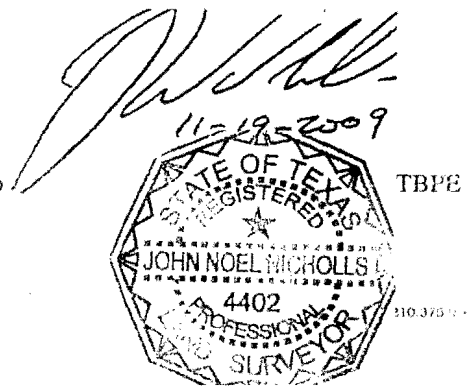
THENCE: S 38°18'12" E, along and with the southwest line of said Frio Street, the northeast line of said Lot 1, a distance of 241.00 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at the north return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;

THENCE: Along a non-tangent curve to the right, said curve having a, radial bearing of S 51°51'04" W, a radius of 25.00 feet, a central angle of 89°41'29", a chord bearing and distance of S 06°41'48" W, 35.26 feet, for an arc length of 39.14 feet to a set nail and washer marked Pape-Dawson at the south return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;

THENCE: Along the west right-of-way line of said Haven For Hope Way, the east line of said Lot 1, with a non-tangent curve to the left, said curve having a radial bearing of S 38°18'08" E, a radius of 284.90 feet, a central angle of 46°17'51", a chord bearing and distance of S 28°32'56" W, 224.00 feet, for an arc length of 230.21 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 05°26'29" W, a distance of 6.25 feet to the POINT OF BEGINNING, and containing 3.017 acres in the City of San Antonio, Bexar County, Texas, Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey\09A-9300\9204-09\Word\9204-09 FN-LOT1.do
Firm Registration #470
TBPLS Firm Registration #100288-00



FIELD NOTES

FOR

A 6.860 acre, or 298,825 square feet more or less, tract of land out of Lot 27, Block 1 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

COMMENCING: At a found iron rod with cap marked "SGCE-5293" at the intersection of the south right-of-way line of Leal Street, a variable width public right-of-way, 55.6 feet wide at this point, and the east right-of-way line of N. San Marcos Street, a 55.6-foot public right-of-way, the northwest corner of said Lot 27;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, a north line of said Lot 27, a distance of 73.22 feet to the POINT OF BEGINNING of the herein described tract;

THENCE: S 84°11'21" E, continuing along and with the south right-of-way line of Leal Street, a north line of said Lot 27, a distance of 155.65 feet to a found iron rod with cap marked "SGCE-5293" on the west right-of-way line of the Union Pacific Railroad, a 50-foot right-of-way

THENCE: Along and with the west right-of-way line of said Railroad the following calls and distances:

S 26°45'27" E, a distance of 121.26 feet to a found iron rod with cap marked "SCCE-5293";

S 27°33'49" E, a distance of 133.33 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 27°41'22" E, at 20.4 feet passing through the face of building and continuing for a total distance of 97.39 feet to a point;

Along a non-tangent curve to the right, said curve having a radial bearing of S 62°18'35" W, a radius of 1887.79 feet, a central angle of 01°37'38", a chord bearing and distance of S 26°52'36" E, 53.61 feet, for an arc length of 53.61 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at a building corner, the north line of Hardberger Way;

THENCE: N 84°16'11" W, departing the said railroad right-of-way, a distance of 18.22 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at an angle of said Lot 27;
S 05°43'49" W, a distance of 6.00 feet to a point;

THENCE: Departing the line of said Lot 27 and over and across said Lot 27 the following calls and distances:

N 84°16'11" W, a distance of 109.16 feet to a point;

S 05°30'56" W, a distance of 99.28 feet to a building corner;

S 84°29'04" E, a distance of 5.53 feet to a point;

S 05°20'35" W, departing the face of said building, running along the east face of a building, a distance of 250.38 feet to a point;

S 84°29'04" E, a distance of 20.79 feet to a point;

S 05°20'35" W, a distance of 9.49 feet to a point;

S 84°29'04" E, a distance of 228.80 feet to a point;

N 05degrees,27'37" E, a distance of 18.11 feet to a point;

N 75°14'23" E, a distance of 36.64 feet to a point on the west right-of-way line of aforementioned railroad, the east line of said Lot 27;

THENCE: Along and with the west line of said railroad, the east line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the right, said curve having a radial bearing of S 74°59'53" W, a radius of 1885.06 feet, a central angle of 02°00'33", a chord bearing and distance of S 13°59'50" E, 66.10 feet, for an arc length of 66.11 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 10°04'02" E, a distance of 57.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 09°37'28" E, a distance of 176.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the southeast corner of said Lot 27;

THENCE: N 84°16'11" W, departing the west line of the aforementioned railroad right-of-way, a distance of 36.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of another Union Pacific Railroad, 50-foot right-of-way, the southwest corner of said Lot 27;

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 63°13'47" W, a radius of 488.93 feet, a central angle of 29°42'08", a chord bearing and distance of N 41°37'17" W, 250.63 feet, for an arc length of 253.46 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Along a non-tangent curve to the left, said curve having a radial bearing of S 33°31'01" W, a radius of 489.35 feet, a central angle of 11°04'13", a chord bearing and distance of N 62°01'05" W, 94.40 feet, for an arc length of 94.55 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 64°43'40" W, a distance of 58.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 84°23'52" W, a distance of 198.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the southeast corner of a 0.077 acre tract, conveyed to the City of San Antonio by instrument recorded in Volume 11781, Page 1407 of the Official Public Records of Bexar County, Texas;

THENCE: N 06°31'08" E, departing the northeast right-of-way line of said railroad along and with the east line of said 0.077 acre tract, a west line of said Lot 27, a distance of 7.31 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northeast corner of said 0.077 acre tract, a reentrant corner of said Lot 27;

N 65°03'36" W, a distance of 142.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northwest corner of said 0.077 acre tract, an angle point of Lot 27 on the northeast right-of-way line of said railroad;

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

N 59°15'37" W, a distance of 62.40 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°33'05" W, a distance of 47.08 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 84°22'25" W, a distance of 7.10 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 37°42'02" W, a distance of 317.80 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Perez Street, a 55.6-foot public right-of-way, the west corner of said Lot 27;

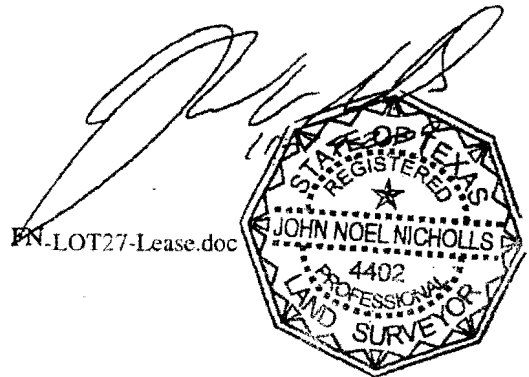
Haven For Hope
Job No.: 9204-09

- THENCE: S 84°26'39" E, along and with the south line of said Perez Street, a distance of 261.98 feet to a found PK nail for an angle set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson" in a north line of said Lot 27;
- THENCE: S 84°16'09" E, a distance of 56.43 feet to a found '+' in concrete on the east right-of-way line of aforementioned N. San Marcos Street;
- THENCE: N 05°35'12" E, along and with the east right-of-way line of said N. San Marcos Street, the west line of said Lot 27, a distance of 47.09 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson" for an angle point in the west line of said Lot 27;
- THENCE: Departing the east right-of-way line of said N. San Marcos Street, over and across said Lot 27 the following calls and distances:
S 84°31'06" E, a distance of 99.44 feet to a point;
N 05°45'08" E, a distance of 243.69 feet to a point; N
84°23'07" W, a distance of 26.74 feet to a point;
- THENCE: N 05°39'20" E, a distance of 105.15 feet to feet to the POINT OF BEGINNING, and containing 6:860 acres in the City of San Antonio, Bexar County, Texas.

prepared by Pape Dawson Engineers, Inc.

PREPARED Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey09\9-9300\9204-09\Word\9204-

TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



Haven For Hope
Job No.: 9204-09

, Said tract being described
in accordance with a survey made on the ground and a survey map

Exhibit D
Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of December ___, 2009 (the "Effective Date"), by and between **HAVEN FOR HOPE OF BEXAR COUNTY**, a Texas non-profit corporation ("Seller"), and **HAVEN SUPPORT, INC.**, a Texas non-profit corporation ("Purchaser"). Except as otherwise expressly defined herein, capitalized terms will have the meanings set forth on Exhibit A attached hereto and incorporated herein by this reference.

For and in consideration of the mutual covenants and promises hereinafter set forth, the parties hereby mutually covenant and agree as follows:

ARTICLE I

PURCHASE OF PROPERTY

Section 1.01. Agreement To Purchase. Seller owns (i) a leasehold interest in and to that certain real property legally described on Exhibit B attached hereto and incorporated herein by this reference (the "Land"), a portion of which shall be subleased to Purchaser under that certain Sublease Agreement dated as of the date hereof and legally described on Exhibit C attached hereto and incorporated herein by this reference (the "Sublease Premises") and (ii) the structures, improvements, tenements, buildings, facilities and fixtures now or hereafter located or constructed on the Sublease Premises originally conveyed to Seller pursuant to Ordinance 2008-03-06-0164 and subject to the Lease (defined below) (collectively, the "Improvements"). The term "Property" as used herein shall include the Improvements and all personal property, building equipment (including, without limitation, HVAC, mechanical, electrical, plumbing, hydraulic and security systems and other building systems), and other supplies, spare parts, fixtures owned by Seller and used in connection with the operation of the Improvements, all intangible property owned or held by Seller in connection with the Improvements, all of Seller's interest as lessor in all leases and rental agreements covering the Improvements. Purchaser agrees to purchase, and Seller agrees to sell, in accordance with the terms, conditions and stipulations set forth in this Agreement (the "Transaction"), all of Seller's right, title and interest in and to the Property.

Section 1.02. Purchase Price. The purchase price to be paid by Purchaser to Seller for the Property is Twenty-Eight Million Three Hundred Seventy-Eight Thousand Nine Hundred Seventy-Nine and 00/100 Dollars (\$28,378,979) (the "Purchase Price"). The Purchase Price, as may be adjusted pursuant to the requirements of this Agreement, shall be paid by Purchaser in immediately available funds at Closing.

Section 1.03. Intentionally Omitted.

Section 1.04. Prorations. As applicable, all taxes, insurance, utilities and maintenance expenses relating to the Property for the year of Closing shall be paid by the Seller pursuant to the Master Lease and shall be prorated as of the Closing Date and, as applicable, shall be based on the most recent mill levy and most recent assessed valuation, or, if not available, on the taxes for the calendar year immediately preceding Closing. All prorations shall be final.

Section 1.05. Condition of Property. Seller and Purchaser understand and agree that Purchaser's purchase of the Property and other rights to be conveyed, sold, transferred and/or assigned pursuant to this Agreement shall be on an "AS IS" "WHERE IS" physical basis, "WITH ALL FAULTS," without representation or warranty, express or implied, with regard to physical condition, including without limitation, any latent or patent defects, conditions of soils or groundwater, existence or nonexistence of hazardous materials, quality of construction, workmanship, merchantability or fitness for any particular purpose as to the physical measurements or useable space thereof. Purchaser has not been induced by and has not relied upon any statement, representation or agreement, whether express or implied, not specifically set forth in this Agreement.

Section 1.06. Intentionally Omitted.

Section 1.07. Lease. The parties acknowledge that the Land and the Property are subject to that certain Lease Agreement by and between The City of San Antonio, a Texas municipal corporation (the "City"), as lessor, and Seller, as lessee, (the "Lease").

ARTICLE II

DUE DILIGENCE

Section 2.01. Purchaser hereby acknowledges it has had the opportunity to perform any due diligence relating to the Property necessary to effectuate the purchase of the Property.

ARTICLE III

CLOSING

Section 3.01. Closing Date. Subject to the provisions of Article V of this Agreement, the closing date of the Transaction contemplated by this Agreement (the "Closing") shall occur on the Effective Date or another date mutually acceptable to the parties (the "Closing Date").

Section 3.02. Possession. Subject to the Lease and existing leases and tenants in possession, possession of the Property, free and clear of all tenants or other parties in possession not otherwise disclosed in writing to Purchaser shall be delivered to Purchaser upon Closing.

Section 3.03. Transaction Costs. Except as otherwise expressly provided in this Agreement, Purchaser shall pay for all costs associated with its due diligence activities, the basic premium and all endorsements related to any title policy issued to its mortgagee, recording fees, transfer taxes and all closing and escrow costs.

ARTICLE IV

REPRESENTATIONS WARRANTIES AND COVENANTS

Section 4.01. Seller. Seller represents and warrants to, and covenants with, Purchaser as follows:

(a) ***Organization and Authority.*** Seller is duly organized or formed, validly existing and in good standing under the laws of its state of formation. Seller has all requisite power and authority to execute, deliver and perform its obligations under this Agreement and all of the other Transaction Documents, and to carry out the Transaction. The Person who has executed this Agreement on behalf of Seller has been duly authorized to do so.

(b) ***Enforceability of Documents.*** Upon execution by Seller, this Agreement and the other Transaction Documents shall constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other similar laws relating to or affecting the rights of creditors generally, or by general equitable principles.

All representations and warranties of Seller made in this Agreement shall be true as of the date of this Agreement, and, together with the covenants made by Seller herein, shall survive for six (6) months following Closing.

Section 4.02. Purchaser. Purchaser represents and warrants to, and covenants with, Seller as follows:

(a) ***Organization and Authority.*** Purchaser is duly organized and formed, validly existing and in good standing under the laws of its state of formation. Purchaser has all requisite power and authority to execute, deliver and perform its obligations under this Agreement and all of the other Transaction Documents and to carry out the Transaction. The Person who has executed this Agreement on behalf of Purchaser has been duly authorized to do so.

(b) ***Enforceability of Documents.*** Upon execution by Purchaser, this Agreement and the other Transaction Documents shall constitute the legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other similar laws relating to or affecting the rights of creditors generally, or by general equitable principles.

All representations and warranties of Purchaser made in this Agreement shall be true as of the date of this Agreement and, together with the covenants made by Purchaser herein, except as otherwise expressly set forth herein, shall survive Closing.

ARTICLE V

CONDITIONS PRECEDENT TO CLOSING

Section 5.01. Purchaser's Conditions Precedent to Closing. Purchaser shall not be obligated to close and fund the Transaction until the delivery to Purchaser or the Title Company, as applicable, the following items:

- (a) the Bill of Sale;
- (b) documents that may be required by the Title Company for issuance of the Purchaser's mortgagee title policy;
- (c) fully executed originals all of the Transaction Documents;
- (d) a closing settlement statement reflecting the credits, prorations, and adjustments contemplated by or specifically provided for in this Agreement;
- (e) such further documents as reasonably may be required in order to fully and legally close this Transaction.

Unless otherwise dated, all of the documents to be delivered at Closing shall be dated as of the Closing Date.

Section 5.02. Seller's Conditions Precedent to Closing. Seller shall not be obligated to close the Transaction until the fulfillment (or written waiver by Seller) of all of the following conditions:

- (a) Purchaser shall have delivered to the Seller the Purchase Price, as adjusted pursuant to the requirements of this Agreement, in immediately available federal funds;
- (b) Purchaser shall have caused to be executed and delivered to the appropriate Persons fully executed originals of all of the Transaction Documents;
- (c) Purchaser shall have delivered to the Seller a closing settlement statement reflecting the credits, prorations, and adjustments contemplated by or specifically provided for in this Agreement;
- (d) Seller shall have obtained all third party consents deemed necessary in Seller's sole discretion for the release of any Seller mortgage or other document (including any securitization document) which encumbers the Property; and
- (e) Purchaser shall have delivered to Seller and/or the Title Company such further documents as may reasonably be required in order to fully and legally close this Transaction.

ARTICLE VI

DEFAULTS; REMEDIES

Section 6.01. Default. Each of the following shall be deemed an event of default (each, an “Event of Default”):

(a) if any representation or warranty of a party set forth in this Agreement or any other Transaction Document is false in any material respect or if a party renders any false statement; or

(b) if a party fails to keep or perform any of the terms or provisions of this Agreement or if any condition precedent is not satisfied by the other party at or prior to the Closing Date.

Section 6.02. Purchaser Remedies. In the event of any Event of Default by Seller, Purchaser, as its sole and exclusive remedy, shall be entitled to exercise, at its option, any one of the following:

(a) Purchaser may terminate this Agreement by giving written notice to Seller and neither party shall have any further obligation or liability, except for the obligations and provisions which are expressly stated to survive termination of this Agreement; or

(b) Purchaser may proceed to Closing.

Section 6.03. Seller Remedies. In the event of any Event of Default by Purchaser, Seller, as its sole and exclusive remedy may terminate this Agreement whereupon neither party shall have any further obligation or liability, except for the obligations and provisions which are expressly stated to survive termination of this Agreement.

Section 6.04. Waiver. Purchaser and Seller each hereby waive all other rights and remedies not expressly provided for herein, whether in law or in equity.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Time is of the Essence. The parties hereto expressly agree that time is of the essence with respect to this Agreement.

Section 7.02. Non-Business Days. If the Closing Date or the date for delivery of a notice or performance of some other obligation of a party falls on a Saturday, Sunday or legal holiday in the state in which any Property is located, then the Closing Date or such notice or performance shall be postponed until the next Business Day.

Section 7.03. Waiver and Amendment. No provision of this Agreement shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by the party against which enforcement of such waiver or

amendment is sought. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion.

Section 7.04. Headings; Internal References. The headings of the various sections and exhibits of this Agreement have been inserted for reference only and shall not to any extent have the effect of modifying the express terms and provisions of this Agreement. Unless stated to the contrary, any references to any section, subsection, exhibit and the like contained herein are to the respective section, subsection, exhibit and the like of this Agreement.

Section 7.05. Construction Generally. This is an agreement between parties who are experienced in sophisticated and complex matters similar to the Transaction and the other Transaction Documents, is entered into by both parties in reliance upon the economic and legal bargains contained herein and therein, and shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party which prepared the instrument, the relative bargaining powers of the parties or the domicile of any party. Seller and Purchaser were each represented by legal counsel competent in advising them of their obligations and liabilities hereunder.

Section 7.06. Further Assurances. Subject to the limitations set forth in the Lease and that certain Consent Related to New Markets Tax Credit Transactions dated December ____, 2009 by and among the Seller and Purchaser and others, each of the parties agrees, whenever and as often as reasonably requested so to do by the other party or the Title Company, to execute, acknowledge, and deliver, or cause to be executed, acknowledged, or delivered, any and all such further conveyances, assignments, confirmations, satisfactions, releases, instruments, or other documents as may be necessary, expedient or proper, in order to complete any and all conveyances, transfers, sales and assignments herein provided and to do any and all other acts and to execute, acknowledge and deliver any and all documents as so requested in order to carry out the intent and purpose of this Agreement.

Section 7.07. Forum Selection; Jurisdiction; Venue; Choice of Law. For purposes of any action or proceeding arising out of this Agreement, the parties hereto expressly submit to the jurisdiction of all federal and state courts located in the State of Texas, and consent that they may be served with any process or paper by registered mail or by personal service within or without the State of Texas in accordance with applicable law. Nothing contained in this section shall limit or restrict the right of Seller to commence any proceeding in the federal or state courts located in the state or states in which the Property is located to the extent Seller deems such proceeding necessary or advisable to exercise remedies available under this Agreement.

Section 7.08. Separability; Binding Effect; Governing Law. Each provision hereof shall be valid and shall be enforceable to the extent not prohibited by law. If any provision hereof or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby. All provisions contained in this Agreement shall be binding upon, inure to the benefit of and be enforceable by the successors and assigns of each party hereto, including, without limitation, any United States trustee, any debtor-in-possession or any trustee appointed from a private panel, in each case to the same extent as if each successor and assign were named as a

party hereto. This Agreement shall be governed by, and construed with, the laws of the applicable state or states in which the Property is located, without giving effect to any state's conflict of laws principles.

Section 7.09. Survival. Except for the conditions of Closing set forth in Article V, which shall be satisfied or waived in writing as of the Closing Date, and except as otherwise expressly set forth herein, all representations, warranties, agreements, obligations and indemnities of Seller and Purchaser set forth in this Agreement shall survive Closing.

Section 7.10. Waiver of Jury Trial and Certain Damages. THE PARTIES HERETO SHALL AND THEY HEREBY DO INTENTIONALLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT AND/OR ANY CLAIM OR INJURY OR DAMAGE RELATED THERETO. THE PARTIES FURTHER WAIVE THE RIGHT TO SEEK PUNITIVE, CONSEQUENTIAL, SPECIAL AND INDIRECT DAMAGES IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND/OR ANY DOCUMENT CONTEMPLATED HEREIN OR RELATED HERETO.

Section 7.11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all such counterparts shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank; signature page(s) to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the Effective Date.

SELLER:

HAVEN FOR HOPE OF BEXAR COUNTY, a
Texas non-profit corporation

By: _____
Name: Steve Oswald
Title: Chief Financial Officer and Vice President
of Sustainability

PURCHASER:

HAVEN SUPPORT, INC., a Texas non-profit
corporation

By: _____
Name: Steve Oswald
Title: Vice Chairman and Treasurer

(Signature Page to Purchase and Sale Agreement)

EXHIBIT A
DEFINED TERMS

The following terms shall have the following meanings for all purposes of this Agreement:

“*Bill of Sale*” means that Bill of Sale (or its equivalent under the law of the state in which the Property is located) whereby Seller conveys to Purchaser all of Seller’s right, title and interest in and to the Property in a form acceptable to Purchaser and Seller.

“*Business Day*” means a day on which banks located in Texas are not required or authorized to remain closed.

“*Closing*” shall have the meaning set forth in Section 3.01.

“*Closing Date*” means the date specified as the closing date in Section 3.01.

“*Effective Date*” has the meaning set forth in the introductory paragraph of this Agreement.

“*Event of Default*” has the meaning set forth in Section 6.01.

“*Governmental Authority*” means the United States of America, any state, local or other political subdivision thereof, any other entity exercising executive, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“*Improvements*” has the meaning set forth in Section 1.01.

“*Land*” has the meaning set forth in Section 1.01.

“*Lease*” has the meaning set forth in Section 1.07.

“*Person*” means any natural person, firm, corporation, partnership, limited liability company, other entity, state, political subdivision of any state, the United States of America, any agency or instrumentality of the United States of America, any other public body or other organization or association.

“*Property*” has the meaning set forth in Section 1.01.

“*Purchase Price*” means the amount specified in Section 1.02.

“*Sublease Premises*” has the meaning set forth in Section 1.01.

“*Title Company*” means the title company selected by Seller and Purchaser to issue title insurance to Purchaser’s mortgagee.

“*Transaction*” has the meaning set forth in Section 1.01.

“*Transaction Documents*” means this Agreement, the Bill of Sale, any and all documents referenced herein and therein, and such other documents, payments, instruments and certificates as are reasonably required by the Seller, Purchaser and the Title Company, all in a form acceptable to Purchaser and Seller.

EXHIBIT B
LEGAL DESCRIPTION

TRACT ONE:

Lot 1, Block 2, New City Block 2212, HAVEN FOR HOPE OF BEXAR COUNTY, situated in the City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9599, Pages 157-160, Deed and Plat Records of Bexar County, Texas. SAVE and EXCEPT a 0.071 acre tract of land, more or less, out of New City Block 198 and New City Block 219, in the City of San Antonio, Bexar County, Texas, out of a 3.088 acre tract recorded in Volume 4929, Page 970, Official Public Records of Real Property of Bexar County, Texas, said 0.071 acre tract being more particularly described by metes and bounds in Exhibit "A", attached hereto and incorporated herein for all purposes.

TRACT TWO

Lot 1, Block 3, New City Block 2212, HAVEN FOR HOPE OF BEXAR COUNTY, situated in the City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9599, Pages 157-160, Deed and Plat Records of Bexar County, Texas.

TRACT THREE:

Lot 27, Block 1, New City Block 2212, HAVEN FOR HOPE OF BEXAR COUNTY, situated in the City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9599, Pages 157-160, Deed and Plat Records of Bexar County, Texas.

TRACT FOUR:

Lot 25, Block 4, New City Block 2211, HAVEN FOR HOPE OF BEXAR COUNTY, situated in the City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9599, Pages 157-160, Deed and Plat Records of Bexar County, Texas.

TRACT FIVE:

Lot 25, Block 2, New City Block 2182, HAVEN FOR HOPE OF BEXAR COUNTY, situated in the City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9599, Pages 157-160, Deed and Plat Records of Bexar County, Texas.

TRACT SIX:

Lot 16, Block 51, New City Block 199, HAVEN FOR HOPE OF BEXAR COUNTY, situated in the City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9599, Pages 157-160, Deed and Plat Records of Bexar County, Texas.

EXHIBIT C
SUBLEASE PREMISES

TRACT ONE:

A 3.017 acre, or 131,411 square feet, more or less, tract of land being a portion of Lot 1, Block 2, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described by metes and bounds in Exhibit "A", attached hereto and made a part hereof for all intents and purposes.

TRACT TWO:

A 6.860 acre, or 298,825 square feet, more or less, tract of land out of Lot 27, Block 1, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described by metes and bounds in Exhibit "B", attached hereto and made a part hereof for all intents and purposes.

**PAPE-DAWSON
ENGINEERS**

EXHIBIT 'A'

FIELD NOTES

FOR

A 3.017 acre, or 131,411 square feet more or less, tract of being a portion of Lot 1, Block 2 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

BEGINNING: At a set ½" iron rod with yellow cap marked "Pape-Dawson" at the intersection of the west right-of-way line of Haven For Hope Way, formerly known as N. Salado Street, a 60-foot public right-of-way, and the north right-of-way line of Hardberger Way, formerly known as Perez Street, a 55.6-foot public right-of-way, the southeast corner of said Lot 1, the southeast corner of the herein described tract;

THENCE: N 84°19'32" W, along and with the north right-of-way line of said Hardberger Way, the south line of said Lot 1, a distance of 214.52 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of the Union Pacific Railroad, a 50.0-foot right-of-way, the southwest corner of said Lot 1;

THENCE: Along the east right-of-way line of said railroad, the west line of said Lot 1 the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 64°50'42" W, a radius of 1937.79 feet, a central angle of 02°32'04", a chord bearing and distance of N 26°25'20" W, 85.71 feet, for an arc length of 85.72 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at a point of tangency;

N 27°41'22" W, a distance of 232.44 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the south-corner of a called 0.071 acre save and except tract recorded in Volume 13132, Pages 1539-1544 of the Official Public Records of Bexar County, Texas;

N 61°56'54" E, departing the east right-of-way line of said railroads, along and with the southeast line of said 0.071 acre tract, a distance of 42.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east corner of said 0.071 acre tract;

N 27°46'58" W, along and with the northeast corner of said 0.071 acre tract, a distance of 60.12 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Leal Street, a variable width public right-of-way, 60.0 feet wide at this point, on the north line of said Lot 1;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, the north line of said Lot 1, a distance of 68.63 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING
Haven For Hope
Lot 1 - Lease

THENCE: Along a non-tangent curve to the left, said curve having a radial bearing of N 05°36'51" E, a radius of 291.89 feet, a central angle of 43°55'04", a chord bearing and distance of N 73°39'19" E, 218.30 feet, for an arc length of 223.74 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the west return of the intersection of the south right-of-way line of said Leal Street and the southwest right-of-way line of Frio Street, an 86-foot right-of-way;

THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 38°18'39" E, a radius of 25.00 feet, a central angle of 90°00'54", a chord bearing and distance of S 83°18'12" E, 35.36 feet, for an arc length of 39.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east return of the south right-of-way line of said Leal Street and the southwest right-of-way line of said Frio Street;

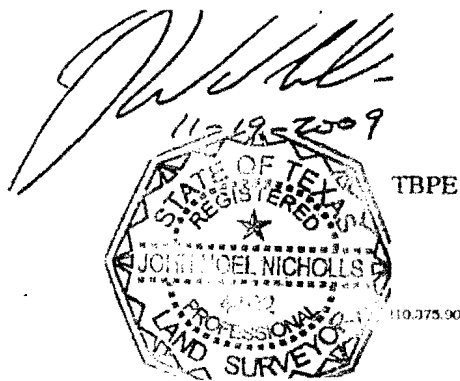
THENCE: S 38°18'12" E, along and with the southwest line of said Frio Street, the northeast line of said Lot 1, a distance of 241.00 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at the north return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;

THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 51°51'04" W, a radius of 25.00 feet, a central angle of 89°41'29", a chord bearing and distance of S 06°41'48" W, 35.26 feet, for an arc length of 39.14 feet to a set nail and washer marked Pape-Dawson at the south return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;

THENCE: Along the west right-of-way line of said Haven For Hope Way, the east line of said Lot 1, with a non-tangent curve to the left, said curve having a radial bearing of S 38°18'08" E, a radius of 284.90 feet, a central angle of 46°17'51", a chord bearing and distance of S 28°32'56" W, 224.00 feet, for an arc length of 230.21 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 05°26'29" W, a distance of 6.25 feet to the POINT OF BEGINNING, and containing 3.017 acres in the City of San Antonio, Bexar County, Texas, Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey\09\9-9300\9204-09\Word\9204-09 FN-LG01.doc
Firm Registration #470
TBPLS Firm Registration #100288-00



FIELD NOTES

FOR

A 6.860 acre, or 298,825 square feet more or less, tract of land out of Lot 27, Block 1 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

COMMENCING: At a found iron rod with cap marked "SGCE-5293" at the intersection of the south right-of-way line of Leal Street, a variable width public right-of-way, 55.6 feet wide at this point, and the east right-of-way line of N. San Marcos Street, a 55.6-foot public right-of-way, the northwest corner of said Lot 27;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, a north line of said Lot 27, a distance of 73.22 feet to the POINT OF BEGINNING of the herein described tract;

THENCE: S 84°11'21" E, continuing along and with the south right-of-way line of Leal Street, a north line of said Lot 27, a distance of 155.65 feet to a found iron rod with cap marked "SGCE-5293" on the west right-of-way line of the Union Pacific Railroad, a 50-foot right-of-way

THENCE: Along and with the west right-of-way line of said Railroad the following calls and distances:

S 26°45'27" E, a distance of 121.26 feet to a found iron rod with cap marked "SCCE-5293";

S 27°33'49" E, a distance of 133.33 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 27°41'22" E, at 20.4 feet passing through the face of building and continuing for a total distance of 97.39 feet to a point;

Along a non-tangent curve to the right, said curve having a radial bearing of S 62°18'35" W, a radius of 1887.79 feet, a central angle of 01°37'38", a chord bearing and distance of S 26°52'36" E, 53.61 feet, for an arc length of 53.61 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at a building corner, the north line of Hardberger Way;

THENCE: N 84°16'11" W, departing the said railroad right-of-way, a distance of 18.22 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at an angle of said Lot 27;
S 05°43'49" W, a distance of 6.00 feet to a point;

Haven For Hope
Job No.: 9204-09

THENCE: Departing the line of said Lot 27 and over and across said Lot 27 the following calls and distances:

N 84°16'11" W, a distance of 109.16 feet to a point;

S 05°30'56" W, a distance of 99.28 feet to a building corner;

S 84°29'04" E, a distance of 5.53 feet to a point;

S 05°20'35" W, departing the face of said building, running along the east face of a building, a distance of 250.38 feet to a point;

S 84°29'04" E, a distance of 20.79 feet to a point;

S 05°20'35" W, a distance of 9.49 feet to a point;

S 84°29'04" E, a distance of 228.80 feet to a point;

N 05degrees,27'37" E, a distance of 18.11 feet to a point;

N 75°14'23" E, a distance of 36.64 feet to a point on the west right-of-way line of aforementioned railroad, the east line of said Lot 27;

THENCE: Along and with the west line of said railroad, the east line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the right, said curve having a radial bearing of S 74°59'53" W, a radius of 1885.06 feet, a central angle of 02°00'33", a chord bearing and distance of S 13°59'50" E, 66.10 feet, for an arc length of 66.11 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 10°04'02" E, a distance of 57.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 09°37'28" E, a distance of 176.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the southeast corner of said Lot 27;

THENCE: N 84°16'11" W, departing the west line of the aforementioned railroad right-of-way, a distance of 36.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of another Union Pacific Railroad, 50-foot right-of-way, the southwest corner of said Lot 27;

Haven For Hope
Job No.: 9204-09

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 63°13'47" W, a radius of 488.93 feet, a central angle of 29°42'08", a chord bearing and distance of N 41°37'17" W, 250.63 feet, for an arc length of 253.46 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Along a non-tangent curve to the left, said curve having a radial bearing of S 33°31'01" W, a radius of 489.35 feet, a central angle of 11°04'13", a chord bearing and distance of N 62°01'05" W, 94.40 feet, for an arc length of 94.55 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 64°43'40" W, a distance of 58.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 84°23'52" W, a distance of 198.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the southeast corner of a 0.077 acre tract, conveyed to the City of San Antonio by instrument recorded in Volume 11781, Page 1407 of the Official Public Records of Bexar County, Texas;

THENCE: N 06°31'08"E, departing the northeast right-of-way line of said railroad along and with the east line of said 0.077 acre tract, a west line of said Lot 27, a distance of 7.31 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northeast corner of said 0.077 acre tract, a reentrant corner of said Lot 27;

N 65°03'36" W, a distance of 142.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northwest corner of said 0.077 acre tract, an angle point of Lot 27 on the northeast right-of-way line of said railroad;

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

N 59°15'37" W, a distance of 62.40 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°33'05" W, a distance of 47.08 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 84°22'25" W, a distance of 7.10 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

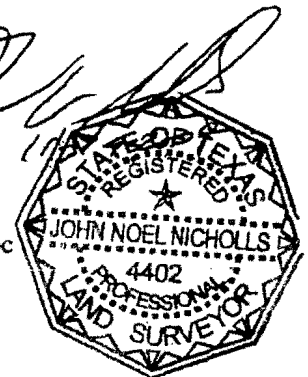
THENCE: N 37°42'02" W, a distance of 317.80 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Perez Street, a 55.6-foot public right-of-way, the west corner of said Lot 27;

Haven For Hope
Job No.: 9204-09

- THENCE: S 84°26'39" E, along and with the south line of said Perez Street, a distance of 261.98 feet to a found PK nail for an angle set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson" in a north line of said Lot 27;
- THENCE: S 84°16'09" E, a distance of 56.43 feet to a found '+' in concrete on the east right-of-way line of aforementioned N. San Marcos Street;
- THENCE: N 05°35'12" E, along and with the east right-of-way line of said N. San Marcos Street, the west line of said Lot 27, a distance of 47.09 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson" for an angle point in the west line of said Lot 27;
- THENCE: Departing the east right-of-way line of said N. San Marcos Street, over and across said Lot 27 the following calls and distances:
S 84°31'06" E, a distance of 99.44 feet to a point;
N 05°45'08" E, a distance of 243.69 feet to a point; N
84°23'07" W, a distance of 26.74 feet to a point;
- THENCE: N 05°39'20" E, a distance of 105.15 feet to feet to the POINT OF BEGINNING, and containing 6:860 acres in the City of San Antonio, Bexar County, Texas.

prepared by Pape Dawson Engineers, Inc.

| | |
|------------------------------------|---|
| PREPARED | Pape-Dawson Engineers, Inc. |
| DATE: | November 5, 2009 |
| REVISED: | November 18, 2009 |
| JOB No.: | 9204-09 |
| FILE: | N:\Survey09\9-9300\9204-09\Word\9204-09-LOT27-Lease.doc |
| TBPE Firm Registration #470 | |
| TBPLS Firm Registration #100288-00 | |



Haven For Hope
Job No.: 9204-09

, Said tract being described
in accordance with a survey made on the ground and a survey map

Exhibit E
Leasehold Mortgage, Note and Loan Agreement

PREPARED BY:

Jeff Livingston, Esq.
Winstead PC
5400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270

WHEN RECORDED MAIL TO:

Wells Fargo Bank, National Association
Real Estate Group (AU # _____)
Community Lending and Investment
401 B Street, Suite 304-A
San Diego, CA 92101
Attn: _____
Loan No. _____

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS LICENSE NUMBER.

**LEASEHOLD CONSTRUCTION DEED OF TRUST
WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

ATTENTION: COUNTY CLERK –THIS DEED OF TRUST ALSO CONSTITUTES AND IS FILED AS A FIXTURE FILING UNDER THE TEXAS UNIFORM COMMERCIAL CODE. AS SUCH, THIS INSTRUMENT SHOULD BE APPROPRIATELY INDEXED, NOT ONLY AS A DEED OF TRUST, BUT ALSO AS A FINANCING STATEMENT COVERING GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN. THE MAILING ADDRESSES OF GRANTOR AND BENEFICIARY (SECURED PARTY) ARE SET FORTH IN THIS INSTRUMENT.

THE PARTIES TO THIS LEASEHOLD CONSTRUCTION DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust"), made as of December __, 2009, are HAVEN SUPPORT, INC., a Texas non-profit corporation ("Grantor"), J. KENT HOWARD ("Trustee"), and WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC, a North Carolina limited liability company ("WCDE") and NNMF SUB-CDE IX, LLC, a California limited liability company ("NNMF"; WCDE and NNMF are hereinafter collectively referred to as the "Beneficiary").

ARTICLE 1. GRANT IN TRUST

- 1.1 **GRANT.** For the purposes of and upon the terms and conditions in this Deed of Trust and to secure the full and timely payment, performance and discharge of the Secured Obligations (as herein defined), Grantor irrevocably GRANTS, CONVEYS, ASSIGNS, BARGAINS and SELLS and has by these presents GRANTED, CONVEYED, ASSIGNED, BARGAINED and SOLD, to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, and grants to Beneficiary a security interest in all of the following real and personal property:

- (a) All of Grantor's right, title and interest in and to Sublease (as hereinafter defined) and the leasehold estate created thereby and all modifications, extensions and renewals of the Sublease and all credits, deposits (including, without limitation, any deposit of cash or securities or any other property which may be held to secure Grantor's performance of its obligations under the Sublease), options, privileges and rights of Grantor as tenant under the Sublease, including, but not limited to, the right, if any, to renew or extend the Sublease for a succeeding term or terms;
- (b) All of Grantor's leasehold interest in and to that real property located in the City of San Antonio, County of Bexar, State of Texas, described on Exhibit A attached hereto (the "Land"), together with all right, title, interest, and privileges of Grantor in and to all streets, ways, roads and alleys used in connection with or pertaining to such real property or the improvements thereon, all development rights or credits, air rights, water, water rights and water stock related to the real property, all timber, and all minerals, oil and gas, and other hydrocarbon substances in, on or under the real property, and all licenses, appurtenances, reversions, remainders, easements, rights and rights of way appurtenant or related thereto;
- (c) Subject to the ownership limitations set forth in the Ground Lease (as defined below), all of Grantor's rights, title and interest in and to buildings, other improvements and fixtures now or hereafter located on the Land, including, but not limited to, all apparatus, equipment, and appliances used in the operation or occupancy of the Land, it being intended by the parties that all such items shall be conclusively considered to be a part of the Land, whether or not attached or affixed to the Land (the "Improvements");
- (d) All interest or estate which Grantor may hereafter acquire in the property described above (including, without limitation, any fee interest acquired by Grantor in and to the Land), and all additions and accretions thereto, and the proceeds of any of the foregoing;

(all of the foregoing being collectively referred to as the "Subject Property"); the listing of specific rights or property shall not be interpreted as a limit of general terms.

TO HAVE AND TO HOLD the Subject Property unto Trustee, forever, and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Subject Property unto Trustee against every person whomsoever lawfully claiming or to claim the same or any part thereof; provided, however, that if Grantor shall pay (or cause to be paid) and shall perform and discharge (or cause to be performed and discharged) the Secured Obligations on or before the date same are to be paid, performed and discharged, then the liens, security interests, estates, rights and titles granted by this Deed of Trust shall terminate in accordance with the provisions hereof, otherwise same shall remain in full force and effect. A certificate or other written statement executed on behalf of Trustee or Beneficiary confirming that the Secured Obligations have not been fully and finally paid, performed or discharged shall be sufficient evidence thereof for the purpose of reliance by third parties on such fact.

As used herein, the term "Ground Lease" shall mean that certain Lease Agreement dated March _____, 2008 by and between the City of San Antonio, a Texas municipal corporation ("Ground Lessor"), as lessor, and The Haven for Hope of Bexar County, a Texas non-profit corporation ("Ground Lessee"), as lessee, notice of which is recorded with the Public Records of Bexar County, Texas in Volume _____, Page _____. As used herein, the term "Sublease" shall mean that certain Sublease Agreement and Consent dated _____, 2009 by and among Ground Lessee, as landlord, Grantor, as tenant and Ground Lessor notice of which is recorded with the Public Records of Bexar County, Texas in Volume _____, Page _____.

- 1.2 **ADDRESS.** The address of the Subject Property (if known) is: [One Haven for Hope Way, San Antonio, Texas 78207] **[TO BE CONFIRMED]**. However, neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this Deed of Trust on the Subject Property as described on Exhibit A.

ARTICLE 2. OBLIGATIONS SECURED

- 2.1 **OBLIGATIONS SECURED.** Grantor makes this Deed of Trust for the purpose of securing the following obligations ("Secured Obligations"):
- (a) Payment to WCDE of all sums at any time owing under that certain Promissory Note (the "WCDE Senior Note") of even date herewith, in the principal amount of NINETEEN MILLION TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$19,250,000.00), executed by Grantor, as borrower, and payable to the order of WCDE, as lender; and
 - (b) Payment to NNMF of all sums at any time owing under that certain Promissory Note (the "NNMF Senior Note") of even date herewith, in the principal amount of TWELVE MILLION AND 00/100 DOLLARS (\$12,000,000.00), executed by Grantor, as borrower, and payable to the order of NNMF, as lender; and
 - (c) Payment and performance of all covenants and obligations of Grantor under this Deed of Trust; and
 - (d) Payment and performance of all covenants and obligations on the part of Grantor under that certain Construction Loan Agreement ("Loan Agreement") of even date herewith by and between Grantor and Beneficiary, as lenders; and
 - (e) Payment and performance of all covenants and obligations, if any, of any rider attached as an Exhibit to this Deed of Trust; and
 - (f) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Subject Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such future advance or obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and
 - (g) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.

The WCDE Senior Note and NNMF Senior Note are hereinafter collectively referred to as the "Note".

- 2.2 **OBLIGATIONS.** The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges (if any), late charges and loan fees at any time accruing or assessed on any of the Secured Obligations.
- 2.3 **INCORPORATION.** All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property shall be deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) the Note or the Loan Agreement may permit borrowing, repayment and re-borrowing so that repayments shall not reduce the amounts of the Secured Obligations; and (b) the rate of interest on one or more Secured Obligations may vary from time to time.

ARTICLE 3. ASSIGNMENT OF LEASES AND RENTS

- 3.1 **ASSIGNMENT.** Grantor hereby irrevocably, absolutely and unconditionally assigns to Beneficiary all of Grantor's right, title and interest in, to and under: the rents, revenue, income, issues, deposits and profits of

the Subject Property, including, without limitation, all amounts payable and all rights and benefits accruing to Grantor under the Leases ("Payments"). This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Subject Property.

- 3.2 **GRANT OF LICENSE.** Beneficiary confers upon Grantor a license ("License") to collect and retain the Payments as they become due and payable, until the occurrence of a Default (as hereinafter defined). Upon a Default, the License shall be automatically revoked and Beneficiary may collect and apply the Payments pursuant to Section 6.4 without notice and without taking possession of the Subject Property. Grantor hereby irrevocably authorizes and directs the lessees under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases, and the lessees shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing hereunder. Grantor hereby relieves the lessees from any liability to Grantor by reason of relying upon and complying with any such notice or demand by Beneficiary.
- 3.3 **EFFECT OF ASSIGNMENT.** The foregoing irrevocable assignment shall not cause Beneficiary to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Subject Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Subject Property by the lessees under any of the Leases or any other parties; for any dangerous or defective condition of the Subject Property; or for any negligence in the management, upkeep, repair or control of the Subject Property resulting in loss or injury or death to any lessee, licensee, employee, invitee or other person. Beneficiary and Trustee shall not directly or indirectly be liable to Grantor or any other person as a consequence of: (i) the exercise or failure to exercise by Beneficiary or Trustee, or any of their respective employees, agents, contractors or subcontractors, any of the rights, remedies or powers granted to Beneficiary or Trustee hereunder; or (ii) the failure or refusal of Beneficiary to perform or discharge any obligation, duty or liability of Grantor arising under the Leases.
- 3.4 **REPRESENTATIONS AND WARRANTIES.** Grantor represents and warrants that: (a) the Schedule of Leases attached hereto as Schedule 1 is, as of the date hereof, a true, accurate and complete list of all Leases; (b) all existing Leases are in full force and effect and are enforceable in accordance with their respective terms, and no breach or default, or event which would constitute a breach or default after notice or the passage of time, or both, exists under any existing Leases on the part of any party; (c) no rent or other payment under any existing Lease has been paid by any lessee for more than one (1) month in advance; and (d) none of the lessor's interests under any of the Leases has been transferred or assigned.
- 3.5 **COVENANTS.** Grantor covenants and agrees at Grantor's sole cost and expense to: (a) perform the obligations of lessor contained in the Leases and enforce by all available remedies performance by the lessees of the obligations of the lessees contained in the Leases; (b) give Beneficiary prompt written notice of any material default which occurs with respect to any of the Leases, whether the default be that of the lessee or of the lessor; (c) exercise Grantor's best efforts to keep all portions of the Subject Property leased in accordance with Borrower's leasing projections delivered to Beneficiary as of the date hereof; (d) deliver to Beneficiary fully executed, counterpart original(s) of each and every Lease if requested to do so; and (e) execute and record such additional assignments of any Lease or specific subordinations (or subordination, attornment and non-disturbance agreements executed by the lessor and lessee) of any Lease to the Deed of Trust, in form and substance acceptable to Beneficiary, as Beneficiary may request. Grantor shall not, without Beneficiary's prior written consent or as otherwise permitted by any provision of the Loan Agreement: (i) enter into any Leases after the date hereof unless such Leases are substantially in the form approved by Beneficiary as of the date hereof; (ii) execute any other assignment relating to any of the Leases; (iii) discount any rent or other sums due under the Leases or collect the same in advance, other than to collect rentals one (1) month in advance of the time when it becomes due; (iv) terminate, modify or amend any of the terms of the Leases or in any manner release or discharge the lessees from any obligations thereunder; (v) consent to any assignment or subletting by any lessee; or (vi) subordinate or agree to subordinate any of the Leases to any other deed of trust or encumbrance. Any such attempted action in violation of the

provisions of this Section 3.5 shall be null and void. Without in any way limiting the requirement of Beneficiary's consent hereunder, any sums received by Grantor in consideration of any termination (or the release or discharge of any lessee) modification or amendment of any Lease shall be applied to reduce the outstanding Secured Obligations and any such sums received by Grantor shall be held in trust by Grantor for such purpose.

- 3.6 **ESTOPPEL CERTIFICATES**. Within thirty (30) days after written request by Beneficiary, Grantor shall deliver to Beneficiary and to any party designated by Beneficiary estoppel certificates executed by Grantor and by each of the lessees, in recordable form, certifying (if such be the case): (a) that the foregoing assignment and the Leases are in full force and effect; (b) the date of each lessee's most recent payment of rent; (c) that there are no defenses or offsets outstanding, or stating those claimed by Grantor or lessees under the foregoing assignment or the Leases, as the case may be; and (d) any other information reasonably requested by Beneficiary.

ARTICLE 4. SECURITY AGREEMENT AND FIXTURE FILING

- 4.1 **SECURITY INTEREST**. Grantor hereby grants and assigns to Beneficiary as of the "Effective Date" (defined in the Loan Agreement) a security interest, to secure payment and performance of all of the Secured Obligations, in all of the following described personal property in which Grantor now or at any time hereafter has any interest (collectively, the "Collateral"):

All goods, including without limitation, building and other materials, supplies, inventory, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property and embedded software included therein and supporting information, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on (i) the real property described on Exhibit A attached hereto and incorporated by reference herein (to the extent the same are not effectively made a part of the real property pursuant to Section 1.1(c) above) or (ii) any existing or future Improvements (which real property and Improvements are collectively referred to herein as the "Subject Property"); together with all leases of the Subject Property or any portion thereof, and all other agreements of any kind relating to the use or occupancy of the Subject Property or any portion thereof, whether now existing or entered into after the date hereof ("Leases"); together with all rents and security deposits derived from the Subject Property (to the extent, if any, they are not subject to Article 3); all inventory, accounts, cash receipts, deposit accounts, accounts receivable, contract rights, licenses, agreements, general intangibles, payment intangibles, software, chattel paper (whether electronic or tangible), instruments, documents, promissory notes, drafts, letters of credit (whether electronic or tangible), letter of credit rights, supporting obligations, insurance policies, insurance and condemnation awards and proceeds, proceeds of the sale of promissory notes, any other rights to the payment of money, trade names, trademarks and service marks arising from or related to the ownership, management, leasing, operation, sale or disposition of the Subject Property or any business now or hereafter conducted thereon by Grantor; all development rights and credits, and any and all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Subject Property; all water and water rights, wells and well rights, canals and canal rights, ditches and ditch rights, springs and spring rights, and reservoirs and reservoir rights appurtenant to or associated with the Subject Property, whether decreed or undecreed, tributary, non-tributary or not non-tributary, surface or underground or appropriated or unappropriated, and all shares of stock in water, ditch, lateral and canal companies, well permits and all other evidences of any of such rights; all deposits or other security now or hereafter made with or given to utility companies by Grantor with respect to the Subject Property; all advance payments of insurance premiums made by Grantor with respect to the Subject Property; all plans, drawings and specifications relating to the Subject Property; all loan funds held by Beneficiary, whether or not disbursed; all funds deposited with Beneficiary pursuant to any loan agreement; all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Subject Property or any portion thereof; together with all replacement costs and proceeds of, and additions and

accessions to, any of the foregoing; together with all books, records and files relating to any of the foregoing.

As to all of the above Collateral which is or which hereafter becomes a "fixture" under applicable law, this Deed of Trust constitutes a fixture filing under Article 9 of the Texas Business and Commerce Code, as amended or recodified from time to time ("UCC"), and is acknowledged and agreed to be a "construction mortgage" under the UCC.

The filing of a financing statement covering the Collateral shall not be construed to derogate from or impair the lien or provisions of this Deed of Trust with respect to any property described herein which is real property or which the parties have agreed to treat as real property. Similarly, nothing in such financing statement shall be construed to alter any of the rights of Beneficiary under this Deed of Trust or the priority of the Beneficiary's lien created hereby, and such financing statement is declared to be for the protection of Beneficiary in the event any court shall at any time hold that notice of Beneficiary's priority of interest in any property or interests described in this Deed of Trust must, in order to be effective against a particular class of persons, including but not limited to the federal government and any subdivision, agency or entity of the federal government, be filed in the Uniform Commercial Code records.

- 4.2 **REPRESENTATIONS AND WARRANTIES.** Grantor represents and warrants that: (a) Grantor has, and will have, good title to the Collateral; subject to the Ground Lease and encumbrances approved by Beneficiary; (b) Grantor has not previously assigned or encumbered the Collateral, and no financing statement covering any of the Collateral has been delivered to any other person or entity; (c) Grantor's principal place of business is located at the address shown in Section 7.11; and (d) Grantor's legal name is exactly as set forth on the first page of this Deed of Trust and all of Grantor's organizational documents or agreements delivered to Beneficiary are complete and accurate in every material respect.
- 4.3 **COVENANTS.** Grantor agrees: (a) to execute and deliver such documents as Beneficiary deems necessary to create, perfect and continue the security interests contemplated hereby; (b) not to change its name, and as applicable, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered without giving Beneficiary 30 days prior written notice thereof; (c) to cooperate with Beneficiary in perfecting all security interests granted herein and in obtaining such agreements from third parties as Beneficiary deems necessary, proper or convenient in connection with the creation, preservation, perfection, priority or enforcement of any of its rights hereunder; and (d) that Beneficiary is authorized to file financing statements in the name of Grantor to perfect Beneficiary's security interest in Collateral.
- 4.4 **RIGHTS OF BENEFICIARY.** In addition to Beneficiary's rights as a "Secured Party" under the UCC, Beneficiary may, but shall not be obligated to, at any time without notice and at the expense of Grantor: (a) give notice to any person of Beneficiary's rights hereunder and enforce such rights at law or in equity; (b) insure, protect, defend and preserve the Collateral or any rights or interests of Beneficiary therein; (c) inspect the Collateral; and (d) endorse, collect and receive any right to payment of money owing to Grantor under or from the Collateral. Notwithstanding the above, in no event shall Beneficiary be deemed to have accepted any property other than cash in satisfaction of any obligation of Grantor to Beneficiary unless Beneficiary shall make an express written proposal thereof under UCC §9.621, or other applicable law, and the provisions of UCC §9.620 have been satisfied.
- 4.5 **RIGHTS OF BENEFICIARY ON DEFAULT.** Upon the occurrence of a Default (hereinafter defined) under this Deed of Trust, then in addition to all of Beneficiary's rights as a "Secured Party" under the UCC or otherwise at law:
- (a) Beneficiary may (i) upon written notice to Grantor, require Grantor to assemble any or all of the Collateral and make it available to Beneficiary at a place designated by Beneficiary; (ii) without prior notice, enter upon the Subject Property or other place where any of the Collateral may be located and take possession of, collect, sell, lease, license and dispose of any or all of the Collateral, and store the same at locations acceptable to Beneficiary at Grantor's expense; (iii) sell, assign and deliver at

any place or in any lawful manner all or any part of the Collateral and bid and become the purchaser at any such sales;

- (b) Beneficiary may, for the account of Grantor and at Grantor's expense: (i) operate, use, consume, sell, lease, license or dispose of the Collateral as Beneficiary deems appropriate for the purpose of performing any or all of the Secured Obligations; (ii) enter into any agreement, compromise, or settlement, including insurance claims, which Beneficiary may deem desirable or proper with respect to any of the Collateral; and (iii) endorse and deliver evidences of title for, and receive, enforce and collect by legal action or otherwise, all indebtedness and obligations now or hereafter owing to Grantor in connection with or on account of any or all of the Collateral; and
- (c) In disposing of Collateral hereunder, Beneficiary may disclaim all warranties of title, possession, quiet enjoyment and the like. Any proceeds of any disposition of any Collateral may be applied by Beneficiary to the payment of expenses incurred by Beneficiary in connection with the foregoing, including reasonable attorneys' fees, and the balance of such proceeds may be applied by Beneficiary toward the payment of the Secured Obligations in such order of application as Beneficiary may from time to time elect.

Notwithstanding any other provision hereof, Beneficiary shall not be deemed to have accepted any property other than cash in satisfaction of any obligation of Grantor to Beneficiary unless Beneficiary shall make an express written proposal thereof under UCC §9.621, or other applicable law, and the provisions of UCC §9.620 have been satisfied. Grantor agrees that Beneficiary shall have no obligation to process or prepare any Collateral for sale or other disposition.

4.6 **POWER OF ATTORNEY.** Grantor hereby irrevocably appoints Beneficiary as Grantor's attorney-in-fact (such agency being coupled with an interest), and as such attorney-in-fact Beneficiary may, without the obligation to do so, in Beneficiary's name, or in the name of Grantor, prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve any of Beneficiary's security interests and rights in or to any of the Collateral, and, upon a Default hereunder, take any other action required of Grantor; provided, however, that Beneficiary as such attorney-in-fact shall be accountable only for such funds as are actually received by Beneficiary.

4.7 **POSSESSION AND USE OF COLLATERAL.** Except as otherwise provided in this Section or the other Loan Documents (as defined in the Loan Agreement), so long as no Default exists under this Deed of Trust or any of the Loan Documents, Grantor may possess, use, move, transfer or dispose of any of the Collateral in the ordinary course of Grantor's business and in accordance with the Loan Agreement without the prior consent of Beneficiary.

ARTICLE 5. RIGHTS AND DUTIES OF THE PARTIES

5.1 **TITLE.**

- (a) Grantor represents and warrants that, except as disclosed to Beneficiary in a writing which refers to this warranty, Grantor lawfully holds and possesses a sub-leasehold interest in and to the Subject Property without limitation on the right to encumber, and that this Deed of Trust is a first and prior lien on the Subject Property. Grantor further covenants and agrees that it shall not cause all or any portion of the Subject Property to be replatted or for any lots or boundary lines to be adjusted, changed or altered for either ad valorem tax purposes or otherwise, and shall not consent to the assessment of the Subject Property in more than one tax parcel or in conjunction with any property other than the Subject Property.
- (b) In addition, Grantor represents and warrants that (i) the Ground Lease is in full force and effect and has not been modified or amended in any manner whatsoever except as aforesaid, (ii) there are no defaults under the Ground Lease and no event has occurred, which but for the passage of time, or

notice, or both, would constitute a default under the Ground Lease, (iii) all rents, additional rents and other sums due and payable under the Ground Lease have been paid in full, (iv) neither Grantor nor the Ground Lessor has commenced any action or given or received any notice for the purpose of terminating the Ground Lease, and (v) the interest of the tenant under the Ground Lease is vested in the Grantor.

- 5.2 **TAXES AND ASSESSMENTS.** Subject to Grantor's rights to contest payment of taxes as may be provided in the Loan Agreement, Grantor shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Subject Property and Collateral, or any interest therein. Grantor shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any public authority upon Beneficiary by reason of its interest in any Secured Obligation or in the Subject Property and Collateral, or by reason of any payment made to Beneficiary pursuant to any Secured Obligation; provided, however, Grantor shall have no obligation to pay taxes which may be imposed from time to time upon Beneficiary and which are measured by and imposed upon Beneficiary's net income.
- 5.3 **TAX AND INSURANCE IMPOUNDS.** After an Event of Default, at Beneficiary's option and upon its written demand, Grantor, shall, until all Secured Obligations have been paid in full, pay to Beneficiary monthly, annually or as otherwise directed by Beneficiary an amount estimated by Beneficiary to be equal to: (a) all taxes, assessments and levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Subject Property or Collateral and will become due for the tax year during which such payment is so directed; and (b) premiums for fire, hazard and insurance required or requested pursuant to the Loan Documents when same are next due. If Beneficiary determines that any amounts paid by Grantor are insufficient for the payment in full of such taxes, assessments, levies, charges and/or insurance premiums, Beneficiary shall notify Grantor of the increased amounts required to pay all amounts when due, whereupon Grantor shall pay to Beneficiary within thirty (30) days thereafter the additional amount as stated in Beneficiary's notice. All sums so paid shall not bear interest, except to the extent and in any minimum amount required by law; and Beneficiary shall, unless Grantor is otherwise in Default hereunder or under any Secured Obligation, apply said funds to the payment of, or at the sole option of Beneficiary release said funds to Grantor for the application to and payment of, such sums, taxes, assessments, levies, charges, and insurance premiums. Upon Default by Grantor hereunder or under any Loan Document, Beneficiary may apply all or any part of said sums to any Secured Obligation and/or to cure such Default, in which event Grantor shall be required to restore all amounts so applied, as well as to cure any other events or conditions of Default not cured by such application. Upon assignment of this Deed of Trust, Beneficiary shall have the right to assign all amounts collected and in its possession to its assignee whereupon Beneficiary and the Trustee shall be released from all liability with respect thereto. Within ninety-five (95) days following full repayment of the Secured Obligations (other than full repayment of the Secured Obligations as a consequence of a foreclosure or conveyance in lieu of foreclosure of the liens and security interests securing the Secured Obligations) or at such earlier time as Beneficiary may elect, the balance of all amounts collected and in Beneficiary's possession shall be paid to Grantor and no other party shall have any right or claim thereto.
- 5.4 **PERFORMANCE OF SECURED OBLIGATIONS.** Grantor shall promptly pay and perform each Secured Obligation when due.
- 5.5 **LIENS, ENCUMBRANCES AND CHARGES.** Grantor shall immediately discharge any lien not approved by Beneficiary in writing that has or may attain priority over this Deed of Trust. Subject to the provisions of the Loan Agreement regarding mechanics' liens, Grantor shall pay when due all obligations secured by or which may become liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Subject Property or Collateral or any interest therein, whether senior or subordinate hereto.
- 5.6 **DAMAGES; INSURANCE AND CONDEMNATION PROCEEDS.**
- (a) The following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Grantor to Beneficiary and, at the request of Beneficiary, shall be paid directly to Beneficiary: (i) all

awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Subject Property or Collateral; (ii) all other claims and awards for damages to, or decrease in value of, all or any part of, or any interest in, the Subject Property or Collateral; (iii) all proceeds of any insurance policies (whether or not expressly required by Beneficiary to be maintained by Grantor, including, but not limited to, earthquake insurance and terrorism insurance, if any) payable by reason of loss sustained to all or any part of the Subject Property or Collateral; and (iv) all interest which may accrue on any of the foregoing. Subject to applicable law, and without regard to any requirement contained in Section 5.7(d), Beneficiary may at its discretion apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in any order acceptable to Beneficiary, and/or Beneficiary may release all or any part of the proceeds to Grantor upon any conditions Beneficiary may impose. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary; provided, however, in no event shall Beneficiary be responsible for any failure to collect any claim or award, regardless of the cause of the failure, including, without limitation, any malfeasance or nonfeasance by Beneficiary or its employees or agents.

- (b) At its sole option, Beneficiary may permit insurance or condemnation proceeds held by Beneficiary to be used for repair or restoration but may condition such application upon reasonable conditions, including, without limitation: (i) the deposit with Beneficiary of such additional funds which Beneficiary determines are needed to pay all costs of the repair or restoration, (including, without limitation, taxes, financing charges, insurance and rent during the repair period); (ii) the establishment of an arrangement for lien releases and disbursement of funds acceptable to Beneficiary (the arrangement contained in the Loan Agreement for obtaining lien releases and disbursing loan funds shall be deemed reasonable with respect to disbursement of insurance or condemnation proceeds); (iii) the delivery to Beneficiary of plans and specifications for the work, a contract for the work signed by a contractor acceptable to Beneficiary, a cost breakdown for the work and a payment and performance bond for the work, all of which shall be acceptable to Beneficiary; and (iv) the delivery to Beneficiary of evidence acceptable to Beneficiary (aa) that after completion of the work the income from the Subject Property and Collateral will be sufficient to pay all expenses and debt service for the Subject Property and Collateral; (bb) of the continuation of Leases acceptable to and required by Beneficiary; (cc) that upon completion of the work, the size, capacity and total value of the Subject Property and Collateral will be at least as great as it was before the damage or condemnation occurred; (dd) that there has been no material adverse change in the financial condition or credit of Grantor since the date of this Deed of Trust; and (ee) of the satisfaction of any additional conditions that Beneficiary may reasonably establish to protect its security. Grantor hereby acknowledges that the conditions described above are reasonable, and, if such conditions have not been satisfied within thirty (30) days of receipt by Beneficiary of such insurance or condemnation proceeds, then Beneficiary may apply such insurance or condemnation proceeds to pay the Secured Obligations in such order and amounts as Beneficiary in its sole discretion may choose.

GRANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ALL RIGHTS IT MAY HAVE UNDER APPLICABLE TEXAS LAW PROVIDING FOR ALLOCATION OF CONDEMNATION PROCEEDS BETWEEN A PROPERTY OWNER AND A LIENHOLDER.

INITIALS: _____

5.7 MAINTENANCE AND PRESERVATION OF THE SUBJECT PROPERTY.

- (a) Subject to the provisions of the Loan Agreement, Grantor covenants: (a) to insure the Subject Property and Collateral against such risks as Beneficiary may require and, at Beneficiary's request, to

provide evidence of such insurance to Beneficiary, and to comply with the requirements of any insurance companies providing such insurance; (b) to keep the Subject Property and Collateral in good condition and repair; subject to ordinary wear and tear; (c) not to remove or demolish the Subject Property or Collateral or any part thereof, not to materially alter, restore or add to the Subject Property or Collateral and not to initiate or acquiesce in any change in any zoning or other land classification which affects the Subject Property without Beneficiary's prior written consent or as provided in the Loan Agreement; (d) to complete or restore promptly and in good and workmanlike manner the Subject Property and Collateral, or any part thereof which may be damaged or destroyed, without regard to whether Beneficiary elects to require that insurance proceeds be used to reduce the Secured Obligations as provided in Section 5.6; (e) to comply with all laws, ordinances, regulations and standards, and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character which affect the Subject Property or Collateral and pertain to acts committed or conditions existing thereon, including, without limitation, any work, alteration, improvement or demolition mandated by such laws, covenants or requirements; (f) not to commit or permit waste of the Subject Property or Collateral; and (g) to do all other acts which from the character or use of the Subject Property or Collateral may be reasonably necessary to maintain and preserve its value.

- (b) **COLLATERAL PROTECTION INSURANCE NOTICE.** (A) GRANTOR IS REQUIRED TO: (i) KEEP THE PROPERTY AND IMPROVEMENTS INSURED AGAINST DAMAGE IN THE AMOUNT BENEFICIARY SPECIFIES; (ii) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (iii) NAME BENEFICIARY AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS; (B) GRANTOR MUST, IF REQUIRED BY BENEFICIARY, DELIVER TO BENEFICIARY A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS THEREFOR; AND (C) IF GRANTOR FAILS TO MEET ANY REQUIREMENT LISTED IN CLAUSES (A) OR (B) HEREOF, BENEFICIARY MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF GRANTOR AT GRANTOR'S EXPENSE.

5.8 **DEFENSE AND NOTICE OF LOSSES, CLAIMS AND ACTIONS.** At Grantor's sole expense, Grantor shall protect, preserve and defend the Subject Property and Collateral and title to and right of possession of the Subject Property and Collateral, the security hereof and the rights and powers of Beneficiary and Trustee hereunder against all adverse claims. Grantor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to the Subject Property or Collateral and of any condemnation offer or action.

5.9 **ACCEPTANCE OF TRUST; POWERS AND DUTIES OF TRUSTEE.**

- (a) Trustee accepts this trust when this Deed of Trust is delivered by Grantor to Beneficiary. Except as may be required by applicable law, Trustee may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust hereunder and the enforcement of the rights and remedies available hereunder, and may obtain orders or decrees directing or confirming or approving acts in the execution of said trust and the enforcement of said remedies.
- (b) Trustee shall not be required to take any action toward the execution and enforcement of the trust hereby created or to institute, appear in, or defend any action, suit, or other proceeding in connection therewith where, in his opinion, such action would be likely to involve him in expense or liability, unless requested so to do by a written instrument signed by Beneficiary and, if Trustee so requests, unless Trustee is tendered security and indemnity satisfactory to Trustee against any and all cost, expense, and liability arising therefrom. Trustee shall not be responsible for the execution, acknowledgment, or validity of the Loan Documents, or for the proper authorization thereof, or for the sufficiency of the lien and security interest purported to be created hereby, and Trustee makes no representation in respect thereof or in respect of the rights, remedies, and recourses of Beneficiary.

- (c) With the approval of Beneficiary, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder and which relate to the power of sale herein granted and shall be fully protected in relying as to legal matters on the advice of counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his agents or attorneys, (iii) rely, in good faith, on any and all information in law or in fact provided by Grantor or Beneficiary or by any of their respective attorneys, agents, representatives, or other third parties, and (iv) any and all other lawful action as Trustee may be permitted or allowed to take under all applicable laws. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Subject Property for debts contracted for or liability or damages incurred in the management or operation of the Subject Property. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting any action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for expenses incurred by Trustee in the performance of Trustee's duties hereunder and to reasonable compensation for such of Trustee's services hereunder as shall be rendered. **GRANTOR WILL, FROM TIME TO TIME, PAY THE COMPENSATION DUE TO TRUSTEE HEREUNDER AND REIMBURSE TRUSTEE FOR, AND INDEMNIFY AND HOLD HARMLESS TRUSTEE AGAINST, ANY AND ALL LIABILITY AND EXPENSES WHICH MAY BE INCURRED BY TRUSTEE IN THE PERFORMANCE OF TRUSTEE'S DUTIES.**
- (d) All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.
- (e) Should any deed, conveyance, or instrument of any nature be required from Grantor by any Trustee or substitute Trustee to more fully and certainly vest in and confirm to the Trustee or substitute Trustee such estates, rights, powers, and duties, then, upon request by Beneficiary or the Trustee or substitute Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Grantor.
- (f) By accepting or approving anything required to be observed, performed, or fulfilled or to be given to Trustee pursuant to the Loan Documents, including without limitation, any deed, conveyance, instrument, officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness, or legal effect of the same, or of any term, provision, or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or affirmation with respect thereto by Trustee.

5.10 **COMPENSATION; EXCULPATION; INDEMNIFICATION.**

- (a) Grantor shall pay Trustee's fees and reimburse Trustee for expenses in the administration of this trust, including attorneys' fees. Subject to the provisions of Section 7.12, Grantor shall pay to Beneficiary reasonable compensation for services rendered concerning this Deed of Trust, including without limit any statement of amounts owing under any Secured Obligation. Beneficiary shall not directly or indirectly be liable to Grantor or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Grantor under any agreement related to the Subject Property or Collateral or under this Deed of Trust; or (iii) any loss sustained by Grantor or any third party resulting from Beneficiary's failure (whether by malfeasance, nonfeasance or refusal to act) to lease the Subject Property after a Default (hereinafter defined) or from any other act or omission (regardless of whether same constitutes negligence) of Beneficiary in managing the Subject Property after a Default unless the loss is caused by the gross negligence or willful misconduct of

Beneficiary and no such liability shall be asserted against or imposed upon Beneficiary, and all such liability is hereby expressly waived and released by Grantor.

- (b) **GRANTOR INDEMNIFIES TRUSTEE AND BENEFICIARY AGAINST, AND HOLDS TRUSTEE AND BENEFICIARY HARMLESS FROM, ALL LOSSES, DAMAGES, LIABILITIES, CLAIMS, CAUSES OF ACTION, JUDGMENTS, COURT COSTS, ATTORNEYS' FEES AND OTHER LEGAL EXPENSES, COST OF EVIDENCE OF TITLE, COST OF EVIDENCE OF VALUE, AND OTHER EXPENSES WHICH EITHER MAY SUFFER OR INCUR: (i) BY REASON OF THIS DEED OF TRUST; (ii) BY REASON OF THE EXECUTION OF THIS DEED OF TRUST OR IN PERFORMANCE OF ANY ACT REQUIRED OR PERMITTED HEREUNDER OR BY LAW; (iii) AS A RESULT OF ANY FAILURE OF GRANTOR TO PERFORM GRANTOR'S OBLIGATIONS; OR (iv) BY REASON OF ANY ALLEGED OBLIGATION OR UNDERTAKING ON BENEFICIARY'S PART TO PERFORM OR DISCHARGE ANY OF THE REPRESENTATIONS, WARRANTIES, CONDITIONS, COVENANTS OR OTHER OBLIGATIONS CONTAINED IN ANY OTHER DOCUMENT RELATED TO THE SUBJECT PROPERTY AND COLLATERAL. THE ABOVE OBLIGATION OF GRANTOR TO INDEMNIFY AND HOLD HARMLESS TRUSTEE AND BENEFICIARY SHALL SURVIVE THE RELEASE AND CANCELLATION OF THE SECURED OBLIGATIONS AND THE RELEASE OR PARTIAL RELEASE OF THE LIEN OF THIS DEED OF TRUST. GRANTOR SHALL NOT BE LIABLE TO INDEMNIFY TRUSTEE AND BENEFICIARY TO THE EXTENT SUCH LOSSES, DAMAGES, LIABILITIES AND CLAIMS ARISE FROM THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF BENEFICIARY.**
- (c) Grantor shall pay all amounts and indebtedness arising under this Section 5.10 immediately upon demand by Trustee or Beneficiary together with interest thereon from the date the indebtedness arises at the rate of interest then applicable to the principal balance of the Note as specified therein.

5.11 **SUBSTITUTION OF TRUSTEES.** Trustee may resign by the giving of notice of such resignation in writing or verbally to Beneficiary. If Trustee shall die, resign, or become disqualified from acting in the execution of this trust, or if, for any reason, Beneficiary shall prefer to appoint a substitute trustee or multiple substitute trustees, or successive substitute trustees or successive multiple substitute trustees, to act instead of the aforementioned Trustee, Beneficiary shall have full power to appoint a substitute trustee (or, if preferred, multiple substitute trustees) in succession who shall succeed (and if multiple substitute trustees are appointed, each of such multiple substitute trustees shall succeed) to all the estates, rights, powers, and duties of the aforementioned Trustee. Such appointment may be executed by any authorized agent of Beneficiary, and if such Beneficiary be a corporation and such appointment be executed in its behalf by any officer of such corporation, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of the corporation. Grantor hereby ratifies and confirms any and all acts which the aforementioned Trustee, or his successor or successors in this trust, shall do lawfully by virtue hereof. If multiple substitute Trustees are appointed, each of such multiple substitute Trustees shall be empowered and authorized to act alone without the necessity of the joinder of the other multiple substitute trustees, whenever any action or undertaking of such substitute trustees is requested or required under or pursuant to this Deed of Trust or applicable law. Any substitute Trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its or his predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Beneficiary or of the substitute Trustee, the Trustee ceasing to act shall execute and deliver any instrument transferring to such substitute Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Trustee to the substitute Trustee so appointed in the Trustee's place.

5.12 **DUE ON SALE OR ENCUMBRANCE.** The terms "Loan", "Loan Documents" and "Loan Agreement" have the meaning given them in the Loan Agreement described in Section 2.1. Grantor represents, agrees and acknowledges that:

- (a) Development of real property is a highly complex activity which requires substantial knowledge of law and business conditions and practices, and an ability to control, coordinate and schedule the many factors affecting such development. Experience, financial stability, managerial ability and a good reputation in the business community enhance a developer's ability to obtain market rents and/or sales prices and to induce cooperation in scheduling and are taken into account by Beneficiary in approving loan applications.
- (b) Grantor has represented to Beneficiary, not only in the representations and warranties contained in the Loan Documents, but also in its initial loan application and in all of the negotiations connected with Beneficiary making the Loan, certain facts concerning Grantor's financial stability, managerial and operational ability, reputation, skill, and credit worthiness. Beneficiary has relied upon these representations and warranties as a substantial and material consideration in its decision to make the Loan.
- (c) The conditions and terms provided in the Loan Agreement were induced by these representations and warranties and would not have been made available by Beneficiary in the absence of these representations and warranties.
- (d) Beneficiary would not have made this Loan if Beneficiary did not have the right to sell, transfer, assign, or grant participations in the Loan and in the Loan Documents, and that such participations are dependent upon the potential participants' reliance on such representations and warranties.
- (e) Grantor's financial stability and managerial and operational ability and that of those persons or entities having a direct or beneficial interest in Grantor are a substantial and material consideration to any third parties who have entered or will enter into agreements with Grantor.
- (f) Beneficiary has relied upon the skills and services offered by such third parties and the provision of such skills and services is jeopardized if Grantor breaches its covenants contained below regarding Transfers.
- (g) A transfer of possession of or title to the Subject Property or Collateral, or a change in the person or entity owning, operating, developing, constructing or managing the Subject Property or Collateral would substantially increase the risk of Default under the Loan Documents and significantly and materially impair and reduce Beneficiary's security for the Note.
- (h) As used herein, the term "Transfer" shall mean each of the following actions or events: the sale, transfer, assignment, lease as a whole, encumbrance, hypothecation, mortgage or pledge in any manner whatsoever, whether voluntarily, involuntarily or by operation of law of: (i) the Subject Property or Collateral or any interest therein; (ii) title to any other security more specifically described in any Loan Document; (iii) Grantor's right, title and/or interest in the Loan Documents and any subsequent documents executed by Grantor in connection therewith; (iv) legal or beneficial ownership of any partnership interest in Grantor if Grantor is a partnership; (v) legal or beneficial ownership of any partnership interest in any general partner or venturer of Grantor; or (vi) legal or beneficial ownership of any of the stock in Grantor if Grantor is a corporation or in any general partner or venturer in Grantor that is a corporation.
- (i) It is expressly agreed that Beneficiary may predicate Beneficiary's decision to grant or withhold consent to a Transfer on such terms and conditions as Beneficiary may require, in Beneficiary's sole discretion, including without limitation (i) consideration of the creditworthiness of the party to whom such Transfer will be made and its management ability with respect to the Subject Property and Collateral, (ii) consideration of whether the security for repayment, performance and discharge of the Secured Obligations, or Beneficiary's ability to enforce its rights, remedies, and recourses with respect to such security, will be impaired in any way by the proposed Transfer, (iii) an increase in the rate of interest payable under the Note or any other change in the terms and provisions of the Note and other Loan Documents, (iv) reimbursement of Beneficiary for all costs and expenses incurred by

Beneficiary in investigating the creditworthiness and management ability of the party to whom such Transfer will be made and in determining whether Beneficiary's security will be impaired by the proposed Transfer, (v) payment of Beneficiary's reasonable attorneys' fees in connection with such Transfer, (vi) endorsements (to the extent available under applicable law) to any existing mortgagee title insurance policies or construction binders insuring Beneficiary's liens and security interests covering the Subject Property, and (vii) require additional security for the payment, performance and discharge of the Secured Obligations. If Beneficiary's consent should be given, any Transfer shall be subject to the Loan Documents and any transferee of Grantor's interest shall: (i) assume all of Grantor's obligations thereunder; and (ii) agree to be bound by all provisions and perform all obligations contained therein; provided, however, that such assumption shall not release Grantor or any maker or any guarantor of the Note from any liability thereunder without the prior written consent of Beneficiary. In the event of any Transfer without the prior written consent of Beneficiary, whether or not Beneficiary elects to enforce its right to accelerate the Loan pursuant to Sections 6.1 and 6.2, all sums owing under the Note, as well as all other charges, expenses and costs owing under the Loan Documents, shall at the option of Beneficiary, automatically bear interest at five percent (5%) above the rate provided in the Note, but not in excess of the Maximum Lawful Rate (as defined in the Note), from the date (or any date thereafter) of such unconsented to Transfer. Grantor acknowledges that the automatic shift(s) to this alternate rate is reasonable since the representations that Beneficiary relied upon in making the Loan may no longer be relied upon. A consent by Beneficiary to one or more Transfers shall not be construed as a consent to further Transfers or as a waiver of Beneficiary's consent with respect to future Transfers.

- 5.13 **RELEASES, EXTENSIONS, MODIFICATIONS AND ADDITIONAL SECURITY**. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property and Collateral or in any manner obligated under the Secured Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Subject Property and Collateral and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of and security interests created by this Deed of Trust upon the Subject Property and Collateral.
- 5.14 **RELEASES**. If the Secured Obligations are paid, performed and discharged in full in accordance with the terms of this Deed of Trust, the Note, and the other Loan Documents, then this conveyance shall become null and void and be released by Beneficiary at Grantor's request and expense, and Beneficiary shall have no further obligation to make advances under and pursuant to the provisions hereof or in the other Loan Documents.
- 5.15 **SUBROGATION**. Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to the Loan Documents or by the proceeds of any loan secured by this Deed of Trust.
- 5.16 **RIGHT OF INSPECTION**. Beneficiary, its agents and employees, may enter the Subject Property at any reasonable time for the purpose of inspecting the Subject Property and Collateral and ascertaining Grantor's compliance with the terms hereof.
- 5.17 **CONTRACTS**. Grantor will deliver to Beneficiary a copy of each Contract promptly after the execution of same by all parties thereto. Within twenty (20) days after a request by Beneficiary, Grantor shall prepare and deliver to Beneficiary a complete listing of all Contracts, showing date, term, parties, subject matter, concessions, whether any defaults exist, and other information specified by Beneficiary, of or with respect to each of such Contracts, together with a copy thereof (if so requested by Beneficiary). Grantor represents and warrants that none of the Contracts encumber or create a lien on the Subject Property or Collateral, but are personal with Grantor. As used herein, the term "Contract" shall mean any management agreement,

leasing and brokerage agreement, and operating or service contract with respect to the Subject Property or Collateral.

ARTICLE 6. DEFAULT PROVISIONS

6.1 **DEFAULT.** For all purposes hereof, the term "Default" shall mean:

- (a) at Beneficiary's option, the failure of Grantor to make any payment of principal or interest on the Note or to pay any other amount due hereunder or under the Note within ten (10) days of the date the same is due and payable, whether at maturity, by acceleration or otherwise;
- (b) the failure of Grantor to perform any non-monetary obligation hereunder, or the failure to be true of any representation or warranty of Grantor contained herein and the continuance of such failure for thirty (30) days after notice, or within any longer grace period, if any, allowed in the Loan Agreement for such failure;
- (c) the existence of any Default as defined in the Loan Agreement;
- (d) if Grantor or any other person shall make a Transfer without the prior written consent of Beneficiary (which consent may be withheld in Beneficiary's sole discretion or conditioned as provided in Section 5.12);
- (e) If Grantor shall fail in the payment of any rent, additional rent or other charge mentioned in or made payable by the Sublease as and when such rent or other charge is payable; or
- (f) The occurrence of any default by Grantor, as tenant under the Sublease, in the observance or performance of any term, covenant or condition of the Sublease on the part of Grantor, to be observed or performed, and said default is not cured within ten (10) days prior to the expiration of any applicable grace period therein provided, or if any one or more of the events referred to in the Sublease shall occur which would cause the Sublease to terminate without notice or action by the landlord under the Sublease or which would entitle the landlord under the Sublease to terminate the Sublease and the term thereof by giving notice to Grantor, as tenant thereunder, or if the leasehold estate created by the Sublease shall be surrendered or the Sublease shall be terminated or cancelled for any reason or under any circumstances whatsoever, or if any of the terms, covenants or conditions of the Sublease shall in any manner be modified, changed, supplemented, altered, or amended without the consent of Beneficiary.

6.2 **RIGHTS AND REMEDIES.** At any time after Default, Beneficiary may, at Beneficiary's option, and by or through Trustee, by Beneficiary itself or otherwise, do any one or more of the following:

- (a) **Right to Accelerate.** Beneficiary may, without notice to Grantor, demand, presentment, notice of nonpayment or nonperformance, protest, notice of protest, notice of intent to accelerate, notice of acceleration, or any other notice or any other action, all of which are hereby waived by Grantor and all other parties obligated in any manner whatsoever on the Secured Obligations, declare the entire unpaid balance of the Secured Obligations immediately due and payable, and upon such declaration, the entire unpaid balance of the Secured Obligations shall be immediately due and payable. The failure to exercise any remedy available to the Beneficiary shall not be deemed to be a waiver of any rights or remedies of the Beneficiary under the Loan Documents, at law or in equity.
- (b) **Right to Perform Grantor's Covenants.** If Grantor has failed to keep or perform any covenant whatsoever contained in this Deed of Trust or the other Loan Documents, Beneficiary may, but shall not be obligated to any person to do so, perform or attempt to perform said covenant, and any payment made or expense incurred in the performance or attempted performance of any such covenant shall be and become a part of the Secured Obligations, and Grantor promises, upon

demand, to pay to Beneficiary, at the place where the Note is payable, all sums so advanced or paid by Beneficiary, with interest from the date when paid or incurred by Beneficiary at the rate of interest then applicable on the outstanding principal balance of the Note. No such payment by Beneficiary shall constitute a waiver of any Default. In addition to the liens and security interests hereof, Beneficiary shall be subrogated to all rights, titles, liens, and security interests securing the payment of any debt, claim, tax, or assessment for the payment of which Beneficiary may make an advance, or which Beneficiary may pay.

- (c) **Right of Entry.** Beneficiary may, prior or subsequent to the institution of any foreclosure proceedings, enter upon the Subject Property, or any part thereof, and take exclusive possession of the Subject Property and Collateral and of all books, records, and accounts relating thereto and to exercise without interference from Grantor any and all rights which Grantor has with respect to the management, possession, operation, protection, or preservation of the Subject Property and Collateral, including without limitation the right to rent the same for the account of Grantor and to deduct from such Payments all costs, expenses, and liabilities of every character incurred by the Beneficiary in collecting such Payments and in managing, operating, maintaining, protecting, or preserving the Subject Property and Collateral and to apply the remainder of such Payments on the Secured Obligations in such manner as Beneficiary may elect. All such costs, expenses, and liabilities incurred by the Beneficiary in collecting such Payments and in managing, operating, maintaining, protecting, or preserving the Subject Property and Collateral, if not paid out of Payments as hereinabove provided, shall constitute a demand obligation owing by Grantor and shall bear interest from the date of expenditure until paid at the rate of interest then applicable on the outstanding principal balance of the Note, all of which shall constitute a portion of the Secured Obligations. If necessary to obtain the possession provided for above, the Beneficiary may invoke any and all legal remedies to dispossess Grantor, including specifically one or more actions for forcible entry and detainer, trespass to try title, and restitution. In connection with any action taken by the Beneficiary pursuant to this subsection, the Beneficiary shall not be liable for any loss sustained by Grantor resulting from any failure to let the Subject Property or Collateral, or any part thereof, or from any other act or omission of the Beneficiary in managing the Subject Property and Collateral unless such loss is caused by the willful misconduct of the Beneficiary, nor shall the Beneficiary be obligated to perform or discharge any obligation, duty, or liability under any Lease or under or by reason hereof or the exercise of rights or remedies hereunder. **GRANTOR SHALL AND DOES HEREBY AGREE TO INDEMNIFY BENEFICIARY FOR, AND TO HOLD HARMLESS BENEFICIARY FROM, ANY AND ALL LIABILITY, LOSS, OR DAMAGE, WHICH MAY OR MIGHT BE INCURRED BY BENEFICIARY UNDER ANY SUCH LEASE OR UNDER OR BY REASON HEREOF OR THE EXERCISE OF RIGHTS OR REMEDIES HEREUNDER, AND FROM ANY AND ALL CLAIMS AND DEMANDS WHATSOEVER WHICH MAY BE ASSERTED AGAINST BENEFICIARY BY REASON OF ANY ALLEGED OBLIGATIONS OR UNDERTAKINGS ON ITS PART TO PERFORM OR DISCHARGE ANY OF THE TERMS, COVENANTS, OR AGREEMENTS CONTAINED IN ANY SUCH LEASE.** Should Beneficiary incur any such liability, the amount thereof, including without limitation costs, expenses, and reasonable attorneys' fees, together with interest thereon from the date of expenditure until paid at the rate of interest then applicable on the outstanding principal balance of the Note, shall be secured hereby, and Grantor shall reimburse the Beneficiary therefor immediately upon demand. Nothing in this subsection shall impose any duty, obligation, or responsibility upon Beneficiary for the control, care, management, leasing, or repair of the Subject Property and Collateral, nor for the carrying out of any of the terms and conditions of any such Lease; nor shall it operate to make Beneficiary responsible or liable for any waste committed on the Subject Property and Collateral by the tenants or by any other parties, or for any Hazardous Materials on or under the Subject Property or Collateral, or for any dangerous or defective condition of the Subject Property or Collateral or for any negligence in the management, leasing, upkeep, repair, or control of the Subject Property or Collateral resulting in loss or injury or death to any tenant, licensee, employee, or stranger. Grantor hereby assents to, ratifies, and confirms any and all actions of Beneficiary with respect to the Subject Property and Collateral taken under this subsection.

The remedies in this subsection are in addition to other remedies available to the Beneficiary and the exercise of the remedies in this subsection shall not be deemed to be an election of nonjudicial or judicial remedies otherwise available to the Beneficiary. The remedies in this Section 6.2 are available under and governed by the real property laws of Texas and are not governed by the personal property laws of Texas, including but not limited to, the power to dispose of personal property in a commercially reasonable manner under Section 9.610 of the UCC. No action by Beneficiary, taken pursuant to this subsection, shall be deemed to be an election to dispose of personal property under Section 9.621 of the UCC. Any receipt of consideration received by Beneficiary pursuant to this subsection shall be immediately credited against the Secured Obligations (in the inverse order of maturity) and the value of said consideration shall be treated like any other payment against the Secured Obligations.

- (d) **Foreclosure-Power of Sale.** Beneficiary may request Trustee to proceed with foreclosure under the power of sale which is hereby conferred, such foreclosure to be accomplished in accordance with the following provisions:
- (i) **Public Sale.** Trustee is hereby authorized and empowered, and it shall be Trustee's special duty, upon such request of Beneficiary, to sell the Subject Property and Collateral, or any part thereof, at public auction to the highest bidder for cash, with or without having taken possession of same. Any such sale (including notice thereof) shall comply with the applicable requirements, at the time of the sale, of Section 51.002 of the Texas Property Code or, if and to the extent such statute is not then in force, with the applicable requirements, at the time of the sale, of the successor statute or statutes, if any, governing sales of Texas real property under powers of sale conferred by deeds of trust. If there is no statute in force at the time of the sale governing sales of Texas real property under powers of sale conferred by deeds of trust, such sale shall comply with applicable law, at the time of the sale, governing sales of Texas real property under powers of sale conferred by deeds of trust.
 - (ii) **Right to Require Proof of Financial Ability and/or Cash Bid.** At any time during the bidding, the Trustee may require a bidding party (A) to disclose its full name, state and city of residence, occupation, and specific business office location, and the name and address of the principal the bidding party is representing (if applicable), and (B) to demonstrate reasonable evidence of the bidding party's financial ability (or, if applicable, the financial ability of the principal of such bidding party), as a condition to the bidding party submitting bids at the foreclosure sale. If any such bidding party (the "Questioned Bidder") declines to comply with the Trustee's requirement in this regard, or if such Questioned Bidder does respond but the Trustee, in Trustee's sole and absolute discretion, deems the information or the evidence of the financial ability of the Questioned Bidder (or, if applicable, the principal of such bidding party) to be inadequate, then the Trustee may continue the bidding with reservation; and in such event (1) the Trustee shall be authorized to caution the Questioned Bidder concerning the legal obligations to be incurred in submitting bids, and (2) if the Questioned Bidder is not the highest bidder at the sale, or if having been the highest bidder the Questioned Bidder fails to deliver the cash purchase price payment promptly to the Trustee, all bids by the Questioned Bidder shall be null and void. The Trustee may, in Trustee's sole and absolute discretion, determine that a credit bid may be in the best interest of the Grantor and Beneficiary, and elect to sell the Mortgaged Property for credit or for a combination of cash and credit; provided, however, that the Trustee shall have no obligation to accept any bid except an all cash bid. In the event the Trustee requires a cash bid and cash is not delivered within a reasonable time after conclusion of the bidding process, as specified by the Trustee, but in no event later than 3:45 p.m. local time on the day of sale, then said contingent sale shall be null and void, the bidding process may be recommenced, and any subsequent bids or sale shall be made as if no prior bids were made or accepted.
 - (iii) **Sale Subject to Unsecured Indebtedness.** In addition to the rights and powers of sale granted under the preceding provisions of this subsection, if default is made in the payment of any portion of the Secured Obligations, Beneficiary may, at Beneficiary's option, at once or at any

time thereafter while any matured portion remains unpaid, without declaring the entire Secured Obligations to be due and payable, orally or in writing direct Trustee to enforce this trust and to sell the Subject Property and Collateral subject to such unmatured Secured Obligations and to the rights, powers, liens, security interests, and assignments securing or providing recourse for payment of such unmatured Secured Obligations, in the same manner, all as provided in the preceding provisions of this subsection. Sales made without maturing the Secured Obligations may be made hereunder whenever there is a default in the payment of any portion of the Secured Obligations, without exhausting the power of sale granted hereby, and without affecting in any way the power of sale granted under this subsection, the unmatured balance of the Secured Obligations or the rights, powers, liens, security interests, and assignments securing or providing recourse for payment of the Secured Obligations.

- (iv) **Partial Foreclosure.** Sale of a part of the Subject Property or Collateral shall not exhaust the power of sale, but sales may be made from time to time until the Secured Obligations is paid, performed and discharged in full. It is intended by each of the foregoing provisions of this subsection that Trustee may, after any request or direction by Beneficiary, sell not only the Subject Property, but also the Collateral and other interests constituting security for the Loan under the Loan Documents, or any part thereof, along with the Subject Property and Collateral or any part thereof, as a unit and as a part of a single sale, or may sell at any time or from time to time any part or parts of the Subject Property and Collateral separately from the remainder of the Subject Property and Collateral. It shall not be necessary to have present or to exhibit at any sale any of the Subject Property and Collateral.
- (v) **Trustee's Deeds.** After any sale under this subsection, Trustee shall make good and sufficient deeds, assignments, and other conveyances to the purchaser or purchasers thereunder in the name of Grantor, conveying the Subject Property and Collateral or any part thereof so sold to the purchaser or purchasers with general warranty of title by Grantor. It is agreed that in any deeds, assignments or other conveyances given by Trustee, any and all statements of fact or other recitals therein made as to the identity of Beneficiary, the occurrence or existence of any Default, the notice of intention to accelerate, or acceleration of, the maturity of the Secured Obligations, the request to sell, notice of sale, time, place, terms and manner of sale, and receipt, distribution, and application of the money realized therefrom, the due and proper appointment of a substitute trustee, and without being limited by the foregoing, any other act or thing having been duly done by or on behalf of Beneficiary or by or on behalf of Trustee, shall be taken by all courts of law and equity as prima facie evidence that such statements or recitals state true, correct, and complete facts and are without further question to be so accepted, and Grantor does hereby ratify and confirm any and all acts that Trustee may lawfully do in the premises by virtue hereof.
- (e) **Beneficiary's Judicial Remedies.** Beneficiary may proceed by suit or suits, at law or in equity, to enforce the payment, performance and discharge of the Secured Obligations in accordance with the terms hereof, of the Note, and the other Loan Documents, to foreclose the liens and security interests of this Deed of Trust as against all or any part of the Subject Property and Collateral, and to have all or any part of the Subject Property and Collateral sold under the judgment or decree of a court of competent jurisdiction. This remedy shall be cumulative of any other nonjudicial remedies available to the Beneficiary with respect to the Loan Documents. Proceeding with a request or receiving a judgment for legal relief shall not be or be deemed to be an election of remedies or bar any available nonjudicial remedy of the Beneficiary.
- (f) **Beneficiary's Right to Appointment of Receiver.** Beneficiary, as a matter of right and without regard to the sufficiency of the security for payment, performance and discharge of the Secured Obligations, without notice to Grantor and without any showing of insolvency, fraud, or mismanagement on the part of Grantor, and without the necessity of filing any judicial or other proceeding other than the proceeding for appointment of a receiver, shall be entitled to the appointment of a receiver or receivers of the Subject Property and Collateral or any part thereof, and of the Payments, and Grantor hereby irrevocably

consents to the appointment of a receiver or receivers. Any receiver appointed pursuant to the provisions of this subsection shall have the usual powers and duties of receivers in such matters.

- (g) **Beneficiary's UCC Remedies.** The Beneficiary may exercise its rights of enforcement with respect to the Collateral under the UCC, and in conjunction with, in addition to or in substitution for the rights and remedies under the UCC the Beneficiary may, and Grantor agrees, as follows: (i) without demand or notice to Grantor, enter upon the Subject Property to take possession of, assemble, receive, and collect the Collateral, or any part thereof, or to render it unusable; (ii) require Grantor to assemble the Collateral and make it available at a place Beneficiary designates which is mutually convenient to allow Beneficiary to take possession or dispose of the Collateral; (iii) written notice mailed to Grantor as provided herein at least ten (10) days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made shall constitute reasonable notice; (iv) any sale made pursuant to the provisions of this subsection shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of the Subject Property under power of sale as provided herein upon giving the same notice with respect to the sale of the Collateral hereunder as is required for such sale of the Subject Property under power of sale, and such sale shall be deemed to be pursuant to a security agreement covering both real and personal property under Section 9.604 of the UCC; (v) in the event of a foreclosure sale, whether made by the Trustee under the terms hereof, or under judgment of a court, the Collateral and the Subject Property may, at the option of the Beneficiary, be sold as a whole; (vi) it shall not be necessary that the Beneficiary take possession of the Collateral, or any part thereof, prior to the time that any sale pursuant to the provisions of this subsection is conducted, and it shall not be necessary that the Collateral or any part thereof be present at the location of such sale; (vii) prior to application of proceeds of disposition of the Collateral to the Secured Obligations, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like, and the reasonable attorneys' fees and legal expenses incurred by the Beneficiary; (viii) after notification, if any, hereafter provided in this subsection, Beneficiary may sell, lease, or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at Beneficiary's offices or elsewhere, for cash, on credit, or for future delivery. Upon the request of Beneficiary, Grantor shall assemble the Collateral and make it available to Beneficiary at any place designated by Beneficiary that is reasonably convenient to Grantor and Beneficiary. Grantor agrees that Beneficiary shall not be obligated to give more than ten (10) days' written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. Grantor shall be liable for all expenses of retaking, holding, preparing for sale, or the like, and all attorneys' fees, legal expenses, and all other costs and expenses incurred by Beneficiary in connection with the collection of the Secured Obligations and the enforcement of Beneficiary's rights under the Loan Documents. Beneficiary shall apply the proceeds of the sale of the Collateral against the Secured Obligations in accordance with the requirements of this Deed of Trust. Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay, perform and discharge the Secured Obligations in full. Grantor waives all rights of marshalling in respect of the Collateral; (ix) any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder, the nonpayment of the Secured Obligations, the occurrence of any Default, the Beneficiary having declared all or a portion of such Secured Obligations to be due and payable, the notice of time, place, and terms of sale and of the properties to be sold having been duly given, or any other act or thing having been duly done by Beneficiary, shall be taken as prima facie evidence of the truth of the facts so stated and recited; and (x) Beneficiary may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Beneficiary, including the sending of notices and the conduct of the sale, but in the name and on behalf of Beneficiary.
- (h) **Rights Relating to Leases and Rents.** Grantor has, pursuant to Article 3 of this Deed of Trust, assigned to Beneficiary all Payments under each of the Leases covering all or any portion of the Subject Property. Beneficiary may at any time, and without notice, either in person, by agent, or by receiver to be appointed by a court, enter and take possession of the Subject Property or any part thereof, and in its own name, sue for or otherwise collect the Payments. All Payments collected by Beneficiary shall be applied as provided for in this Deed of Trust; provided, however, that if the costs, expenses, and attorneys' fees shall

exceed the amount of Payments collected, the excess shall be added to the Secured Obligations, shall bear interest at the rate of interest then applicable on the outstanding principal balance of the Note, and shall be immediately due and payable. The entering upon and taking possession of the Subject Property, the collection of Payments, and the application thereof as aforesaid shall not cure or waive any Default or notice of default, if any, hereunder nor invalidate any act done pursuant to such notice, except to the extent any such Default is fully cured. Failure or discontinuance by Beneficiary at any time or from time to time, to collect said Payments shall not in any manner impair the subsequent enforcement by Beneficiary, of the right, power and authority herein conferred upon it. Nothing contained herein, nor the exercise of any right, power, or authority herein granted to Beneficiary, or Trustee on Beneficiary's behalf, shall be, or shall be construed to be, an affirmation by it of any tenancy, lease, or option, nor an assumption of liability under, nor the subordination of, the lien of this Deed of Trust, to any such tenancy, lease, or option, nor an election of judicial relief, if any such relief is requested or obtained as to Leases or Payments, with respect to the Subject Property or any other collateral given by Grantor to Beneficiary. In addition, from time to time Beneficiary may elect, and notice hereby is given to each lessee under any Lease, to subordinate the lien of this Deed of Trust to any Lease by unilaterally executing and recording an instrument of subordination, and upon such election the lien of this Deed of Trust shall be subordinate to the Lease identified in such instrument of subordination; provided, however, in each instance such subordination will not affect or be applicable to, and expressly excludes any lien, charge, encumbrance, security interest, claim, easement, restriction, option, covenant and other rights, titles, interests or estates of any nature whatsoever with respect to all or any portion of the Subject Property and Collateral to the extent that the same may have arisen or intervened during the period between the recordation of this Deed of Trust and the execution of the Lease identified in such instrument of subordination.

- (i) **Other Rights.** Beneficiary (i) may surrender the insurance policies maintained pursuant hereto or the other Loan Documents or any part thereof, and upon receipt shall apply the unearned premiums as a credit on the Secured Obligations, in accordance herewith, and, in connection therewith, Grantor hereby appoints Beneficiary as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Grantor to collect such premiums; and (ii) apply the reserve for impositions, if any, required by the provisions of this Deed of Trust, toward payment of the Secured Obligations; and (iii) shall have and may exercise any and all other rights and remedies which Beneficiary may have at law or in equity, or by virtue of any Loan Document or under the UCC, or otherwise.
- (j) **Beneficiary as Purchaser.** Beneficiary may be the purchaser of the Subject Property and Collateral or any part thereof, at any sale thereof, whether such sale be under the power of sale herein vested in Trustee or upon any other foreclosure of the liens and security interests hereof, or otherwise, and Beneficiary shall, upon any such purchase, acquire good title to the Subject Property and Collateral so purchased, free of the liens and security interests hereof, unless the sale was made subject to an unmatured portion of the Secured Obligations. The Beneficiary, as purchaser, shall be treated in the same manner as any third party purchaser and the proceeds of the Beneficiary's purchase shall be applied in accordance with the requirements of this Deed of Trust.
- (k) **Possession After Foreclosure.** If the liens or security interests hereof shall be foreclosed by power of sale granted herein, by judicial action, or otherwise, the purchaser at any such sale shall receive, as an incident to purchaser's ownership, immediate possession of the property purchased, and if Grantor or Grantor's successors shall hold possession of said property or any part thereof subsequent to foreclosure, Grantor and Grantor's successors shall be considered as tenants at sufferance of the purchaser at foreclosure sale (without limitation of other rights or remedies, at a reasonable rental per day, due and payable daily, based upon the value of the portion of the Subject Property and Collateral so occupied or possessed and sold to such purchaser), and anyone occupying or possessing such portion of the Subject Property and Collateral, after demand is made for possession thereof, shall be guilty of forcible detainer and shall be subject to eviction and removal, forcible or otherwise, with or without process of law, and all damages by reason thereof are hereby expressly waived.
- (l) **Abandonment of Sale.** In the event a foreclosure hereunder is commenced by Trustee in accordance with subsection (d) hereof, at any time before the sale, Trustee may abandon the sale, and Beneficiary

may then institute suit for the collection of the Secured Obligations and for the foreclosure of the liens and security interests hereof and of the Loan Documents. If Beneficiary should institute a suit for the collection of the Secured Obligations and for a foreclosure of the liens and security interests hereof, Beneficiary may, at any time before the entry of a final judgment in said suit, dismiss the same and require Trustee to sell the Subject Property and Collateral or any part thereof in accordance with the provisions of this Deed of Trust.

- 6.3 **APPLICATION OF FORECLOSURE SALE PROCEEDS.** The proceeds from any sale, lease, or other disposition made pursuant to Section 6.2, or the proceeds from the surrender of any insurance policies pursuant hereto, or any Payments collected by Beneficiary from the Subject Property and Collateral, or the reserve for impositions, if any, required by the provisions of this Deed of Trust or sums received pursuant to a condemnation or proceeds from insurance which Beneficiary elects to apply to the Secured Obligations, shall be applied by Beneficiary to the Secured Obligations in the following order and priority: (i) to the payment of all expenses of advertising, selling, disposing and conveying the Subject Property and Collateral or part thereof, and/or prosecuting or otherwise collecting Payments, proceeds, premiums, or other sums including reasonable attorneys' fees and a reasonable fee or commission to Trustee, not to exceed five percent (5%) of the proceeds thereof or sums so received; (ii) to the remainder of the Secured Obligations; (iii) the balance, if any and to the extent applicable, remaining after the full and final payment, performance and discharge of the Secured Obligations to the holder or beneficiary of any inferior liens or security interests covering the Subject Property and Collateral, if any, in order of the priority of such inferior liens or security interests (Trustee and Beneficiary shall hereby be entitled to rely exclusively upon a commitment for title insurance or search of applicable UCC filing office records issued to determine such priority); and (iv) the cash balance, if any, to the Grantor; provided, however, Trustee shall disburse proceeds of a non-judicial foreclosure sale as provided by applicable law. The application of proceeds of sale or other proceeds as otherwise provided herein shall be deemed to be a payment of the Secured Obligations like any other payment. The balance of the Secured Obligations remaining unpaid, if any, shall remain fully due and owing in accordance with the terms of the Note or the other Loan Documents.
- 6.4 **APPLICATION OF OTHER SUMS.** All sums received by Beneficiary under Section 6.2 or Section 3.2, less all costs and expenses incurred by Beneficiary or any receiver under Section 6.2 or Section 3.2, including, without limitation, attorneys' fees, shall be applied in payment of the Secured Obligations in such order as Beneficiary shall determine in its sole discretion; provided, however, Beneficiary shall have no liability for funds not actually received by Beneficiary.
- 6.5 **NO CURE OR WAIVER.** Neither Beneficiary's nor any receiver's entry upon and taking possession of all or any part of the Subject Property and Collateral, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise of or failure to exercise any other right or remedy by Beneficiary or any receiver or any exercise or failure to exercise of any non-judicial foreclosure by Trustee shall cure or waive any breach, Default or notice of default under this Deed of Trust, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Grantor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy or Trustee's exercise of the power of sale granted hereby, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of or security interest created by this Deed of Trust.
- 6.6 **PAYMENT OF COSTS, EXPENSES AND ATTORNEYS' FEES.** Grantor agrees to pay to Beneficiary immediately and without demand all costs and expenses incurred by Trustee and Beneficiary pursuant to Section 6.2 (including, without limitation, court costs and attorneys' fees, whether incurred in litigation or not) with interest from the date of expenditure until said sums have been paid at the rate of interest then applicable to the principal balance of the Note as specified therein. In addition, Grantor shall pay to Trustee all Trustee's fees hereunder and shall reimburse Trustee for all expenses incurred in the performance of its duties under this Deed of Trust and as allowed by applicable law, including, without limitation, any attorneys' fees.

- 6.7 **POWER TO FILE NOTICES AND CURE DEFAULTS.** To the extent permitted by applicable law, Grantor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of commencement or completion of construction of the Improvements, or any other notices that Beneficiary deems appropriate to protect Beneficiary's interest, (b) upon the issuance of a deed pursuant to the foreclosure of the lien of this Deed of Trust or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Collateral, Leases and Payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Beneficiary's security interests and rights in or to any of the Collateral, and (d) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, to perform any obligation of Grantor hereunder; provided, however, that: (i) Beneficiary as such attorney-in-fact shall only be accountable for such funds as are actually received by Beneficiary; and (ii) Beneficiary shall not be liable to Grantor or any other person or entity for any failure to act (whether such failure constitutes negligence) by Beneficiary under this Section.

ARTICLE 7. MISCELLANEOUS PROVISIONS

- 7.1 **ADDITIONAL PROVISIONS.** The Loan Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Grantor which apply to this Deed of Trust and to the Subject Property and Collateral and such further rights and agreements are incorporated herein by this reference.
- 7.2 **MERGER.** No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Subject Property unless Beneficiary consents to a merger in writing.
- 7.3 **OBLIGATIONS OF GRANTOR, JOINT AND SEVERAL.** If more than one person has executed this Deed of Trust as "Grantor", the obligations of all such persons hereunder shall be joint and several.
- 7.4 **RECOURSE TO SEPARATE PROPERTY.** Any married person who executes this Deed of Trust as a Grantor agrees that any money judgment which Beneficiary obtains pursuant to the terms of this Deed of Trust or any other obligation of that married person secured by this Deed of Trust may be collected by execution upon that person's separate property, and any community property which may be executed upon or seized for satisfaction of such obligations under applicable law.
- 7.5 **WAIVER OF MARSHALLING RIGHTS.** Grantor, for itself and for all parties claiming through or under Grantor, and for all parties who may acquire a lien on or interest in the Subject Property and Collateral, hereby waives all rights to have the Subject Property and Collateral and/or any other property which is now or later may be security for any Secured Obligation ("Other Property") marshalled upon any foreclosure of the lien of this Deed of Trust or on a foreclosure of any other lien or security interest against any security for any of the Secured Obligations. Beneficiary shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of, the Subject Property and any or all of the Collateral or Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.
- 7.6 **RULES OF CONSTRUCTION.** When the identity of the parties or other circumstances make it appropriate the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Subject Property" and "Collateral" means all and any part of the Subject Property and Collateral, respectively, and any interest in the Subject Property and Collateral, respectively.
- 7.7 **SUCCESSORS IN INTEREST.** The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto; provided, however, that this Section 7.7 does not waive or modify the provisions of Section 6.1(d).

- 7.8 **EXECUTION IN COUNTERPARTS.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature or acknowledgment of, or on behalf of, each party, or that the signature of all persons required to bind any party, or the acknowledgment of such party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, and the respective acknowledgments of, each of the parties hereto. Any signature or acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures or acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature or acknowledgment pages.
- 7.9 **TEXAS LAW.** This Deed of Trust shall be construed in accordance with the laws of the State of Texas, except to the extent that federal laws preempt the laws of the State of Texas.
- 7.10 **INCORPORATION.** Exhibits A and Schedule 1, all as attached, are incorporated into this Deed of Trust by this reference.
- 7.11 **NOTICES.** All notices, demands, or other communications under this Deed of Trust and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Deed of Trust). All communications shall be deemed served upon delivery of same, or if mailed, upon the first to occur of receipt or the expiration of three (3) days after the deposit in the United States Postal Service mail, postage prepaid and addressed to the address of Grantor, Trustee or Beneficiary at the address specified; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.

| | |
|------------------------|---|
| <p>Grantor:</p> | <p>Haven Support, Inc. c/o Haven for Hope of Bexar County 2330 N. Loop 1604 West San Antonio, TX 78248 Attention: Steve Oswald</p> |
| <p>With a copy to:</p> | <p>Kutak Rock LLP 1801 California Street, Suite 3100 Denver, CO 80202 Attention: Thane Hodson, Esq.</p> |
| <p>Trustee:</p> | <p>J. Kent Howard _____ _____ _____ Attention: _____</p> |
| <p>Beneficiary:</p> | <p>Wells Fargo Bank, National Association Real Estate Group (AU # _____) Community Lending and Investment 401 B Street, Suite 304-A San Diego, CA 92101 Loan #: _____</p> <p>NNMF SUB-CDE IX, LLC c/o National New Markets Fund, LLC 11150 W. Olympic Blvd., Suite 91 Los Angeles, CA 90064 Attention: _____ Loan No: _____</p> |
| <p>With a copy to:</p> | <p>Wells Fargo Bank, National Association Community Lending and Investment 401 B Street, Suite 304-A San Diego, CA 92101 Attention: _____</p> |

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days notice to the other party in the manner set forth hereinabove. Grantor shall forward to Beneficiary, without delay, any notices, letters or other communications delivered to the Subject Property or to Grantor naming Beneficiary, "Lender" or the "Construction Lender" or any similar designation as addressee, or which could reasonably be deemed to affect the construction of the Improvements or the ability of Grantor to perform its obligations to Beneficiary under the Note or the Loan Agreement.

7.12 INTEREST PROVISIONS.

- (a) **Savings Clause.** It is expressly stipulated and agreed to be the intent of Grantor and Beneficiary at all times to comply strictly with the applicable Texas law governing the maximum rate or amount of interest payable on the Note or the Related Indebtedness (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render usurious any amount (i) contracted for, charged, taken, reserved or received pursuant to the Note, any of the other Loan Documents or any other communication or writing by or between Grantor and Beneficiary related to the transaction or transactions that are the subject matter of the Loan Documents, (ii) contracted for, charged or received by reason of Beneficiary's exercise of the option to accelerate the maturity of the Note and/or the Related Indebtedness, or (iii) Grantor will have paid or Beneficiary will have received by reason of any voluntary prepayment by Grantor of the Note and/or the Related Indebtedness, then it is Grantor's and Beneficiary's express intent that all amounts charged in excess of the Maximum Lawful Rate shall be automatically cancelled, ab initio, and all amounts in excess of the Maximum Lawful Rate theretofore collected by Beneficiary shall be credited on the principal balance of the Note and/or the Related Indebtedness (or, if the Note and all Related Indebtedness have been or would thereby be paid in full, refunded to Grantor), and the provisions of the Note and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; provided, however, if the Note has been paid in full before the end of the stated term of the Note, then Grantor and Beneficiary agree that Beneficiary shall, with reasonable promptness after Beneficiary discovers or is advised by Grantor that interest was received in an amount in excess of the Maximum Lawful Rate, either refund such excess interest to Grantor and/or credit such excess interest against the Note and/or any Related Indebtedness then owing by Grantor to Beneficiary. Grantor hereby agrees that as a condition precedent to any claim seeking usury penalties against Beneficiary, Grantor will provide written notice to Beneficiary, advising Beneficiary in reasonable detail of the nature and amount of the violation, and Beneficiary shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Grantor or crediting such excess interest against the Note and/or the Related Indebtedness then owing by Grantor to Beneficiary. All sums contracted for, charged or received by Beneficiary for the use, forbearance or detention of any debt evidenced by the Note and/or the Related Indebtedness shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of the Note and/or the Related Indebtedness (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of the Note and/or the Related Indebtedness does not exceed the Maximum Lawful Rate from time to time in effect and applicable to the Note and/or the Related Indebtedness for so long as debt is outstanding. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to the Note and/or the Related Indebtedness. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Beneficiary to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.
- (b) **Definitions.** As used herein, the term "Maximum Lawful Rate" shall mean the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by Beneficiary in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all Charges (as herein defined) made in connection with the transaction evidenced by the Note and the other Loan Documents. As used herein, the term "Charges" shall mean all fees, charges and/or any other things of value, if any, contracted for, charged, received, taken or reserved by Beneficiary in connection with the transactions relating to the Note and the other Loan Documents, which are treated as interest under applicable law. As used herein, the term "Related Indebtedness" shall mean any and all debt paid or

payable by Grantor to Beneficiary pursuant to the Loan Documents or any other communication or writing by or between Grantor and Beneficiary related to the transaction or transactions that are the subject matter of the Loan Documents, except such debt which has been paid or is payable by Grantor to Beneficiary under the Note.

- (c) **Ceiling Election.** To the extent that Beneficiary is relying on Chapter 303 of the Texas Finance Code to determine the Maximum Lawful Rate payable on the Note and/or the Related Indebtedness, Beneficiary will utilize the weekly ceiling from time to time in effect as provided in such Chapter 303, as amended. To the extent United States federal law permits Beneficiary to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law, Beneficiary will rely on United States federal law instead of such Chapter 303 for the purpose of determining the Maximum Lawful Rate. Additionally, to the extent permitted by applicable law now or hereafter in effect, Beneficiary may, at its option and from time to time, utilize any other method of establishing the Maximum Lawful Rate under such Chapter 303 or under other applicable law by giving notice, if required, to Grantor as provided by applicable law now or hereafter in effect.

7.13 **DEFICIENCY.**

- (a) **In** the event an interest in any of the Subject Property and Collateral is foreclosed upon pursuant to a judicial or nonjudicial foreclosure sale, Grantor agrees as follows. Notwithstanding the provisions of Sections 51.003, 51.004, and 51.005 of the Texas Property Code (as the same may be amended from time to time), and to the extent permitted by law, Grantor agrees that Beneficiary shall be entitled to seek a deficiency judgment from Grantor and any other party obligated on the Note equal to the difference between the amount owing on the Note and the amount for which the Subject Property and Collateral was sold pursuant to judicial or nonjudicial foreclosure sale. Grantor expressly recognizes that this section constitutes a waiver of the above-cited provisions of the Texas Property Code which would otherwise permit Grantor and other persons against whom recovery of deficiencies is sought or any guarantor independently (even absent the initiation of deficiency proceedings against them) to present competent evidence of the fair market value of the Subject Property and Collateral as of the date of the foreclosure sale and offset against any deficiency the amount by which the foreclosure sale price is determined to be less than such fair market value. Grantor further recognizes and agrees that this waiver creates an irrebuttable presumption that the foreclosure sale price is equal to the fair market value of the Subject Property and Collateral for purposes of calculating deficiencies owed by Grantor, any guarantor, and others against whom recovery of a deficiency is sought.
- (b) Alternatively, in the event the waiver provided for in subsection (a) above is determined by a court of competent jurisdiction to be unenforceable, the following shall be the basis for the finder of fact's determination of the fair market value of the Subject Property and Collateral as of the date of the foreclosure sale in proceedings governed by Sections 51.003, 51.004 and 51.005 of the Texas Property Code (as amended from time to time): (i) the Subject Property and Collateral shall be valued in an "as is" condition as of the date of the foreclosure sale, without any assumption or expectation that the Subject Property and Collateral will be repaired or improved in any manner before a resale of the Subject Property and Collateral after foreclosure; (ii) the valuation shall be based upon an assumption that the foreclosure purchaser desires a resale of the Subject Property and Collateral for cash promptly (but no later than twelve (12) months) following the foreclosure sale; (iii) all reasonable closing costs customarily borne by the seller in commercial real estate transactions should be deducted from the gross fair market value of the Subject Property and Collateral, including, without limitation, brokerage commissions, title insurance, a survey of the Subject Property, tax prorations, attorneys' fees, and marketing costs; (iv) the gross fair market value of the Subject Property and Collateral shall be further discounted to account for any estimated holding costs associated with maintaining the Subject Property and Collateral pending sale, including, without limitation, utilities expenses, property management fees, taxes and assessments (to the extent not accounted for in (iii) above), and other maintenance, operational and ownership expenses; and (v) any expert opinion testimony given or considered in connection with a determination of the fair market

value of the Subject Property and Collateral must be given by persons having at least five (5) years experience in appraising property similar to the Subject Property and Collateral and who have conducted and prepared a complete written appraisal of the Subject Property and Collateral taking into consideration the factors set forth above.

- 7.14 **ENTIRE AGREEMENT; AMENDMENT.** THIS DEED OF TRUST AND THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Deed of Trust and the Loan Documents may be amended or waived only by an instrument in writing signed by the Grantor and Beneficiary.
- 7.15 **HOMESTEAD.** The Subject Property forms no part of any property owned, used or claimed by Grantor as a residence or business homestead and is not exempt from forced sale under the laws of the State of Texas. GRANTOR HEREBY DISCLAIMS AND RENOUNCES EACH AND EVERY CLAIM TO THE SUBJECT PROPERTY AS A HOMESTEAD.
- 7.16 **JURY WAIVER.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, GRANTOR AND BENEFICIARY HEREBY KNOWINGLY, INTENTIONALLY, IRREVOCABLY, UNCONDITIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVE, RELINQUISH, AND FOREVER FOREGO THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BASED UPON, ARISING OUT OF OR IN ANY WAY RELATED TO THIS DEED OF TRUST OR ANY CONDUCT OF THE PARTIES HERETO OR ANY OF THEIR DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH THE PARTIES HERETO, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.
- 7.17 **TEXAS FINANCE CODE SECTION 307.052 COLLATERAL PROTECTION INSURANCE NOTICE:** (A) GRANTOR IS REQUIRED TO: (I) KEEP THE SUBJECT PROPERTY INSURED AGAINST DAMAGE IN THE AMOUNT SPECIFIED IN THE LOAN DOCUMENTS; (II) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (III) NAME BENEFICIARY AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS AS AND TO THE EXTENT REQUIRED IN THE LOAN AGREEMENT; (B) GRANTOR MUST, IF REQUIRED BY BENEFICIARY PURSUANT TO THE LOAN AGREEMENT, DELIVER TO BENEFICIARY A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (C) IF GRANTOR FAILS TO MEET ANY REQUIREMENT LISTED IN PARAGRAPH (A) OR (B), BENEFICIARY MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF GRANTOR AT THE GRANTOR'S EXPENSE AS AND TO EXTENT EXPLICITLY PERMITTED BY THE LOAN AGREEMENT.
- 7.18 **SUBLEASE PROVISIONS.**
- (a) **Sublease.** Grantor shall (i) pay all rents, additional rents and other sums required to be paid by Grantor, as tenant under and pursuant to the provisions of the Sublease as and when such rent or other charge is payable, (ii) diligently perform and observe all of the terms, covenants and conditions of the Sublease on the part of Grantor, as tenant thereunder, to be performed and observed at least ten (10) days prior to the expiration of any applicable grace period therein provided, and (iii) promptly notify Beneficiary of the giving of any notice by the landlord under the Sublease to Grantor of any default by Grantor in the performance or observance of any of the terms, covenants or conditions of the Sublease on the part of Grantor, as tenant thereunder, to be performed or observed and deliver to Beneficiary a true copy of each such notice. Grantor shall not, without the prior consent of Beneficiary, surrender the leasehold estate created by the Sublease or terminate or cancel the

Sublease or materially modify, change, supplement, alter or amend the Sublease, in any respect, either orally or in writing, and Grantor hereby assigns to Beneficiary, as further security for the payment of the Loan and for the performance and observance of the terms, covenants and conditions of this Deed of Trust, all of the rights, privileges and prerogatives of Grantor, as tenant under the Sublease, to surrender the leasehold estate created by the Sublease or to terminate, cancel, modify, change, supplement, alter or amend the Sublease, and any such surrender of the leasehold estate created by the Sublease or termination, cancellation, modification, change, supplement, alteration or amendment of the Sublease without the prior consent of Beneficiary shall be void and of no force and effect. If Grantor shall default in the performance or observance of any term, covenant or condition of the Sublease on the part of Grantor, as tenant thereunder, to be performed or observed, then, without limiting the generality of the other provisions of this Deed of Trust, and without waiving or releasing Grantor from any of its obligations hereunder, Beneficiary shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Sublease on the part of Grantor, as tenant thereunder, to be performed or observed or to be promptly performed or observed on behalf of Grantor, to the end that the rights of Grantor in, to and under the Sublease shall be kept unimpaired and free from default, even though the existence of such event of default or the nature thereof be questioned or denied by Grantor or by any party on behalf of Grantor. If Beneficiary shall make any payment or perform any act or take action in accordance with the preceding sentence, Beneficiary will notify Grantor of the making of any such payment, the performance of any such act, or the taking of any such action. In any such event, subject to the rights of tenants, subtenants and other occupants under the Leases, Beneficiary and any person designated by Beneficiary shall have, and are hereby granted, the right to enter upon the Property at any time and from time to time for the purpose of taking any such action. Beneficiary may pay and expend such sums of money as Beneficiary deems reasonably necessary for any such purpose and upon so doing shall be subrogated to any and all rights of the landlord under the Sublease. Grantor hereby agrees to pay to Beneficiary immediately and without demand, all such sums so paid and expended by Beneficiary, together with interest thereon from the day of such payment at the Default Rate (as defined in the Note). All sums so paid and expended by Beneficiary and the interest thereon shall be secured by the legal operation and effect of this Deed of Trust. If the landlord under the Sublease shall deliver to Beneficiary a copy of any notice of default sent by said landlord to Grantor, as tenant under the Sublease, such notice shall constitute full protection to Beneficiary for any action taken or omitted to be taken by Beneficiary, in good faith, in reliance thereon. Grantor shall exercise each individual option, if any, to extend or renew the term of the Sublease upon demand by Beneficiary made at any time within one (1) year of the last day upon which any such option may be exercised, and Grantor hereby expressly authorizes and appoints Beneficiary its attorney-in-fact to exercise any such option in the name of and upon behalf of Grantor, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest. Grantor will not subordinate or consent to the subordination of the Sublease to any mortgage, security deed, lease or other interest on or in the landlord's interest in all or any part of the Property, unless, in each such case, the written consent of Beneficiary shall have been first had and obtained.

- (b) Subleases. Each Lease hereafter made and each renewal of any existing Lease shall provide that, (i) in the event of the termination of the Sublease, the Lease shall not terminate or be terminable by the tenant; (ii) in the event of any action for the foreclosure of this Deed of Trust, the Lease shall not terminate or be terminable by the subtenant by reason of the termination of the Sublease unless the tenant is specifically named and joined in any such action and unless a judgment is obtained therein against the tenant; and (iii) in the event that the Sublease is terminated as aforesaid, the tenant shall attorn to the landlord under the Sublease or to the purchaser at the sale of the Property on such foreclosure, as the case may be.
- (c) No Merger of Fee and Leasehold Estates; Releases. So long as any portion of the Loan shall remain unpaid, unless Beneficiary shall otherwise consent, the fee title to the Premises and the leasehold estate therein created pursuant to the provisions of the Sublease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in Grantor, Beneficiary, or in any

- other person by purchase, operation of law or otherwise. Beneficiary reserves the right, at any time, to release portions of the Property, including, but not limited to, the leasehold estate created by the Sublease, with or without consideration, at Beneficiary's election, without waiving or affecting any of its rights hereunder or under the Note or the other Loan Documents and any such release shall not affect Beneficiary's rights in connection with the portion of the Property not so released.
- (d) Grantor's Acquisition of Fee Estate. In the event that Grantor, so long as any portion of the Loan remains unpaid, shall be the owner and holder of the fee title to the Premises, the lien of this Deed of Trust shall be spread to cover Grantor's fee title to the Premises and said fee title shall be deemed to be included in the Property. Grantor agrees, at its sole cost and expense, including without limitation Beneficiary's reasonable attorneys' fees, to (i) execute any and all documents or instruments necessary to subject its fee title to the Premises to the lien of this Deed of Trust; and (ii) provide a title insurance policy which shall insure that the lien of this Deed of Trust is a first lien on Grantor's fee title to the Premises. Notwithstanding the foregoing, if the Sublease is for any reason whatsoever terminated prior to the natural expiration of its term, and if, pursuant to any provisions of the Sublease or otherwise, Beneficiary or its designee shall acquire from the landlord thereunder another lease of the Property, Grantor shall have no right, title or interest in or to such other lease or the leasehold estate created thereby.
- (e) Rejection of the Sublease.
- (i) If the Sublease is terminated for any reason in the event of the rejection or disaffirmance of the Sublease pursuant to the United States Bankruptcy Code, 11 U.S.C. §101, et seq., as the same may be amended (the "**Code**") or any other law affecting creditor's rights, (x) the Grantor, immediately after obtaining notice thereof, shall give notice thereof to Beneficiary, (y) Grantor, without the prior written consent of Beneficiary, shall not elect to treat the Sublease as terminated pursuant to Section 365(h) of the Code or any comparable federal or state statute or law, and any election by Grantor made without such consent shall be void and (z) this Deed of Trust and all the liens, terms, covenants and conditions of this Deed of Trust shall extend to and cover Grantor's possessory rights under Section 365(h) of the Code and to any claim for damages due to the rejection of the Sublease or other termination of the Sublease. In addition, Grantor hereby assigns irrevocably to Beneficiary, Grantor's rights to treat the Sublease as terminated pursuant to Section 365(h) of the Code and to offset rents under such Sublease in the event any case, proceeding or other action is commenced by or against the Ground Lessor under the Code or any comparable federal or state statute or law, provided that Beneficiary shall not exercise such rights and shall permit Grantor to exercise such rights with the prior written consent of Beneficiary, not to be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing.
- (ii) Grantor hereby assigns to Beneficiary, Grantor's right to reject the Sublease under Section 365 of the Code or any comparable federal or state statute or law with respect to any case, proceeding or other action commenced by or against Grantor under the Code or comparable federal or state statute or law, provided the Beneficiary shall not exercise such right, and shall permit Grantor to exercise such right with the prior written consent of Beneficiary, not to be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing. Further, if Grantor shall desire to so reject the Sublease, at Beneficiary's request, Grantor shall assign its interest in the Sublease to Beneficiary in lieu of rejecting such Sublease as described above, upon receipt by Grantor of written notice from Beneficiary of such request together with Beneficiary's agreement to cure any existing defaults of Grantor under such Sublease.
- (iii) Grantor hereby assigns to Beneficiary, Grantor's right to seek an extension of the 60-day period within which Grantor must accept or reject the Sublease under Section 365 of the Code or any comparable federal or state statute or law with respect to any case, proceeding or other action commenced by or against Grantor under the Code or comparable federal or state

statute or law, provided the Beneficiary shall not exercise such right, and shall permit Grantor to exercise such right with the prior written consent of Beneficiary, not to be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing. Further, if Grantor shall desire to so reject the Sublease, at Beneficiary's request, Grantor shall assign its interest in the Sublease to Beneficiary in lieu of rejecting such Sublease as described above, upon receipt by Grantor of written notice from Beneficiary of such request together with Beneficiary's agreement to cure any existing defaults of Grantor under such Sublease.

- (iv) Grantor hereby agrees that if the Sublease is terminated for any reason in the event of the rejection or disaffirmance of the Sublease pursuant to the Code or any other law affecting creditor's rights, any property not removed by the Grantor as permitted or required by the Sublease, shall at the option of Beneficiary be deemed abandoned by Grantor, provided that Beneficiary may remove any such property required to be removed by Grantor pursuant to the Sublease and all costs and expenses associated with such removal shall be paid by Grantor within five (5) days of receipt by Grantor of an invoice for such removal costs and expenses.

Loan No. _____

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust as of the day and year set forth above.

"GRANTOR"

HAVEN SUPPORT, INC., a Texas non-profit corporation

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was ACKNOWLEDGED before me on _____, 2009 by _____, the
of _____, a _____, on
behalf of said _____.

[S E A L]
My Commission Expires:

Notary Public - State of Texas

Printed Name of Notary Public

DESCRIPTION OF SUBJECT PROPERTY

Exhibit A to Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by HAVEN SUPPORT, INC., a Texas non-profit corporation, as Grantor to Service Title Company as Trustee for the benefit of WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC, a North Carolina limited liability company and NNMF SUB-CDE IX, LLC, a California limited liability company, collectively as Beneficiary, dated as of December __, 2009.

All the certain real property located in the County of Bexar, State of Texas, described as follows:

TRACT ONE:

A 3.017 acre, or 131,411 square feet, more or less, tract of land being a portion of Lot 1, Block 2, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described by metes and bounds in Exhibit "A", attached hereto and made a part hereof for all intents and purposes.

TRACT TWO:

A 6.860 acre, or 298,825 square feet, more or less, tract of land out of Lot 27, Block 1, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described by metes and bounds in Exhibit "B", attached hereto and made a part hereof for all intents and purposes.

**PAPE-DAWSON
ENGINEERS**

EXHIBIT 'A'

FIELD NOTES

FOR

A 3.017 acre, or 131,411 square feet more or less, tract of being a portion of Lot 1, Block 2 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

BEGINNING: At a set ½" iron rod with yellow cap marked "Pape-Dawson" at the intersection of the west right-of-way line of Haven For Hope Way, formerly known as N. Salado Street, a 60-foot public right-of-way, and the north right-of-way line of Hardberger Way, formerly known as Perez Street, a 55.6-foot public right-of-way, the southeast corner of said Lot 1, the southeast corner of the herein described tract;

THENCE: N 84°19'32" W, along and with the north right-of-way line of said Hardberger Way, the south line of said Lot 1, a distance of 214.52 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of the Union Pacific Railroad, a 50.0-foot right-of-way, the southwest corner of said Lot 1;

THENCE: Along the east right-of-way line of said railroad, the west line of said Lot 1 the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 64°50'42" W, a radius of 1937.79 feet, a central angle of 02°32'04", a chord bearing and distance of N 26°25'20" W, 85.71 feet, for an arc length of 85.72 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at a point of tangency;

N 27°41'22" W, a distance of 232.44 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the south-corner of a called 0.071 acre save and except tract recorded in Volume 13132, Pages 1539-1544 of the Official Public Records of Bexar County, Texas;

N 61°56'54" E, departing the east right-of-way line of said railroads, along and with the southeast line of said 0.071 acre tract, a distance of 42.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east corner of said 0.071 acre tract;

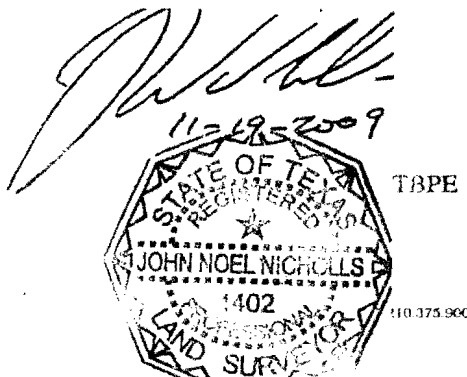
N 27°46'58" W, along and with the northeast corner of said 0.071 acre tract, a distance of 60.12 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Leal Street, a variable width public right-of-way, 60.0 feet wide at this point, on the north line of said Lot 1;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, the north line of said Lot 1, a distance of 68.63 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING
Haven For Hope
Lot 1 - Lease

- THENCE: Along a non-tangent curve to the left, said curve having a radial bearing of N 05°36'51" E, a radius of 291.89 feet, a central angle of 43°55'04", a chord bearing and distance of N 73°39'19" E, 218.30 feet, for an arc length of 223.74 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the west return of the intersection of the south right-of-way line of said Leal Street and the southwest right-of-way line of Frio Street, an 86-foot right-of-way;
- THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 38°18'39" E, a radius of 25.00 feet, a central angle of 90°00'54", a chord bearing and distance of S 83°18'12" E, 35.36 feet, for an arc length of 39.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east return of the south right-of-way line of said Leal Street and the southwest right-of-way line of said Frio Street;
- THENCE: S 38°18'12" E, along and with the southwest line of said Frio Street, the northeast line of said Lot 1, a distance of 241.00 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at the north return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;
- THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 51°51'04" W, a radius of 25.00 feet, a central angle of 89°41'29", a chord bearing and distance of S 06°41'48" W, 35.26 feet, for an arc length of 39.14 feet to a set nail and washer marked Pape-Dawson at the south return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;
- THENCE: Along the west right-of-way line of said Haven For Hope Way, the east line of said Lot 1, with a non-tangent curve to the left, said curve having a radial bearing of S 38°18'08" E, a radius of 284.90 feet, a central angle of 46°17'51", a chord bearing and distance of S 28°32'56" W, 224.00 feet, for an arc length of 230.21 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";
- THENCE: S 05°26'29" W, a distance of 6.25 feet to the POINT OF BEGINNING, and containing 3.017 acres in the City of San Antonio, Bexar County, Texas, Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey\09\9-9300\9204-09\Word\9204-09 FN-LOT1.do
Firm Registration #470
TSPS Firm Registration #100288-00



FIELD NOTES

FOR

A 6.860 acre, or 298,825 square feet more or less, tract of land out of Lot 27, Block 1 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

COMMENCING: At a found iron rod with cap marked "SGCE-5293" at the intersection of the south right-of-way line of Leal Street, a variable width public right-of-way, 55.6 feet wide at this point, and the east right-of-way line of N. San Marcos Street, a 55.6-foot public right-of-way, the northwest corner of said Lot 27;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, a north line of said Lot 27, a distance of 73.22 feet to the POINT OF BEGINNING of the herein described tract;

THENCE: S 84°11'21" E, continuing along and with the south right-of-way line of Leal Street, a north line of said Lot 27, a distance of 155.65 feet to a found iron rod with cap marked "SGCE-5293" on the west right-of-way line of the Union Pacific Railroad, a 50-foot right-of-way

THENCE: Along and with the west right-of-way line of said Railroad the following calls and distances:

S 26°45'27" E, a distance of 121.26 feet to a found iron rod with cap marked "SCCE-5293";

S 27°33'49" E, a distance of 133.33 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 27°41'22" E, at 20.4 feet passing through the face of building and continuing for a total distance of 97.39 feet to a point;

Along a non-tangent curve to the right, said curve having a radial bearing of S 62°18'35" W, a radius of 1887.79 feet, a central angle of 01°37'38", a chord bearing and distance of S 26°52'36" E, 53.61 feet, for an arc length of 53.61 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at a building corner, the north line of Hardberger Way;

THENCE: N 84°16'11" W, departing the said railroad right-of-way, a distance of 18.22 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at an angle of said Lot 27;
S 05°43'49" W, a distance of 6.00 feet to a point;

Haven For Hope
Job No.: 9204-09

THENCE: Departing the line of said Lot 27 and over and across said Lot 27 the following calls and distances:

N 84°16'11" W, a distance of 109.16 feet to a point;

S 05°30'56" W, a distance of 99.28 feet to a building corner;

S 84°29'04" E, a distance of 5.53 feet to a point;

S 05°20'35" W, departing the face of said building, running along the east face of a building, a distance of 250.38 feet to a point;

S 84°29'04" E, a distance of 20.79 feet to a point;

S 05°20'35" W, a distance of 9.49 feet to a point;

S 84°29'04" E, a distance of 228.80 feet to a point;

N 05degrees,27'37" E, a distance of 18.11 feet to a point;

N 75°14'23" E, a distance of 36.64 feet to a point on the west right-of-way line of aforementioned railroad, the east line of said Lot 27;

THENCE: Along and with the west line of said railroad, the east line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the right, said curve having a radial bearing of S 74°59'53" W, a radius of 1885.06 feet, a central angle of 02°00'33", a chord bearing and distance of S 13°59'50" E, 66.10 feet, for an arc length of 66.11 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 10°04'02" E, a distance of 57.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 09°37'28" E, a distance of 176.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the southeast corner of said Lot 27;

THENCE: N 84°16'11" W, departing the west line of the aforementioned railroad right-of-way, a distance of 36.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of another Union Pacific Railroad, 50-foot right-of-way, the southwest corner of said Lot 27;

Haven For Hope
Job No.: 9204-09

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 63°13'47" W, a radius of 488.93 feet, a central angle of 29°42'08", a chord bearing and distance of N 41°37'17" W, 250.63 feet, for an arc length of 253.46 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Along a non-tangent curve to the left, said curve having a radial bearing of S 33°31'01" W, a radius of 489.35 feet, a central angle of 11°04'13", a chord bearing and distance of N 62°01'05" W, 94.40 feet, for an arc length of 94.55 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 64°43'40" W, a distance of 58.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 84°23'52" W, a distance of 198.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the southeast corner of a 0.077 acre tract, conveyed to the City of San Antonio by instrument recorded in Volume 11781, Page 1407 of the Official Public Records of Bexar County, Texas;

THENCE: N 06°31'08"E, departing the northeast right-of-way line of said railroad along and with the east line of said 0.077 acre tract, a west line of said Lot 27, a distance of 7.31 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northeast corner of said 0.077 acre tract, a reentrant corner of said Lot 27;

N 65°03'36" W, a distance of 142.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northwest corner of said 0.077 acre tract, an angle point of Lot 27 on the northeast right-of-way line of said railroad;

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

N 59°15'37" W, a distance of 62.40 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°33'05" W, a distance of 47.08 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 84°22'25" W, a distance of 7.10 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 37°42'02" W, a distance of 317.80 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Perez Street, a 55.6-foot public right-of-way, the west corner of said Lot 27;

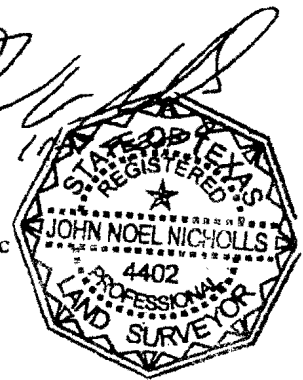
Haven For Hope
Job No.: 9204-09

- THENCE: S 84°26'39" E, along and with the south line of said Perez Street, a distance of 261.98 feet to a found PK nail for an angle set 1/2" iron rod with yellow cap marked "Pape-Dawson" in a north line of said Lot 27;
- THENCE: S 84°16'09" E, a distance of 56.43 feet to a found '+' in concrete on the east right-of-way line of aforementioned N. San Marcos Street;
- THENCE: N 05°35'12" E, along and with the east right-of-way line of said N. San Marcos Street, the west line of said Lot 27, a distance of 47.09 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" for an angle point in the west line of said Lot 27;
- THENCE: Departing the east right-of-way line of said N. San Marcos Street, over and across said Lot 27 the following calls and distances:
S 84°31'06" E, a distance of 99.44 feet to a point;
N 05°45'08" E, a distance of 243.69 feet to a point; N
84°23'07" W, a distance of 26.74 feet to a point;
- THENCE: N 05°39'20" E, a distance of 105.15 feet to feet to the POINT OF BEGINNING, and containing 6:860 acres in the City of San Antonio, Bexar County, Texas.

prepared by Pape Dawson Engineers, Inc.

PREPARED Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey09\9-9300\9204-09\Word\9204-
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00

FN-LOT27-Lease.doc



PAPE-DAWSON

Haven For Hope
Job No.: 9204-09

, Said tract being described
in accordance with a survey made on the ground and a survey map

SCHEDULE OF LEASES

Schedule 1 to Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by HAVEN SUPPORT, INC., a Texas non-profit corporation, as Grantor to Service Title Company, as Trustee for the benefit of WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC, a North Carolina limited liability company and NNMF SUB-CDE IX, LLC, a California limited liability company, collectively, as Beneficiary, dated as of December __, 2009.

1. That certain lease between Grantor, as "Lessor", and Haven for Hope of Bexar County, as "Lessee", dated _____, 2009 for the entire Subject Property.

STATE OF TEXAS

§
§
§

COUNTY OF _____

This instrument was ACKNOWLEDGED before me on _____, 2009 by _____, the
of _____, a _____, on
behalf of said _____.

[S E A L]

My Commission Expires:

Notary Public - State of Texas

Printed Name of Notary Public

8849528_v5

PREPARED BY:

Jeff Livingston, Esq.
Winstead PC
5400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270

WHEN RECORDED MAIL TO:

Wells Fargo Bank, National Association
Real Estate Group (AU # _____)

Attn: _____
Loan No. _____

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS LICENSE NUMBER.

**LEASEHOLD CONSTRUCTION DEED OF TRUST
WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

ATTENTION: COUNTY CLERK –THIS DEED OF TRUST ALSO CONSTITUTES AND IS FILED AS A FIXTURE FILING UNDER THE TEXAS UNIFORM COMMERCIAL CODE. AS SUCH, THIS INSTRUMENT SHOULD BE APPROPRIATELY INDEXED, NOT ONLY AS A DEED OF TRUST, BUT ALSO AS A FINANCING STATEMENT COVERING GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN. THE MAILING ADDRESSES OF GRANTOR AND BENEFICIARY (SECURED PARTY) ARE SET FORTH IN THIS INSTRUMENT.

THE PARTIES TO THIS LEASEHOLD CONSTRUCTION DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust"), made as of December __, 2009, are HAVEN SUPPORT, INC., a Texas non-profit corporation ("Grantor"), J. KENT HOWARD ("Trustee"), and WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC, a North Carolina limited liability company ("WCDE") and NNMF SUB-CDE IX, LLC, a California limited liability company ("NNMF"; WCDE and NNMF are hereinafter collectively referred to as the "Beneficiary").

ARTICLE 1. GRANT IN TRUST

1.1 **GRANT.** For the purposes of and upon the terms and conditions in this Deed of Trust and to secure the full and timely payment, performance and discharge of the Secured Obligations (as herein defined), Grantor irrevocably GRANTS, CONVEYS, ASSIGNS, BARGAINS and SELLS and has by these presents GRANTED, CONVEYED, ASSIGNED, BARGAINED and SOLD, to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, and grants to Beneficiary a security interest in all of the following real and personal property:

- (a) All of Grantor's right, title and interest in and to Sublease (as hereinafter defined) and the leasehold estate created thereby and all modifications, extensions and renewals of the Sublease and all credits, deposits (including, without limitation, any deposit of cash or securities or any other property which may be held to secure Grantor's performance of its obligations under the Sublease), options, privileges and rights of Grantor as tenant under the Sublease, including, but not limited to, the right, if any, to renew or extend the Sublease for a succeeding term or terms;
- (b) All of Grantor's leasehold interest in and to that real property located in the City of San Antonio, County of Bexar, State of Texas, described on Exhibit A attached hereto (the "Land"), together with all right, title, interest, and privileges of Grantor in and to all streets, ways, roads and alleys used in connection with or pertaining to such real property or the improvements thereon, all development rights or credits, air rights, water, water rights and water stock related to the real property, all timber, and all minerals, oil and gas, and other hydrocarbon substances in, on or under the real property, and all licenses, appurtenances, reversions, remainders, easements, rights and rights of way appurtenant or related thereto;
- (c) Subject to the ownership limitations set forth in the Ground Lease (as defined below), all of Grantor's rights, title and interest in and to buildings, other improvements and fixtures now or hereafter located on the Land, including, but not limited to, all apparatus, equipment, and appliances used in the operation or occupancy of the Land, it being intended by the parties that all such items shall be conclusively considered to be a part of the Land, whether or not attached or affixed to the Land (the "Improvements");
- (d) All interest or estate which Grantor may hereafter acquire in the property described above (including, without limitation, any fee interest acquired by Grantor in and to the Land), and all additions and accretions thereto, and the proceeds of any of the foregoing;

(all of the foregoing being collectively referred to as the "Subject Property"); the listing of specific rights or property shall not be interpreted as a limit of general terms.

TO HAVE AND TO HOLD the Subject Property unto Trustee, forever, and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Subject Property unto Trustee against every person whomsoever lawfully claiming or to claim the same or any part thereof; provided, however, that if Grantor shall pay (or cause to be paid) and shall perform and discharge (or cause to be performed and discharged) the Secured Obligations on or before the date same are to be paid, performed and discharged, then the liens, security interests, estates, rights and titles granted by this Deed of Trust shall terminate in accordance with the provisions hereof, otherwise same shall remain in full force and effect. A certificate or other written statement executed on behalf of Trustee or Beneficiary confirming that the Secured Obligations have not been fully and finally paid, performed or discharged shall be sufficient evidence thereof for the purpose of reliance by third parties on such fact.

As used herein, the term "Ground Lease" shall mean that certain Lease Agreement dated March ____, 2008 by and between the City of San Antonio, a Texas municipal corporation ("Ground Lessor"), as lessor, and The Haven for Hope of Bexar County, a Texas non-profit corporation ("Ground Lessee"), as lessee, notice of which is recorded with the Public Records of Bexar County, Texas in Volume ____, Page ____.

As used herein, the term "Sublease" shall mean that certain Sublease Agreement and Consent dated _____, 2009 by and among Ground Lessee, as landlord, Grantor, as tenant and Ground Lessor notice of which is recorded with the Public Records of Bexar County, Texas in Volume ____, Page ____.

- 1.2 **ADDRESS.** The address of the Subject Property (if known) is: [One Haven for Hope Way, San Antonio, Texas 78207] **[TO BE CONFIRMED]**. However, neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this Deed of Trust on the Subject Property as described on Exhibit A.

ARTICLE 2. OBLIGATIONS SECURED

- 2.1 **OBLIGATIONS SECURED.** Grantor makes this Deed of Trust for the purpose of securing the following obligations ("Secured Obligations"):
- (a) Payment to WCDE of all sums at any time owing under that certain Promissory Note (the "WCDE Subordinate Note") of even date herewith, in the principal amount of FIVE MILLION SEVEN HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$5,750,000.00), executed by Grantor, as borrower, and payable to the order of WCDE, as lender; and
 - (b) Payment to NNMF of all sums at any time owing under that certain Promissory Note (the "NNMF Subordinate Note") of even date herewith, in the principal amount of THREE MILLION 00/100 DOLLARS (\$3,000,000.00) executed by Grantor, as borrower, and payable to the order of NNMF, as lender; and
 - (c) Payment and performance of all covenants and obligations of Grantor under this Deed of Trust; and
 - (d) Payment and performance of all covenants and obligations on the part of Grantor under that certain Construction Loan Agreement ("Loan Agreement") of even date herewith by and between Grantor and Beneficiary, as lenders; and
 - (e) Payment and performance of all covenants and obligations, if any, of any rider attached as an Exhibit to this Deed of Trust; and
 - (f) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Subject Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such future advance or obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and
 - (g) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.

The WCDE Subordinate Note and NNMF Subordinate Note are hereinafter collectively referred to as the "Note".

- 2.2 **OBLIGATIONS.** The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges (if any), late charges and loan fees at any time accruing or assessed on any of the Secured Obligations.
- 2.3 **INCORPORATION.** All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property shall be deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) the Note or the Loan Agreement may permit borrowing, repayment and re-borrowing so that repayments shall not reduce the amounts of the Secured Obligations; and (b) the rate of interest on one or more Secured Obligations may vary from time to time.

ARTICLE 3. ASSIGNMENT OF LEASES AND RENTS

- 3.1 **ASSIGNMENT.** Grantor hereby irrevocably, absolutely and unconditionally assigns to Beneficiary all of Grantor's right, title and interest in, to and under: the rents, revenue, income, issues, deposits and profits of the Subject Property, including, without limitation, all amounts payable and all rights and benefits accruing to

Grantor under the Leases ("Payments"). This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Subject Property.

- 3.2 **GRANT OF LICENSE.** Beneficiary confers upon Grantor a license ("License") to collect and retain the Payments as they become due and payable, until the occurrence of a Default (as hereinafter defined). Upon a Default, the License shall be automatically revoked and Beneficiary may collect and apply the Payments pursuant to Section 6.4 without notice and without taking possession of the Subject Property. Grantor hereby irrevocably authorizes and directs the lessees under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases, and the lessees shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing hereunder. Grantor hereby relieves the lessees from any liability to Grantor by reason of relying upon and complying with any such notice or demand by Beneficiary.
- 3.3 **EFFECT OF ASSIGNMENT.** The foregoing irrevocable assignment shall not cause Beneficiary to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Subject Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Subject Property by the lessees under any of the Leases or any other parties; for any dangerous or defective condition of the Subject Property; or for any negligence in the management, upkeep, repair or control of the Subject Property resulting in loss or injury or death to any lessee, licensee, employee, invitee or other person. Beneficiary and Trustee shall not directly or indirectly be liable to Grantor or any other person as a consequence of: (i) the exercise or failure to exercise by Beneficiary or Trustee, or any of their respective employees, agents, contractors or subcontractors, any of the rights, remedies or powers granted to Beneficiary or Trustee hereunder; or (ii) the failure or refusal of Beneficiary to perform or discharge any obligation, duty or liability of Grantor arising under the Leases.
- 3.4 **REPRESENTATIONS AND WARRANTIES.** Grantor represents and warrants that: (a) the Schedule of Leases attached hereto as Schedule 1 is, as of the date hereof, a true, accurate and complete list of all Leases; (b) all existing Leases are in full force and effect and are enforceable in accordance with their respective terms, and no breach or default, or event which would constitute a breach or default after notice or the passage of time, or both, exists under any existing Leases on the part of any party; (c) no rent or other payment under any existing Lease has been paid by any lessee for more than one (1) month in advance; and (d) none of the lessor's interests under any of the Leases has been transferred or assigned.
- 3.5 **COVENANTS.** Grantor covenants and agrees at Grantor's sole cost and expense to: (a) perform the obligations of lessor contained in the Leases and enforce by all available remedies performance by the lessees of the obligations of the lessees contained in the Leases; (b) give Beneficiary prompt written notice of any material default which occurs with respect to any of the Leases, whether the default be that of the lessee or of the lessor; (c) exercise Grantor's best efforts to keep all portions of the Subject Property leased in accordance with Borrower's leasing projections delivered to Beneficiary as of the date hereof; (d) deliver to Beneficiary fully executed, counterpart original(s) of each and every Lease if requested to do so; and (e) execute and record such additional assignments of any Lease or specific subordinations (or subordination, attornment and non-disturbance agreements executed by the lessor and lessee) of any Lease to the Deed of Trust, in form and substance acceptable to Beneficiary, as Beneficiary may request. Grantor shall not, without Beneficiary's prior written consent or as otherwise permitted by any provision of the Loan Agreement: (i) enter into any Leases after the date hereof unless such Leases are substantially in the form approved by Beneficiary as of the date hereof; (ii) execute any other assignment relating to any of the Leases; (iii) discount any rent or other sums due under the Leases or collect the same in advance, other than to collect rentals one (1) month in advance of the time when it becomes due; (iv) terminate, modify or amend any of the terms of the Leases or in any manner release or discharge the lessees from any obligations thereunder; (v) consent to any assignment or subletting by any lessee; or (vi) subordinate or agree to subordinate any of the Leases to any other deed of trust or encumbrance. Any such attempted action in violation of the provisions of this Section 3.5 shall be null and void. Without in any way limiting the requirement of

Beneficiary's consent hereunder, any sums received by Grantor in consideration of any termination (or the release or discharge of any lessee) modification or amendment of any Lease shall be applied to reduce the outstanding Secured Obligations and any such sums received by Grantor shall be held in trust by Grantor for such purpose.

- 3.6 **ESTOPPEL CERTIFICATES.** Within thirty (30) days after written request by Beneficiary, Grantor shall deliver to Beneficiary and to any party designated by Beneficiary estoppel certificates executed by Grantor and by each of the lessees, in recordable form, certifying (if such be the case): (a) that the foregoing assignment and the Leases are in full force and effect; (b) the date of each lessee's most recent payment of rent; (c) that there are no defenses or offsets outstanding, or stating those claimed by Grantor or lessees under the foregoing assignment or the Leases, as the case may be; and (d) any other information reasonably requested by Beneficiary.

ARTICLE 4. SECURITY AGREEMENT AND FIXTURE FILING

- 4.1 **SECURITY INTEREST.** Grantor hereby grants and assigns to Beneficiary as of the "Effective Date" (defined in the Loan Agreement) a security interest, to secure payment and performance of all of the Secured Obligations, in all of the following described personal property in which Grantor now or at any time hereafter has any interest (collectively, the "Collateral"):

All goods, including without implied limitation, building and other materials, supplies, inventory, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property and embedded software included therein and supporting information, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on (i) the real property described on Exhibit A attached hereto and incorporated by reference herein (to the extent the same are not effectively made a part of the real property pursuant to Section 1.1(c) above) or (ii) any existing or future Improvements (which real property and Improvements are collectively referred to herein as the "Subject Property"); together with all leases of the Subject Property or any portion thereof, and all other agreements of any kind relating to the use or occupancy of the Subject Property or any portion thereof, whether now existing or entered into after the date hereof ("Leases"); together with all rents and security deposits derived from the Subject Property (to the extent, if any, they are not subject to Article 3); all inventory, accounts, cash receipts, deposit accounts, accounts receivable, contract rights, licenses, agreements, general intangibles, payment intangibles, software, chattel paper (whether electronic or tangible), instruments, documents, promissory notes, drafts, letters of credit (whether electronic or tangible), letter of credit rights, supporting obligations, insurance policies, insurance and condemnation awards and proceeds, proceeds of the sale of promissory notes, any other rights to the payment of money, trade names, trademarks and service marks arising from or related to the ownership, management, leasing, operation, sale or disposition of the Subject Property or any business now or hereafter conducted thereon by Grantor; all development rights and credits, and any and all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Subject Property; all water and water rights, wells and well rights, canals and canal rights, ditches and ditch rights, springs and spring rights, and reservoirs and reservoir rights appurtenant to or associated with the Subject Property, whether decreed or undecreed, tributary, non-tributary or not non-tributary, surface or underground or appropriated or unappropriated, and all shares of stock in water, ditch, lateral and canal companies, well permits and all other evidences of any of such rights; all deposits or other security now or hereafter made with or given to utility companies by Grantor with respect to the Subject Property; all advance payments of insurance premiums made by Grantor with respect to the Subject Property; all plans, drawings and specifications relating to the Subject Property; all loan funds held by Beneficiary, whether or not disbursed; all funds deposited with Beneficiary pursuant to any loan agreement; all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Subject Property or any portion thereof; together with all replacements and proceeds of, and additions and

accessions to, any of the foregoing; together with all books, records and files relating to any of the foregoing.

As to all of the above Collateral which is or which hereafter becomes a "fixture" under applicable law, this Deed of Trust constitutes a fixture filing under Article 9 of the Texas Business and Commerce Code, as amended or recodified from time to time ("UCC"), and is acknowledged and agreed to be a "construction mortgage" under the UCC.

The filing of a financing statement covering the Collateral shall not be construed to derogate from or impair the lien or provisions of this Deed of Trust with respect to any property described herein which is real property or which the parties have agreed to treat as real property. Similarly, nothing in such financing statement shall be construed to alter any of the rights of Beneficiary under this Deed of Trust or the priority of the Beneficiary's lien created hereby, and such financing statement is declared to be for the protection of Beneficiary in the event any court shall at any time hold that notice of Beneficiary's priority of interest in any property or interests described in this Deed of Trust must, in order to be effective against a particular class of persons, including but not limited to the federal government and any subdivision, agency or entity of the federal government, be filed in the Uniform Commercial Code records.

- 4.2 **REPRESENTATIONS AND WARRANTIES.** Grantor represents and warrants that: (a) Grantor has, and will have, good title to the Collateral; subject to the Ground Lease and encumbrances approved by Beneficiary; (b) Grantor has not previously assigned or encumbered the Collateral other than that certain Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith executed by Borrower, as Grantor, to Service Title Company, as Trustee, for the benefit of Beneficiary, as security for the "Senior Loan" made by Beneficiary pursuant to the Loan Agreement, and no financing statement covering any of the Collateral has been delivered to any other person or entity; (c) Grantor's principal place of business is located at the address shown in Section 7.11; and (d) Grantor's legal name is exactly as set forth on the first page of this Deed of Trust and all of Grantor's organizational documents or agreements delivered to Beneficiary are complete and accurate in every material respect.
- 4.3 **COVENANTS.** Grantor agrees: (a) to execute and deliver such documents as Beneficiary deems necessary to create, perfect and continue the security interests contemplated hereby; (b) not to change its name, and as applicable, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered without giving Beneficiary 30 days prior written notice thereof; (c) to cooperate with Beneficiary in perfecting all security interests granted herein and in obtaining such agreements from third parties as Beneficiary deems necessary, proper or convenient in connection with the creation, preservation, perfection, priority or enforcement of any of its rights hereunder; and (d) that Beneficiary is authorized to file financing statements in the name of Grantor to perfect Beneficiary's security interest in Collateral.
- 4.4 **RIGHTS OF BENEFICIARY.** In addition to Beneficiary's rights as a "Secured Party" under the UCC, Beneficiary may, but shall not be obligated to, at any time without notice and at the expense of Grantor: (a) give notice to any person of Beneficiary's rights hereunder and enforce such rights at law or in equity; (b) insure, protect, defend and preserve the Collateral or any rights or interests of Beneficiary therein; (c) inspect the Collateral; and (d) endorse, collect and receive any right to payment of money owing to Grantor under or from the Collateral. Notwithstanding the above, in no event shall Beneficiary be deemed to have accepted any property other than cash in satisfaction of any obligation of Grantor to Beneficiary unless Beneficiary shall make an express written proposal thereof under UCC §9.621, or other applicable law, and the provisions of UCC §9.620 have been satisfied.
- 4.5 **RIGHTS OF BENEFICIARY ON DEFAULT.** Upon the occurrence of a Default (hereinafter defined) under this Deed of Trust, then in addition to all of Beneficiary's rights as a "Secured Party" under the UCC or otherwise at law:
- (a) Beneficiary may (i) upon written notice to Grantor, require Grantor to assemble any or all of the Collateral and make it available to Beneficiary at a place designated by Beneficiary; (ii) without prior

notice, enter upon the Subject Property or other place where any of the Collateral may be located and take possession of, collect, sell, lease, license and dispose of any or all of the Collateral, and store the same at locations acceptable to Beneficiary at Grantor's expense; (iii) sell, assign and deliver at any place or in any lawful manner all or any part of the Collateral and bid and become the purchaser at any such sales;

- (b) Beneficiary may, for the account of Grantor and at Grantor's expense: (i) operate, use, consume, sell, lease, license or dispose of the Collateral as Beneficiary deems appropriate for the purpose of performing any or all of the Secured Obligations; (ii) enter into any agreement, compromise, or settlement, including insurance claims, which Beneficiary may deem desirable or proper with respect to any of the Collateral; and (iii) endorse and deliver evidences of title for, and receive, enforce and collect by legal action or otherwise, all indebtedness and obligations now or hereafter owing to Grantor in connection with or on account of any or all of the Collateral; and
- (c) In disposing of Collateral hereunder, Beneficiary may disclaim all warranties of title, possession, quiet enjoyment and the like. Any proceeds of any disposition of any Collateral may be applied by Beneficiary to the payment of expenses incurred by Beneficiary in connection with the foregoing, including reasonable attorneys' fees, and the balance of such proceeds may be applied by Beneficiary toward the payment of the Secured Obligations in such order of application as Beneficiary may from time to time elect.

Notwithstanding any other provision hereof, Beneficiary shall not be deemed to have accepted any property other than cash in satisfaction of any obligation of Grantor to Beneficiary unless Beneficiary shall make an express written proposal thereof under UCC §9.621, or other applicable law, and the provisions of UCC §9.620 have been satisfied. Grantor agrees that Beneficiary shall have no obligation to process or prepare any Collateral for sale or other disposition

- 4.6 **POWER OF ATTORNEY.** Grantor hereby irrevocably appoints Beneficiary as Grantor's attorney-in-fact (such agency being coupled with an interest), and as such attorney-in-fact Beneficiary may, without the obligation to do so, in Beneficiary's name, or in the name of Grantor, prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve any of Beneficiary's security interests and rights in or to any of the Collateral, and, upon a Default hereunder, take any other action required of Grantor; provided, however, that Beneficiary as such attorney-in-fact shall be accountable only for such funds as are actually received by Beneficiary.
- 4.7 **POSSESSION AND USE OF COLLATERAL.** Except as otherwise provided in this Section or the other Loan Documents (as defined in the Loan Agreement), so long as no Default exists under this Deed of Trust or any of the Loan Documents, Grantor may possess, use, move, transfer or dispose of any of the Collateral in the ordinary course of Grantor's business and in accordance with the Loan Agreement without the prior consent of Beneficiary.

ARTICLE 5. RIGHTS AND DUTIES OF THE PARTIES

5.1 TITLE.

- (a) Grantor represents and warrants that, except as disclosed to Beneficiary in a writing which refers to this warranty, Grantor lawfully holds and possesses a sub-leasehold interest in and to the Subject Property without limitation on the right to encumber, and that this Deed of Trust is a first and prior lien on the Subject Property. Grantor further covenants and agrees that it shall not cause all or any portion of the Subject Property to be replatted or for any lots or boundary lines to be adjusted, changed or altered for either ad valorem tax purposes or otherwise, and shall not consent to the assessment of the Subject Property in more than one tax parcel or in conjunction with any property other than the Subject Property.

(b) In addition, Grantor represents and warrants that (i) the Ground Lease is in full force and effect and has not been modified or amended in any manner whatsoever except as aforesaid, (ii) there are no defaults under the Ground Lease and no event has occurred, which but for the passage of time, or notice, or both, would constitute a default under the Ground Lease, (iii) all rents, additional rents and other sums due and payable under the Ground Lease have been paid in full, (iv) neither Grantor nor the Ground Lessor has commenced any action or given or received any notice for the purpose of terminating the Ground Lease, and (v) the interest of the tenant under the Ground Lease is vested in the Grantor.

5.2 **TAXES AND ASSESSMENTS.** Subject to Grantor's rights to contest payment of taxes as may be provided in the Loan Agreement, Grantor shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Subject Property and Collateral, or any interest therein. Grantor shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any public authority upon Beneficiary by reason of its interest in any Secured Obligation or in the Subject Property and Collateral, or by reason of any payment made to Beneficiary pursuant to any Secured Obligation; provided, however, Grantor shall have no obligation to pay taxes which may be imposed from time to time upon Beneficiary and which are measured by and imposed upon Beneficiary's net income.

5.3 **TAX AND INSURANCE IMPOUNDS.** After an Event of Default, at Beneficiary's option and upon its written demand, Grantor, shall, until all Secured Obligations have been paid in full, pay to Beneficiary monthly, annually or as otherwise directed by Beneficiary an amount estimated by Beneficiary to be equal to: (a) all taxes, assessments and levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Subject Property or Collateral and will become due for the tax year during which such payment is so directed; and (b) premiums for fire, hazard and insurance required or requested pursuant to the Loan Documents when same are next due. If Beneficiary determines that any amounts paid by Grantor are insufficient for the payment in full of such taxes, assessments, levies, charges and/or insurance premiums, Beneficiary shall notify Grantor of the increased amounts required to pay all amounts when due, whereupon Grantor shall pay to Beneficiary within thirty (30) days thereafter the additional amount as stated in Beneficiary's notice. All sums so paid shall not bear interest, except to the extent and in any minimum amount required by law; and Beneficiary shall, unless Grantor is otherwise in Default hereunder or under any Secured Obligation, apply said funds to the payment of, or at the sole option of Beneficiary release said funds to Grantor for the application to and payment of, such sums, taxes, assessments, levies, charges, and insurance premiums. Upon Default by Grantor hereunder or under any Loan Document, Beneficiary may apply all or any part of said sums to any Secured Obligation and/or to cure such Default, in which event Grantor shall be required to restore all amounts so applied, as well as to cure any other events or conditions of Default not cured by such application. Upon assignment of this Deed of Trust, Beneficiary shall have the right to assign all amounts collected and in its possession to its assignee whereupon Beneficiary and the Trustee shall be released from all liability with respect thereto. Within ninety-five (95) days following full repayment of the Secured Obligations (other than full repayment of the Secured Obligations as a consequence of a foreclosure or conveyance in lieu of foreclosure of the liens and security interests securing the Secured Obligations) or at such earlier time as Beneficiary may elect, the balance of all amounts collected and in Beneficiary's possession shall be paid to Grantor and no other party shall have any right or claim thereto.

5.4 **PERFORMANCE OF SECURED OBLIGATIONS.** Grantor shall promptly pay and perform each Secured Obligation when due.

5.5 **LIENS, ENCUMBRANCES AND CHARGES.** Grantor shall immediately discharge any lien not approved by Beneficiary in writing that has or may attain priority over this Deed of Trust. Subject to the provisions of the Loan Agreement regarding mechanics' liens, Grantor shall pay when due all obligations secured by or which may become liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Subject Property or Collateral or any interest therein, whether senior or subordinate hereto.

5.6 **DAMAGES; INSURANCE AND CONDEMNATION PROCEEDS.**

- (a) The following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Grantor to Beneficiary and, at the request of Beneficiary, shall be paid directly to Beneficiary: (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Subject Property or Collateral; (ii) all other claims and awards for damages to, or decrease in value of, all or any part of, or any interest in, the Subject Property or Collateral; (iii) all proceeds of any insurance policies (whether or not expressly required by Beneficiary to be maintained by Grantor, including, but not limited to, earthquake insurance and terrorism insurance, if any) payable by reason of loss sustained to all or any part of the Subject Property or Collateral; and (iv) all interest which may accrue on any of the foregoing. Subject to applicable law, and without regard to any requirement contained in Section 5.7(d), Beneficiary may at its discretion apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in any order acceptable to Beneficiary, and/or Beneficiary may release all or any part of the proceeds to Grantor upon any conditions Beneficiary may impose. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary; provided, however, in no event shall Beneficiary be responsible for any failure to collect any claim or award, regardless of the cause of the failure, including, without limitation, any malfeasance or nonfeasance by Beneficiary or its employees or agents.
- (b) At its sole option, Beneficiary may permit insurance or condemnation proceeds held by Beneficiary to be used for repair or restoration but may condition such application upon reasonable conditions, including, without limitation: (i) the deposit with Beneficiary of such additional funds which Beneficiary determines are needed to pay all costs of the repair or restoration, (including, without limitation, taxes, financing charges, insurance and rent during the repair period); (ii) the establishment of an arrangement for lien releases and disbursement of funds acceptable to Beneficiary (the arrangement contained in the Loan Agreement for obtaining lien releases and disbursing loan funds shall be deemed reasonable with respect to disbursement of insurance or condemnation proceeds); (iii) the delivery to Beneficiary of plans and specifications for the work, a contract for the work signed by a contractor acceptable to Beneficiary, a cost breakdown for the work and a payment and performance bond for the work, all of which shall be acceptable to Beneficiary; and (iv) the delivery to Beneficiary of evidence acceptable to Beneficiary (aa) that after completion of the work the income from the Subject Property and Collateral will be sufficient to pay all expenses and debt service for the Subject Property and Collateral; (bb) of the continuation of Leases acceptable to and required by Beneficiary; (cc) that upon completion of the work, the size, capacity and total value of the Subject Property and Collateral will be at least as great as it was before the damage or condemnation occurred; (dd) that there has been no material adverse change in the financial condition or credit of Grantor since the date of this Deed of Trust; and (ee) of the satisfaction of any additional conditions that Beneficiary may reasonably establish to protect its security. Grantor hereby acknowledges that the conditions described above are reasonable, and, if such conditions have not been satisfied within thirty (30) days of receipt by Beneficiary of such insurance or condemnation proceeds, then Beneficiary may apply such insurance or condemnation proceeds to pay the Secured Obligations in such order and amounts as Beneficiary in its sole discretion may choose.

GRANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ALL RIGHTS IT MAY HAVE UNDER APPLICABLE TEXAS LAW PROVIDING FOR ALLOCATION OF CONDEMNATION PROCEEDS BETWEEN A PROPERTY OWNER AND A LIENHOLDER.

INITIALS: _____

5.7 MAINTENANCE AND PRESERVATION OF THE SUBJECT PROPERTY.

- (a) Subject to the provisions of the Loan Agreement, Grantor covenants: (a) to insure the Subject Property and Collateral against such risks as Beneficiary may require and, at Beneficiary's request, to provide evidence of such insurance to Beneficiary, and to comply with the requirements of any insurance companies providing such insurance; (b) to keep the Subject Property and Collateral in good condition and repair; subject to ordinary wear and tear; (c) not to remove or demolish the Subject Property or Collateral or any part thereof, not to materially alter, restore or add to the Subject Property or Collateral and not to initiate or acquiesce in any change in any zoning or other land classification which affects the Subject Property without Beneficiary's prior written consent or as provided in the Loan Agreement; (d) to complete or restore promptly and in good and workmanlike manner the Subject Property and Collateral, or any part thereof which may be damaged or destroyed, without regard to whether Beneficiary elects to require that insurance proceeds be used to reduce the Secured Obligations as provided in Section 5.6; (e) to comply with all laws, ordinances, regulations and standards, and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character which affect the Subject Property or Collateral and pertain to acts committed or conditions existing thereon, including, without limitation, any work, alteration, improvement or demolition mandated by such laws, covenants or requirements; (f) not to commit or permit waste of the Subject Property or Collateral; and (g) to do all other acts which from the character or use of the Subject Property or Collateral may be reasonably necessary to maintain and preserve its value.
- (b) **COLLATERAL PROTECTION INSURANCE NOTICE.** (A) GRANTOR IS REQUIRED TO: (i) KEEP THE PROPERTY AND IMPROVEMENTS INSURED AGAINST DAMAGE IN THE AMOUNT BENEFICIARY SPECIFIES; (ii) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (iii) NAME BENEFICIARY AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS; (B) GRANTOR MUST, IF REQUIRED BY BENEFICIARY, DELIVER TO BENEFICIARY A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS THEREFOR; AND (C) IF GRANTOR FAILS TO MEET ANY REQUIREMENT LISTED IN CLAUSES (A) OR (B) HEREOF, BENEFICIARY MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF GRANTOR AT GRANTOR'S EXPENSE.

5.8 **DEFENSE AND NOTICE OF LOSSES, CLAIMS AND ACTIONS.** At Grantor's sole expense, Grantor shall protect, preserve and defend the Subject Property and Collateral and title to and right of possession of the Subject Property and Collateral, the security hereof and the rights and powers of Beneficiary and Trustee hereunder against all adverse claims. Grantor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to the Subject Property or Collateral and of any condemnation offer or action.

5.9 **ACCEPTANCE OF TRUST; POWERS AND DUTIES OF TRUSTEE.**

- (a) Trustee accepts this trust when this Deed of Trust is delivered by Grantor to Beneficiary. Except as may be required by applicable law, Trustee may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust hereunder and the enforcement of the rights and remedies available hereunder, and may obtain orders or decrees directing or confirming or approving acts in the execution of said trust and the enforcement of said remedies.
- (b) Trustee shall not be required to take any action toward the execution and enforcement of the trust hereby created or to institute, appear in, or defend any action, suit, or other proceeding in connection therewith where, in his opinion, such action would be likely to involve him in expense or liability, unless requested so to do by a written instrument signed by Beneficiary and, if Trustee so requests, unless Trustee is tendered security and indemnity satisfactory to Trustee against any and all cost, expense, and liability arising therefrom. Trustee shall not be responsible for the execution, acknowledgment, or validity of the Loan Documents, or for the proper authorization thereof, or for the sufficiency of the lien and security interest purported to be created hereby, and Trustee makes no representation in respect thereof or in respect of the rights, remedies, and recourses of Beneficiary.

- (c) With the approval of Beneficiary, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder and which relate to the power of sale herein granted and shall be fully protected in relying as to legal matters on the advice of counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his agents or attorneys, (iii) rely, in good faith, on any and all information in law or in fact provided by Grantor or Beneficiary or by any of their respective attorneys, agents, representatives, or other third parties, and (iv) any and all other lawful action as Trustee may be permitted or allowed to take under all applicable laws. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Subject Property for debts contracted for or liability or damages incurred in the management or operation of the Subject Property. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting any action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for expenses incurred by Trustee in the performance of Trustee's duties hereunder and to reasonable compensation for such of Trustee's services hereunder as shall be rendered. **GRANTOR WILL, FROM TIME TO TIME, PAY THE COMPENSATION DUE TO TRUSTEE HEREUNDER AND REIMBURSE TRUSTEE FOR, AND INDEMNIFY AND HOLD HARMLESS TRUSTEE AGAINST, ANY AND ALL LIABILITY AND EXPENSES WHICH MAY BE INCURRED BY TRUSTEE IN THE PERFORMANCE OF TRUSTEE'S DUTIES.**
- (d) All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.
- (e) Should any deed, conveyance, or instrument of any nature be required from Grantor by any Trustee or substitute Trustee to more fully and certainly vest in and confirm to the Trustee or substitute Trustee such estates, rights, powers, and duties, then, upon request by Beneficiary or the Trustee or substitute Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Grantor.
- (f) By accepting or approving anything required to be observed, performed, or fulfilled or to be given to Trustee pursuant to the Loan Documents, including without limitation, any deed, conveyance, instrument, officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness, or legal effect of the same, or of any term, provision, or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or affirmation with respect thereto by Trustee.

5.10 **COMPENSATION; EXCULPATION; INDEMNIFICATION.**

- (a) Grantor shall pay Trustee's fees and reimburse Trustee for expenses in the administration of this trust, including attorneys' fees. Subject to the provisions of Section 7.12, Grantor shall pay to Beneficiary reasonable compensation for services rendered concerning this Deed of Trust, including without limit any statement of amounts owing under any Secured Obligation. Beneficiary shall not directly or indirectly be liable to Grantor or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Grantor under any agreement related to the Subject Property or Collateral or under this Deed of Trust; or (iii) any loss sustained by Grantor or any third party resulting from Beneficiary's failure (whether by malfeasance, nonfeasance or refusal to act) to lease the Subject Property after a Default (hereinafter defined) or from any other act or omission (regardless of whether such constitutes negligence) of Beneficiary in managing the Subject Property after a Default unless the loss is caused by the gross negligence or willful misconduct of

Beneficiary and no such liability shall be asserted against or imposed upon Beneficiary, and all such liability is hereby expressly waived and released by Grantor.

- (b) **GRANTOR INDEMNIFIES TRUSTEE AND BENEFICIARY AGAINST, AND HOLDS TRUSTEE AND BENEFICIARY HARMLESS FROM, ALL LOSSES, DAMAGES, LIABILITIES, CLAIMS, CAUSES OF ACTION, JUDGMENTS, COURT COSTS, ATTORNEYS' FEES AND OTHER LEGAL EXPENSES, COST OF EVIDENCE OF TITLE, COST OF EVIDENCE OF VALUE, AND OTHER EXPENSES WHICH EITHER MAY SUFFER OR INCUR: (i) BY REASON OF THIS DEED OF TRUST; (ii) BY REASON OF THE EXECUTION OF THIS DEED OF TRUST OR IN PERFORMANCE OF ANY ACT REQUIRED OR PERMITTED HEREUNDER OR BY LAW; (iii) AS A RESULT OF ANY FAILURE OF GRANTOR TO PERFORM GRANTOR'S OBLIGATIONS; OR (iv) BY REASON OF ANY ALLEGED OBLIGATION OR UNDERTAKING ON BENEFICIARY'S PART TO PERFORM OR DISCHARGE ANY OF THE REPRESENTATIONS, WARRANTIES, CONDITIONS, COVENANTS OR OTHER OBLIGATIONS CONTAINED IN ANY OTHER DOCUMENT RELATED TO THE SUBJECT PROPERTY AND COLLATERAL. THE ABOVE OBLIGATION OF GRANTOR TO INDEMNIFY AND HOLD HARMLESS TRUSTEE AND BENEFICIARY SHALL SURVIVE THE RELEASE AND CANCELLATION OF THE SECURED OBLIGATIONS AND THE RELEASE OR PARTIAL RELEASE OF THE LIEN OF THIS DEED OF TRUST. GRANTOR SHALL NOT BE LIABLE TO INDEMNIFY TRUSTEE AND BENEFICIARY TO THE EXTENT SUCH LOSSES, DAMAGES, LIABILITIES AND CLAIMS ARISE FROM THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF BENEFICIARY.**
- (c) Grantor shall pay all amounts and indebtedness arising under this Section 5.10 immediately upon demand by Trustee or Beneficiary together with interest thereon from the date the indebtedness arises at the rate of interest then applicable to the principal balance of the Note as specified therein.

5.11 **SUBSTITUTION OF TRUSTEES.** Trustee may resign by the giving of notice of such resignation in writing or verbally to Beneficiary. If Trustee shall die, resign, or become disqualified from acting in the execution of this trust, or if, for any reason, Beneficiary shall prefer to appoint a substitute trustee or multiple substitute trustees, or successive substitute trustees or successive multiple substitute trustees, to act instead of the aforementioned Trustee, Beneficiary shall have full power to appoint a substitute trustee (or, if preferred, multiple substitute trustees) in succession who shall succeed (and if multiple substitute trustees are appointed, each of such multiple substitute trustees shall succeed) to all the estates, rights, powers, and duties of the aforementioned Trustee. Such appointment may be executed by any authorized agent of Beneficiary, and if such Beneficiary be a corporation and such appointment be executed in its behalf by any officer of such corporation, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of the corporation. Grantor hereby ratifies and confirms any and all acts which the aforementioned Trustee, or his successor or successors in this trust, shall do lawfully by virtue hereof. If multiple substitute Trustees are appointed, each of such multiple substitute Trustees shall be empowered and authorized to act alone without the necessity of the joinder of the other multiple substitute trustees, whenever any action or undertaking of such substitute trustees is requested or required under or pursuant to this Deed of Trust or applicable law. Any substitute Trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its or his predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Beneficiary or of the substitute Trustee, the Trustee ceasing to act shall execute and deliver any instrument transferring to such substitute Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Trustee to the substitute Trustee so appointed in the Trustee's place.

5.12 **DUE ON SALE OR ENCUMBRANCE.** The terms "Loan", "Loan Documents" and "Loan Agreement" have the meaning given them in the Loan Agreement described in Section 2.1. Grantor represents, agrees and acknowledges that:

- (a) Development of real property is a highly complex activity which requires substantial knowledge of law and business conditions and practices, and an ability to control, coordinate and schedule the many factors affecting such development. Experience, financial stability, managerial ability and a good reputation in the business community enhance a developer's ability to obtain market rents and/or sales prices and to induce cooperation in scheduling and are taken into account by Beneficiary in approving loan applications.
- (b) Grantor has represented to Beneficiary, not only in the representations and warranties contained in the Loan Documents, but also in its initial loan application and in all of the negotiations connected with Beneficiary making the Loan, certain facts concerning Grantor's financial stability, managerial and operational ability, reputation, skill, and credit worthiness. Beneficiary has relied upon these representations and warranties as a substantial and material consideration in its decision to make the Loan.
- (c) The conditions and terms provided in the Loan Agreement were induced by these representations and warranties and would not have been made available by Beneficiary in the absence of these representations and warranties.
- (d) Beneficiary would not have made this Loan if Beneficiary did not have the right to sell, transfer, assign, or grant participations in the Loan and in the Loan Documents, and that such participations are dependent upon the potential participants' reliance on such representations and warranties.
- (e) Grantor's financial stability and managerial and operational ability and that of those persons or entities having a direct or beneficial interest in Grantor are a substantial and material consideration to any third parties who have entered or will enter into agreements with Grantor.
- (f) Beneficiary has relied upon the skills and services offered by such third parties and the provision of such skills and services is jeopardized if Grantor breaches its covenants contained below regarding Transfers.
- (g) A transfer of possession of or title to the Subject Property or Collateral, or a change in the person or entity owning, operating, developing, constructing or managing the Subject Property or Collateral would substantially increase the risk of Default under the Loan Documents and significantly and materially impair and reduce Beneficiary's security for the Note.
- (h) As used herein, the term "Transfer" shall mean each of the following actions or events: the sale, transfer, assignment, lease as a whole, encumbrance, hypothecation, mortgage or pledge in any manner whatsoever, whether voluntarily, involuntarily or by operation of law of: (i) the Subject Property or Collateral or any interest therein; (ii) title to any other security more specifically described in any Loan Document; (iii) Grantor's right, title and/or interest in the Loan Documents and any subsequent documents executed by Grantor in connection therewith; (iv) legal or beneficial ownership of any partnership interest in Grantor if Grantor is a partnership; (v) legal or beneficial ownership of any partnership interest in any general partner or venturer of Grantor; or (vi) legal or beneficial ownership of any of the stock in Grantor if Grantor is a corporation or in any general partner or venturer in Grantor that is a corporation.
- (i) It is expressly agreed that Beneficiary may predicate Beneficiary's decision to grant or withhold consent to a Transfer on such terms and conditions as Beneficiary may require, in Beneficiary's sole discretion, including without limitation (i) consideration of the creditworthiness of the party to whom such Transfer will be made and its management ability with respect to the Subject Property and Collateral, (ii) consideration of whether the security for repayment, performance and discharge of the Secured Obligations, or Beneficiary's ability to enforce its rights, remedies, and recourses with respect to such security, will be impaired in any way by the proposed Transfer, (iii) an increase in the rate of interest payable under the Note or any other change in the terms and provisions of the Note and other Loan Documents, (iv) reimbursement of Beneficiary for all costs and expenses incurred by

Beneficiary in investigating the creditworthiness and management ability of the party to whom such Transfer will be made and in determining whether Beneficiary's security will be impaired by the proposed Transfer, (v) payment of Beneficiary's reasonable attorneys' fees in connection with such Transfer, (vi) endorsements (to the extent available under applicable law) to any existing mortgagee title insurance policies or construction binders insuring Beneficiary's liens and security interests covering the Subject Property, and (vii) require additional security for the payment, performance and discharge of the Secured Obligations. If Beneficiary's consent should be given, any Transfer shall be subject to the Loan Documents and any transferee of Grantor's interest shall: (i) assume all of Grantor's obligations thereunder; and (ii) agree to be bound by all provisions and perform all obligations contained therein; provided, however, that such assumption shall not release Grantor or any maker or any guarantor of the Note from any liability thereunder without the prior written consent of Beneficiary. In the event of any Transfer without the prior written consent of Beneficiary, whether or not Beneficiary elects to enforce its right to accelerate the Loan pursuant to Sections 6.1 and 6.2, all sums owing under the Note, as well as all other charges, expenses and costs owing under the Loan Documents, shall at the option of Beneficiary, automatically bear interest at five percent (5%) above the rate provided in the Note, but not in excess of the Maximum Lawful Rate (as defined in the Note), from the date (or any date thereafter) of such unconsented to Transfer. Grantor acknowledges that the automatic shift(s) to this alternate rate is reasonable since the representations that Beneficiary relied upon in making the Loan may no longer be relied upon. A consent by Beneficiary to one or more Transfers shall not be construed as a consent to further Transfers or as a waiver of Beneficiary's consent with respect to future Transfers.

- 5.13 **RELEASES, EXTENSIONS, MODIFICATIONS AND ADDITIONAL SECURITY.** Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property and Collateral or in any manner obligated under the Secured Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Subject Property and Collateral and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of and security interests created by this Deed of Trust upon the Subject Property and Collateral.
- 5.14 **RELEASES.** If the Secured Obligations are paid, performed and discharged in full in accordance with the terms of this Deed of Trust, the Note, and the other Loan Documents, then this conveyance shall become null and void and be released by Beneficiary at Grantor's request and expense, and Beneficiary shall have no further obligation to make advances under and pursuant to the provisions hereof or in the other Loan Documents.
- 5.15 **SUBROGATION.** Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to the Loan Documents or by the proceeds of any loan secured by this Deed of Trust.
- 5.16 **RIGHT OF INSPECTION.** Beneficiary, its agents and employees, may enter the Subject Property at any reasonable time for the purpose of inspecting the Subject Property and Collateral and ascertaining Grantor's compliance with the terms hereof.
- 5.17 **CONTRACTS.** Grantor will deliver to Beneficiary a copy of each Contract promptly after the execution of same by all parties thereto. Within twenty (20) days after a request by Beneficiary, Grantor shall prepare and deliver to Beneficiary a complete listing of all Contracts, showing date, term, parties, subject matter, concessions, whether any defaults exist, and other information specified by Beneficiary, of or with respect to each of such Contracts, together with a copy thereof (if so requested by Beneficiary). Grantor represents and warrants that none of the Contracts encumber or create a lien on the Subject Property or Collateral, but are personal with Grantor. As used herein, the term "Contract" shall mean any management agreement,

leasing and brokerage agreement, and operating or service contract with respect to the Subject Property or Collateral.

ARTICLE 6. DEFAULT PROVISIONS

6.1 **DEFAULT.** For all purposes hereof, the term "Default" shall mean:

- (a) at Beneficiary's option, the failure of Grantor to make any payment of principal or interest on the Note or to pay any other amount due hereunder or under the Note within ten (10) days of the date the same is due and payable, whether at maturity, by acceleration or otherwise;
- (b) the failure of Grantor to perform any non-monetary obligation hereunder, or the failure to be true of any representation or warranty of Grantor contained herein and the continuance of such failure for thirty (30) days after notice, or within any longer grace period, if any, allowed in the Loan Agreement for such failure;
- (c) the existence of any Default as defined in the Loan Agreement;
- (d) if Grantor or any other person shall make a Transfer without the prior written consent of Beneficiary (which consent may be withheld in Beneficiary's sole discretion or conditioned as provided in Section 5.12);
- (e) If Grantor shall fail in the payment of any rent, additional rent or other charge mentioned in or made payable by the Sublease as and when such rent or other charge is payable; or
- (f) The occurrence of any default by Grantor, as tenant under the Sublease, in the observance or performance of any term, covenant or condition of the Sublease on the part of Grantor, to be observed or performed, and said default is not cured within ten (10) days prior to the expiration of any applicable grace period therein provided, or if any one or more of the events referred to in the Sublease shall occur which would cause the Sublease to terminate without notice or action by the landlord under the Sublease or which would entitle the landlord under the Sublease to terminate the Sublease and the term thereof by giving notice to Grantor, as tenant thereunder, or if the leasehold estate created by the Sublease shall be surrendered or the Sublease shall be terminated or cancelled for any reason or under any circumstances whatsoever, or if any of the terms, covenants or conditions of the Sublease shall in any manner be modified, changed, supplemented, altered, or amended without the consent of Beneficiary.

6.2 **RIGHTS AND REMEDIES.** At any time after Default, Beneficiary may, at Beneficiary's option, and by or through Trustee, by Beneficiary itself or otherwise, do any one or more of the following:

- (a) **Right to Accelerate.** Beneficiary may, without notice to Grantor, demand, presentment, notice of nonpayment or nonperformance, protest, notice of protest, notice of intent to accelerate, notice of acceleration, or any other notice or any other action, all of which are hereby waived by Grantor and all other parties obligated in any manner whatsoever on the Secured Obligations, declare the entire unpaid balance of the Secured Obligations immediately due and payable, and upon such declaration, the entire unpaid balance of the Secured Obligations shall be immediately due and payable. The failure to exercise any remedy available to the Beneficiary shall not be deemed to be a waiver of any rights or remedies of the Beneficiary under the Loan Documents, at law or in equity.
- (b) **Right to Perform Grantor's Covenants.** If Grantor has failed to keep or perform any covenant whatsoever contained in this Deed of Trust or the other Loan Documents, Beneficiary may, but shall not be obligated to any person to do so, perform or attempt to perform said covenant, and any payment made or expense incurred in the performance or attempted performance of any such covenant shall be and become a part of the Secured Obligations, and Grantor promises, upon

demand, to pay to Beneficiary, at the place where the Note is payable, all sums so advanced or paid by Beneficiary, with interest from the date when paid or incurred by Beneficiary at the rate of interest then applicable on the outstanding principal balance of the Note. No such payment by Beneficiary shall constitute a waiver of any Default. In addition to the liens and security interests hereof, Beneficiary shall be subrogated to all rights, titles, liens, and security interests securing the payment of any debt, claim, tax, or assessment for the payment of which Beneficiary may make an advance, or which Beneficiary may pay.

- (c) **Right of Entry.** Beneficiary may, prior or subsequent to the institution of any foreclosure proceedings, enter upon the **Subject** Property, or any part thereof, and take exclusive possession of the Subject Property and Collateral and of all books, records, and accounts relating thereto and to exercise without interference from Grantor any and all rights which Grantor has with respect to the management, possession, operation, protection, or preservation of the Subject Property and Collateral, including without limitation the right to rent the same for the account of Grantor and to deduct from such Payments all costs, expenses, and liabilities of every character incurred by the Beneficiary in collecting such Payments and in managing, operating, maintaining, protecting, or preserving the Subject Property and Collateral and to apply the remainder of such Payments on the Secured Obligations in such manner as Beneficiary may elect. All such costs, expenses, and liabilities incurred by the Beneficiary in collecting such Payments and in managing, operating, maintaining, protecting, or preserving the Subject Property and Collateral, if not paid out of Payments as hereinabove provided, shall constitute a demand obligation owing by Grantor and shall bear interest from the date of expenditure until paid at the rate of interest then applicable on the outstanding principal balance of the Note, all of which shall constitute a portion of the Secured Obligations. If necessary to obtain the possession provided for above, the Beneficiary may invoke any and all legal remedies to dispossess Grantor, including specifically one or more actions for forcible entry and detainer, trespass to try title, and restitution. In connection with any action taken by the Beneficiary pursuant to this subsection, the Beneficiary shall not be liable for any loss sustained by Grantor resulting from any failure to let the Subject Property or Collateral, or any part thereof, or from any other act or omission of the Beneficiary in managing the Subject Property and Collateral unless such loss is caused by the willful misconduct of the Beneficiary, nor shall the Beneficiary be obligated to perform or discharge any obligation, duty, or liability under any Lease or under or by reason hereof or the exercise of rights or remedies hereunder. **GRANTOR SHALL AND DOES HEREBY AGREE TO INDEMNIFY BENEFICIARY FOR, AND TO HOLD HARMLESS BENEFICIARY FROM, ANY AND ALL LIABILITY, LOSS, OR DAMAGE, WHICH MAY OR MIGHT BE INCURRED BY BENEFICIARY UNDER ANY SUCH LEASE OR UNDER OR BY REASON HEREOF OR THE EXERCISE OF RIGHTS OR REMEDIES HEREUNDER, AND FROM ANY AND ALL CLAIMS AND DEMANDS WHATSOEVER WHICH MAY BE ASSERTED AGAINST BENEFICIARY BY REASON OF ANY ALLEGED OBLIGATIONS OR UNDERTAKINGS ON ITS PART TO PERFORM OR DISCHARGE ANY OF THE TERMS, COVENANTS, OR AGREEMENTS CONTAINED IN ANY SUCH LEASE.** Should Beneficiary incur any such liability, the amount thereof, including without limitation costs, expenses, and reasonable attorneys' fees, together with interest thereon from the date of expenditure until paid at the rate of interest then applicable on the outstanding principal balance of the Note, shall be secured hereby, and Grantor shall reimburse the Beneficiary therefor immediately upon demand. Nothing in this subsection shall impose any duty, obligation, or responsibility upon Beneficiary for the control, care, management, leasing, or repair of the Subject Property and Collateral, nor for the carrying out of any of the terms and conditions of any such Lease; nor shall it operate to make Beneficiary responsible or liable for any waste committed on the Subject Property and Collateral by the tenants or by any other parties, or for any Hazardous Materials on or under the Subject Property or Collateral, or for any dangerous or defective condition of the Subject Property or Collateral or for any negligence in the management, leasing, upkeep, repair, or control of the Subject Property or Collateral resulting in loss or injury or death to any tenant, licensee, employee, or stranger. Grantor hereby assents to, ratifies, and confirms any and all actions of Beneficiary with respect to the Subject Property and Collateral taken under this subsection.

The remedies in this subsection are in addition to other remedies available to the Beneficiary and the exercise of the remedies in this subsection shall not be deemed to be an election of nonjudicial or judicial remedies otherwise available to the Beneficiary. The remedies in this Section 6.2 are available under and governed by the real property laws of Texas and are not governed by the personal property laws of Texas, including but not limited to, the power to dispose of personal property in a commercially reasonable manner under Section 9.610 of the UCC. No action by Beneficiary, taken pursuant to this subsection, shall be deemed to be an election to dispose of personal property under Section 9.621 of the UCC. Any receipt of consideration received by Beneficiary pursuant to this subsection shall be immediately credited against the Secured Obligations (in the inverse order of maturity) and the value of said consideration shall be treated like any other payment against the Secured Obligations.

- (d) **Foreclosure-Power of Sale.** Beneficiary may request Trustee to proceed with foreclosure under the power of sale which is hereby conferred, such foreclosure to be accomplished in accordance with the following provisions:
- (i) **Public Sale.** Trustee is hereby authorized and empowered, and it shall be Trustee's special duty, upon such request of Beneficiary, to sell the Subject Property and Collateral, or any part thereof, at public auction to the highest bidder for cash, with or without having taken possession of same. Any such sale (including notice thereof) shall comply with the applicable requirements, at the time of the sale, of Section 51.002 of the Texas Property Code or, if and to the extent such statute is not then in force, with the applicable requirements, at the time of the sale, of the successor statute or statutes, if any, governing sales of Texas real property under powers of sale conferred by deeds of trust. If there is no statute in force at the time of the sale governing sales of Texas real property under powers of sale conferred by deeds of trust, such sale shall comply with applicable law, at the time of the sale, governing sales of Texas real property under powers of sale conferred by deeds of trust.
 - (ii) **Right to Require Proof of Financial Ability and/or Cash Bid.** At any time during the bidding, the Trustee may require a bidding party (A) to disclose its full name, state and city of residence, occupation, and specific business office location, and the name and address of the principal the bidding party is representing (if applicable), and (B) to demonstrate reasonable evidence of the bidding party's financial ability (or, if applicable, the financial ability of the principal of such bidding party), as a condition to the bidding party submitting bids at the foreclosure sale. If any such bidding party (the "Questioned Bidder") declines to comply with the Trustee's requirement in this regard, or if such Questioned Bidder does respond but the Trustee, in Trustee's sole and absolute discretion, deems the information or the evidence of the financial ability of the Questioned Bidder (or, if applicable, the principal of such bidding party) to be inadequate, then the Trustee may continue the bidding with reservation; and in such event (1) the Trustee shall be authorized to caution the Questioned Bidder concerning the legal obligations to be incurred in submitting bids, and (2) if the Questioned Bidder is not the highest bidder at the sale, or if having been the highest bidder the Questioned Bidder fails to deliver the cash purchase price payment promptly to the Trustee, all bids by the Questioned Bidder shall be null and void. The Trustee may, in Trustee's sole and absolute discretion, determine that a credit bid may be in the best interest of the Grantor and Beneficiary, and elect to sell the Mortgaged Property for credit or for a combination of cash and credit; provided, however, that the Trustee shall have no obligation to accept any bid except an all cash bid. In the event the Trustee requires a cash bid and cash is not delivered within a reasonable time after conclusion of the bidding process, as specified by the Trustee, but in no event later than 3:45 p.m. local time on the day of sale, then said contingent sale shall be null and void, the bidding process may be recommenced, and any subsequent bids or sale shall be made as if no prior bids were made or accepted.
 - (iii) **Sale Subject to Unmatured Indebtedness.** In addition to the rights and powers of sale granted under the preceding provisions of this subsection, if default is made in the payment of any portion of the Secured Obligations, Beneficiary may, at Beneficiary's option, at once or at any

time thereafter while any matured portion remains unpaid, without declaring the entire Secured Obligations to be due and payable, orally or in writing direct Trustee to enforce this trust and to sell the Subject Property and Collateral subject to such unmatured Secured Obligations and to the rights, powers, liens, security interests, and assignments securing or providing recourse for payment of such unmatured Secured Obligations, in the same manner, all as provided in the preceding provisions of this subsection. Sales made without maturing the Secured Obligations may be made hereunder whenever there is a default in the payment of any portion of the Secured Obligations, without exhausting the power of sale granted hereby, and without affecting in any way the power of sale granted under this subsection, the unmatured balance of the Secured Obligations or the rights, powers, liens, security interests, and assignments securing or providing recourse for payment of the Secured Obligations.

- (iv) **Partial Foreclosure.** Sale of a part of the Subject Property or Collateral shall not exhaust the power of sale, but sales may be made from time to time until the Secured Obligations is paid, performed and discharged in full. It is intended by each of the foregoing provisions of this subsection that Trustee may, after any request or direction by Beneficiary, sell not only the Subject Property, but also the Collateral and other interests constituting security for the Loan under the Loan Documents, or any part thereof, along with the Subject Property and Collateral or any part thereof, as a unit and as a part of a single sale, or may sell at any time or from time to time any part or parts of the Subject Property and Collateral separately from the remainder of the Subject Property and Collateral. It shall not be necessary to have present or to exhibit at any sale any of the Subject Property and Collateral.
- (v) **Trustee's Deeds.** After any sale under this subsection, Trustee shall make good and sufficient deeds, assignments, and other conveyances to the purchaser or purchasers thereunder in the name of Grantor, conveying the Subject Property and Collateral or any part thereof so sold to the purchaser or purchasers with general warranty of title by Grantor. It is agreed that in any deeds, assignments or other conveyances given by Trustee, any and all statements of fact or other recitals therein made as to the identity of Beneficiary, the occurrence or existence of any Default, the notice of intention to accelerate, or acceleration of, the maturity of the Secured Obligations, the request to sell, notice of sale, time, place, terms and manner of sale, and receipt, distribution, and application of the money realized therefrom, the due and proper appointment of a substitute trustee, and without being limited by the foregoing, any other act or thing having been duly done by or on behalf of Beneficiary or by or on behalf of Trustee, shall be taken by all courts of law and equity as prima facie evidence that such statements or recitals state true, correct, and complete facts and are without further question to be so accepted, and Grantor does hereby ratify and confirm any and all acts that Trustee may lawfully do in the premises by virtue hereof.
- (e) **Beneficiary's Judicial Remedies.** Beneficiary, or Trustee, upon written request of Beneficiary, may proceed by suit or suits, at law or in equity, to enforce the payment, performance and discharge of the Secured Obligations in accordance with the terms hereof, of the Note, and the other Loan Documents, to foreclose the liens and security interests of this Deed of Trust as against all or any part of the Subject Property and Collateral, and to have all or any part of the Subject Property and Collateral sold under the judgment or decree of a court of competent jurisdiction. This remedy shall be cumulative of any other nonjudicial remedies available to the Beneficiary with respect to the Loan Documents. Proceeding with a request or receiving a judgment for legal relief shall not be or be deemed to be an election of remedies or bar any available nonjudicial remedy of the Beneficiary.
- (f) **Beneficiary's Right to Appointment of Receiver.** Beneficiary, as a matter of right and without regard to the sufficiency of the security for payment, performance and discharge of the Secured Obligations, without notice to Grantor and without any showing of insolvency, fraud, or mismanagement on the part of Grantor, and without the necessity of filing any judicial or other proceeding other than the proceeding for appointment of a receiver, shall be entitled to the appointment of a receiver or receivers of the Subject Property and Collateral or any part thereof, and

of the Payments, and Grantor hereby irrevocably consents to the appointment of a receiver or receivers. Any receiver appointed pursuant to the provisions of this subsection shall have the usual powers and duties of receivers in such matters.

- (g) **Beneficiary's UCC Remedies.** The Beneficiary may exercise its rights of enforcement with respect to the Collateral under the UCC, and in conjunction with, in addition to or in substitution for the rights and remedies under the UCC the Beneficiary may, and Grantor agrees, as follows: (i) without demand or notice to Grantor, enter upon the Subject Property to take possession of, assemble, receive, and collect the Collateral, or any part thereof, or to render it unusable; (ii) require Grantor to assemble the Collateral and make it available at a place Beneficiary designates which is mutually convenient to allow Beneficiary to take possession or dispose of the Collateral; (iii) written notice mailed to Grantor as provided herein at least ten (10) days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made shall constitute reasonable notice; (iv) any sale made pursuant to the provisions of this subsection shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of the Subject Property under power of sale as provided herein upon giving the same notice with respect to the sale of the Collateral hereunder as is required for such sale of the Subject Property under power of sale, and such sale shall be deemed to be pursuant to a security agreement covering both real and personal property under Section 9.604 of the UCC; (v) in the event of a foreclosure sale, whether made by the Trustee under the terms hereof, or under judgment of a court, the Collateral and the Subject Property may, at the option of the Beneficiary, be sold as a whole; (vi) it shall not be necessary that the Beneficiary take possession of the Collateral, or any part thereof, prior to the time that any sale pursuant to the provisions of this subsection is conducted, and it shall not be necessary that the Collateral or any part thereof be present at the location of such sale; (vii) prior to application of proceeds of disposition of the Collateral to the Secured Obligations, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like, and the reasonable attorneys' fees and legal expenses incurred by the Beneficiary; (viii) after notification, if any, hereafter provided in this subsection, Beneficiary may sell, lease, or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at Beneficiary's offices or elsewhere, for cash, on credit, or for future delivery. Upon the request of Beneficiary, Grantor shall assemble the Collateral and make it available to Beneficiary at any place designated by Beneficiary that is reasonably convenient to Grantor and Beneficiary. Grantor agrees that Beneficiary shall not be obligated to give more than ten (10) days' written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. Grantor shall be liable for all expenses of retaking, holding, preparing for sale, or the like, and all attorneys' fees, legal expenses, and all other costs and expenses incurred by Beneficiary in connection with the collection of the Secured Obligations and the enforcement of Beneficiary's rights under the Loan Documents. Beneficiary shall apply the proceeds of the sale of the Collateral against the Secured Obligations in accordance with the requirements of this Deed of Trust. Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay, perform and discharge the Secured Obligations in full. Grantor waives all rights of marshalling in respect of the Collateral; (ix) any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder, the nonpayment of the Secured Obligations, the occurrence of any Default, the Beneficiary having declared all or a portion of such Secured Obligations to be due and payable, the notice of time, place, and terms of sale and of the properties to be sold having been duly given, or any other act or thing having been duly done by Beneficiary, shall be taken as prima facie evidence of the truth of the facts so stated and recited; and (x) Beneficiary may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Beneficiary, including the sending of notices and the conduct of the sale, but in the name and on behalf of Beneficiary.
- (h) **Rights Relating to Leases and Rents.** Grantor has, pursuant to Article 3 of this Deed of Trust, assigned to Beneficiary all Payments under each of the Leases covering all or any portion of the

Subject Property. Beneficiary may at any time, and without notice, either in person, by agent, or by receiver to be appointed by a court, enter and take possession of the Subject Property or any part thereof, and in its own name, sue for or otherwise collect the Payments. All Payments collected by Beneficiary, shall be applied as provided for in this Deed of Trust; provided, however, that if the costs, expenses, and attorneys' fees shall exceed the amount of Payments collected, the excess shall be added to the Secured Obligations, shall bear interest at the rate of interest then applicable on the outstanding principal balance of the Note, and shall be immediately due and payable. The entering upon and taking possession of the Subject Property, the collection of Payments, and the application thereof as aforesaid shall not cure or waive any Default or notice of default, if any, hereunder nor invalidate any act done pursuant to such notice, except to the extent any such Default is fully cured. Failure or discontinuance by Beneficiary, or Trustee on Beneficiary's behalf, at any time or from time to time, to collect said Payments shall not in any manner impair the subsequent enforcement by Beneficiary, or Trustee on Beneficiary's behalf, of the right, power and authority herein conferred upon it. Nothing contained herein, nor the exercise of any right, power, or authority herein granted to Beneficiary, or Trustee on Beneficiary's behalf, shall be, or shall be construed to be, an affirmation by it of any tenancy, lease, or option, nor an assumption of liability under, nor the subordination of, the lien of this Deed of Trust, to any such tenancy, lease, or option, nor an election of judicial relief, if any such relief is requested or obtained as to Leases or Payments, with respect to the Subject Property or any other collateral given by Grantor to Beneficiary. In addition, from time to time Beneficiary may elect, and notice hereby is given to each lessee under any Lease, to subordinate the lien of this Deed of Trust to any Lease by unilaterally executing and recording an instrument of subordination, and upon such election the lien of this Deed of Trust shall be subordinate to the Lease identified in such instrument of subordination; provided, however, in each instance such subordination will not affect or be applicable to, and expressly excludes any lien, charge, encumbrance, security interest, claim, easement, restriction, option, covenant and other rights, titles, interests or estates of any nature whatsoever with respect to all or any portion of the Subject Property and Collateral to the extent that the same may have arisen or intervened during the period between the recordation of this Deed of Trust and the execution of the Lease identified in such instrument of subordination.

- (i) **Other Rights.** Beneficiary (i) may surrender the insurance policies maintained pursuant hereto or the other Loan Documents or any part thereof, and upon receipt shall apply the unearned premiums as a credit on the Secured Obligations, in accordance herewith, and, in connection therewith, Grantor hereby appoints Beneficiary as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Grantor to collect such premiums; and (ii) apply the reserve for impositions, if any, required by the provisions of this Deed of Trust, toward payment of the Secured Obligations; and (iii) shall have and may exercise any and all other rights and remedies which Beneficiary may have at law or in equity, or by virtue of any Loan Document or under the UCC, or otherwise.
- (j) **Beneficiary as Purchaser.** Beneficiary may be the purchaser of the Subject Property and Collateral or any part thereof, at any sale thereof, whether such sale be under the power of sale herein vested in Trustee or upon any other foreclosure of the liens and security interests hereof, or otherwise, and Beneficiary shall, upon any such purchase, acquire good title to the Subject Property and Collateral so purchased, free of the liens and security interests hereof, unless the sale was made subject to an unmaturing portion of the Secured Obligations. The Beneficiary, as purchaser, shall be treated in the same manner as any third party purchaser and the proceeds of the Beneficiary's purchase shall be applied in accordance with the requirements of this Deed of Trust.
- (k) **Possession After Foreclosure.** If the liens or security interests hereof shall be foreclosed by power of sale granted herein, by judicial action, or otherwise, the purchaser at any such sale shall receive, as an incident to purchaser's ownership, immediate possession of the property purchased, and if Grantor or Grantor's successors shall hold possession of said property or any part thereof subsequent to foreclosure, Grantor and Grantor's successors shall be considered as tenants at sufferance of the purchaser at foreclosure sale (without limitation of other rights or remedies, at a reasonable rental per day, due and payable daily, based upon the value of the portion of the Subject Property and Collateral so occupied or possessed and sold to such purchaser), and anyone

occupying or possessing such portion of the Subject Property and Collateral, after demand is made for possession thereof, shall be guilty of forcible detainer and shall be subject to eviction and removal, forcible or otherwise, with or without process of law, and all damages by reason thereof are hereby expressly waived.

- (l) **Abandonment of Sale.** In the event a foreclosure hereunder is commenced by Trustee in accordance with subsection (d) hereof, at any time before the sale, Trustee may abandon the sale, and Beneficiary may then institute suit for the collection of the Secured Obligations and for the foreclosure of the liens and security interests hereof and of the Loan Documents. If Beneficiary should institute a suit for the collection of the Secured Obligations and for a foreclosure of the liens and security interests hereof, Beneficiary may, at any time before the entry of a final judgment in said suit, dismiss the same and require Trustee to sell the Subject Property and Collateral or any part thereof in accordance with the provisions of this Deed of Trust.

6.3 **APPLICATION OF FORECLOSURE SALE PROCEEDS.** The proceeds from any sale, lease, or other disposition made pursuant to Section 6.2, or the proceeds from the surrender of any insurance policies pursuant hereto, or any Payments collected by Beneficiary from the Subject Property and Collateral, or the reserve for impositions, if any, required by the provisions of this Deed of Trust or sums received pursuant to a condemnation or proceeds from insurance which Beneficiary elects to apply to the Secured Obligations, shall be applied by Trustee, or by Beneficiary, as the case may be, to the Secured Obligations in the following order and priority: (i) to the payment of all expenses of advertising, selling, disposing and conveying the Subject Property and Collateral or part thereof, and/or prosecuting or otherwise collecting Payments, proceeds, premiums, or other sums including reasonable attorneys' fees and a reasonable fee or commission to Trustee, not to exceed five percent (5%) of the proceeds thereof or sums so received; (ii) to the remainder of the Secured Obligations; (iii) the balance, if any and to the extent applicable, remaining after the full and final payment, performance and discharge of the Secured Obligations to the holder or beneficiary of any inferior liens or security interests covering the Subject Property and Collateral, if any, in order of the priority of such inferior liens or security interests (Trustee and Beneficiary shall hereby be entitled to rely exclusively upon a commitment for title insurance or search of applicable UCC filing office records issued to determine such priority); and (iv) the cash balance, if any, to the Grantor; provided, however, Trustee shall disburse proceeds of a non-judicial foreclosure sale as provided by applicable law. The application of proceeds of sale or other proceeds as otherwise provided herein shall be deemed to be a payment of the Secured Obligations like any other payment. The balance of the Secured Obligations remaining unpaid, if any, shall remain fully due and owing in accordance with the terms of the Note or the other Loan Documents.

6.4 **APPLICATION OF OTHER SUMS.** All sums received by Beneficiary under Section 6.2 or Section 3.2, less all costs and expenses incurred by Beneficiary or any receiver under Section 6.2 or Section 3.2, including, without limitation, attorneys' fees, shall be applied in payment of the Secured Obligations in such order as Beneficiary shall determine in its sole discretion; provided, however, Beneficiary shall have no liability for funds not actually received by Beneficiary.

6.5 **NO CURE OR WAIVER.** Neither Beneficiary nor any receiver's entry upon and taking possession of all or any part of the Subject Property and Collateral, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise of or failure to exercise any other right or remedy by Beneficiary or any receiver or any exercise or failure to exercise of any non-judicial foreclosure by Trustee shall cure or waive any breach, Default or notice of default under this Deed of Trust, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Grantor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy or Trustee's exercise of the power of sale granted hereby, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of or security interest created by this Deed of Trust.

6.6 **PAYMENT OF COSTS, EXPENSES, AND ATTORNEYS' FEES.** Grantor agrees to pay to Beneficiary immediately and without demand all costs and expenses incurred by Trustee and Beneficiary pursuant to

Section 6.2 (including, without limitation, court costs and attorneys' fees, whether incurred in litigation or not) with interest from the date of expenditure until said sums have been paid at the rate of interest then applicable to the principal balance of the Note as specified therein. In addition, Grantor shall pay to Trustee all Trustee's fees hereunder and shall reimburse Trustee for all expenses incurred in the performance of its duties in this Deed of Trust and as allowed by applicable law, including, without limitation, any attorneys' fees.

- 6.7 **POWER TO FILE NOTICES AND CURE DEFAULTS.** To the extent permitted by applicable law, Grantor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of commencement or completion of construction of the Improvements, or any other notices that Beneficiary deems appropriate to protect Beneficiary's interest, (b) upon the issuance of a deed pursuant to the foreclosure of the lien of this Deed of Trust or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Collateral, Leases and Payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Beneficiary's security interests and rights in or to any of the Collateral, and (d) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, to perform any obligation of Grantor hereunder; provided, however, that: (i) Beneficiary as such attorney-in-fact shall only be accountable for such funds as are actually received by Beneficiary; and (ii) Beneficiary shall not be liable to Grantor or any other person or entity for any failure to act (whether such failure constitutes negligence) by Beneficiary under this Section.

ARTICLE 7. MISCELLANEOUS PROVISIONS

- 7.1 **ADDITIONAL PROVISIONS.** The Loan Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Grantor which apply to this Deed of Trust and to the Subject Property and Collateral and such further rights and agreements are incorporated herein by this reference.
- 7.2 **MERGER.** No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Subject Property unless Beneficiary consents to a merger in writing.
- 7.3 **OBLIGATIONS OF GRANTOR, JOINT AND SEVERAL.** If more than one person has executed this Deed of Trust as "Grantor", the obligations of all such persons hereunder shall be joint and several.
- 7.4 **RECOURSE TO SEPARATE PROPERTY.** Any married person who executes this Deed of Trust as a Grantor agrees that any money judgment which Beneficiary obtains pursuant to the terms of this Deed of Trust or any other obligation of that married person secured by this Deed of Trust may be collected by execution upon that person's separate property, and any community property which may be executed upon or seized for satisfaction of such obligations under applicable law.
- 7.5 **WAIVER OF MARSHALLING RIGHTS.** Grantor, for itself and for all parties claiming through or under Grantor, and for all parties who may acquire a lien on or interest in the Subject Property and Collateral, hereby waives all rights to have the Subject Property and Collateral and/or any other property which is now or later may be security for any Secured Obligation ("Other Property") marshalled upon any foreclosure of the lien of this Deed of Trust or on a foreclosure of any other lien or security interest against any security for any of the Secured Obligations. Beneficiary shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of, the Subject Property and any or all of the Collateral or Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.
- 7.6 **RULES OF CONSTRUCTION.** When the identity of the parties or other circumstances make it appropriate the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The

term "Subject Property" and "Collateral" means all and any part of the Subject Property and Collateral, respectively, and any interest in the Subject Property and Collateral, respectively.

- 7.7 **SUCCESSORS IN INTEREST.** The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto; provided, however, that this Section 7.7 does not waive or modify the provisions of Section 6.1(d).
- 7.8 **EXECUTION IN COUNTERPARTS.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature or acknowledgment of, or on behalf of, each party, or that the signature of all persons required to bind any party, or the acknowledgment of such party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, and the respective acknowledgments of, each of the parties hereto. Any signature or acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures or acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature or acknowledgment pages.
- 7.9 **TEXAS LAW.** This Deed of Trust shall be construed in accordance with the laws of the State of Texas, except to the extent that federal laws preempt the laws of the State of Texas.
- 7.10 **INCORPORATION.** Exhibits A and Schedule 1, all as attached, are incorporated into this Deed of Trust by this reference.
- 7.11 **NOTICES.** All notices, demands, or other communications under this Deed of Trust and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Deed of Trust). All communications shall be deemed served upon delivery of same, or if mailed, upon the first to occur of receipt or the expiration of three (3) days after the deposit in the United States Postal Service mail, postage prepaid and addressed to the address of Grantor, Trustee or Beneficiary at the address specified; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.

| | |
|-----------------|--|
| Grantor: | Haven Support, Inc. c/o Haven for Hope of Bexar County 2330 N. Loop 1604 West San Antonio, TX 78248 Attention: Steve Oswald |
| With a copy to: | Kutak Rock LLP 1801 California Street, Suite 3100 Denver, CO 80202 Attention: Thane Hodson, Esq. |
| Trustee: | J. Kent Howard _____ _____ _____ Attention: _____ |
| Beneficiary: | Wells Fargo Bank, National Association Real Estate Group (AU # _____) Community Lending and Investment 401 B Street, Suite 304-A San Diego, CA 92101 Loan #: _____ NNMF SUB-CDE IX, LLC c/o National New Markets Fund, LLC 11150 W. Olympic Blvd., Suite 91 Los Angeles, CA 90064 Attention: _____ Loan No: _____ |
| With a copy to: | Wells Fargo Bank, National Association Community Lending and Investment 401 B Street, Suite 304-A San Diego, CA 92101 Attention: _____ |

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days notice to the other party in the manner set forth hereinabove. Grantor shall forward to Beneficiary, without delay, any notices, letters or other communications delivered to the Subject Property or to Grantor naming Beneficiary, "Lender" or the "Construction Lender" or any similar designation as addressee, or which could reasonably be deemed to affect the construction of the Improvements or the ability of Grantor to perform its obligations to Beneficiary under the Note or the Loan Agreement.

7.12 INTEREST PROVISIONS.

- (a) **Savings Clause.** It is expressly stipulated and agreed to be the intent of Grantor and Beneficiary at all times to comply strictly with the applicable Texas law governing the maximum rate or amount of interest payable on the Note or the Related Indebtedness (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render usurious any amount (i) contracted for, charged, taken, reserved or received pursuant to the Note, any of the other Loan Documents or any other communication or writing by or between Grantor and Beneficiary related to the transaction or transactions that are the subject matter of the Loan Documents, (ii) contracted for, charged or received by reason of Beneficiary's exercise of the option to accelerate the maturity of the Note and/or the Related Indebtedness, or (iii) Grantor will have paid or Beneficiary will have received by reason of any voluntary prepayment by Grantor of the Note and/or the Related Indebtedness, then it is Grantor's and Beneficiary's express intent that all amounts charged in excess of the Maximum Lawful Rate shall be automatically cancelled, ab initio, and all amounts in excess of the Maximum Lawful Rate theretofore collected by Beneficiary shall be credited on the principal balance of the Note and/or the Related Indebtedness (or, if the Note and all Related Indebtedness have been or would thereby be paid in full, refunded to Grantor), and the provisions of the Note and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; provided, however, if the Note has been paid in full before the end of the stated term of the Note, then Grantor and Beneficiary agree that Beneficiary shall, with reasonable promptness after Beneficiary discovers or is advised by Grantor that interest was received in an amount in excess of the Maximum Lawful Rate, either refund such excess interest to Grantor and/or credit such excess interest against the Note and/or any Related Indebtedness then owing by Grantor to Beneficiary. Grantor hereby agrees that as a condition precedent to any claim seeking usury penalties against Beneficiary, Grantor will provide written notice to Beneficiary, advising Beneficiary in reasonable detail of the nature and amount of the violation, and Beneficiary shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Grantor or crediting such excess interest against the Note and/or the Related Indebtedness then owing by Grantor to Beneficiary. All sums contracted for, charged or received by Beneficiary for the use, forbearance or detention of any debt evidenced by the Note and/or the Related Indebtedness shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of the Note and/or the Related Indebtedness (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of the Note and/or the Related Indebtedness does not exceed the Maximum Lawful Rate from time to time in effect and applicable to the Note and/or the Related Indebtedness for so long as debt is outstanding. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to the Note and/or the Related Indebtedness. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Beneficiary to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.
- (b) **Definitions.** As used herein, the term "Maximum Lawful Rate" shall mean the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by Beneficiary in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all Charges (as herein defined) made in connection with the transaction evidenced by the Note and the other Loan Documents. As used herein, the term "Charges" shall mean all fees, charges and/or any other things of value, if any, contracted for, charged, received, taken or reserved by Beneficiary in connection with the transactions relating to the Note and the other Loan Documents, which are treated as interest under applicable law. As used herein, the term "Related Indebtedness" shall mean any and all debt paid or

payable by Grantor to Beneficiary pursuant to the Loan Documents or any other communication or writing by or between Grantor and Beneficiary related to the transaction or transactions that are the subject matter of the Loan Documents, except such debt which has been paid or is payable by Grantor to Beneficiary under the Note.

- (c) **Ceiling Election.** To the extent that Beneficiary is relying on Chapter 303 of the Texas Finance Code to determine the Maximum Lawful Rate payable on the Note and/or the Related Indebtedness, Beneficiary will utilize the weekly ceiling from time to time in effect as provided in such Chapter 303, as amended. To the extent United States federal law permits Beneficiary to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law, Beneficiary will rely on United States federal law instead of such Chapter 303 for the purpose of determining the Maximum Lawful Rate. Additionally, to the extent permitted by applicable law now or hereafter in effect, Beneficiary may, at its option and from time to time, utilize any other method of establishing the Maximum Lawful Rate under such Chapter 303 or under other applicable law by giving notice, if required, to Grantor as provided by applicable law now or hereafter in effect.

7.13 **DEFICIENCY.**

- (a) In the event an interest in any of the Subject Property and Collateral is foreclosed upon pursuant to a judicial or nonjudicial foreclosure sale, Grantor agrees as follows. Notwithstanding the provisions of Sections 51.003, 51.004, and 51.005 of the Texas Property Code (as the same may be amended from time to time), and to the extent permitted by law, Grantor agrees that Beneficiary shall be entitled to seek a deficiency judgment from Grantor and any other party obligated on the Note equal to the difference between the amount owing on the Note and the amount for which the Subject Property and Collateral was sold pursuant to judicial or nonjudicial foreclosure sale. Grantor expressly recognizes that this section constitutes a waiver of the above-cited provisions of the Texas Property Code which would otherwise permit Grantor and other persons against whom recovery of deficiencies is sought or any guarantor independently (even absent the initiation of deficiency proceedings against them) to present competent evidence of the fair market value of the Subject Property and Collateral as of the date of the foreclosure sale and offset against any deficiency the amount by which the foreclosure sale price is determined to be less than such fair market value. Grantor further recognizes and agrees that this waiver creates an irrebuttable presumption that the foreclosure sale price is equal to the fair market value of the Subject Property and Collateral for purposes of calculating deficiencies owed by Grantor, any guarantor, and others against whom recovery of a deficiency is sought.
- (b) Alternatively, in the event the waiver provided for in subsection (a) above is determined by a court of competent jurisdiction to be unenforceable, the following shall be the basis for the finder of fact's determination of the fair market value of the Subject Property and Collateral as of the date of the foreclosure sale in proceedings governed by Sections 51.003, 51.004 and 51.005 of the Texas Property Code (as amended from time to time): (i) the Subject Property and Collateral shall be valued in an "as is" condition as of the date of the foreclosure sale, without any assumption or expectation that the Subject Property and Collateral will be repaired or improved in any manner before a resale of the Subject Property and Collateral after foreclosure; (ii) the valuation shall be based upon an assumption that the foreclosure purchaser desires a resale of the Subject Property and Collateral for cash promptly (but no later than twelve (12) months) following the foreclosure sale; (iii) all reasonable closing costs customarily borne by the seller in commercial real estate transactions should be deducted from the gross fair market value of the Subject Property and Collateral, including, without limitation, brokerage commissions, title insurance, a survey of the Subject Property, tax prorations, attorneys' fees, and marketing costs; (iv) the gross fair market value of the Subject Property and Collateral shall be further discounted to account for any estimated holding costs associated with maintaining the Subject Property and Collateral pending sale, including, without limitation, utilities expenses, property management fees, taxes and assessments (to the extent not accounted for in (iii) above), and other maintenance, operational and ownership expenses; and (v) any expert opinion testimony given or considered in conjunction with a determination of the fair market

value of the Subject Property and Collateral must be given by persons having at least five (5) years experience in appraising property similar to the Subject Property and Collateral and who have conducted and prepared a complete written appraisal of the Subject Property and Collateral taking into consideration the factors set forth above.

7.14 **ENTIRE AGREEMENT; AMENDMENT.** THIS DEED OF TRUST AND THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Deed of Trust and the Loan Documents may be amended or waived only by an instrument in writing signed by the Grantor and Beneficiary.

7.15 **SUBLEASE PROVISIONS.**

- (a) **Sublease.** Grantor shall (i) pay all rents, additional rents and other sums required to be paid by Grantor, as tenant under and pursuant to the provisions of the Sublease as and when such rent or other charge is payable, (ii) diligently perform and observe all of the terms, covenants and conditions of the Sublease on the part of Grantor, as tenant thereunder, to be performed and observed at least ten (10) days prior to the expiration of any applicable grace period therein provided, and (iii) promptly notify Beneficiary of the giving of any notice by the landlord under the Sublease to Grantor of any default by Grantor in the performance or observance of any of the terms, covenants or conditions of the Sublease on the part of Grantor, as tenant thereunder, to be performed or observed and deliver to Beneficiary a true copy of each such notice. Grantor shall not, without the prior consent of Beneficiary, surrender the leasehold estate created by the Sublease or terminate or cancel the Sublease or materially modify, change, supplement, alter or amend the Sublease, in any respect, either orally or in writing, and Grantor hereby assigns to Beneficiary, as further security for the payment of the Loan and for the performance and observance of the terms, covenants and conditions of this Deed of Trust, all of the rights, privileges and prerogatives of Grantor, as tenant under the Sublease, to surrender the leasehold estate created by the Sublease or to terminate, cancel, modify, change, supplement, alter or amend the Sublease, and any such surrender of the leasehold estate created by the Sublease or termination, cancellation, modification, change, supplement, alteration or amendment of the Sublease without the prior consent of Beneficiary shall be void and of no force and effect. If Grantor shall default in the performance or observance of any term, covenant or condition of the Sublease on the part of Grantor, as tenant thereunder, to be performed or observed, then, without limiting the generality of the other provisions of this Deed of Trust, and without waiving or releasing Grantor from any of its obligations hereunder, Beneficiary shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Sublease on the part of Grantor, as tenant thereunder, to be performed or observed or to be promptly performed or observed on behalf of Grantor, to the end that the rights of Grantor in, to and under the Sublease shall be kept unimpaired and free from default, even though the existence of such event of default or the nature thereof be questioned or denied by Grantor or by any party on behalf of Grantor. If Beneficiary shall make any payment or perform any act or take action in accordance with the preceding sentence, Beneficiary will notify Grantor of the making of any such payment, the performance of any such act, or the taking of any such action. In any such event, subject to the rights of tenants, subtenants and other occupants under the Leases, Beneficiary and any person designated by Beneficiary shall have, and are hereby granted, the right to enter upon the Property at any time and from time to time for the purpose of taking any such action. Beneficiary may pay and expend such sums of money as Beneficiary deems reasonably necessary for any such purpose and upon so doing shall be subrogated to any and all rights of the landlord under the Sublease. Grantor hereby agrees to pay to Beneficiary immediately and without demand, all such sums so paid and expended by Beneficiary, together with interest thereon from the day of such payment at the Default Rate (as defined in the Note). All sums so paid

and expended by Beneficiary and the interest thereon shall be secured by the legal operation and effect of this Deed of Trust. If the landlord under the Sublease shall deliver to Beneficiary a copy of any notice of default sent by said landlord to Grantor, as tenant under the Sublease, such notice shall constitute full protection to Beneficiary for any action taken or omitted to be taken by Beneficiary, in good faith, in reliance thereon. Grantor shall exercise each individual option, if any, to extend or renew the term of the Sublease upon demand by Beneficiary made at any time within one (1) year of the last day upon which any such option may be exercised, and Grantor hereby expressly authorizes and appoints Beneficiary its attorney-in-fact to exercise any such option in the name of and upon behalf of Grantor, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest. Grantor will not subordinate or consent to the subordination of the Sublease to any mortgage, security deed, lease or other interest on or in the landlord's interest in all or any part of the Property, unless, in each such case, the written consent of Beneficiary shall have been first had and obtained.

- (b) Subleases. Each Lease hereafter made and each renewal of any existing Lease shall provide that, (i) in the event of the termination of the Sublease, the Lease shall not terminate or be terminable by the tenant; (ii) in the event of any action for the foreclosure of this Deed of Trust, the Lease shall not terminate or be terminable by the subtenant by reason of the termination of the Sublease unless the tenant is specifically named and joined in any such action and unless a judgment is obtained therein against the tenant; and (iii) in the event that the Sublease is terminated as aforesaid, the tenant shall attorn to the landlord under the Sublease or to the purchaser at the sale of the Property on such foreclosure, as the case may be.
- (c) No Merger of Fee and Leasehold Estates; Releases. So long as any portion of the Loan shall remain unpaid, unless Beneficiary shall otherwise consent, the fee title to the Premises and the leasehold estate therein created pursuant to the provisions of the Sublease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in Grantor, Beneficiary, or in any other person by purchase, operation of law or otherwise. Beneficiary reserves the right, at any time, to release portions of the Property, including, but not limited to, the leasehold estate created by the Sublease, with or without consideration, at Beneficiary's election, without waiving or affecting any of its rights hereunder or under the Note or the other Loan Documents and any such release shall not affect Beneficiary's rights in connection with the portion of the Property not so released.
- (d) Grantor's Acquisition of Fee Estate. In the event that Grantor, so long as any portion of the Loan remains unpaid, shall be the owner and holder of the fee title to the Premises, the lien of this Deed of Trust shall be spread to cover Grantor's fee title to the Premises and said fee title shall be deemed to be included in the Property. Grantor agrees, at its sole cost and expense, including without limitation Beneficiary's reasonable attorneys' fees, to (i) execute any and all documents or instruments necessary to subject its fee title to the Premises to the lien of this Deed of Trust; and (ii) provide a title insurance policy which shall insure that the lien of this Deed of Trust is a first lien on Grantor's fee title to the Premises. Notwithstanding the foregoing, if the Sublease is for any reason whatsoever terminated prior to the natural expiration of its term, and if, pursuant to any provisions of the Sublease or otherwise, Beneficiary or its designee shall acquire from the landlord thereunder another lease of the Property, Grantor shall have no right, title or interest in or to such other lease or the leasehold estate created thereby.
- (e) Rejection of the Sublease.
- (i) If the Sublease is terminated for any reason in the event of the rejection or disaffirmance of the Sublease pursuant to the United States Bankruptcy Code, 11 U.S.C. §101, et seq., as the same may be amended (the "**Code**") or any other law affecting creditor's rights, (x) the Grantor, immediately after obtaining notice thereof, shall give notice thereof to Beneficiary, (y) Grantor, without the prior written consent of Beneficiary, shall not elect to treat the Sublease as terminated pursuant to Section 365(h) of the Code or any comparable federal or state statute or law, and any election by Grantor made without such consent shall be void and (z)

this Deed of Trust and all the liens, terms, covenants and conditions of this Deed of Trust shall extend to and cover Grantor's possessory rights under Section 365(h) of the Code and to any claim for damages due to the rejection of the Sublease or other termination of the Sublease. In addition, Grantor hereby assigns irrevocably to Beneficiary, Grantor's rights to treat the Sublease as terminated pursuant to Section 365(h) of the Code and to offset rents under such Sublease in the event any case, proceeding or other action is commenced by or against the Ground Lessor under the Code or any comparable federal or state statute or law, provided that Beneficiary shall not exercise such rights and shall permit Grantor to exercise such rights with the prior written consent of Beneficiary, not to be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing.

- (ii) Grantor hereby assigns to Beneficiary, Grantor's right to reject the Sublease under Section 365 of the Code or any comparable federal or state statute or law with respect to any case, proceeding or other action commenced by or against Grantor under the Code or comparable federal or state statute or law, provided the Beneficiary shall not exercise such right, and shall permit Grantor to exercise such right with the prior written consent of Beneficiary, not to be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing. Further, if Grantor shall desire to so reject the Sublease, at Beneficiary's request, Grantor shall assign its interest in the Sublease to Beneficiary in lieu of rejecting such Sublease as described above, upon receipt by Grantor of written notice from Beneficiary of such request together with Beneficiary's agreement to cure any existing defaults of Grantor under such Sublease.
- (iii) Grantor hereby assigns to Beneficiary, Grantor's right to seek an extension of the 60-day period within which Grantor must accept or reject the Sublease under Section 365 of the Code or any comparable federal or state statute or law with respect to any case, proceeding or other action commenced by or against Grantor under the Code or comparable federal or state statute or law, provided the Beneficiary shall not exercise such right, and shall permit Grantor to exercise such right with the prior written consent of Beneficiary, not to be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing. Further, if Grantor shall desire to so reject the Sublease, at Beneficiary's request, Grantor shall assign its interest in the Sublease to Beneficiary in lieu of rejecting such Sublease as described above, upon receipt by Grantor of written notice from Beneficiary of such request together with Beneficiary's agreement to cure any existing defaults of Grantor under such Sublease.
- (iv) Grantor hereby agrees that if the Sublease is terminated for any reason in the event of the rejection or disaffirmance of the Sublease pursuant to the Code or any other law affecting creditor's rights, any property not removed by the Grantor as permitted or required by the Sublease, shall at the option of Beneficiary be deemed abandoned by Grantor, provided that Beneficiary may remove any such property required to be removed by Grantor pursuant to the Sublease and all costs and expenses associated with such removal shall be paid by Grantor within five (5) days of receipt by Grantor of an invoice for such removal costs and expenses.

7.16 **HOMESTEAD.** The Subject Property forms no part of any property owned, used or claimed by Grantor as a residence or business homestead and is not exempt from forced sale under the laws of the State of Texas. GRANTOR HEREBY DISCLAIMS AND RENOUNCES EACH AND EVERY CLAIM TO THE SUBJECT PROPERTY AS A HOMESTEAD.

7.17 **JURY WAIVER.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, GRANTOR AND BENEFICIARY HEREBY KNOWINGLY, INTENTIONALLY, IRREVOCABLY, UNCONDITIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVE, RELINQUISH, AND FOREVER FOREGO THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BASED UPON, ARISING OUT OF OR IN ANY WAY RELATED TO THIS DEED OF TRUST OR ANY CONDUCT OF THE PARTIES HERETO OR ANY OF THEIR DIRECTORS, OFFICERS,

Loan No. _____

PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH THE PARTIES HERETO, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

- 7.18 **TEXAS FINANCE CODE SECTION 307.052 COLLATERAL PROTECTION INSURANCE NOTICE:** (A) GRANTOR IS REQUIRED TO: (I) KEEP THE SUBJECT PROPERTY INSURED AGAINST DAMAGE IN THE AMOUNT SPECIFIED IN THE LOAN DOCUMENTS; (II) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (III) NAME BENEFICIARY AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS AS AND TO THE EXTENT REQUIRED IN THE LOAN AGREEMENT; (B) GRANTOR MUST, IF REQUIRED BY BENEFICIARY PURSUANT TO THE LOAN AGREEMENT, DELIVER TO BENEFICIARY A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (C) IF GRANTOR FAILS TO MEET ANY REQUIREMENT LISTED IN PARAGRAPH (A) OR (B), BENEFICIARY MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF GRANTOR AT THE GRANTOR'S EXPENSE AS AND TO EXTENT EXPLICITLY PERMITTED BY THE LOAN AGREEMENT.

Loan No. _____

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust as of the day and year set forth above.

"GRANTOR"

HAVEN SUPPORT, INC., a Texas non-profit corporation

By: _____

Name: _____

Title: _____

STATE OF TEXAS

§
§
§

COUNTY OF _____

This instrument was ACKNOWLEDGED before me on _____, 2009 by _____, the
of _____, a _____, on
behalf of said _____.

[S E A L]

My Commission Expires:

Notary Public - State of Texas

Printed Name of Notary Public

DESCRIPTION OF SUBJECT PROPERTY

Exhibit A to Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by HAVEN SUPPORT, INC., a Texas non-profit corporation, as Grantor to Service Title Company as Trustee for the benefit of WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC, a North Carolina limited liability company and NNMF SUB-CDE IX, LLC, a California limited liability company, collectively as Beneficiary, dated as of December __, 2009.

All the certain real property located in the County of Bexar, State of Texas, described as follows:

TRACT ONE:

A 3.017 acre, or 131,411 square feet, more or less, tract of land being a portion of Lot 1, Block 2, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described by metes and bounds in Exhibit "A", attached hereto and made a part hereof for all intents and purposes.

TRACT TWO:

A 6.860 acre, or 298,825 square feet, more or less, tract of land out of Lot 27, Block 1, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described by metes and bounds in Exhibit "B", attached hereto and made a part hereof for all intents and purposes.

**PAPE-DAWSON
ENGINEERS**

EXHIBIT 'A'

FIELD NOTES

FOR

A 3.017 acre, or 131,411 square feet more or less, tract of being a portion of Lot 1, Block 2 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

BEGINNING: At a set ½" iron rod with yellow cap marked "Pape-Dawson" at the intersection of the west right-of-way line of Haven For Hope Way, formerly known as N. Salado Street, a 60-foot public right-of-way, and the north right-of-way line of Hardberger Way, formerly known as Perez Street, a 55.6-foot public right-of-way, the southeast corner of said Lot 1, the southeast corner of the herein described tract;

THENCE: N 84°19'32" W, along and with the north right-of-way line of said Hardberger Way, the south line of said Lot 1, a distance of 214.52 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of the Union Pacific Railroad, a 50.0-foot right-of-way, the southwest corner of said Lot 1;

THENCE: Along the east right-of-way line of said railroad, the west line of said Lot 1 the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 64°50'42" W, a radius of 1937.79 feet, a central angle of 02°32'04", a chord bearing and distance of N 26°25'20" W, 85.71 feet, for an arc length of 85.72 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at a point of tangency;

N 27°41'22" W, a distance of 232.44 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the south-corner of a called 0.071 acre save and except tract recorded in Volume 13132, Pages 1539-1544 of the Official Public Records of Bexar County, Texas;

N 61°56'54" E, departing the east right-of-way line of said railroads, along and with the southeast line of said 0.071 acre tract, a distance of 42.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east corner of said 0.071 acre tract;

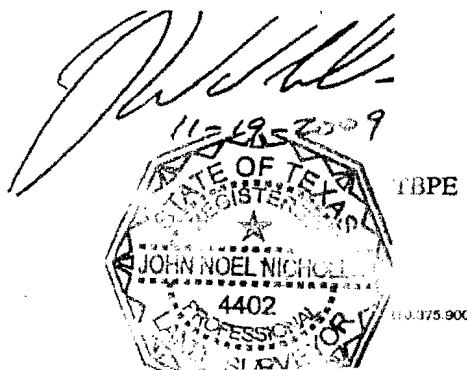
N 27°46'58" W, along and with the northeast corner of said 0.071 acre tract, a distance of 60.12 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Leal Street, a variable width public right-of-way, 60.0 feet wide at this point, on the north line of said Lot 1;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, the north line of said Lot 1, a distance of 68.63 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING
Haven For Hope
Lot 1 - Lease

- THENCE: Along a non-tangent curve to the left, said curve having a radial bearing of N 05°36'51" E, a radius of 291.89 feet, a central angle of 43°55'04", a chord bearing and distance of N 73°39'19" E, 218.30 feet, for an arc length of 223.74 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the west return of the intersection of the south right-of-way line of said Leal Street and the southwest right-of-way line of Frio Street, an 86-foot right-of-way;
- THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 38°18'39" E, a radius of 25.00 feet, a central angle of 90°00'54", a chord bearing and distance of S 83°18'12" E, 35.36 feet, for an arc length of 39.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east return of the south right-of-way line of said Leal Street and the southwest right-of-way line of said Frio Street;
- THENCE: S 38°18'12" E, along and with the southwest line of said Frio Street, the northeast line of said Lot 1, a distance of 241.00 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at the north return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;
- THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 51°51'04" W, a radius of 25.00 feet, a central angle of 89°41'29", a chord bearing and distance of S 06°41'48" W, 35.26 feet, for an arc length of 39.14 feet to a set nail and washer marked Pape-Dawson at the south return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;
- THENCE: Along the west right-of-way line of said Haven For Hope Way, the east line of said Lot 1, with a non-tangent curve to the left, said curve having a radial bearing of S 38°18'08" E, a radius of 284.90 feet, a central angle of 46°17'51", a chord bearing and distance of S 28°32'56" W, 224.00 feet, for an arc length of 230.21 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";
- THENCE: S 05°26'29" W, a distance of 6.25 feet to the POINT OF BEGINNING, and containing 3.017 acres in the City of San Antonio, Bexar County, Texas, Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey\09\9-9300\9204-09\Word\9204-09 EN-LOT1.do
Firm Registration #470
TBPLS Firm Registration #100198-00



FIELD NOTES**FOR**

A 6.860 acre, or 298,825 square feet more or less, tract of land out of Lot 27, Block 1 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

COMMENCING: At a found iron rod with cap marked "SGCE-5293" at the intersection of the south right-of-way line of Leal Street, a variable width public right-of-way, 55.6 feet wide at this point, and the east right-of-way line of N. San Marcos Street, a 55.6-foot public right-of-way, the northwest corner of said Lot 27;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, a north line of said Lot 27, a distance of 73.22 feet to the POINT OF BEGINNING of the herein described tract;

THENCE: S 84°11'21" E, continuing along and with the south right-of-way line of Leal Street, a north line of said Lot 27, a distance of 155.65 feet to a found iron rod with cap marked "SGCE-5293" on the west right-of-way line of the Union Pacific Railroad, a 50-foot right-of-way

THENCE: Along and with the west right-of-way line of said Railroad the following calls and distances:

S 26°45'27" E, a distance of 121.26 feet to a found iron rod with cap marked "SCCE-5293";

S 27°33'49" E, a distance of 133.33 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 27°41'22" E, at 20.4 feet passing through the face of building and continuing for a total distance of 97.39 feet to a point;

Along a non-tangent curve to the right, said curve having a radial bearing of S 62°18'35" W, a radius of 1887.79 feet, a central angle of 01°37'38", a chord bearing and distance of S 26°52'36" E, 53.61 feet, for an arc length of 53.61 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at a building corner, the north line of Hardberger Way;

THENCE: N 84°16'11" W, departing the said railroad right-of-way, a distance of 18.22 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at an angle of said Lot 27;
S 05°43'49" W, a distance of 6.00 feet to a point;

Haven For Hope
Job No.: 9204-09

THENCE: Departing the line of said Lot 27 and over and across said Lot 27 the following calls and distances:

N 84°16'11" W, a distance of 109.16 feet to a point;

S 05°30'56" W, a distance of 99.28 feet to a building corner;

S 84°29'04" E, a distance of 5.53 feet to a point;

S 05°20'35" W, departing the face of said building, running along the east face of a building, a distance of 250.38 feet to a point;

S 84°29'04" E, a distance of 20.79 feet to a point;

S 05°20'35" W, a distance of 9.49 feet to a point;

S 84°29'04" E, a distance of 228.80 feet to a point;

N 05degrees,27'37" E, a distance of 18.11 feet to a point;

N 75°14'23" E, a distance of 36.64 feet to a point on the west right-of-way line of aforementioned railroad, the east line of said Lot 27;

THENCE: Along and with the west line of said railroad, the east line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the right, said curve having a radial bearing of S 74°59'53" W, a radius of 1885.06 feet, a central angle of 02°00'33", a chord bearing and distance of S 13°59'50" E, 66.10 feet, for an arc length of 66.11 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 10°04'02" E, a distance of 57.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 09°37'28" E, a distance of 176.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the southeast corner of said Lot 27;

THENCE: N 84°16'11" W, departing the west line of the aforementioned railroad right-of-way, a distance of 36.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of another Union Pacific Railroad, 50-foot right-of-way, the southwest corner of said Lot 27;

Haven For Hope
Job No.: 9204-09

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 63°13'47" W, a radius of 488.93 feet, a central angle of 29°42'08", a chord bearing and distance of N 41°37'17" W, 250.63 feet, for an arc length of 253.46 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Along a non-tangent curve to the left, said curve having a radial bearing of S 33°31'01" W, a radius of 489.35 feet, a central angle of 11°04'13", a chord bearing and distance of N 62°01'05" W, 94.40 feet, for an arc length of 94.55 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 64°43'40" W, a distance of 58.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 84°23'52" W, a distance of 198.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the southeast corner of a 0.077 acre tract, conveyed to the City of San Antonio by instrument recorded in Volume 11781, Page 1407 of the Official Public Records of Bexar County, Texas;

THENCE: N 06°31'08" E, departing the northeast right-of-way line of said railroad along and with the east line of said 0.077 acre tract, a west line of said Lot 27, a distance of 7.31 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northeast corner of said 0.077 acre tract, a reentrant corner of said Lot 27;

N 65°03'36" W, a distance of 142.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northwest corner of said 0.077 acre tract, an angle point of Lot 27 on the northeast right-of-way line of said railroad;

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

N 59°15'37" W, a distance of 62.40 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°33'05" W, a distance of 47.08 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 84°22'25" W, a distance of 7.10 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 37°42'02" W, a distance of 317.80 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Perez Street, a 55.6-foot public right-of-way, the west corner of said Lot 27;

Haven For Hope
Job No.: 9204-09

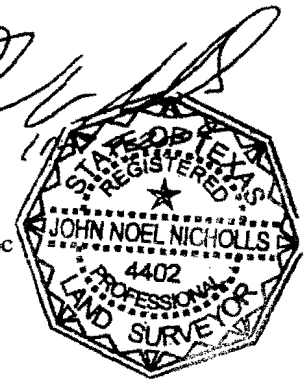
- THENCE: S 84°26'39" E, along and with the south line of said Perez Street, a distance of 261.98 feet to a found PK nail for an angle set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson" in a north line of said Lot 27;
- THENCE: S 84°16'09" E, a distance of 56.43 feet to a found '+' in concrete on the east right-of-way line of aforementioned N. San Marcos Street;
- THENCE: N 05°35'12" E, along and with the east right-of-way line of said N. San Marcos Street, the west line of said Lot 27, a distance of 47.09 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson" for an angle point in the west line of said Lot 27;
- THENCE: Departing the east right-of-way line of said N. San Marcos Street, over and across said Lot 27 the following calls and distances:
S 84°31'06" E, a distance of 99.44 feet to a point;
N 05°45'08" E, a distance of 243.69 feet to a point; N
84°23'07" W, a distance of 26.74 feet to a point;
- THENCE: N 05°39'20" E, a distance of 105.15 feet to feet to the POINT OF BEGINNING, and containing 6:860 acres in the City of San Antonio, Bexar County, Texas.

prepared by Pape Dawson Engineers, Inc.

PREPARED Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey09\9-9300\9204-09\Word\9204-

TBPE Firm Registration #470
TBPLS Firm Registration #100288-00

LOT27-Lease.doc



Haven For Hope
Job No.: 9204-09

, Said tract being described
in accordance with a survey made on the ground and a survey map

SCHEDULE OF LEASES

Schedule 1 to Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by HAVEN SUPPORT, INC., a Texas non-profit corporation, as Grantor to Service Title Company, as Trustee for the benefit of WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC, a North Carolina limited liability company and NNMF SUB-CDE IX, LLC, a California limited liability company, collectively, as Beneficiary, dated as of December __, 2009.

1. That certain lease between Grantor, as "Lessor", and Haven for Hope of Bexar County, as "Lessee", dated _____, 2009 for the entire Subject Property.

STATE OF TEXAS

§
§
§

COUNTY OF _____

This instrument was ACKNOWLEDGED before me on _____, 2009 by _____, the
of _____, a _____, on
behalf of said _____.

[S E A L]

My Commission Expires:

Notary Public - State of Texas

Printed Name of Notary Public

**PROMISSORY NOTE
(WCDE Senior Loan)**

\$19,250,000.00

San Antonio, Texas
[December _____, 2009]

FOR VALUE RECEIVED, the undersigned Haven Support, Inc. ("Borrower") promises to pay to the order of WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC ("Lender"), at [_____], or at such other place as may be designated in writing by Lender, the principal sum of NINETEEN MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100THS DOLLARS (\$19,250,000.00) or so much thereof as may be disbursed by Lender to or for the benefit or account of Borrower, with interest thereon (based on a 360-day year and charged on the basis of actual days elapsed) at the "Effective Rate", as defined below.

All references in this note ("WCDE Senior Note") to a "day" or a "date" shall be to a calendar day unless specifically referenced as a Business Day. All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds, without offset, deduction or counterclaim of any kind.

As used in this WCDE Senior Note, the following terms shall have the following meanings:

"Business Day" means a day of the week (but not a Saturday, Sunday or holiday) on which the offices of Lender are open to the public for carrying on substantially all of Lender's business functions.

"Effective Rate" means one percent (1%) per annum.

Interest accrued on this note WCDE Senior Note shall be due and payable on the first (1st) Business Day of each calendar quarter commencing with January 1, 2010.

The outstanding principal balance of this WCDE Senior Note, together with all accrued and unpaid interest, shall be due and payable in full on [December __, 2016] ("Maturity Date"). Principal amounts outstanding hereunder, upon which repayment obligations exist and interest accrues, shall be determined by the records of Lender, which shall be deemed to be conclusive in the absence of clear and convincing evidence to the contrary presented by Borrower.

This WCDE Senior Note is secured by, among other things, that certain Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing ("Deed of Trust") of even date herewith, executed by Borrower, as grantor, to a trustee for the benefit of Lender, and the other Loan Documents as defined in the Construction Loan Agreement of even date herewith, executed by Borrower, Lender and NNMF Sub-CDE IX, LLC ("NNMF") (as the same may be amended or restated from time to time, the "Loan Agreement").

In order to assure timely payment to Lender of accrued interest, principal, fees and late charges due and owing under the loan evidenced by this Note, Borrower hereby irrevocably authorizes Servicer, on behalf of Lender, to directly debit Borrower's demand deposit account with Wells Fargo Bank, National Association, account no. [_____], for payment when due of all such amounts payable to Lender. Borrower represents and warrants to Lender that Borrower is the legal owner of said account. Written confirmation of the amount and purpose of any such direct debit shall be given to Borrower by Lender not less frequently than quarterly. In the event any direct debit hereunder is returned for insufficient funds, Borrower shall pay Lender upon demand, in immediately available funds, all amounts and expenses due and owing to Lender.

If: (a) Borrower shall fail to pay when due any sums payable hereunder; or (b) a Default (as defined in the Deed of Trust) occurs under the Deed of Trust or under any obligation secured thereby or the Loan Agreement; THEN Lender may, at its sole option, declare all sums owing under this WCDE Senior Note immediately due and payable; provided, however, that if any document related to this WCDE Senior Note provides for automatic acceleration of payment of sums owing hereunder, all sums owing hereunder shall be automatically due and payable in accordance with the terms of that document.

From and after the Maturity Date, or such earlier date on which a Default exists under the Loan Agreement or under any other Loan Document, then at the option of Lender, all sums owing on this WCDE Senior Note shall bear interest at a rate per annum equal to five percent (5%) in excess of the interest rate otherwise accruing under this WCDE Senior Note ("Default Rate").

If any attorney is engaged by Lender to enforce or defend any provision of this WCDE Senior Note or the Loan Agreement or any other loan document evidencing or securing the Loan evidenced by this WCDE Senior Note (the "Loan Documents"), or as a consequence of any Default, with or without the filing of any legal action or proceeding, then Borrower shall pay to Lender immediately upon demand all attorneys' fees and all costs incurred by Lender in connection therewith, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance owing hereunder as if such unpaid attorneys' fees and costs had been added to the principal.

If any interest or principal payment required hereunder is not received by Lender (whether by direct debit or otherwise) on or before the fifteenth (15th) calendar day of the calendar quarter (regardless of whether the fifteenth (15th) day falls on a Saturday, Sunday or legal holiday) in which it becomes due, Borrower shall pay, at Lender's option, a late or collection charge equal to four percent (4%) of the amount of such unpaid payment ("Late Charge").

No previous waiver and no failure or delay by Lender in acting with respect to the terms of this WCDE Senior Note or the Deed of Trust shall constitute a waiver of any breach, default, or failure of condition under this WCDE Senior Note, the Deed of Trust or the obligations secured thereby. A waiver of any term of this WCDE Senior Note, the Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this WCDE Senior Note and the terms of any other document related to the loan evidenced by this WCDE Senior Note, the terms of this WCDE Senior Note shall prevail.

If this WCDE Senior Note is executed by more than one person or entity as Borrower, the obligations of each such person or entity shall be joint and several. No person or entity shall be a mere accommodation maker, but each shall be primarily and directly liable hereunder. Borrower waives: presentment; demand; notice of dishonor; notice of default or delinquency; notice of intention to accelerate; notice of acceleration; notice of protest and nonpayment; notice of costs, expenses or losses and interest thereon; notice of late charges; and diligence in taking any action to collect any sums owing under this WCDE Senior Note or in proceeding against any of the rights or interests in or to properties securing payment of this WCDE Senior Note. Borrower, and any endorsers or guarantors hereof, agree that the time for any payments hereunder may be extended from time to time without notice and consent, to the acceptance of further collateral, and/or the release of any existing collateral for the payment of this Note, all without in any manner affecting their liability under or with respect to this Note. No extension of time for the payment of this Note or any installment hereof shall affect the liability of Borrower under this Note or any endorser or guarantor hereof even though Borrower or such endorser or guarantor is not a party to such agreement.

Time is of the essence with respect to every provision hereof. This WCDE Senior Note shall be governed by, construed and enforced in accordance with the laws of the State of Texas, except to the extent that federal laws preempt the laws of the State of Texas, and all persons and entities in any manner obligated under this WCDE Senior Note consent to the jurisdiction of any federal or state court within the State of Texas having proper venue and also consent to service of process by any means authorized by Texas or federal law. This WCDE Senior Note is performable in Bexar County, Texas.

It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply strictly with the applicable Texas law governing the maximum rate or amount of interest payable on this WCDE Senior Note or the Related Indebtedness (or applicable United States federal law to the extent that it permits Lender to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render usurious any amount (i) contracted for, charged, taken, reserved or received pursuant to this WCDE Senior Note, any of the other Loan Documents or any other communication or writing by or between Borrower, Lender and NNMF related to the transaction or transactions that are the subject matter of the Loan Documents, (ii) contracted for, charged or received by reason of Lender's exercise of the option to accelerate the maturity of this WCDE Senior Note and/or the Related Indebtedness, or (iii) Borrower will have paid or Lender will have received by reason of any voluntary prepayment by Borrower of this WCDE Senior Note and/or the Related Indebtedness, then it is Borrower's and Lender's express intent that all amounts charged in excess of the Maximum Lawful Rate shall be automatically cancelled, ab initio, and all amounts in excess of the Maximum Lawful Rate theretofore collected by Lender shall be credited on the principal balance of this WCDE Senior Note and/or the Related Indebtedness (or, if this WCDE Senior Note and all Related Indebtedness have been or would thereby be paid in full, refunded to Borrower), and the provisions of this WCDE Senior Note and the other Loan Documents immediately be deemed reformed

and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; provided, however, if this WCDE Senior Note has been paid in full before the end of the stated term of this WCDE Senior Note, then Borrower and Lender agree that Lender shall, with reasonable promptness after Lender discovers or is advised by Borrower that interest was received in an amount in excess of the Maximum Lawful Rate, either refund such excess interest to Borrower and/or credit such excess interest against this WCDE Senior Note and/or any Related Indebtedness then owing by Borrower to Lender. Borrower hereby agrees that as a condition precedent to any claim seeking usury penalties against Lender, Borrower will provide written notice to Lender, advising Lender in reasonable detail of the nature and amount of the violation, and Lender shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Borrower or crediting such excess interest against this WCDE Senior Note and/or the Related Indebtedness then owing by Borrower to Lender. All sums contracted for, charged or received by Lender for the use, forbearance or detention of any debt evidenced by this WCDE Senior Note and/or the Related Indebtedness shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of this WCDE Senior Note and/or the Related Indebtedness (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of this WCDE Senior Note and/or the Related Indebtedness does not exceed the Maximum Lawful Rate from time to time in effect and applicable to this WCDE Senior Note and/or the Related Indebtedness for so long as debt is outstanding. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to this WCDE Senior Note and/or the Related Indebtedness. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Lender to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration. Borrower and Lender hereby agree that any and all suits alleging the contracting for, charging or receiving of usurious interest shall lie in Bexar County, Texas, and each irrevocably waive the right to venue in any other county.

As used herein, the term "Maximum Lawful Rate" shall mean the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by Lender in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that it permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all Charges (as herein defined) made in connection with the transaction evidenced by this WCDE Senior Note and the other Loan Documents. As used herein, the term "Charges" shall mean all fees, charges and/or any other things of value, if any, contracted for, charged, received, taken or reserved by Lender in connection with the transactions relating to this WCDE Senior Note and the other Loan Documents, which are treated as interest under applicable law. As used herein, the term "Related Indebtedness" shall mean any and all debt paid or payable by Borrower to Lender and/or NNMF pursuant to the Loan Documents or any other communication or writing by or between Borrower, Lender and/or NNMF related to the transaction or transactions that are the subject matter of the Loan Documents, except such debt which has been paid or is payable by Borrower to Lender under the WCDE Senior Note.

To the extent that Lender is relying on Chapter 303 of the Texas Finance Code to determine the Maximum Lawful Rate payable on this WCDE Senior Note and/or the Related Indebtedness, Lender will utilize the weekly ceiling from time to time in effect as provided in such Chapter 303, as amended. To the extent United States federal law permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law, Lender will rely on United States federal law instead of such Chapter 303 for the purpose of determining the Maximum Lawful Rate. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lender may, at its option and from time to time, utilize any other method of establishing the Maximum Lawful Rate under such Chapter 303 or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect.

Notwithstanding anything in this WCDE Senior Note to the contrary, if at any time (i) interest at the Effective Rate, and (ii) the Charges computed over the full term of this WCDE Senior Note, exceed the Maximum Lawful Rate, then the rate of interest payable hereunder, together with all Charges, shall be limited to the Maximum Lawful Rate; provided, however, that any subsequent reduction in the Variable Rate shall not cause a reduction of the rate of interest payable hereunder below the Maximum Lawful Rate until the total amount of interest earned hereunder, together with all Charges, equals the total amount of interest which would have accrued at the Effective Rate if such interest rate had at all times been in effect. Changes in the Effective Rate resulting from a change in the Variable Rate shall be subject to the provisions of this paragraph.

Borrower recognizes that its default in making any payment as provided herein or in any other Loan Document as agreed to be paid when due, or the occurrence of any other Default hereunder or under any other Loan Document, will require Lender to incur additional expense in servicing and administering the Loan, in loss to Lender of the use of the money due and in frustration to Lender in meeting its other financial and loan commitments and that the damages caused thereby

would be extremely difficult and impractical to ascertain. Borrower agrees (a) that an amount equal to the Late Charge plus the accrual of interest at the Default Rate is a reasonable estimate of the damage to Lender in the event of a late payment, and (b) that the accrual of interest at the Default Rate following any other Default is a reasonable estimate of the damage to Lender in the event of such other Default, regardless of whether there has been an acceleration of the loan evidenced hereby. Nothing in this WCDE Senior Note shall be construed as an obligation on the part of Lender to accept, at any time, less than the full amount then due hereunder, or as a waiver or limitation of Lender's right to compel prompt performance.

All notices or other communications required or permitted to be given pursuant to this WCDE Senior Note shall be given to the Borrower or Lender at the address and in the manner provided for in the Loan Agreement, except as otherwise provided herein.

THIS WCDE SENIOR NOTE AND ALL THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT OF BORROWER AND LENDER AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF BORROWER AND LENDER. THERE ARE NO ORAL AGREEMENTS BETWEEN BORROWER AND LENDER. The provisions of this WCDE Senior Note and the other Loan Documents may be amended or revised only by an instrument in writing signed by the Borrower and Lender. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Lender in writing.

(Remainder of this page intentionally left blank.)

Loan No. [_____]

"BORROWER"

HAVEN SUPPORT, INC., a Texas non-profit corporation

By: _____
Name:
Title:

8847747 v4

8847747v3

**PROMISSORY NOTE
(WCDE Subordinate Loan)**

\$5,750,000.00

San Antonio, Texas
[December _____, 2009]

FOR VALUE RECEIVED, the undersigned Haven Support, Inc. ("Borrower") promises to pay to the order of WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC ("Lender"), at c/o Wells Fargo Bank, National Association Community Lending and Investment, 401 B Street, Suite 304-A, San Diego, CA 92101, or at such other place as may be designated in writing by Lender, the principal sum of FIVE MILLION SEVEN HUNDRED FIFTY THOUSAND AND NO/100THS DOLLARS (\$5,750,000.00) or so much thereof as may be disbursed by Lender to or for the benefit or account of Borrower, with interest thereon (based on a 360-day year and charged on the basis of actual days elapsed) at the "Effective Rate", as defined below.

All references in this note ("WCDE Subordinate Note") to a "day" or a "date" shall be to a calendar day unless specifically referenced as a Business Day. All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds, without offset, deduction or counterclaim of any kind.

As used in this WCDE Subordinate Note, the following terms shall have the following meanings:

"Business Day" means a day of the week (but not a Saturday, Sunday or holiday) on which the offices of Lender are open to the public for carrying on substantially all of Lender's business functions.

"Effective Rate" means one percent (1%) per annum.

Interest accrued on this note WCDE Subordinate Note shall be due and payable on the first (1st) Business Day of each calendar quarter commencing with January 1, 2010.

The outstanding principal balance of this WCDE Subordinate Note, together with all accrued and unpaid interest, shall be due and payable in full on [December __, 2016] ("Maturity Date"). Principal amounts outstanding hereunder, upon which repayment obligations exist and interest accrues, shall be determined by the records of Lender, which shall be deemed to be conclusive in the absence of clear and convincing evidence to the contrary presented by Borrower.

This WCDE Subordinate Note is secured by, among other things, that certain Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing ("Deed of Trust") of even date herewith, executed by Borrower, as grantor, to a trustee for the benefit of Lender, and the other Loan Documents as defined in the Construction Loan Agreement of even date herewith, executed by Borrower, Lender and NNMF Sub-CDE IX, LLC ("NNMF") (as the same may be amended or restated from time to time, the "Loan Agreement").

In order to assure timely payment to Lender of accrued interest, principal, fees and late charges due and owing under the loan evidenced by this Note, Borrower hereby irrevocably authorizes Servicer, on behalf of Lender, to directly debit Borrower's demand deposit account with Wells Fargo Bank, National Association, account no. [_____], for payment when due of all such amounts payable to Lender. Borrower represents and warrants to Lender that Borrower is the legal owner of said account. Written confirmation of the amount and purpose of any such direct debit shall be given to Borrower by Lender not less frequently than quarterly. In the event any direct debit hereunder is returned for insufficient funds, Borrower shall pay Lender upon demand, in immediately available funds, all amounts and expenses due and owing to Lender.

If: (a) Borrower shall fail to pay when due any sums payable hereunder; or (b) a Default (as defined in the Deed of Trust) occurs under the Deed of Trust or under any obligation secured thereby or the Loan Agreement; THEN Lender may, at its sole option, declare all sums owing under this WCDE Subordinate Note immediately due and payable; provided, however, that if any document related to this WCDE Subordinate Note provides for automatic acceleration of payment of sums

owing hereunder, all sums owing hereunder shall be automatically due and payable in accordance with the terms of that document.

From and after the Maturity Date, or such earlier date on which a Default exists under the Loan Agreement or under any other Loan Document, then at the option of Lender, all sums owing on this WCDE Subordinate Note shall bear interest at a rate per annum equal to five percent (5%) in excess of the interest rate otherwise accruing under this WCDE Subordinate Note ("Default Rate").

If any attorney is engaged by Lender to enforce or defend any provision of this WCDE Subordinate Note or the Loan Agreement or any other loan document evidencing or securing the Loan evidenced by this WCDE Subordinate Note (the "Loan Documents"), or as a consequence of any Default, with or without the filing of any legal action or proceeding, then Borrower shall pay to Lender immediately upon demand all attorneys' fees and all costs incurred by Lender in connection therewith, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance owing hereunder as if such unpaid attorneys' fees and costs had been added to the principal.

If any interest or principal payment required hereunder is not received by Lender (whether by direct debit or otherwise) on or before the fifteenth (15th) calendar day of the calendar quarter (regardless of whether the fifteenth (15th) day falls on a Saturday, Sunday or legal holiday) in which it becomes due, Borrower shall pay, at Lender's option, a late or collection charge equal to four percent (4%) of the amount of such unpaid payment ("Late Charge").

No previous waiver and no failure or delay by Lender in acting with respect to the terms of this WCDE Subordinate Note or the Deed of Trust shall constitute a waiver of any breach, default, or failure of condition under this WCDE Subordinate Note, the Deed of Trust or the obligations secured thereby. A waiver of any term of this WCDE Subordinate Note, the Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this WCDE Subordinate Note and the terms of any other document related to the loan evidenced by this WCDE Subordinate Note, the terms of this WCDE Subordinate Note shall prevail.

If this WCDE Subordinate Note is executed by more than one person or entity as Borrower, the obligations of each such person or entity shall be joint and several. No person or entity shall be a mere accommodation maker, but each shall be primarily and directly liable hereunder. Borrower waives: presentment; demand; notice of dishonor; notice of default or delinquency; notice of intention to accelerate; notice of acceleration; notice of protest and nonpayment; notice of costs, expenses or losses and interest thereon; notice of late charges; and diligence in taking any action to collect any sums owing under this WCDE Subordinate Note or in proceeding against any of the rights or interests in or to properties securing payment of this WCDE Subordinate Note. Borrower, and any endorsers or guarantors hereof, agree that the time for any payments hereunder may be extended from time to time without notice and consent, to the acceptance of further collateral, and/or the release of any existing collateral for the payment of this Note, all without in any manner affecting their liability under or with respect to this Note. No extension of time for the payment of this Note or any installment hereof shall affect the liability of Borrower under this Note or any endorser or guarantor hereof even though Borrower or such endorser or guarantor is not a party to such agreement.

Time is of the essence with respect to every provision hereof. This WCDE Subordinate Note shall be governed by, construed and enforced in accordance with the laws of the State of Texas, except to the extent that federal laws preempt the laws of the State of Texas, and all persons and entities in any manner obligated under this WCDE Subordinate Note consent to the jurisdiction of any federal or state court within the State of Texas having proper venue and also consent to service of process by any means authorized by Texas or federal law. This WCDE Subordinate Note is performable in Bexar County, Texas.

It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply strictly with the applicable Texas law governing the maximum rate or amount of interest payable on this WCDE Subordinate Note or the Related Indebtedness (or applicable United States federal law to the extent that it permits Lender to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render usurious any amount (i) contracted for, charged, taken, reserved or received pursuant to this WCDE Subordinate Note, any of the other Loan Documents or any other communication or writing by or between Borrower, Lender and NNMF related to the transaction or transactions that are the subject matter of the Loan Documents, (ii) contracted for, charged or received by reason of Lender's exercise of the option to accelerate the maturity of this WCDE Subordinate Note and/or the Related Indebtedness, or (iii) Borrower will have paid or Lender will have received by reason of any voluntary prepayment by Borrower

of this WCDE Subordinate Note and/or the Related Indebtedness, then it is Borrower's and Lender's express intent that all amounts charged in excess of the Maximum Lawful Rate shall be automatically cancelled, ab initio, and all amounts in excess of the Maximum Lawful Rate theretofore collected by Lender shall be credited on the principal balance of this WCDE Subordinate Note and/or the Related Indebtedness (or, if this WCDE Subordinate Note and all Related Indebtedness have been or would thereby be paid in full, refunded to Borrower), and the provisions of this WCDE Subordinate Note and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; provided, however, if this WCDE Subordinate Note has been paid in full before the end of the stated term of this WCDE Subordinate Note, then Borrower and Lender agree that Lender shall, with reasonable promptness after Lender discovers or is advised by Borrower that interest was received in an amount in excess of the Maximum Lawful Rate, either refund such excess interest to Borrower and/or credit such excess interest against this WCDE Subordinate Note and/or any Related Indebtedness then owing by Borrower to Lender. Borrower hereby agrees that as a condition precedent to any claim seeking usury penalties against Lender, Borrower will provide written notice to Lender, advising Lender in reasonable detail of the nature and amount of the violation, and Lender shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Borrower or crediting such excess interest against this WCDE Subordinate Note and/or the Related Indebtedness then owing by Borrower to Lender. All sums contracted for, charged or received by Lender for the use, forbearance or detention of any debt evidenced by this WCDE Subordinate Note and/or the Related Indebtedness shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of this WCDE Subordinate Note and/or the Related Indebtedness (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of this WCDE Subordinate Note and/or the Related Indebtedness does not exceed the Maximum Lawful Rate from time to time in effect and applicable to this WCDE Subordinate Note and/or the Related Indebtedness for so long as debt is outstanding. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to this WCDE Subordinate Note and/or the Related Indebtedness. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Lender to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration. Borrower and Lender hereby agree that any and all suits alleging the contracting for, charging or receiving of usurious interest shall lie in Bexar County, Texas, and each irrevocably waive the right to venue in any other county.

As used herein, the term "Maximum Lawful Rate" shall mean the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by Lender in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that it permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all Charges (as herein defined) made in connection with the transaction evidenced by this WCDE Subordinate Note and the other Loan Documents. As used herein, the term "Charges" shall mean all fees, charges and/or any other things of value, if any, contracted for, charged, received, taken or reserved by Lender in connection with the transactions relating to this WCDE Subordinate Note and the other Loan Documents, which are treated as interest under applicable law. As used herein, the term "Related Indebtedness" shall mean any and all debt paid or payable by Borrower to Lender and/or NNMF pursuant to the Loan Documents or any other communication or writing by or between Borrower, Lender and/or NNMF related to the transaction or transactions that are the subject matter of the Loan Documents, except such debt which has been paid or is payable by Borrower to Lender under the WCDE Subordinate Note.

To the extent that Lender is relying on Chapter 303 of the Texas Finance Code to determine the Maximum Lawful Rate payable on this WCDE Subordinate Note and/or the Related Indebtedness, Lender will utilize the weekly ceiling from time to time in effect as provided in such Chapter 303, as amended. To the extent United States federal law permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law, Lender will rely on United States federal law instead of such Chapter 303 for the purpose of determining the Maximum Lawful Rate. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lender may, at its option and from time to time, utilize any other method of establishing the Maximum Lawful Rate under such Chapter 303 or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect.

Notwithstanding anything in this WCDE Subordinate Note to the contrary, if at any time (i) interest at the Effective Rate, and (ii) the Charges computed over the full term of this WCDE Subordinate Note, exceed the Maximum Lawful Rate, then the rate of interest payable hereunder, together with all Charges, shall be limited to the Maximum Lawful Rate; provided, however, that any subsequent reduction in the Variable Rate shall not cause a reduction of the rate of interest payable hereunder below the Maximum Lawful Rate until the total amount of interest earned hereunder, together with all Charges, equals the total amount of interest which would have accrued at the Effective Rate if such interest rate had at all times been

in effect. Changes in the Effective Rate resulting from a change in the Variable Rate shall be subject to the provisions of this paragraph.

Borrower recognizes that its default in making any payment as provided herein or in any other Loan Document as agreed to be paid when due, or the occurrence of any other Default hereunder or under any other Loan Document, will require Lender to incur additional expense in servicing and administering the Loan, in loss to Lender of the use of the money due and in frustration to Lender in meeting its other financial and loan commitments and that the damages caused thereby would be extremely difficult and impractical to ascertain. Borrower agrees (a) that an amount equal to the Late Charge plus the accrual of interest at the Default Rate is a reasonable estimate of the damage to Lender in the event of a late payment, and (b) that the accrual of interest at the Default Rate following any other Default is a reasonable estimate of the damage to Lender in the event of such other Default, regardless of whether there has been an acceleration of the loan evidenced hereby. Nothing in this WCDE Subordinate Note shall be construed as an obligation on the part of Lender to accept, at any time, less than the full amount then due hereunder, or as a waiver or limitation of Lender's right to compel prompt performance.

All notices or other communications required or permitted to be given pursuant to this WCDE Subordinate Note shall be given to the Borrower or Lender at the address and in the manner provided for in the Loan Agreement, except as otherwise provided herein.

THIS WCDE SUBORDINATE NOTE AND ALL THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT OF BORROWER AND LENDER AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF BORROWER AND LENDER. THERE ARE NO ORAL AGREEMENTS BETWEEN BORROWER AND LENDER. The provisions of this WCDE Subordinate Note and the other Loan Documents may be amended or revised only by an instrument in writing signed by the Borrower and Lender. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Lender in writing.

(Remainder of this page intentionally left blank.)

Loan No. [_____]

"BORROWER"

HAVEN SUPPORT, INC., a Texas non-profit corporation

By: _____
Name:
Title:

9025797_v1

**PROMISSORY NOTE
(NNMF Senior Loan)**

\$12,000,000.00

San Antonio, Texas
[December _____, 2009]

FOR VALUE RECEIVED, the undersigned Haven Support, Inc. ("Borrower") promises to pay to the order of WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC ("Lender"), at [_____], or at such other place as may be designated in writing by Lender, the principal sum of TWELVE MILLION AND NO/100THS DOLLARS (\$12,000,000.00) or so much thereof as may be disbursed by Lender to or for the benefit or account of Borrower, with interest thereon (based on a 360-day year and charged on the basis of actual days elapsed) at the "Effective Rate", as defined below.

All references in this note ("NNMF Senior Note") to a "day" or a "date" shall be to a calendar day unless specifically referenced as a Business Day. All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds, without offset, deduction or counterclaim of any kind.

As used in this NNMF Senior Note, the following terms shall have the following meanings:

"Business Day" means a day of the week (but not a Saturday, Sunday or holiday) on which the offices of Lender are open to the public for carrying on substantially all of Lender's business functions.

"Effective Rate" means one percent (1%) per annum.

Interest accrued on this note NNMF Senior Note shall be due and payable on the first (1st) Business Day of each calendar quarter commencing with January 1, 2010.

The outstanding principal balance of this NNMF Senior Note, together with all accrued and unpaid interest, shall be due and payable in full on [December __, 2016] ("Maturity Date"). Principal amounts outstanding hereunder, upon which repayment obligations exist and interest accrues, shall be determined by the records of Lender, which shall be deemed to be conclusive in the absence of clear and convincing evidence to the contrary presented by Borrower.

This NNMF Senior Note is secured by, among other things, that certain Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing ("Deed of Trust") of even date herewith, executed by Borrower, as grantor, to a trustee for the benefit of Lender, and the other Loan Documents as defined in the Construction Loan Agreement of even date herewith, executed by Borrower, Lender and Wachovia Community Development Enterprises IV, LLC ("WCDE") (as the same may be amended or restated from time to time, the "Loan Agreement").

In order to assure timely payment to Lender of accrued interest, principal, fees and late charges due and owing under the loan evidenced by this Note, Borrower hereby irrevocably authorizes Servicer, on behalf of Lender, to directly debit Borrower's demand deposit account with Wells Fargo Bank, National Association, account no. [_____], for payment when due of all such amounts payable to Lender. Borrower represents and warrants to Lender that Borrower is the legal owner of said account. Written confirmation of the amount and purpose of any such direct debit shall be given to Borrower by Lender not less frequently than quarterly. In the event any direct debit hereunder is returned for insufficient funds, Borrower shall pay Lender upon demand, in immediately available funds, all amounts and expenses due and owing to Lender.

If: (a) Borrower shall fail to pay when due any sums payable hereunder; or (b) a Default (as defined in the Deed of Trust) occurs under the Deed of Trust or under any obligation secured thereby or the Loan Agreement; THEN Lender may, at its sole option, declare all sums owing under this NNMF Senior Note immediately due and payable; provided, however, that if any document related to this NNMF Senior Note provides for automatic acceleration of payment of sums owing

hereunder, all sums owing hereunder shall be automatically due and payable in accordance with the terms of that document.

From and after the Maturity Date, or such earlier date on which a Default exists under the Loan Agreement or under any other Loan Document, then at the option of Lender, all sums owing on this NNMF Senior Note shall bear interest at a rate per annum equal to five percent (5%) in excess of the interest rate otherwise accruing under this NNMF Senior Note ("Default Rate").

If any attorney is engaged by Lender to enforce or defend any provision of this NNMF Senior Note or the Loan Agreement or any other loan document evidencing or securing the Loan evidenced by this NNMF Senior Note (the "Loan Documents"), or as a consequence of any Default, with or without the filing of any legal action or proceeding, then Borrower shall pay to Lender immediately upon demand all attorneys' fees and all costs incurred by Lender in connection therewith, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance owing hereunder as if such unpaid attorneys' fees and costs had been added to the principal.

If any interest or principal payment required hereunder is not received by Lender (whether by direct debit or otherwise) on or before the fifteenth (15th) calendar day of the calendar quarter (regardless of whether the fifteenth (15th) day falls on a Saturday, Sunday or legal holiday) in which it becomes due, Borrower shall pay, at Lender's option, a late or collection charge equal to four percent (4%) of the amount of such unpaid payment ("Late Charge").

No previous waiver and no failure or delay by Lender in acting with respect to the terms of this NNMF Senior Note or the Deed of Trust shall constitute a waiver of any breach, default, or failure of condition under this NNMF Senior Note, the Deed of Trust or the obligations secured thereby. A waiver of any term of this NNMF Senior Note, the Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this NNMF Senior Note and the terms of any other document related to the loan evidenced by this NNMF Senior Note, the terms of this NNMF Senior Note shall prevail.

If this NNMF Senior Note is executed by more than one person or entity as Borrower, the obligations of each such person or entity shall be joint and several. No person or entity shall be a mere accommodation maker, but each shall be primarily and directly liable hereunder. Borrower waives: presentment; demand; notice of dishonor; notice of default or delinquency; notice of intention to accelerate; notice of acceleration; notice of protest and nonpayment; notice of costs, expenses or losses and interest thereon; notice of late charges; and diligence in taking any action to collect any sums owing under this NNMF Senior Note or in proceeding against any of the rights or interests in or to properties securing payment of this NNMF Senior Note. Borrower, and any endorsers or guarantors hereof, agree that the time for any payments hereunder may be extended from time to time without notice and consent, to the acceptance of further collateral, and/or the release of any existing collateral for the payment of this Note, all without in any manner affecting their liability under or with respect to this Note. No extension of time for the payment of this Note or any installment hereof shall affect the liability of Borrower under this Note or any endorser or guarantor hereof even though Borrower or such endorser or guarantor is not a party to such agreement.

Time is of the essence with respect to every provision hereof. This NNMF Senior Note shall be governed by, construed and enforced in accordance with the laws of the State of Texas, except to the extent that federal laws preempt the laws of the State of Texas, and all persons and entities in any manner obligated under this NNMF Senior Note consent to the jurisdiction of any federal or state court within the State of Texas having proper venue and also consent to service of process by any means authorized by Texas or federal law. This NNMF Senior Note is performable in Bexar County, Texas.

It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply strictly with the applicable Texas law governing the maximum rate or amount of interest payable on this NNMF Senior Note or the Related Indebtedness (or applicable United States federal law to the extent that it permits Lender to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render usurious any amount (i) contracted for, charged, taken, reserved or received pursuant to this NNMF Senior Note, any of the other Loan Documents or any other communication or writing by or between Borrower, Lender and WCDE related to the transaction or transactions that are the subject matter of the Loan Documents, (ii) contracted for, charged or received by reason of Lender's exercise of the option to accelerate the maturity of this NNMF Senior Note and/or the Related Indebtedness, or (iii) Borrower will have paid or Lender will have received by reason of any voluntary prepayment by Borrower of this NNMF Senior Note and/or the Related Indebtedness, then it is Borrower's and Lender's express intent that all amounts charged in excess of the Maximum Lawful Rate shall be automatically cancelled, ab initio, and all amounts in excess of the Maximum Lawful Rate

theretofore collected by Lender shall be credited on the principal balance of this NNMF Senior Note and/or the Related Indebtedness (or, if this NNMF Senior Note and all Related Indebtedness have been or would thereby be paid in full, refunded to Borrower), and the provisions of this NNMF Senior Note and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; provided, however, if this NNMF Senior Note has been paid in full before the end of the stated term of this NNMF Senior Note, then Borrower and Lender agree that Lender shall, with reasonable promptness after Lender discovers or is advised by Borrower that interest was received in an amount in excess of the Maximum Lawful Rate, either refund such excess interest to Borrower and/or credit such excess interest against this NNMF Senior Note and/or any Related Indebtedness then owing by Borrower to Lender. Borrower hereby agrees that as a condition precedent to any claim seeking usury penalties against Lender, Borrower will provide written notice to Lender, advising Lender in reasonable detail of the nature and amount of the violation, and Lender shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Borrower or crediting such excess interest against this NNMF Senior Note and/or the Related Indebtedness then owing by Borrower to Lender. All sums contracted for, charged or received by Lender for the use, forbearance or detention of any debt evidenced by this NNMF Senior Note and/or the Related Indebtedness shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of this NNMF Senior Note and/or the Related Indebtedness (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of this NNMF Senior Note and/or the Related Indebtedness does not exceed the Maximum Lawful Rate from time to time in effect and applicable to this NNMF Senior Note and/or the Related Indebtedness for so long as debt is outstanding. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to this NNMF Senior Note and/or the Related Indebtedness. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Lender to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration. Borrower and Lender hereby agree that any and all suits alleging the contracting for, charging or receiving of usurious interest shall lie in Bexar County, Texas, and each irrevocably waive the right to venue in any other county.

As used herein, the term "Maximum Lawful Rate" shall mean the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by Lender in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that it permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all Charges (as herein defined) made in connection with the transaction evidenced by this NNMF Senior Note and the other Loan Documents. As used herein, the term "Charges" shall mean all fees, charges and/or any other things of value, if any, contracted for, charged, received, taken or reserved by Lender in connection with the transactions relating to this NNMF Senior Note and the other Loan Documents, which are treated as interest under applicable law. As used herein, the term "Related Indebtedness" shall mean any and all debt paid or payable by Borrower to Lender and/or WCDE pursuant to the Loan Documents or any other communication or writing by or between Borrower, Lender and/or WCDE related to the transaction or transactions that are the subject matter of the Loan Documents, except such debt which has been paid or is payable by Borrower to Lender under the NNMF Senior Note.

To the extent that Lender is relying on Chapter 303 of the Texas Finance Code to determine the Maximum Lawful Rate payable on this NNMF Senior Note and/or the Related Indebtedness, Lender will utilize the weekly ceiling from time to time in effect as provided in such Chapter 303, as amended. To the extent United States federal law permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law, Lender will rely on United States federal law instead of such Chapter 303 for the purpose of determining the Maximum Lawful Rate. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lender may, at its option and from time to time, utilize any other method of establishing the Maximum Lawful Rate under such Chapter 303 or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect.

Notwithstanding anything in this NNMF Senior Note to the contrary, if at any time (i) interest at the Effective Rate, and (ii) the Charges computed over the full term of this NNMF Senior Note, exceed the Maximum Lawful Rate, then the rate of interest payable hereunder, together with all Charges, shall be limited to the Maximum Lawful Rate; provided, however, that any subsequent reduction in the Variable Rate shall not cause a reduction of the rate of interest payable hereunder below the Maximum Lawful Rate until the total amount of interest earned hereunder, together with all Charges, equals the total amount of interest which would have accrued at the Effective Rate if such interest rate had at all times been in effect. Changes in the Effective Rate resulting from a change in the Variable Rate shall be subject to the provisions of this paragraph.

Borrower recognizes that its default in making any payment as provided herein or in any other Loan Document as agreed to be paid when due, or the occurrence of any other Default hereunder or under any other Loan Document, will require Lender to incur additional expense in servicing and administering the Loan, in loss to Lender of the use of the money due and in frustration to Lender in meeting its other financial and loan commitments and that the damages caused thereby would be extremely difficult and impractical to ascertain. Borrower agrees (a) that an amount equal to the Late Charge plus the accrual of interest at the Default Rate is a reasonable estimate of the damage to Lender in the event of a late payment, and (b) that the accrual of interest at the Default Rate following any other Default is a reasonable estimate of the damage to Lender in the event of such other Default, regardless of whether there has been an acceleration of the loan evidenced hereby. Nothing in this NNMF Senior Note shall be construed as an obligation on the part of Lender to accept, at any time, less than the full amount then due hereunder, or as a waiver or limitation of Lender's right to compel prompt performance.

All notices or other communications required or permitted to be given pursuant to this NNMF Senior Note shall be given to the Borrower or Lender at the address and in the manner provided for in the Loan Agreement, except as otherwise provided herein.

THIS NNMF SENIOR NOTE AND ALL THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT OF BORROWER AND LENDER AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF BORROWER AND LENDER. THERE ARE NO ORAL AGREEMENTS BETWEEN BORROWER AND LENDER. The provisions of this NNMF Senior Note and the other Loan Documents may be amended or revised only by an instrument in writing signed by the Borrower and Lender. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Lender in writing.

(Remainder of this page intentionally left blank.)

Loan No. [_____]

"BORROWER"

HAVEN SUPPORT, INC., a Texas non-profit corporation

By: _____
Name:
Title:

9025820_v1

9025820_v1

**PROMISSORY NOTE
(NNMF Subordinate Loan)**

\$3,000,000.00

San Antonio, Texas
[December _____, 2009]

FOR VALUE RECEIVED, the undersigned Haven Support, Inc. ("Borrower") promises to pay to the order of WACHOVIA COMMUNITY DEVELOPMENT ENTERPRISES IV, LLC ("Lender"), at [_____], or at such other place as may be designated in writing by Lender, the principal sum of THREE MILLION AND NO/100THS DOLLARS (\$3,000,000.00) or so much thereof as may be disbursed by Lender to or for the benefit or account of Borrower, with interest thereon (based on a 360-day year and charged on the basis of actual days elapsed) at the "Effective Rate", as defined below.

All references in this note ("NNMF Subordinate Note") to a "day" or a "date" shall be to a calendar day unless specifically referenced as a Business Day. All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds, without offset, deduction or counterclaim of any kind.

As used in this NNMF Subordinate Note, the following terms shall have the following meanings:

"Business Day" means a day of the week (but not a Saturday, Sunday or holiday) on which the offices of Lender are open to the public for carrying on substantially all of Lender's business functions.

"Effective Rate" means one percent (1%) per annum.

Interest accrued on this note NNMF Subordinate Note shall be due and payable on the first (1st) Business Day of each calendar quarter commencing with January 1, 2010.

The outstanding principal balance of this NNMF Subordinate Note, together with all accrued and unpaid interest, shall be due and payable in full on [December __, 2016] ("Maturity Date"). Principal amounts outstanding hereunder, upon which repayment obligations exist and interest accrues, shall be determined by the records of Lender, which shall be deemed to be conclusive in the absence of clear and convincing evidence to the contrary presented by Borrower.

This NNMF Subordinate Note is secured by, among other things, that certain Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing ("Deed of Trust") of even date herewith, executed by Borrower, as grantor, to a trustee for the benefit of Lender, and the other Loan Documents as defined in the Construction Loan Agreement of even date herewith, executed by Borrower, Lender and Wachovia Community Development Enterprises IV, LLC ("WCDE") (as the same may be amended or restated from time to time, the "Loan Agreement").

In order to assure timely payment to Lender of accrued interest, principal, fees and late charges due and owing under the loan evidenced by this Note, Borrower hereby irrevocably authorizes Servicer, on behalf of Lender, to directly debit Borrower's demand deposit account with Wells Fargo Bank, National Association, account no. [_____], for payment when due of all such amounts payable to Lender. Borrower represents and warrants to Lender that Borrower is the legal owner of said account. Written confirmation of the amount and purpose of any such direct debit shall be given to Borrower by Lender not less frequently than quarterly. In the event any direct debit hereunder is returned for insufficient funds, Borrower shall pay Lender upon demand, in immediately available funds, all amounts and expenses due and owing to Lender.

If: (a) Borrower shall fail to pay when due any sums payable hereunder; or (b) a Default (as defined in the Deed of Trust) occurs under the Deed of Trust or under any obligation secured thereby or the Loan Agreement; THEN Lender may, at its sole option, declare all sums owing under this NNMF Subordinate Note immediately due and payable; provided, however, that if any document related to this NNMF Subordinate Note provides for automatic acceleration of payment of sums

owing hereunder, all sums owing hereunder shall be automatically due and payable in accordance with the terms of that document.

From and after the Maturity Date, or such earlier date on which a Default exists under the Loan Agreement or under any other Loan Document, then at the option of Lender, all sums owing on this NNMF Subordinate Note shall bear interest at a rate per annum equal to five percent (5%) in excess of the interest rate otherwise accruing under this NNMF Subordinate Note ("Default Rate").

If any attorney is engaged by Lender to enforce or defend any provision of this NNMF Subordinate Note or the Loan Agreement or any other loan document evidencing or securing the Loan evidenced by this NNMF Subordinate Note (the "Loan Documents"), or as a consequence of any Default, with or without the filing of any legal action or proceeding, then Borrower shall pay to Lender immediately upon demand all attorneys' fees and all costs incurred by Lender in connection therewith, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance owing hereunder as if such unpaid attorneys' fees and costs had been added to the principal.

If any interest or principal payment required hereunder is not received by Lender (whether by direct debit or otherwise) on or before the fifteenth (15th) calendar day of the calendar quarter (regardless of whether the fifteenth (15th) day falls on a Saturday, Sunday or legal holiday) in which it becomes due, Borrower shall pay, at Lender's option, a late or collection charge equal to four percent (4%) of the amount of such unpaid payment ("Late Charge").

No previous waiver and no failure or delay by Lender in acting with respect to the terms of this NNMF Subordinate Note or the Deed of Trust shall constitute a waiver of any breach, default, or failure of condition under this NNMF Subordinate Note, the Deed of Trust or the obligations secured thereby. A waiver of any term of this NNMF Subordinate Note, the Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this NNMF Subordinate Note and the terms of any other document related to the loan evidenced by this NNMF Subordinate Note, the terms of this NNMF Subordinate Note shall prevail.

If this NNMF Subordinate Note is executed by more than one person or entity as Borrower, the obligations of each such person or entity shall be joint and several. No person or entity shall be a mere accommodation maker, but each shall be primarily and directly liable hereunder. Borrower waives: presentment; demand; notice of dishonor; notice of default or delinquency; notice of intention to accelerate; notice of acceleration; notice of protest and nonpayment; notice of costs, expenses or losses and interest thereon; notice of late charges; and diligence in taking any action to collect any sums owing under this NNMF Subordinate Note or in proceeding against any of the rights or interests in or to properties securing payment of this NNMF Subordinate Note. Borrower, and any endorsers or guarantors hereof, agree that the time for any payments hereunder may be extended from time to time without notice and consent, to the acceptance of further collateral, and/or the release of any existing collateral for the payment of this Note, all without in any manner affecting their liability under or with respect to this Note. No extension of time for the payment of this Note or any installment hereof shall affect the liability of Borrower under this Note or any endorser or guarantor hereof even though Borrower or such endorser or guarantor is not a party to such agreement.

Time is of the essence with respect to every provision hereof. This NNMF Subordinate Note shall be governed by, construed and enforced in accordance with the laws of the State of Texas, except to the extent that federal laws preempt the laws of the State of Texas, and all persons and entities in any manner obligated under this NNMF Subordinate Note consent to the jurisdiction of any federal or state court within the State of Texas having proper venue and also consent to service of process by any means authorized by Texas or federal law. This NNMF Subordinate Note is performable in Bexar County, Texas.

It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply strictly with the applicable Texas law governing the maximum rate or amount of interest payable on this NNMF Subordinate Note or the Related Indebtedness (or applicable United States federal law to the extent that it permits Lender to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render usurious any amount (i) contracted for, charged, taken, reserved or received pursuant to this NNMF Subordinate Note, any of the other Loan Documents or any other communication or writing by or between Borrower, Lender and WCDE related to the transaction or transactions that are the subject matter of the Loan Documents, (ii) contracted for, charged or received by reason of Lender's exercise of the option to accelerate the maturity of this NNMF Subordinate Note and/or the Related

Indebtedness, or (iii) Borrower will have paid or Lender will have received by reason of any voluntary prepayment by Borrower of this NNMF Subordinate Note and/or the Related Indebtedness, then it is Borrower's and Lender's express intent that all amounts charged in excess of the Maximum Lawful Rate shall be automatically cancelled, ab initio, and all amounts in excess of the Maximum Lawful Rate theretofore collected by Lender shall be credited on the principal balance of this NNMF Subordinate Note and/or the Related Indebtedness (or, if this NNMF Subordinate Note and all Related Indebtedness have been or would thereby be paid in full, refunded to Borrower), and the provisions of this NNMF Subordinate Note and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; provided, however, if this NNMF Subordinate Note has been paid in full before the end of the stated term of this NNMF Subordinate Note, then Borrower and Lender agree that Lender shall, with reasonable promptness after Lender discovers or is advised by Borrower that interest was received in an amount in excess of the Maximum Lawful Rate, either refund such excess interest to Borrower and/or credit such excess interest against this NNMF Subordinate Note and/or any Related Indebtedness then owing by Borrower to Lender. Borrower hereby agrees that as a condition precedent to any claim seeking usury penalties against Lender, Borrower will provide written notice to Lender, advising Lender in reasonable detail of the nature and amount of the violation, and Lender shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Borrower or crediting such excess interest against this NNMF Subordinate Note and/or the Related Indebtedness then owing by Borrower to Lender. All sums contracted for, charged or received by Lender for the use, forbearance or detention of any debt evidenced by this NNMF Subordinate Note and/or the Related Indebtedness shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of this NNMF Subordinate Note and/or the Related Indebtedness (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of this NNMF Subordinate Note and/or the Related Indebtedness does not exceed the Maximum Lawful Rate from time to time in effect and applicable to this NNMF Subordinate Note and/or the Related Indebtedness for so long as debt is outstanding. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to this NNMF Subordinate Note and/or the Related Indebtedness. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Lender to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration. Borrower and Lender hereby agree that any and all suits alleging the contracting for, charging or receiving of usurious interest shall lie in Bexar County, Texas, and each irrevocably waive the right to venue in any other county.

As used herein, the term "Maximum Lawful Rate" shall mean the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by Lender in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that it permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all Charges (as herein defined) made in connection with the transaction evidenced by this NNMF Subordinate Note and the other Loan Documents. As used herein, the term "Charges" shall mean all fees, charges and/or any other things of value, if any, contracted for, charged, received, taken or reserved by Lender in connection with the transactions relating to this NNMF Subordinate Note and the other Loan Documents, which are treated as interest under applicable law. As used herein, the term "Related Indebtedness" shall mean any and all debt paid or payable by Borrower to Lender and/or WCDE pursuant to the Loan Documents or any other communication or writing by or between Borrower, Lender and/or WCDE related to the transaction or transactions that are the subject matter of the Loan Documents, except such debt which has been paid or is payable by Borrower to Lender under the NNMF Subordinate Note.

To the extent that Lender is relying on Chapter 303 of the Texas Finance Code to determine the Maximum Lawful Rate payable on this NNMF Subordinate Note and/or the Related Indebtedness, Lender will utilize the weekly ceiling from time to time in effect as provided in such Chapter 303, as amended. To the extent United States federal law permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law, Lender will rely on United States federal law instead of such Chapter 303 for the purpose of determining the Maximum Lawful Rate. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lender may, at its option and from time to time, utilize any other method of establishing the Maximum Lawful Rate under such Chapter 303 or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect.

Notwithstanding anything in this NNMF Subordinate Note to the contrary, if at any time (i) interest at the Effective Rate, and (ii) the Charges computed over the full term of this NNMF Subordinate Note, exceed the Maximum Lawful Rate, then the rate of interest payable hereunder, together with all Charges, shall be limited to the Maximum Lawful Rate; provided, however, that any subsequent reduction in the Variable Rate shall not cause a reduction of the rate of interest payable hereunder

below the Maximum Lawful Rate until the total amount of interest earned hereunder, together with all Charges, equals the total amount of interest which would have accrued at the Effective Rate if such interest rate had at all times been in effect. Changes in the Effective Rate resulting from a change in the Variable Rate shall be subject to the provisions of this paragraph.

Borrower recognizes that its default in making any payment as provided herein or in any other Loan Document as agreed to be paid when due, or the occurrence of any other Default hereunder or under any other Loan Document, will require Lender to incur additional expense in servicing and administering the Loan, in loss to Lender of the use of the money due and in frustration to Lender in meeting its other financial and loan commitments and that the damages caused thereby would be extremely difficult and impractical to ascertain. Borrower agrees (a) that an amount equal to the Late Charge plus the accrual of interest at the Default Rate is a reasonable estimate of the damage to Lender in the event of a late payment, and (b) that the accrual of interest at the Default Rate following any other Default is a reasonable estimate of the damage to Lender in the event of such other Default, regardless of whether there has been an acceleration of the loan evidenced hereby. Nothing in this NNM Subordinate Note shall be construed as an obligation on the part of Lender to accept, at any time, less than the full amount then due hereunder, or as a waiver or limitation of Lender's right to compel prompt performance.

All notices or other communications required or permitted to be given pursuant to this NNM Subordinate Note shall be given to the Borrower or Lender at the address and in the manner provided for in the Loan Agreement, except as otherwise provided herein.

THIS NNM SUBORDINATE NOTE AND ALL THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT OF BORROWER AND LENDER AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF BORROWER AND LENDER. THERE ARE NO ORAL AGREEMENTS BETWEEN BORROWER AND LENDER. The provisions of this NNM Subordinate Note and the other Loan Documents may be amended or revised only by an instrument in writing signed by the Borrower and Lender. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Lender in writing.

(Remainder of this page intentionally left blank.)

"BORROWER"

HAVEN SUPPORT, INC., a Texas non-profit corporation

By: _____

Name:

Title:

CONSTRUCTION LOAN AGREEMENT

between

Haven Support, Inc.

as Borrower

and

Wachovia Community Development Enterprises IV, LLC

and

NNMF Sub-CDE IX, LLC

as Lenders

Entered into as of December __, 2009

TABLE OF CONTENTS

| | |
|---|----|
| ARTICLE 1. DEFINITIONS..... | 1 |
| 1.1 DEFINED TERMS..... | 1 |
| 1.2 EXHIBITS INCORPORATED..... | 6 |
| ARTICLE 2. LOANS | 6 |
| 2.1 LOANS..... | 6 |
| 2.2 LOAN DOCUMENTS | 6 |
| 2.3 LOAN FEES..... | 7 |
| 2.4 EFFECTIVE DATE..... | 7 |
| 2.5 MATURITY DATE | 7 |
| 2.6 CREDIT FOR PRINCIPAL PAYMENTS | 7 |
| 2.7 APPRAISAL REQUIREMENT..... | 8 |
| 2.8 FULL REPAYMENT AND RELEASE OF LIEN..... | 8 |
| 2.9 PREPAYMENT..... | 8 |
| ARTICLE 3. DISBURSEMENT..... | 8 |
| 3.1 CONDITIONS PRECEDENT | 8 |
| 3.2 ACCOUNT, PLEDGE AND ASSIGNMENT, AND DISBURSEMENT AUTHORIZATION | 9 |
| 3.3 DISBURSEMENT ACCOUNT, PLEDGE AND ASSIGNMENT | 10 |
| 3.4 LOAN DISBURSEMENTS | 10 |
| 3.5 FUNDS TRANSFER DISBURSEMENTS | 10 |
| ARTICLE 4. CONSTRUCTION | 10 |
| 4.1 COMMENCEMENT OF CONSTRUCTION | 10 |
| 4.2 COMPLETION OF CONSTRUCTION | 11 |
| 4.3 COMMENCEMENT AND COMPLETION OF OFFSITE IMPROVEMENTS | 11 |
| 4.4 FORCE MAJEURE | 11 |
| 4.5 CONSTRUCTION AGREEMENT | 11 |
| 4.6 ARCHITECT'S AGREEMENT..... | 11 |
| 4.7 PLANS AND SPECIFICATIONS..... | 11 |
| 4.8 CONTRACTOR/CONSTRUCTION INFORMATION | 12 |
| 4.9 PROHIBITED CONTRACTS..... | 12 |
| 4.10 LIENS AND NOTICES | 12 |
| 4.11 CONSTRUCTION RESPONSIBILITIES | 12 |
| 4.12 ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS..... | 13 |
| 4.13 DELAY..... | 13 |
| 4.14 CONSTRUCTION CONSULTANT/INSPECTION..... | 13 |
| 4.15 SURVEYS | 13 |

| | |
|---|----|
| ARTICLE 5. INSURANCE | 13 |
| 5.1 TITLE INSURANCE | 13 |
| 5.2 PROPERTY INSURANCE | 14 |
| 5.3 LIABILITY INSURANCE..... | 14 |
| 5.4 OTHER COVERAGE | 14 |
| 5.5 GENERAL | 14 |
| 5.6 COLLATERAL PROTECTION INSURANCE NOTICE | 14 |
| ARTICLE 6. REPRESENTATIONS AND WARRANTIES | 14 |
| 6.1 AUTHORITY/ENFORCEABILITY | 15 |
| 6.2 BINDING OBLIGATIONS..... | 15 |
| 6.3 FORMATION AND ORGANIZATIONAL DOCUMENTS..... | 15 |
| 6.4 NO VIOLATION..... | 15 |
| 6.5 COMPLIANCE WITH LAWS | 15 |
| 6.6 LITIGATION | 15 |
| 6.7 FINANCIAL CONDITION | 15 |
| 6.8 NO MATERIAL ADVERSE CHANGE | 15 |
| 6.9 LOAN PROCEEDS AND ADEQUACY | 15 |
| 6.10 ACCURACY | 15 |
| 6.11 TAX LIABILITY | 16 |
| 6.12 UTILITIES..... | 16 |
| 6.13 COMPLIANCE..... | 16 |
| 6.14 AMERICANS WITH DISABILITIES ACT COMPLIANCE | 16 |
| 6.15 PLANS AND SPECIFICATIONS..... | 16 |
| 6.16 BUSINESS LOANS..... | 16 |
| 6.17 TAX SHELTER REGULATIONS..... | 16 |
| 6.18 TRADE NAMES | 16 |
| 6.19 NMTC REPRESENTATIONS AND WARRANTIES..... | 16 |
| ARTICLE 7. HAZARDOUS MATERIALS | 16 |
| 7.1 SPECIAL REPRESENTATIONS AND WARRANTIES..... | 16 |
| 7.2 HAZARDOUS MATERIALS COVENANTS..... | 17 |
| 7.3 INSPECTION BY LENDER..... | 18 |
| 7.4 HAZARDOUS MATERIALS INDEMNITY | 18 |
| ARTICLE 8. SET ASIDE LETTERS | 18 |
| 8.1 SET ASIDE LETTERS | 18 |
| ARTICLE 9. COVENANTS OF BORROWER | 19 |
| 9.1 EXPENSES..... | 19 |
| 9.2 ERISA COMPLIANCE..... | 19 |
| 9.3 LEASES | 19 |
| 9.4 APPROVAL OF LEASES..... | 19 |

| | | |
|-------------|---|----|
| 9.5 | SUBDIVISION MAPS..... | 20 |
| 9.6 | OPINION OF LEGAL COUNSEL..... | 20 |
| 9.7 | FURTHER ASSURANCES..... | 20 |
| 9.8 | ASSIGNMENT..... | 20 |
| 9.9 | MANAGEMENT OF PROPERTY..... | 20 |
| 9.10 | NMTC COVENANTS..... | 20 |
| ARTICLE 10. | REPORTING COVENANTS..... | 20 |
| 10.1 | FINANCIAL INFORMATION..... | 20 |
| 10.2 | BOOKS AND RECORDS..... | 21 |
| 10.3 | REPORTS..... | 21 |
| 10.4 | FINANCIAL COVENANTS..... | 21 |
| ARTICLE 11. | DEFAULTS AND REMEDIES..... | 22 |
| 11.1 | DEFAULT..... | 22 |
| 11.2 | ACCELERATION UPON DEFAULT; REMEDIES..... | 24 |
| 11.3 | DISBURSEMENTS TO THIRD PARTIES..... | 24 |
| 11.4 | LENDERS' COMPLETION OF CONSTRUCTION..... | 24 |
| 11.5 | LENDERS' CESSATION OF CONSTRUCTION..... | 25 |
| 11.6 | REPAYMENT OF FUNDS ADVANCED..... | 25 |
| 11.7 | RIGHTS CUMULATIVE, NO WAIVER..... | 25 |
| ARTICLE 12. | CO-LENDING: LOAN ADMINISTRATION..... | 25 |
| 12.1 | PRO RATA TREATMENT..... | 25 |
| 12.2 | OWNERSHIP OF LOAN AND LOAN DOCUMENTS..... | 25 |
| 12.3 | APPOINTMENT..... | 25 |
| 12.4 | APPROVALS BY LENDERS..... | 25 |
| 12.5 | DECISIONS BY LENDERS; ENFORCEMENT..... | 26 |
| 12.6 | INDEPENDENT CREDIT ANALYSIS..... | 27 |
| 12.7 | REINVESTMENT..... | 28 |
| 12.8 | DEFAULTING LENDER..... | 28 |
| 12.9 | BORROWER'S RIGHTS..... | 28 |
| ARTICLE 13. | MISCELLANEOUS PROVISIONS..... | 28 |
| 13.1 | INDEMNITY..... | 28 |
| 13.2 | FORM OF DOCUMENTS..... | 29 |
| 13.3 | NO THIRD PARTIES BENEFITED..... | 29 |
| 13.4 | NOTICES..... | 29 |
| 13.5 | PUBLICITY..... | 29 |
| 13.6 | ATTORNEY-IN-FACT..... | 29 |
| 13.7 | ACTIONS..... | 29 |
| 13.8 | RIGHT OF CONTEST..... | 29 |
| 13.9 | RELATIONSHIP OF PARTIES..... | 30 |

| | | |
|-------|--|----|
| 13.10 | DELAY OUTSIDE LENDERS' CONTROL..... | 30 |
| 13.11 | ATTORNEYS' FEES AND EXPENSES; ENFORCEMENT | 30 |
| 13.12 | IMMEDIATELY AVAILABLE FUNDS..... | 30 |
| 13.13 | LENDERS' CONSENT..... | 30 |
| 13.14 | LOAN SALES AND PARTICIPATIONS; DISCLOSURE OF INFORMATION..... | 30 |
| 13.15 | CAPITAL ADEQUACY | 31 |
| 13.16 | SIGNS | 31 |
| 13.17 | LENDERS' AGENTS/SERVICER..... | 31 |
| 13.18 | TAX SERVICE..... | 31 |
| 13.19 | WAIVER OF RIGHT TO TRIAL BY JURY | 31 |
| 13.20 | SEVERABILITY..... | 32 |
| 13.21 | HEIRS, SUCCESSORS AND ASSIGNS | 32 |
| 13.22 | TIME..... | 32 |
| 13.23 | HEADINGS..... | 32 |
| 13.24 | GOVERNING LAW | 32 |
| 13.25 | USA PATRIOT ACT NOTICE | 32 |
| 13.26 | INTEREST PROVISIONS..... | 32 |
| 13.27 | JOINT AND SEVERAL LIABILITY | 34 |
| 13.28 | WAIVER OF CONSUMER RIGHTS | 34 |
| 13.29 | COUNTERPARTS | 34 |
| 13.30 | INTEGRATION; INTERPRETATION..... | 34 |
| | EXHIBIT A - DESCRIPTION OF PROPERTY | 39 |
| | EXHIBIT B - DOCUMENTS..... | 40 |
| | EXHIBIT C - FINANCIAL REQUIREMENT ANALYSIS | 42 |
| | EXHIBIT D - DISBURSEMENT PLAN..... | 44 |
| | EXHIBIT E - APPLICATION FOR PAYMENT | 48 |
| | EXHIBIT F - TRANSFER AUTHORIZER DESIGNATION | 49 |
| | EXHIBIT G - AFFIDAVIT OF COMMENCEMENT | 50 |
| | EXHIBIT H - AFFIDAVIT OF COMPLETION | 52 |
| | EXHIBIT I - NMTC ADDENDUM TO CONSTRUCTION LOAN AGREEMENT | 55 |

CONSTRUCTION LOAN AGREEMENT

THIS CONSTRUCTION LOAN AGREEMENT ("Agreement") is entered into as of December __, 2009, by and among Haven Support, Inc., a Texas non-profit corporation ("Borrower"), Wachovia Community Development Enterprises IV, LLC, a North Carolina limited liability company ("WCDE") and NNMF Sub-CDE IX, LLC, a California limited liability company ("NNMF"). WCDE and NNMF are each referred to herein as a "Lender" and collectively as the "Lenders".

RECITALS

- A. Borrower leases or will lease certain real property described in Exhibit A hereto ("Property") pursuant to the Sublease (as herein defined).
- B. Borrower proposes to renovate and construct upon the Property certain improvements consisting of: six (6) buildings including childcare, medical, and food service facilities, recreational buildings, and administrative offices together with all appurtenances, fixtures, and tenant improvements now or hereafter located on the Property ("Improvements"). The Improvements shall be renovated and constructed in accordance with plans and specifications which Borrower has heretofore, or will hereafter deliver to Lenders, as amended in order to comply with the terms and conditions of this Agreement ("Plans and Specifications"). Borrower has requested from Lenders certain loans for the purpose of such renovation and construction.

NOW, THEREFORE, Borrower and Lenders agree as follows:

ARTICLE 1. DEFINITIONS

- 1.1 **DEFINED TERMS**. The following capitalized terms generally used in this Agreement shall have the meanings defined or referenced below. Certain other capitalized terms used only in specific sections of this Agreement are defined in such sections.

"ADA" - means the Americans with Disabilities Act, 42 U.S.C. §§ 12101, et seq. as now or hereafter amended or modified.

"Affidavit of Commencement" - shall have the meaning ascribed to such term in Section 4.1.

"Affidavit of Completion" - shall have the meaning ascribed to such term in Section 4.2.

"Agreement" - shall have the meaning ascribed to such term in the preamble hereto.

"Aggregate Commitment" means the aggregate of all Commitments, which shall be equal to Forty Million and No/100ths Dollars (\$40,000,000.00).

"Allocation Agreement" - means, collectively, the allocation agreements by and between each of the Lenders and the Community Development Financial Institutions Fund governing the allocation of New Markets Tax Credit authority with respect to the Loans.

"Architect" - means Overland Partners, Inc., a [Texas] corporation.

"Architect's Agreement" - means that certain agreement dated April 27, 2007, as amended pursuant to a First Amendment dated as of November 5, 2007, as amended by that certain _____ dated _____.]

"Bankruptcy Code" - means the Bankruptcy Reform Act of 1978 (11 USC § 101-1330) as now or hereafter amended or recodified.

"Bonded Work" - shall have the meaning ascribed to such term in Section 8.1.

"Borrower" - means Haven Support, Inc., a Texas non-profit corporation.

"Borrower's Equity" – means funds obtained by Borrower from equity contributions in the amount of \$31,250,000, and which are applied to the payment of the acquisition, renovation and construction of the Property and improvements and payment of Verified Project Costs, as set forth in Section 3.1(f) hereof.

"Borrower's Funds" - means all funds of Borrower deposited with Wells Fargo Bank, National Association pursuant to the terms and conditions of this Agreement.

"Business Day" - means a day of the week (but not a Saturday, Sunday or holiday) on which the offices of Wells Fargo Bank, National Association are open to the public for carrying on substantially all of its business functions. Unless specifically referenced in this Agreement as a Business Day, all references to "days" shall be to calendar days

"Commitment" means with respect to any Lender, all of the obligations of such Lender to advance the full principal amount of its portion of the Loans pursuant to this Agreement and as set forth in such Lender's Notes, and with respect to all Lenders, all of the obligations of the Lenders to advance the full principal amount of the Loans pursuant to this Agreement and as set forth in each of the Notes, as the context requires.

"Completion Date" - means August ____, 2010, the date by which construction of the Improvements must be complete.

"Completion of Construction" – means the following events shall have occurred: (a) (i) Lenders' receipt of a written statement or certificate executed by each Architect designated or shown on the Plans and Specifications certifying, without qualification or exception, that the Improvements are substantially completed, and (ii) Lenders' receipt of all required occupancy permit(s) for all of the Improvements issued by the local government agency having jurisdiction and authority to issue same, and (iii) the expiration of the statutory period(s) within which valid mechanic's liens, materialman's liens and/or stop notices may be recorded and/or served by reason of the construction of the Improvements, or, alternatively, Lenders' receipt of valid, unconditional releases thereof from all persons entitled to record said liens or serve said stop notices; or (b) Lenders' receipt of such other evidence of lien free completion as the Servicer deems satisfactory in its reasonable discretion.

"Construction Agreement" - means that certain agreement to construct the improvements dated March 7, 2008 by and between Guarantor and Contractor, as amended by that certain _____ dated _____.

"Construction Consultant" – means the consultant identified in Section 4.14.

"Contractor" - means Zachry Construction Company.

"Deed of Trust" – mean, collectively, the Senior Deed of Trust and Subordinate Deed of Trust.

"Default" - shall have the meaning ascribed to such term in Section 11.1.

"Default Rate" – shall have the meaning set forth in the Notes.

"Defaulting Lender" – shall have the same meaning ascribed to such term in Section 12.8.

"Disbursement Account" – means an account with Wells Fargo Bank, National Association account number [_____] in the name of Borrower, into which all proceeds of the Loan shall be deposited pursuant to Section 2.1.

"Effective Date" - means the date that the Loan Documents are unconditionally executed and delivered by Borrower and Lenders.

"Frost Loan Documents" – means any documents, instruments or statements executed or delivered by Guarantor with respect to the Frost Line of Credit.

"Frost Line of Credit" – means the line of credit in the maximum amount of \$20,000,000 extended by The Frost National Bank to Guarantor.

"Ground Lease" – means the ground lease by and between the City of San Antonio, a Texas municipal corporation and a home rule municipality and Guarantor dated as of March __, 2008.

"Guarantor" - means Haven for Hope of Bexar County, a Texas non-profit corporation, and any successors or assigns.

"Hazardous Materials" - shall have the meaning ascribed to such term in Section 7.1 (a).

"Hazardous Materials Claims" - shall have the meaning ascribed to such term in Section 7.1 (c).

"Hazardous Materials Laws" - shall have the meaning ascribed to such term in Section 7.1 (b).

"Indebtedness" - means all principal, interest and other charges payable by Borrower to Lenders pursuant to the Notes and all other sums which may become payable by Borrower to Lenders pursuant to the other Loan Documents.

"Improvements" - shall have the meaning ascribed to such term in Recital B.

"Indemnitor" - means Borrower, and any other person or entity who, or which, in any manner, is or becomes obligated to Lenders under any indemnity now or hereafter executed in connection with respect to the Loans (collectively or severally as the context thereof may suggest or require).

"Internal Revenue Code" - means the Internal Revenue Code of 1986, as amended.

"Lender" - means WCDE or NNMF; "Lenders" means both WCDE and NNMF.

"Lender Parties" - shall have the meaning ascribed to such term in Section 13.5.

"Loans" – means the Senior Loan and the Subordinate Loan.

"Loan Documents" - means those documents, as hereafter amended, supplemented, replaced or modified, properly executed and in recordable form, if necessary, listed in Exhibit B as Loan Documents.

"Low-Income Community" – means a census tract qualifying as a low-income community under Section 45D of the Internal Revenue Code. Pursuant to Section 3.2(h) of the Allocation Agreement, the term "Low-Income Community" shall be limited to a low-income community (as defined immediately above) that also meets one or more of the criteria enumerated in Section 3.2(h) of the Allocation Agreement.

"Material Adverse Change" – means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Agreement or any other Loan Document, (b) is or could reasonably be expected to be material and adverse to the business properties, assets, financial condition, results of operations or prospects of the Borrower or Guarantor, (c) impairs materially or could reasonably be expected to impair materially the ability of the Borrower to duly and punctually pay or perform any of the Indebtedness or of Guarantor to punctually perform its obligations under any of the Guaranty to which it is a party, or (d) impairs materially or could reasonably be expected to impair materially the ability of the Lender, to the extent permitted, to enforce its legal remedies pursuant to this Agreement or any other Loan Document.

"Maturity Date" – shall have the meaning ascribed to such term in Section 2.5.

"Master Lease" -- means that certain Lease Agreement by and between the Borrower, as lessee, and the Guarantor, as lessor, dated as of even date herewith.

"Maximum Lawful Rate" - shall have the meaning ascribed to such term in Section 13.26(b).

"New Market Tax Credits" – means the tax credit claimable under Section 45D of the Internal Revenue Code.

"NMTC Addendum" – means the NMTC Addendum to Construction Loan Agreement attached hereto as Exhibit I.

"NNMF" – means NNMF Sub-CDE IX, LLC, a California limited liability company.

"NNMF Loan" – means, collectively, the NNMF Senior Loan and the NNMF Subordinate Loan.

"NNMF Senior Loan" – shall have the meaning ascribed to such term in Section 2.1.

"NNMF Senior Note" – shall have the meaning ascribed to such term in Section 2.1.

"NNMF Subordinate Loan" – shall have the meaning ascribed to such term in Section 2.1.

"NNMF Subordinate Note" – shall have the meaning ascribed to such term in Section 2.1.

"Notes" – means, collectively, the WCDE Senior Note, the WCDE Subordinate Note, the NNMF Senior Note and the NNMF Subordinate Note.

"Obligee" - shall have the meaning ascribed to such term in Section 8.1.

"Operating Account" - means an account with Wells Fargo Bank, National Association account number [_____], in the name of Borrower, into which funds deposited by Borrower pursuant to the terms and conditions of this Agreement shall be placed.

"Other Related Documents" - means those documents, as hereafter amended, supplemented, replaced or modified from time to time, properly executed and in recordable form, if necessary, listed in Exhibit B as Other Related Documents.

"Participant" - shall have the meaning ascribed to such term in Section 13.14.

"Plans and Specifications" - shall have the meaning ascribed to such term in Recital B.

"Portion of the Loans" means the rights, interests, and obligations of any Lender with respect to its Commitment and the Loans under or pursuant to the provisions of this Agreement.

"Pro Rata Interest" with respect to a Lender individually, or "Pro Rata Interests" with respect to the Lenders collectively, as the case may be, means the applicable percentage or percentages in which the Lenders agree to share in the collections, recoveries, and certain contribution obligations under and with respect to (i) the Portion of the Loans being made by WCDE and (ii) the Portion of the Loans being made by NNMF, respectively. The Pro Rata Interest of any Lender from time to time shall be equal to the percentage obtained by dividing (x) the outstanding principal balance of the Loans made by such Lender by (y) the outstanding principal balance of the Loans made by all Lenders. At such time as the Loans have been fully disbursed to the Borrower, the Pro Rata Interests of the Lenders would be as follows:

| | |
|------|--------|
| WCDE | 62.50% |
| NNMF | 37.50% |

"Property" - shall have the meaning ascribed to such term in Recital A.

"Reinvestment Proceeds" -- shall have the meaning ascribed in Section 12.7.

"Qualified Active Low-Income Community Business" - means a "qualified active low-income community business" as such term is used under Section 45D of the Internal Revenue Code.

"Qualified Low-Income Community Investment" – means a "qualified low-income community investment" as such term is used under Section 45D of the Internal Revenue Code.

"Secured Obligations" - shall have the meaning ascribed to such term in the Deed of Trust.

"Senior Deed of Trust" - means that certain Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith executed by Borrower, as Grantor, to J. Kent Howard, as Trustee, for the benefit of Lenders, as Beneficiary, as hereafter amended, supplemented, replaced or modified, as security for the Senior Loan.

"Senior Loan" – means, collectively, the WCDE Senior Loan and the NNMF Senior Loan.

"Senior Note" – means, collectively, the WCDE Senior Note and the NNMF Senior Note.

"Servicer" – means Wells Fargo Bank, National Association or any other loan servicer designated by Lenders to service the Loans upon written notice to Borrower.

"Servicing Agreement" – means that certain Servicing Agreement dated as of even date herewith by and among Servicer and the Lenders.

"Set Aside Letter" - shall have the meaning ascribed to such term in Section 8.1.

"Sublease" – means that certain Sublease Agreement by and between Haven for Hope of Bexar County, a Texas non-profit corporation, as lessee, and Borrower, as lessor, dated as of the date herewith.

"Subordinate Deed of Trust" - means that certain Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith executed by Borrower, as Grantor, to J. Kent Howard, as Trustee, for the benefit of Lenders, as Beneficiary, as hereafter amended, supplemented, replaced or modified, as security for the Subordinate Loan.

"Subordinate Loan" – means, collectively, the WCDE Subordinate Loan and the NNMF Subordinate Loan.

"Subordinate Note" – means, collectively, the WCDE Subordinate Note and the NNMF Subordinate Note.

"Subdivision Map" - shall have the meaning ascribed to such term in Section 9.5.

"Title Policy" - means the standard Texas promulgated form of Mortgagee Policy of Title Insurance as issued by _____.

"Verified Project Costs" – means the aggregate, from time to time, of (a) Soft Costs (as identified on Exhibit C) actually incurred by Borrower and approved for funding by Lenders, and (b) Hard Costs (as identified on Exhibit C) actually incurred by Borrower for work in place as part of the Improvements, as certified by the Construction Consultant, minus the aggregate of (i) the portion of Borrower's Equity which Borrower is required to have invested in the Improvements and (ii) the Retention (as defined in Section 4 of Exhibit D hereto), if any. All costs must, to the extent possible, be verified by fixed costs contracts, and all items of cost incapable of verification by means of fixed cost contracts must be supportable as reasonable estimates.

"WCDE" - means Wachovia Community Development Enterprises IV, LLC, a North Carolina limited liability company.

"WCDE Loan" – means, collectively, the WCDE Senior Loan and the WCDE Subordinate Loan.

"WCDE Senior Loan" - shall have the meaning ascribed to such term in Section 2.1.

"WCDE Senior Note" -- shall have the meaning ascribed to such term in Section 2.1.

"WCDE Subordinate Loan" – shall have the meaning ascribed to such term in Section 2.1.

"WCDE Subordinate Note" – shall have the meaning ascribed to such term in Section 2.1.

- 1.2** **EXHIBITS INCORPORATED**. All exhibits, schedules or other items attached hereto are incorporated into this Agreement by such attachment for all purposes.

ARTICLE 2. LOANS

2.1 **LOANS**.

- (a) Each of WCDE and NNMF, on a several (and not joint and several) basis, agrees, on the terms and conditions set forth in this Agreement, to make the WCDE Loan and NNMF Loan, respectively, to Borrower, at the times and in the amounts set forth herein, not to exceed in the aggregate the amount of its Commitment as set forth in each Note. Each disbursement hereunder shall consist of Loans made by the Lenders ratably in proportion to the ratio that their respective Commitments bear to the Aggregate Commitment. No Lender shall be responsible for the failure of any other Lender to perform its obligations to make Loans hereunder, and the Commitment of any Lender shall not be increased or decreased as a result of the failure by any other Lender to perform its obligation to make Loans hereunder. The Loans shall be evidenced by the Notes and secured by the other Loan Documents.
- (b) Upon and subject to the terms of this Agreement, WCDE agrees to lend to Borrower and Borrower agrees to borrow from WCDE: (i) the principal sum of Nineteen Million Two Hundred Fifty Thousand and 00/100 Dollars (\$19,250,000.00) (the "WCDE Senior Loan"), said sum to be evidenced by the Promissory Note of even date herewith in said amount executed by Borrower and payable to the order of WCDE, as hereafter amended, supplemented, replaced or modified (the "WCDE Senior Note"); and (ii) the principal sum of Five Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$5,750,000.00) (the "WCDE Subordinate Loan"), said sum to be evidenced by the Promissory Note of even date herewith in said amount executed by Borrower and payable to the order of WCDE, as hereafter amended, supplemented, replaced or modified (the "WCDE Subordinate Note").
- (c) Upon and subject to the terms of this Agreement, NNMF agrees to lend to Borrower and Borrower agrees to borrow from NNMF: (i) the principal sum of Twelve Million and 00/100 Dollars (\$12,000,000.00) (the "NNMF Senior Loan"), said sum to be evidenced by the Promissory Note of even date herewith in said amount executed by Borrower and payable to the order of NNMF, as hereafter amended, supplemented, replaced or modified (the "NNMF Senior Note"); and (ii) the principal sum of Three Million and 00/100 Dollars (\$3,000,000.00) (the "NNMF Subordinate Loan"), said sum to be evidenced by the Promissory Note of even date herewith in said amount executed by Borrower and payable to the order of NNMF, as hereafter amended, supplemented, replaced or modified (the "NNMF Subordinate Note").
- (d) Amounts disbursed to or on behalf of Borrower pursuant to the Notes shall be used to finance the acquisition, renovation and construction of the Property and Improvements and for such other purposes and uses as may be permitted under this Agreement and the other Loan Documents. On or about the Effective Date, all proceeds of Loans will be advanced by Lenders to the Disbursement Account for the benefit of Borrower which account shall be pledged to Lenders as collateral for the Loans. Subject to satisfaction of the conditions contained herein, such proceeds of the Loans shall be disbursed from the Disbursement Account by Servicer to Borrower from time to time pursuant to the provisions of this Agreement and the Servicing Agreement.

- 2.2** **LOAN DOCUMENTS**. Borrower shall deliver to Lenders concurrently with this Agreement each of the documents, properly executed and in recordable form, as applicable, described in Exhibit B as Loan Documents, together with those documents described in Exhibit B as Other Related Documents.

2.3 LOAN FEES.

- (a) Borrower shall pay to NNMF, on or before the Effective Date, a loan fee in the amount of \$750,000 and a community impact report fee of \$16,000.
- (b) Annually, on each anniversary of the Effective Date, Borrower shall pay to NNMF an amount equal to NNMF's audit, tax preparation, and financial accounting costs, agreed-upon procedures reports, CDE certifications, compliance costs, and, as necessary, any local, state or federal fees or taxes. NNMF will provide written notice of the amount due from Borrower at least ten (10) Business Days prior to the date such amounts are due. The amount due under this Section 2.3(b) shall not exceed \$16,000 per year, with a 4% annual compounded growth rate. If the interest rate on the Loans increases or if the sole member of NNMF makes other requirements that increase third-party expenses for NNMF, NNMF has the right to adjust the maximum amount due under this Section 2.3(b).
- (c) On the dates and in the amounts set forth below, Borrower shall pay to NNMF, a residual fee in the aggregate amount of \$225,000:

| Payable as of | Fee Payable |
|--------------------|------------------|
| December 31, 2013 | \$10,714.00 |
| March 31, 2014 | \$26,785.75 |
| June 30, 2014 | \$26,785.75 |
| September 30, 2014 | \$26,785.75 |
| December 31, 2014 | \$26,785.75 |
| March 31, 2015 | \$26,785.75 |
| June 30, 2015 | \$26,785.75 |
| September 30, 2015 | \$26,785.75 |
| Maturity Date | \$26,785.75 |
| TOTAL | \$225,000 |

2.4 EFFECTIVE DATE. The date of the Loan Documents is for reference purposes only. The Effective Date of the parties' obligations under this Agreement and the other Loan Documents shall be the date that the Loan Documents are unconditionally executed and delivered by Borrower and Lenders, and Borrower's and Lenders' rights and obligations under the Loan Documents shall not be effective until the Effective Date.

2.5 MATURITY DATE. The maturity date of the Loans shall be December __, 2016 (the "Maturity Date"), at which time all sums due and owing under the Senior Note, Subordinate Note, this Agreement and the other Loan Documents, shall be repaid in full. All payments due to Lenders under this Agreement shall be paid in immediately available funds.

2.6 CREDIT FOR PRINCIPAL PAYMENTS. Any payment made upon the outstanding principal balance of the Loans shall be credited as of the Business Day received, provided such payment is received by Lender no later than 11:00 a.m. (Pacific Standard Time or Pacific Daylight Time, as applicable) and constitutes immediately available funds. Any principal payment received after said time or which does not

constitute immediately available funds shall be credited upon such funds having become unconditionally and immediately available to Lenders.

- 2.7 APPRAISAL REQUIREMENT.** As of the date hereof, Lenders shall have received a written appraisal prepared in conformance with the requirements of the Comptroller of the Currency showing "as-is", projected "as-complete", and projected "as-stabilized" fair market values of the Property satisfactory to Lenders.
- 2.8 FULL REPAYMENT AND RELEASE OF LIEN.** Upon receipt of all sums owing and outstanding under the Loan Documents, Lenders shall issue a full release of lien covering the Property and Improvements from the lien of the Deed of Trust; provided, however, that all of the following conditions shall be satisfied at the time of, and with respect to, such release of lien: (a) Lenders shall have received all escrow, closing and recording costs, the costs of preparing and delivering such release of lien and any sums then due and payable under the Loan Documents; and (b) Lenders shall have received a written release satisfactory to Lenders of any set aside letter, letter of credit or other form of undertaking which Lenders has issued to any surety, governmental agency or any other party in connection with the Loan and/or the Property and Improvements. Lenders' obligation to make further disbursements under the Loan shall terminate as to any portion of the Loan undisbursed as of the date of issuance of such full release of lien, and any commitment of Lenders to lend any undisbursed portion of the Loan shall be canceled.
- 2.9 PREPAYMENT.** Borrower may not prepay any portion of the Loans prior to the Maturity Date.

ARTICLE 3. DISBURSEMENT

- 3.1 CONDITIONS PRECEDENT.** Borrower acknowledges that Lenders will disburse all of the proceeds of the Loans into the Disbursement Account, and upon any deposit of proceeds of the Loans into the Disbursement Account, such proceeds shall be deemed disbursed to Borrower, and the same shall bear interest at the applicable rates set forth in the Notes. References in this Agreement or the other Loan Documents to the subsequent "disbursement" of funds shall be deemed to mean the consent and direction of Lenders to permit the release of funds from the Disbursement Account for the purposes authorized under this Agreement. Lenders' obligation to make any disbursements from the Disbursement Account or take any other action under the Loan Documents shall be subject at all times to satisfaction of each of the following conditions precedent:
- (a) There shall exist no Default, as defined in this Agreement, or Default as defined in any of the other Loan Documents or in the Other Related Documents, or event, omission or failure of condition which would constitute a Default after notice or lapse of time, or both; and
 - (b) Any undisbursed Loan funds together with all sums, if any, to be provided by Borrower as shown in Exhibit C shall be at all times equal to or greater than the amount which Lenders from time to time determines necessary to: (i) pay, through completion, all costs of development, construction, marketing and sale or leasing of the Property and Improvements in accordance with the Loan Documents; (ii) pay all sums which may accrue under the Loan Documents prior to repayment of the Loans; and (iii) enable Borrower to perform and satisfy all of the covenants of Borrower contained in the Loan Documents. If Lenders determine at any time that the undisbursed Loan funds are materially insufficient for said purposes, Borrower shall deposit the amount of such deficiency in the Disbursement Account within fifteen (15) days of Lenders' written demand; and
 - (c) Lenders shall have received all Loan Documents, other documents, instruments, policies, and forms of evidence or other materials requested by Lenders under the terms of this Agreement or any of the other Loan Documents; and
 - (d) Lenders shall have received and approved in form and substance satisfactory to Lender: (i) an environmental site assessment with respect to the presence, if any, of Hazardous Materials in violation with Hazardous Materials Laws on the Property and Improvements; (ii) two sets of the Plans and Specifications, certified as complete by the Architect, together with evidence of all necessary or appropriate approvals of governmental agencies; (iv) copies of all agreements

which are material to completion of the Improvements; (iv) copies of all building permits and similar permits, licenses, approvals, development agreements and other authorizations of governmental agencies required in connection with the development of the Property and Improvements; (v) copies of any initial study, negative declaration, mitigated negative declaration, environmental impact report, notice of determination or notice of exemption prepared, adopted, certified or filed by or with any governmental agency in connection with the Property and Improvements;

- (e) New Markets Tax Credit Compliance Documentation. Lenders shall have obtained (i) an opinion prepared by its counsel confirming that Borrower qualifies as a Qualified Active Low-Income Community Business and that the Loans constitute Qualified Low-Income Community Investments and (ii) evidence, in form and content acceptable to Lenders, demonstrating that the Property is located in a Low Income Community, as defined in the Allocation Agreement;
- (f) Borrower's Equity. Borrower shall have applied Borrower's Equity toward the payment of Verified Project Costs itemized on Exhibit C hereto and Borrower shall have furnished Lenders with a schedule showing the payment of such funds for Verified Project Costs and evidence of such payment.
- (g) Zoning and Compliance With Laws. Lenders shall have approved evidence that the Property is zoned for commercial use for which the proposed Improvements are designed and are otherwise in compliance with all applicable Governmental Requirements, including, if applicable, all provisions of environmental statutes.
- (h) Environmental Report. Borrower shall have supplied to Lenders an environmental report in form and content satisfactory to and approved by Lenders.
- (i) Flood Zone Certification. Lenders shall have approved evidence that the Property is not located within an area designated as a "special flood hazard area" as that term is used in the National Flood Insurance Reform Act of 1994.
- (j) Construction Agreement and Other Construction Documents. Lenders shall have approved the Construction Agreement and all other Construction Documents and all changes to any thereof, together with Contractor's most recent audited fiscal year end financial statement, most recent current year interim statements and qualification statement provided to Lenders.
- (k) Construction Schedule. Lenders shall have approved the construction draw schedule and all changes thereto.
- (l) Leases. Lenders shall have approved (i) the Master Lease, which must, among other things, evidence a base lease payment sufficient to cover all debt service under the Loans, (ii) the Ground Lease and (iii) the Sublease.
- (m) Organizational Documents. Borrower shall have furnished Lenders with copies of resolutions authorizing the execution of the Loan Documents by the Borrower and the consummation of the matters contemplated hereby. Borrower shall have furnished Lenders certified copies of the organizational documents of Borrower currently in full force and effect, certificates of existence and good standing from the state of organization of Borrower.

3.2 ACCOUNT, PLEDGE AND ASSIGNMENT, AND DISBURSEMENT AUTHORIZATION. The disbursement of the funds held in the Disbursement Account (including, if applicable, Borrower's Funds), shall be deposited into the Operating Account or otherwise disbursed to or for the benefit or account of Borrower under the terms of this Agreement; provided, however, that any direct disbursements from the Disbursement Account which are made by means of wire transfer shall be subject to the provisions of that certain Section entitled Funds Transfer Disbursements or any funds transfer agreement which is identified in Exhibit B hereto. Disbursements hereunder may be made by Lenders upon the written request of any person who has been authorized by Borrower to request such disbursements until such time as written notice of Borrower's revocation of such authority is received by Lenders at the address

shown in Exhibit D. As additional security for Borrower's performance under the Loan Documents, Borrower hereby irrevocably pledges and assigns to Lenders all monies at any time deposited in the Operating Account.

- 3.3 DISBURSEMENT ACCOUNT, PLEDGE AND ASSIGNMENT.** Except as otherwise provided in this Agreement, all of the Borrower's Funds which are deposited with Wells Fargo Bank, National Association by Borrower as shown in Exhibit C, or any other provision of the Loan Documents, shall be placed in the Disbursement Account for the benefit of Borrower with Wells Fargo Bank, National Association, and controlled by, Lenders for disbursement under this Agreement. As additional security for Borrower's performance under the Loan Documents, Borrower hereby irrevocably pledges and assigns to Lenders all monies at any time deposited in the Disbursement Account.
- 3.4 LOAN DISBURSEMENTS.** Subject to the conditions set forth in Section 3.1, the funds held in the Disbursement Account shall be disbursed monthly on a pro rata basis in accordance with the terms and conditions of Exhibit D for the Verified Project Costs set forth in the "Disbursement Budget" column of Exhibit C attached hereto. Disbursements made after the deposit of Borrower's Funds with respect to any specified line item shown on Exhibit C hereto shall be made with respect to such line item cost, first from the Borrower's Funds until depleted. All disbursements shall be held by Borrower in trust and applied by Borrower solely for the purposes for which the funds have been disbursed. Lenders have no obligation to monitor or determine Borrower's use or application of the disbursements.
- 3.5 FUNDS TRANSFER DISBURSEMENTS.** Borrower hereby authorizes Lenders to disburse the proceeds of any Loan(s) made by Lenders or their affiliates pursuant to the Loan Documents as requested by an authorized representative of the Borrower to any of the accounts designated in that certain Exhibit entitled Transfer Authorizer Designation. Borrower agrees to be bound by any transfer request: (i) authorized or transmitted by Borrower; or, (ii) made in Borrower's name and accepted by Lenders in good faith and in compliance with these transfer instructions, even if not properly authorized by Borrower. Borrower further agrees and acknowledges that Lenders may rely solely on any bank routing number or identifying bank account number or name provided by Borrower to effect a wire or funds transfer even if the information provided by Borrower identifies a different bank or account holder than named by the Borrower. Lenders are not obligated or required in any way to take any actions to detect errors in information provided by Borrower. If either Lender takes any actions in an attempt to detect errors in the transmission or content of transfer or requests or takes any actions in an attempt to detect unauthorized funds transfer requests, Borrower agrees that no matter how many times such Lender takes these actions such Lender will not in any situation be liable for failing to take or correctly perform these actions in the future and such actions shall not become any part of the transfer disbursement procedures authorized under this provision, the Loan Documents, or any agreement between Lenders and Borrower. Borrower agrees to notify Lenders of any errors in the transfer of any funds or of any unauthorized or improperly authorized transfer requests within 14 days after Lenders' confirmation to Borrower of such transfer. Each Lender will, in its sole discretion, determine the funds transfer system and the means by which each transfer will be made. Either Lender may delay or refuse to accept a funds transfer request if the transfer would: (i) violate the terms of this authorization (ii) require use of a bank unacceptable to such Lender or prohibited by government authority; (iii) cause such Lender to violate any Federal Reserve or other regulatory risk control program or guideline, or (iv) otherwise cause such Lender to violate any applicable law or regulation. Lenders shall not be liable to Borrower or any other parties for (i) errors, acts or failures to act of others, including other entities, banks, communications carriers or clearinghouses, through which Borrower's transfers may be made or information received or transmitted, and no such entity shall be deemed an agent of the Lenders, (ii) any loss, liability or delay caused by fires, earthquakes, wars, civil disturbances, power surges or failures, acts of government, labor disputes, failures in communications networks, legal constraints or other events beyond Lenders' control, or (iii) any special, consequential, indirect or punitive damages, whether or not (a) any claim for these damages is based on tort or contract or (b) either Lender or Borrower knew or should have known the likelihood of these damages in any situation. Lenders make no representations or warranties other than those expressly made in this Agreement.

ARTICLE 4. CONSTRUCTION

COMMENCEMENT OF CONSTRUCTION. Lenders hereby acknowledge that Borrower commenced construction of the Improvements prior to the date hereof. Within ten (10) days after the date hereof,

Borrower shall execute and cause the Contractor to execute and shall file in Real Property Records of the county in which the Property is located, an affidavit ("Affidavit of Commencement"), in the form attached as Exhibit G or otherwise satisfactory to Lender.

- 4.2 COMPLETION OF CONSTRUCTION.** Borrower shall achieve Completion of Construction of the Improvements on or before the Completion Date. Within ten (10) days after the Completion of Construction of the Improvements has been achieved, Borrower shall execute and file in the Real Property Records of the county in which the Property is located, an affidavit ("Affidavit of Completion") in the form attached as Exhibit H or otherwise satisfactory to Lender.
- 4.3 COMMENCEMENT AND COMPLETION OF OFFSITE IMPROVEMENTS.** Borrower shall commence construction of any offsite improvements required by any governmental authority in connection with the construction of the Improvements without delay after recordation of the Deed of Trust and shall complete construction of any such offsite improvements on or before the Completion Date.
- 4.4 FORCE MAJEURE.** The time within which construction of the Improvements must be completed shall be extended for a period of time equal to the period of any delay directly affecting construction which is caused by fire, earthquake or other acts of God, strike, lockout, acts of public enemy, terrorism, riot, insurrection, or governmental regulation of the sale or transportation of materials, supplies or labor; provided, however, that Borrower shall furnish Lenders with written notice satisfactory to Lenders evidencing any such delay within ten (10) days from the occurrence of any such delay. In no event shall the time for completion of the Improvements be extended beyond the Maturity Date or more than sixty (60) days beyond the Completion Date.
- 4.5 CONSTRUCTION AGREEMENT.** Borrower and Contractor have entered into the Construction Agreement pursuant to the terms and conditions of which Contractor is to construct the Improvements. Borrower shall require Contractor to perform in accordance with the terms of the Construction Agreement and shall not materially amend, modify or alter the responsibilities of Contractor under the Construction Agreement without Lenders' prior written consent. Borrower shall execute, upon Lenders' request, an assignment of Borrower's rights under the Construction Agreement to Lenders as security for Borrower's obligations under this Agreement and the other Loan Documents and shall cause the Contractor to consent to any such assignment.
- 4.6 ARCHITECT'S AGREEMENT.** Borrower and Architect have entered into the Architect's Agreement, pursuant to which Architect is to design the Improvements. Borrower shall require Architect to perform in accordance with the terms of the Architect's Agreement and shall not materially amend, modify or alter the responsibilities of Architect under the Architect's Agreement without Lenders' prior written consent. Upon Lenders' request, Borrower shall execute an assignment of the Architect's Agreement and the Plans and Specifications to Lenders as additional security for Borrower's performance under this Agreement and the other Loan Documents and shall cause the Architect to consent to any such assignment.
- 4.7 PLANS AND SPECIFICATIONS.**
- (a) **Changes; Lender Consent.** Except as otherwise provided in this Agreement, Borrower shall not make any material changes in the Plans and Specifications without Lenders' prior written consent if such change: (i) constitutes a material change in the building material or equipment specifications, or in the architectural or structural design, value or quality of any of the Improvements; (ii) would result in an increase of construction costs in excess of \$25,000 for any single change or in excess of \$100,000 for all such changes; or (iii) would affect the structural integrity, quality of building materials, or overall efficiency of operating systems of the Improvements. Without limiting the above, Lenders agree that Borrower may make minor changes in the Plans and Specifications without Lenders' prior written consent, provided that such changes do not violate any of the conditions specified herein. Borrower shall at all times maintain, for inspection by Lenders, a full set of working drawings of the Improvements.
- (b) **Changes; Submission Requirements.** Borrower shall submit any proposed change in the Plans and Specifications to Lenders at least ten (10) days prior to the commencement of

construction relating to such proposed change whether or not such change is subject to Lenders' consent. Requests for any change which requires consent shall be accompanied by working drawings and a written description of the proposed change, submitted on a change order form acceptable to Lenders, signed by Borrower and, if required by Lenders, also by the Architect and the Contractor. Lenders may require Borrower to provide: (i) evidence satisfactory to Lenders of the cost and time necessary to complete the proposed change; (ii) a deposit in the amount of any increased costs into Disbursement Account; and (iii) a complete set of "as built" Plans and Specifications for the completed Improvements.

- (c) **Consent Process.** Borrower acknowledges that Lenders' review of any changes and required consent may result in delays in construction and hereby consents to any such delays.
- (d) **Final Plans and Specifications.** Upon completion of the Improvements, Borrower shall deliver to Lenders within ten (10) days a set of final Plans and Specifications.

- 4.8 **CONTRACTOR/CONSTRUCTION INFORMATION.** Within ten (10) days of Lenders' written request, Borrower shall deliver to Lenders from time to time in a form acceptable to Lender: (a) a list detailing the name, address and phone number of each contractor, subcontractor and material supplier to be employed or used for construction of the Improvements together with the dollar amount, including changes, if any, of each contract and subcontract, and the portion thereof, if any, paid through the date of such list; (b) copies of each contract and subcontract identified in such list, including any changes thereto; (c) a cost breakdown of the projected total cost of constructing the Improvements, and that portion, if any, of each cost item which has been incurred; and (d) a construction progress schedule detailing the progress of construction and the projected sequencing and completion time for uncompleted work, all as of the date of such schedule.

Borrower agrees that Lenders may disapprove any contractor, subcontractor or material supplier which, in Lenders' good faith determination, is deemed financially or otherwise unqualified; provided, however, that the absence of any such disapproval shall not constitute a warranty or representation of qualification by Lenders. Lenders may contact any such contractor, subcontractor or material supplier to discuss the course of construction.

- 4.9 **PROHIBITED CONTRACTS.** Without Lenders' prior written consent, Borrower shall not contract for any materials, furnishings, equipment, fixtures or other parts or components of the Improvements, if any third party shall retain any ownership interest (other than lien rights created by operation of law) in such items after their delivery to the Property and Improvements. Borrower shall have five (5) days to effect the removal of any such retained interest.
- 4.10 **LIENS AND NOTICES.** If a lien affidavit is recorded or a notice of claim for unpaid work, materials or specially fabricated items or a notice of a contractual retainage claim is given to the Borrower or Contractor which affects the Property or Improvements, Borrower shall, within thirty (30) calendar days of such recording or receipt of such notice: (a) pay and discharge the lien claim; (b) effect the release thereof by recording or delivering to Lenders a surety bond in sufficient form and amount; or (c) provide Lenders with other assurances which Lenders deems, in their sole discretion, to be satisfactory for the payment of such lien claim and for the full and continuous protection of Lenders from the effect of such lien claim.
- 4.11 **CONSTRUCTION RESPONSIBILITIES.** Borrower shall construct the Improvements in a workmanlike manner according to the Plans and Specifications and the recommendations of any soils or engineering report approved by Lender. Borrower shall comply with all applicable laws, ordinances, rules, regulations, building restrictions, recorded covenants and restrictions, and requirements of all regulatory authorities having jurisdiction over the Property or Improvements. Borrower shall be solely responsible for all aspects of Borrower's business and conduct in connection with the Property and Improvements, including, without limitation, for the quality and suitability of the Plans and Specifications and their compliance with all governmental requirements, the supervision of the work of construction, the qualifications, financial condition and performance of all architects, engineers, contractors, material suppliers, consultants and property managers, and the accuracy of all applications for payment and the proper application of all disbursements. Lenders are not obligated to supervise, inspect or inform

Borrower or any third party of any aspect of the construction of the Improvements or any other matter referred to above.

- 4.12 ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS.** Without Lenders' prior written consent, Borrower shall not cause or suffer to become effective or otherwise consent to the formation of any assessment district or community facilities district which includes all or any part of the Property and Improvements pursuant to: (a) contractual agreements among property owners and/or other governmental or quasi-governmental agencies or political subdivisions or districts, or other entity providing such community facilities; or (b) any state, county or municipal ordinance, law, regulation or statute. Nor shall Borrower cause or otherwise consent to the levying of special taxes or assessments against the Property and Improvements by any such assessment district or community facilities district.
- 4.13 DELAY.** Borrower shall promptly notify Lenders in writing of any event causing delay or interruption of construction, or the timely completion of construction. The notice shall specify the particular work delayed, and the cause and period of each delay.
- 4.14 CONSTRUCTION CONSULTANT/INSPECTION.**
- (a) Lenders may designate a construction consultant (the "Construction Consultant") to inspect the progress of construction and review draw requests and budgets.
 - (b) Lenders and/or the Construction Consultant shall have the right to enter upon the Property at least once a month during normal business hours and at all other reasonable times to inspect the Improvements and the construction work to verify information disclosed or required pursuant to this Agreement. Any inspection or review of the Improvements by Lenders and/or the Construction Consultant is solely to determine whether Borrower is properly discharging its obligations to Lenders and/or the Construction Consultant and may not be relied upon by Borrower or by any third party as a representation or warranty of compliance with this Agreement or any other agreement. Neither Lenders nor the Construction Consultant owes any duty of care to Borrower or any third party to protect against, or to inform Borrower or any third party of, any negligent, faulty, inadequate or defective design or construction of the Improvements as determined by Lenders and/or the Construction Consultant.
- 4.15 SURVEYS.** Borrower shall promptly deliver to Lenders: (a) a perimeter survey of the Property; (b) upon completion of the foundations of the Improvements, a survey showing the location of the Improvements on the Property and confirming that the Improvements are located entirely within the Property and do not encroach upon any easement, or breach or violate any governmental requirement; and (c) upon completion of the Improvements, an as-built survey acceptable to a title insurer for purposes of issuing a standard Texas promulgated form of mortgagee policy of title insurance. All such surveys shall be performed and certified by a licensed engineer or surveyor acceptable to the insurer and shall be in accordance with a Category 1A, Condition I survey pursuant to the most recent edition of the Manual of Practice for Land Surveying in the State of Texas, published by the Texas Society of Professional Surveyors or in accordance with the ALTA/ACSM Minimum Standard Detail Requirements and Classifications for ALTA/ACSM Land Title Surveys (1992) for a(n) urban business district survey class.

ARTICLE 5. INSURANCE

Borrower shall, while any obligation of Borrower or Guarantor under any Loan Document remains outstanding, maintain at Borrower's sole expense, the following policies of insurance in form and substance satisfactory to Lender. Capitalized terms used in this Article shall have the same meaning as such terms are commonly and presently defined in the insurance industry.

- 5.1 TITLE INSURANCE.** A Title Policy, together with any endorsements which Lenders may require, insuring Lenders, in the amount of \$15,600,000 of the validity and the priority of the lien of the Deed of Trust upon Borrower's leasehold interest in the Property and Improvements, subject only to matters approved by Lenders in writing. During the term of the Loans, Borrower shall deliver to Lenders, within ten (10) days of Lenders' written request, such other endorsements to the Title Policy as Lenders may reasonably

require with respect to the Property. The Title Policy shall be issued without a creditor's rights exception. The Title Policy shall be issued without a creditor's rights exception.

- 5.2 PROPERTY INSURANCE.** A Builders All Risk/Special Form Completed Value (Non-Reporting Form) Hazard Insurance policy, including without limitation, theft coverage and such other coverages and endorsements as Lenders may require, insuring Lenders against damage to the Property and Improvements in an amount not less than 100% of the full replacement cost at the time of completion of the Improvements. Such coverage should adequately insure any and all Loan collateral, whether such collateral is onsite, stored offsite or otherwise. Lenders shall be named on the policy as Mortgagee and named under a Lender's Loss Payable Endorsement and Standard Mortgage Clause Endorsement (in forms acceptable to Lenders).
- 5.3 LIABILITY INSURANCE.** A policy of Commercial General Liability insurance on an occurrence basis, with coverages and limits as required by Lenders, insuring against liability for injury and/or death to any person and/or damage to any property occurring on the Property and/or in the Improvements. During the period of any construction, Borrower may cause its contractors and/or subcontractors to maintain in full force and effect any or all of the liability insurance required hereunder. Lenders may require that Borrower be named as an additional insured on any such policy. Whether Borrower employs a general contractor or performs as owner-builder, Lenders may require that coverage include statutory workers' compensation insurance.
- 5.4 OTHER COVERAGE.** Borrower shall provide to Lenders evidence of such other reasonable insurance in such reasonable amounts as Lenders may from time to time request against such other insurable hazards which at the time are commonly insured against for property similar to the subject Property located in or around the region in which the subject Property is located. Such coverage requirements may include but are not limited to coverage for earthquake, acts of terrorism, business income, delayed business income, rental loss, sink hole, soft costs, tenant improvement or environmental.
- 5.5 GENERAL.** Borrower shall provide to Lenders insurance certificates or other evidence of coverage in form acceptable to Lenders, with coverage amounts, deductibles, limits and retentions as required by Lender. All insurance policies shall provide that the coverage shall not be cancelable or materially changed without 10 days prior written notice to Lenders of any cancellation for nonpayment of premiums, and not less than 30 days prior written notice to Lenders of any other cancellation or any modification (including a reduction in coverage). Lenders shall be named under a Lender's Loss Payable Endorsement and Standard Mortgage Clause Endorsement (in forms acceptable to Lenders) on all insurance policies which Borrower actually maintains with respect to the Property and Improvements. All insurance policies shall be issued and maintained by insurers approved to do business in the state in which the Property is located and must have an A.M. Best Company financial rating and policyholder surplus acceptable to Lender.
- 5.6 COLLATERAL PROTECTION INSURANCE NOTICE.** (A) BORROWER IS REQUIRED TO: (i) KEEP THE PROPERTY AND IMPROVEMENTS INSURED AGAINST DAMAGE IN THE AMOUNT LENDERS SPECIFY; (ii) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (iii) NAME LENDERS AS THE PERSONS TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS; (B) BORROWER MUST, IF REQUIRED BY LENDERS, DELIVER TO LENDERS A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS THEREFOR; AND (C) IF BORROWER FAILS TO MEET ANY REQUIREMENT LISTED IN CLAUSES (A) OR (B) HEREOF, LENDERS MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF BORROWER AT BORROWER'S EXPENSE.

ARTICLE 6. REPRESENTATIONS AND WARRANTIES

As a material inducement to Lenders' entry into this Agreement, Borrower represents and warrants to Lenders as of the Effective Date and continuing hereafter that:

- 6.1 **AUTHORITY/ENFORCEABILITY.** Borrower is in compliance with all laws and regulations applicable to its organization, existence and transaction of business and has all necessary rights and powers to own, develop and operate the Property and Improvements as contemplated by the Loan Documents.
- 6.2 **BINDING OBLIGATIONS.** Borrower is authorized to execute, deliver and perform its obligations under the Loan Documents, and such obligations shall be valid and binding obligations of Borrower.
- 6.3 **FORMATION AND ORGANIZATIONAL DOCUMENTS.** Borrower has delivered to Lenders all formation and organizational documents of Borrower, of the partners, joint venturers or members of Borrower, if any, and of all guarantors of the Loans, if any, and all such formation and organizational documents remain in full force and effect and have not been amended or modified since they were delivered to Lender. Borrower shall promptly provide Lenders with copies of any amendments or modifications of the formation or organizational documents.
- 6.4 **NO VIOLATION.** Borrower's execution, delivery, and performance under the Loan Documents do not: (a) require any consent or approval not heretofore obtained under any partnership agreement, operating agreement, articles of incorporation, bylaws or other document; (b) violate any governmental requirement applicable to the Property and Improvements or any other statute, law, regulation or ordinance or any order or ruling of any court or governmental entity; (c) conflict with, or constitute a breach or default or permit the acceleration of obligations under any agreement, contract, lease, or other document by which the Borrower is or the Property and Improvements are bound or regulated; or (d) violate any statute, law, regulation or ordinance, or any order of any court or governmental entity.
- 6.5 **COMPLIANCE WITH LAWS.** Borrower has, and at all times shall have obtained, all permits, licenses, exemptions, and approvals necessary to construct, occupy, operate and market the Property and Improvements, and shall maintain compliance with all governmental requirements applicable to the Property and Improvements and all other applicable statutes, laws, regulations and ordinances necessary for the transaction of its business. All roads and other accesses necessary for construction of the Improvements and utilization of the Property have either been obtained or dedicated to public use.
- 6.6 **LITIGATION.** Except as disclosed to Lenders in writing, there are no claims, actions, suits, or proceedings pending, or to Borrower's knowledge threatened, against Borrower or affecting the Property or Improvements.
- 6.7 **FINANCIAL CONDITION.** All financial statements and information heretofore and hereafter delivered to Lenders by Borrower and/or Guarantor, including, without limitation, information relating to the financial condition of Borrower and/or Guarantor, the Property, the Improvements, fairly and accurately represent the financial condition of the subject thereof and have been prepared (except as noted therein) in accordance with generally accepted accounting principles consistently applied. Borrower acknowledges and agrees that Lenders may request and obtain additional information from third parties regarding any of the above, including, without limitation, credit reports.
- 6.8 **NO MATERIAL ADVERSE CHANGE.** There has been no Material Adverse Change in the financial condition of Borrower and/or Guarantor since the dates of the latest financial statements furnished to Lenders and, except as otherwise disclosed to Lenders in writing, neither Borrower nor Guarantor has entered into any material transaction which is not disclosed in such financial statements.
- 6.9 **LOAN PROCEEDS AND ADEQUACY.** The undisbursed proceeds of the Loans, together with Borrower's Funds and all other sums, if any, to be provided by Borrower as shown in Exhibit C, are sufficient to construct the Improvements in accordance with the terms and conditions of this Agreement.
- 6.10 **ACCURACY.** All reports, documents, instruments, information and forms of evidence delivered to Lenders concerning the Loans or security for the Loans or required by the Loan Documents are accurate, correct and sufficiently complete to give Lenders true and accurate knowledge of their subject matter, and do not contain any material misrepresentation or omission.

- 6.11 **TAX LIABILITY.** Borrower has filed all required federal, state, county and municipal tax returns and has paid all taxes and assessments owed and payable, and Borrower has no knowledge of any basis for any additional payment with respect to any such taxes and assessments.
- 6.12 **UTILITIES.** All utility services, including, without limitation, gas, water, sewage, electrical and telephone, necessary for the development and occupancy of the Property and Improvements are available at or within the boundaries of the Property, or Borrower has taken all steps necessary to assure that all such services will be available upon completion of the Improvements.
- 6.13 **COMPLIANCE.** Borrower is familiar with and in compliance with all governmental requirements for the development of the Property and construction of the Improvements and will conform to and comply with all governmental requirements and the Plans and Specifications.
- 6.14 **AMERICANS WITH DISABILITIES ACT COMPLIANCE.** The Improvements have been designed and shall be constructed and completed, and thereafter maintained, in strict accordance and full compliance with all of the requirements of the Americans with Disabilities Act, of July 26, 1990, Pub. L. No. 101-336, 104 Stat. 327, 42 U.S.C. § 12101, et seq., and with 23 Tex. Rev. Civ. Stat. Ann., art. 9102 ("Texas Architectural Barriers Act"), as each may be amended from time to time. Borrower shall be responsible for all ADA and Texas Architectural Barriers Act compliance costs.
- 6.15 **PLANS AND SPECIFICATIONS.** The Plans and Specifications are complete and adequate for construction of the Improvements and have been approved by all governmental authorities having or claiming jurisdiction over the Property. The Plans and Specifications have been approved by any tenant or by any prospective purchaser required to do so. To the best of Borrower's knowledge, if the Improvements are constructed in accordance with the Plans and Specifications, the improvements will fully comply with all applicable laws and regulations.
- 6.16 **BUSINESS LOANS.** The Loans are business loan transactions in the stated amounts solely for the purpose of carrying on the business or nonprofit activities of Borrower and none of the proceeds of the Loans will be used for the personal, family or agricultural purposes of the Borrower.
- 6.17 **TAX SHELTER REGULATIONS.** Neither Borrower nor Guarantor, or any subsidiary thereof intends to treat the Loans or the transactions contemplated by this Agreement and the other Loan Documents as being a "reportable transaction" (within the meaning of Treasury Regulation Section 1.6011-4). If Borrower or any other party to the Loans determines to take any action inconsistent with such intention, Borrower will promptly notify Lenders thereof. If Borrower so notifies Lenders, Borrower acknowledges that Lenders may treat the Loans as part of a transaction that is subject to Treasury Regulation Section 301.6112-1, and Lenders will maintain the lists and other records, including the identity of the applicable party to the Loans as required by such Treasury Regulation.
- 6.18 **TRADE NAMES.** Borrower conducts business solely under the name set forth in the preamble to this Agreement and makes use of no trade names in connection therewith, unless such trade names have been previously disclosed to Lenders in writing.
- 6.19 **NMTC REPRESENTATIONS AND WARRANTIES.** Each representation and warranty made by Borrower set forth in the NMTC Addendum attached as Exhibit I hereto is incorporated herein by reference.

ARTICLE 7. HAZARDOUS MATERIALS

- 7.1 **SPECIAL REPRESENTATIONS AND WARRANTIES.** Without in any way limiting the other representations and warranties set forth in this Agreement, and after reasonable investigation and inquiry, Borrower hereby specially represents and warrants to the best of Borrower's knowledge as of the date of this Agreement as follows:
- (a) **Hazardous Materials.** Except as previously disclosed to Lenders in that certain (i) Phase I Environmental Site Assessment of Proposed Haven for Hope ATC Project No. 4623683, March 23, 2007, by ATC Associates, Inc. (North San Marcos and Salado), as updated by that certain

_____ dated _____, 2009, (ii) Phase I Environmental Site Assessment of Proposed Haven for Hope ATC Project No. 46.23683, April 23, 2007, by ATC Associates, Inc. (Property 8), as updated by that certain _____ dated _____, 2009, (iii) Phase I Environmental Site Assessment of Proposed Haven for Hope ATC Project No. 46.23683, April 23, 2007, by ATC Associates, Inc. (Homeless Shelter Site), as updated by that certain _____ dated _____, 2009, (iv) Phase I Environmental Site Assessment of Proposed Haven for Hope ATC Project No. 46.23683, April 13, 2007, by ATC Associates, Inc. (Properties 5A, 6A, 6B and 6C), as updated by that certain _____ dated _____, 2009, (v) Phase II Subsurface Investigation Report, ATC Associates, Inc. dated May 18, 2007 (Properties 3 and 3B), (vi) Phase II Subsurface Investigation Report, ATC Associates, Inc. dated May 18, 2007 (Properties 8, 6B and 6C), (vii) Phase II Subsurface Investigation Report, ATC Associates, Inc. dated April 12, 2007 (Properties 8A, 5A and 9), (viii) Phase II Subsurface Investigation Report, ATC Associates, Inc. dated May 3, 2007 (Properties 5C and 6A), and (ix) Phase II Subsurface Investigation Report, ATC Associates, Inc. dated May 21, 2007 (Homeless Shelter Site) (collectively, the "Environmental Reports"), the Property and Improvements are not and have not been a site for the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of any oil, flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, hazardous wastes, toxic or contaminated substances or similar materials, including, without limitation, any substances which are "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances," "wastes," "regulated substances," "industrial solid wastes," or "pollutants" under the Hazardous Materials Laws, as described below, and/or other applicable environmental laws, ordinances and regulations (collectively, the "Hazardous Materials"). "Hazardous Materials" shall not include commercially reasonable amounts of such materials used in the ordinary course of operation of the Property which are used and stored in accordance with all applicable environmental laws, ordinances and regulations.

- (b) **Hazardous Materials Laws**. The Property and Improvements are in compliance with all laws, ordinances and regulations relating to Hazardous Materials ("Hazardous Materials Laws"), including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq.; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601 et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Section 11001 et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 et seq.; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f et seq.; and all comparable state and local laws, laws of other jurisdictions or orders and regulations (including, without limitation, the Texas Water Code, the Texas Health & Safety Code and the Texas Solid Waste Disposal Act).
- (c) **Hazardous Materials Claims**. Except as disclosed in writing to Lenders, there are no claims or actions ("Hazardous Materials Claims") pending or threatened against Borrower, the Property or Improvements by any governmental entity or agency or by any other person or entity relating to Hazardous Materials or pursuant to the Hazardous Materials Laws.

7.2 HAZARDOUS MATERIALS COVENANTS. Borrower agrees as follows:

- (a) **No Hazardous Activities**. Borrower shall not cause or permit the Property or Improvements to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any Hazardous Materials in violation with Hazardous Materials Laws.
- (b) **Compliance**. Borrower shall comply and cause the Property and Improvements to comply with all Hazardous Materials Laws.

- (c) **Notices.** Borrower shall promptly notify Lenders in writing of: (i) the discovery of any Hazardous Materials on, under or about the Property and Improvements in violation with Hazardous Materials Laws; (ii) any knowledge by Borrower that the Property and Improvements do not comply with any Hazardous Materials Laws; and (iii) any Hazardous Materials Claims.
- (d) **Remedial Action.** In response to the presence of any Hazardous Materials on, under or about the Property or Improvements, Borrower shall immediately take, at Borrower's sole expense, all remedial action required by any Hazardous Materials Laws or any judgment, consent decree, settlement or compromise in respect to any Hazardous Materials Claims.

7.3 INSPECTION BY LENDER. Upon reasonable prior notice to Borrower, Lenders, its employees and agents, may from time to time (whether before or after the commencement of a nonjudicial or judicial foreclosure proceeding) enter and inspect the Property and Improvements for the purpose of determining the existence, location, nature and magnitude of any past or present release or threatened release of any Hazardous Materials into, onto, beneath or from the Property and Improvements.

7.4 HAZARDOUS MATERIALS INDEMNITY. BORROWER HEREBY AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS LENDERS, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, LIABILITIES, CLAIMS, ACTIONS, JUDGMENTS, COURT COSTS AND LEGAL OR OTHER EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND EXPENSES) WHICH LENDERS MAY INCUR AS A DIRECT OR INDIRECT CONSEQUENCE OF THE USE, GENERATION, MANUFACTURE, STORAGE, DISPOSAL, THREATENED DISPOSAL, TRANSPORTATION OR PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY OR IMPROVEMENTS. BORROWER SHALL IMMEDIATELY PAY TO LENDERS UPON DEMAND ANY AMOUNTS OWING UNDER THIS INDEMNITY, TOGETHER WITH INTEREST FROM THE DATE THE INDEBTEDNESS ARISES UNTIL PAID AT THE RATE OF INTEREST APPLICABLE TO THE PRINCIPAL BALANCE OF THE NOTES. BORROWER'S DUTY AND OBLIGATIONS TO DEFEND, INDEMNIFY AND HOLD HARMLESS LENDERS SHALL SURVIVE: (i) THE CANCELLATION OF THE NOTE AND THE RELEASE OR PARTIAL RELEASE OF THE LIEN OF THE DEED OF TRUST; (ii) ANY JUDICIAL OR NON-JUDICIAL FORECLOSURE UNDER THE DEED OF TRUST, OR TRANSFER OF THE PROPERTY IN LIEU THEREOF; AND (iii) THE SATISFACTION OF ALL OF BORROWER'S OBLIGATIONS UNDER THE LOAN DOCUMENTS.

ARTICLE 8. SET ASIDE LETTERS

- 8.1 SET ASIDE LETTERS.** If, at Borrower's request, either Lender issues any letter or letters ("Set Aside Letter") to any governmental agency ("Obligee") or bonding company ("Surety") whereby Lender agrees to allocate Loan proceeds for the construction of off-site, common area, or other improvements required by any governmental agency or for which bonds may be required ("Bonded Work") in connection with the development of the Property, Borrower represents, warrants, covenants and agrees as follows:
- (a) The sum which Borrower requests such Lender to allocate for the Bonded Work shall be sufficient to pay for the construction and completion cost of the Bonded Work in accordance with any agreement between Borrower and Obligee and a copy of such agreement shall be furnished to such Lender by Borrower prior to and as a condition precedent to the issuance by such Lender of any Set Aside Letter;
 - (b) Such Lender is irrevocably and unconditionally authorized to disburse to the Obligee or Surety all or any portion of said allocated Loan proceeds upon a demand of such Surety or Obligee made in accordance with the terms and conditions of the Set Aside Letter;
 - (c) Any disbursements or payments which such Lender makes or may be obligated to make under any Set Aside Letter, whether made directly to the Surety, Obligee, or to others for completion of all or part of the Bonded Work, shall be deemed a disbursement under this Agreement to or for the benefit or account of Borrower;

- (d) **BORROWER SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS SUCH LENDER FROM ANY CLAIM, DEMAND, CAUSE OF ACTION, DAMAGE, LOSS OR LIABILITY, INCLUDING, WITHOUT LIMITATION, ANY COURT COSTS AND ATTORNEYS' FEES AND EXPENSES, WHICH SUCH LENDER MAY SUFFER OR INCUR AS A DIRECT OR INDIRECT CONSEQUENCE OF ITS ISSUANCE OF OR COMPLIANCE WITH ANY REQUESTED SET ASIDE LETTER. BORROWER SHALL PAY ANY INDEBTEDNESS ARISING UNDER THIS INDEMNITY TO SUCH LENDER IMMEDIATELY UPON DEMAND OF LENDER. BORROWER'S DUTY TO DEFEND, INDEMNIFY AND HOLD HARMLESS SUCH LENDER HEREUNDER SHALL SURVIVE THE RELEASE AND CANCELLATION OF THE NOTE AND THE FULL OR PARTIAL RELEASE OF THE DEED OF TRUST OR OTHER LOAN DOCUMENTS;**
- (e) Such Lender shall have no obligation to release any collateral or security under the Loan Documents unless and until Lender has received a full and final written release of its obligations under each Set Aside Letter; and
- (f) The fee for issuing each Set Aside Letter hereunder shall be determined by the applicable Lender.

ARTICLE 9. COVENANTS OF BORROWER

- 9.1 EXPENSES.** Borrower shall promptly pay Lenders upon demand all costs and expenses incurred by Lenders in connection with: (a) the preparation of this Agreement, all other Loan Documents and Other Related Documents contemplated hereby; (b) the administration of this Agreement, the other Loan Documents and Other Related Documents for the term of the Loans; and (c) the enforcement or satisfaction by Lenders of any of Borrower's obligations under this Agreement, the other Loan Documents or the Other Related Documents. For all purposes of this Agreement, Lenders' costs and expenses shall include, without limitation, all appraisal fees, cost engineering and inspection fees, legal fees and expenses, accounting fees, environmental consultant fees, auditor fees, UCC filing fees and/or UCC vendor fees, flood certification vendor fees, tax service vendor fees, documentary stamp tax, intangible tax, recording and/or filing fees, and the cost to Lenders of any title insurance premiums or endorsements, title surveys, release and notary fees. Borrower recognizes and agrees that formal written appraisals of the Property and Improvements by a licensed independent appraiser may be required by Lenders' internal procedures and/or federal regulatory reporting requirements on an annual and/or specialized basis and that Lenders may, at their option, require inspection of the Property and Improvements by an independent supervising architect and/or cost engineering specialist: (i) prior to each advance; (ii) at least once each month during the course of construction even though no disbursement is to be made for that month; (iii) upon completion of the Improvements; and (iv) at least semi-annually thereafter. If any of the services described above are provided by an employee of Lenders, Lenders' costs and expenses for such services shall be calculated in accordance with Lenders' standard charge for such services.
- 9.2 ERISA COMPLIANCE.** Borrower shall at all times comply with the provisions of ERISA with respect to any retirement or other employee benefit plan to which it is a party as employer, and as soon as possible after Borrower knows, or has reason to know, that any Reportable Event (as defined in ERISA) with respect to any such plan of Borrower has occurred, it shall furnish to Lenders a written statement setting forth details as to such Reportable Event and the action, if any, which Borrower proposes to take with respect thereto, together with a copy of the notice of such Reportable Event furnished to the Pension Benefit Guaranty Corporation.
- 9.3 LEASES.** Borrower shall at all times comply with the provisions of the Ground Lease, the Sublease and Master Lease and Borrower shall notify Lenders of any action by the ground lessor to terminate the Ground Lease.
- 9.4 APPROVAL OF LEASES.** All leases of all or any part of the Property and Improvements shall: (a) be upon terms and with tenants approved by Lenders prior to Borrower's execution of any such lease; and (b) include subordination, attornment and mortgagee protection provisions satisfactory to

Lender. All standard lease forms and any material deviation from any form, shall be approved by Lenders prior to execution of any lease using such form.

- 9.5** **SUBDIVISION MAPS.** Prior to recording any final map, plat, parcel map, lot line adjustment or other subdivision map of any kind covering any portion of the Property (collectively, "Subdivision Map"), Borrower shall submit such Subdivision Map to Lenders for Lenders' review and approval, which approval shall not be unreasonably withheld. Within ten (10) Business Days after Lenders' receipt of such Subdivision Map, Lenders shall provide Borrower written notice if Lenders disapprove of said Subdivision Map. Lenders shall be deemed to have approved the Subdivision Map if such notice is not provided to Borrower. Within five (5) Business Days after Lenders' request, Borrower shall execute, acknowledge and deliver to Lenders such amendments to the Loan Documents as Lenders may reasonably require to reflect the change in the legal description of the Property resulting from the recordation of any Subdivision Map. In connection with and promptly after the recordation of any amendment or other modification to the Deed of Trust recorded in connection with such amendments, Borrower shall deliver to Lenders, at Borrower's sole expense, a title endorsement to the Title Policy in form and substance satisfactory to Lenders insuring the continued first priority lien of the Deed of Trust. Subject to the execution and delivery by Borrower of any documents required under this Section, Lenders shall, if required by applicable law, sign any Subdivision Map approved, or deemed to be approved, by Lenders pursuant to this Section.
- 9.6** **OPINION OF LEGAL COUNSEL.** Borrower shall provide, at Borrower's expense, an opinion of legal counsel in form and content satisfactory to Lenders to the effect that: (a) upon due authorization, execution and recordation or filing as may be specified in the opinion, each of the Loan Documents shall be legal, valid and binding instruments, enforceable against the makers thereof in accordance with their respective terms; (b) the Deed of Trust creates the lien it purports to create on the Borrower's sublease interest in the Property and Improvements, subject to the terms and conditions of the Ground Lease and Sublease; (c) the Absolute Assignment of Leases and Rents under the Deed of Trust irrevocably assigns the lessor's interest in the leases described therein; (d) upon the consummation of a properly conducted foreclosure sale under the Deed of Trust, all rights of redemption of Borrower and Non-Borrower Grantor shall be extinguished; **and (e)** the interest rate terms do not violate any applicable usury laws.
- 9.7** **FURTHER ASSURANCES.** Upon Lenders' written request and at Borrower's sole cost and expense, Borrower shall execute, acknowledge and deliver any other instruments and perform any other acts necessary, desirable or proper, as determined by Lenders, to carry out the purposes of this Agreement and the other Loan Documents or to perfect and preserve any liens created by the Loan Documents.
- 9.8** **ASSIGNMENT.** Without the prior written consent of Lenders, Borrower shall not assign Borrower's interest under any of the Loan Documents, or in any monies due or to become due thereunder, and any assignment without such consent shall be void. In this regard, Borrower acknowledges that Lenders would not make these Loans except in reliance on Borrower's expertise, reputation, prior experience in developing and constructing commercial real property, Lenders' knowledge of Borrower, and Lenders' understanding that this Agreement is more in the nature of an agreement involving personal services than a standard loan where Lenders would rely on security which already exists.
- 9.9** **MANAGEMENT OF PROPERTY.** Without the prior written consent of Lenders, Borrower shall not enter into any agreement providing for the management, leasing or operation of the Property or Improvements.
- 9.10** **NMTC COVENANTS.** Each and every covenant of Borrower set forth in the NMTC Addendum attached as Exhibit I hereto is incorporated herein by reference.

ARTICLE 10. REPORTING COVENANTS

- 10.1** **FINANCIAL INFORMATION.** Borrower shall deliver to Lenders, the following:
- (a) Within sixty (60) days after completion of the Improvements, a detailed business plan prepared by Borrower detailing the plan and budget for the operation of the Property, including, without limitation, the following:

- (i) Budgeted income and operating expense with respect to the Borrower;
 - (ii) Budgeted tenant improvements and capital expenditures; and
 - (iii) Leasing parameters for Property vacancies.
- (b) Monthly, within fifteen (15) days after the end of each calendar month, a certificate of funding availability under the Frost Line of Credit consistent with the financial covenants set forth in Section 10.4(a).
 - (c) Monthly, within fifteen (15) days after the end of each calendar month, a monthly statement of cash flow.
 - (d) Quarterly, within forty-five (45) days of each calendar quarter end, internally-prepared financial statements including a balance sheet and income statement with respect to Borrower and Guarantor certified by the Chief Financial Officer of Guarantor.
 - (e) Quarterly, within forty-five (45) days of each calendar quarter end, internally-prepared revenue and expense projections with respect to Borrower and Guarantor certified by the Chief Financial Officer of Guarantor.
 - (f) Quarterly, within fifteen (15) days of each calendar quarter end, notification of funded pledges to Borrower or Guarantor and variance to those projected in the most recent revenue and expense projections.
 - (g) Annually, commencing within seventy-five (75) days of each fiscal year-end, financial statements for the Borrower audited by KPMG LLP or another CPA firm approved by Lenders.
 - (h) Annually, commencing within one-hundred twenty (120) days of each fiscal year-end, financial statements for the Guarantor audited by KPMG LLP or another CPA firm approved by Lenders.
 - (i) Annually, an operating budget for Borrower and Guarantor submitted to Lenders for approval sixty (60) days or prior to the beginning of each fiscal year.
 - (j) All reporting required under the NMTC Addendum attached hereto as Exhibit I.

Except as otherwise agreed to by Lenders, all such financial information shall be prepared in accordance with generally accepted accounting principles consistently applied.

10.2 BOOKS AND RECORDS. Borrower shall maintain complete books of account and other records for the Property and Improvements and for disbursement and use of the proceeds of the Loans and Borrower's Funds, and the same shall be available for inspection and copying by Lenders upon reasonable prior notice.

10.3 REPORTS. Within ten (10) days of Lenders' request, Borrower shall deliver to Lenders monthly marketing and sales schedules and reports, marketing and sales information and/or leasing information, with respect to all real property projects of Borrower and all general partners, venturers and members of Borrower, all in form and substance acceptable to Lender.

10.4 FINANCIAL COVENANTS.

- (a) Construction Period Liquidity. Prior to Completion of Construction of the Improvements, Guarantor will maintain a minimum of the greater of (i) \$1,000,000 or (ii) [_____ - 10% of the projected unfunded cost-to-complete the Improvements at the time of Loan closing] in borrowing availability under the Frost Line of Credit available to be drawn upon to cover construction costs overruns or obligations under the provisions of Section 3.1(b) as necessary.

- (b) Post-Completion Liquidity. At all times after Completion of Construction of the Improvements, Guarantor will maintain a minimum of \$2,500,000 in cash, margined cash equivalents, and/or borrowing availability under the Frost Line of Credit available to be drawn upon to cover on-going building and organizational operating costs as necessary.

ARTICLE 11. DEFAULTS AND REMEDIES

11.1 **DEFAULT**. The occurrence of any one or more of the following shall constitute an event of default ("Default") under this Agreement and the other Loan Documents:

- (a) **Monetary**. Borrower's failure to pay within ten (10) days when due any sums payable under the Notes or any of the other Loan Documents, including, without limitation, the NMTC Addendum attached hereto as Exhibit I, or Borrower's failure to deposit any Borrower's Funds, including, without limitation the Borrower's Equity, as and when required under this Agreement; or
- (b) **Performance of Obligations**. Borrower's failure after thirty (30) days' written notice from Lenders to perform any obligation in addition to those in Section 11.1(a) above under any of the Loan Documents, including, without limitation the obligations set forth in the NMTC Addendum attached hereto as Exhibit I; provided, however, that if a cure period is provided for the remedy of such failure, Borrower's failure to perform will not constitute a Default until such date as the specified cure period expires; or
- (c) **Construction; Use**. (i) There is any material deviation in the work of construction from the Plans and Specifications or governmental requirements or the appearance or use of defective workmanship or materials in constructing the Improvements in violation with the terms and conditions of this Agreement, and Borrower fails to remedy the same to Lenders' satisfaction within ten (10) days of Lenders' written demand to do so; or (ii) there is a cessation of construction of the Improvements prior to completion for a continuous period of more than fifteen (15) days (except as caused by an event of force majeure for which a longer delay may be permitted under Article IV); or (iii) the construction, sale or leasing of any of the Improvements in accordance with the Loan Documents is prohibited, enjoined or delayed for a continuous period of more than thirty (30) days; or (iv) utilities or other public services necessary for the full occupancy and utilization of the Property and Improvements are curtailed for a continuous period of more than thirty (30) days; or
- (d) **Liens, Attachment; Condemnation**. (i) The recording of any lien affidavit against the Property or Improvements or the giving to Borrower of any notice of unpaid claims for work, material or specially fabricated items or of a contractual retainage claim relating to the Property or Improvements and the continuance of such lien claim or notice without discharge, satisfaction or provision for payment being made by Borrower in a manner satisfactory to Lenders within twenty (20) days after such recording or receipt by Borrower of such notice or within five (5) calendar days of Lenders' demand to cure same, whichever occurs first; or (ii) the condemnation, seizure or appropriation of, or occurrence of an uninsured casualty with respect to any material portion of the Property or Improvements; or (iii) the sequestration or attachment of, or any levy or execution upon any of the Property or Improvements, any other collateral provided by Borrower under any of the Loan Documents, any monies in the Disbursement Account or in the Operating Account, or any substantial portion of the other assets of Borrower, which sequestration, attachment, levy or execution is not released, expunged or dismissed prior to the earlier of thirty (30) days or the sale of the assets affected thereby; or
- (e) **Representations and Warranties**. (i) The material failure of any representation or warranty of Borrower in any of the Loan Documents, including, without limitation, any representation or warranty set forth in the NMTC Addendum attached hereto as Exhibit I, and the continuation of such failure for more than thirty (30) days after written notice to Borrower from Lenders requesting that Borrower cure such failure; or (ii) any Material Adverse Change in the financial condition of Borrower, or any other person or entity in any manner obligated to Lenders under the Loan Documents from the financial condition represented to Lenders as of the later of: (A) the Effective Date; or (B) the date upon which the financial condition of such party was first

represented to Lenders that is not cured by Borrower within thirty (30) days from the date Borrower becomes aware of such Material Adverse Change; or

- (f) **Voluntary Bankruptcy; Insolvency; Dissolution.** (i) The filing of a petition by Borrower for relief under the Bankruptcy Code, or under any other present or future state or federal law regarding bankruptcy, reorganization or other debtor relief law; (ii) the filing of any pleading or an answer by Borrower in any involuntary proceeding under the Bankruptcy Code or other debtor relief law which admits the jurisdiction of the court or the petition's material allegations regarding Borrower's insolvency; (iii) a general assignment by Borrower for the benefit of creditors; or (iv) Borrower applying for, or the appointment of, a receiver, trustee, custodian or liquidator of Borrower or any of its property; or
- (g) **Involuntary Bankruptcy.** The failure of Borrower to effect a full dismissal of any involuntary petition under the Bankruptcy Code or under any other debtor relief law that is filed against Borrower or in any way restrains or limits Borrower or Lenders regarding the Loans, the Property or the Improvements, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or thirty (30) days after the date of filing of such involuntary petition; or
- (h) **Guarantor.** The occurrence of any of the events specified in Section 11.1(f) or 11.1 (g) as to Guarantor; or
- (i) **Death or Incapacity of Borrower.** The death or incapacity of Borrower, if an individual; or
- (j) **Change in Management or Control.** The occurrence of any transfer of Guarantor's interest in Borrower or any other material management or organizational change in Borrower or in the Guarantor which Lenders determine, in their sole and absolute discretion, shall constitute a Material Adverse Change; or
- (k) **Loss of Priority.** The failure at any time of the Deed of Trust to be a valid first lien upon the Borrower's sublease interest in the Property and Improvements or any portion thereof, other than as a result of any release of the Deed of Trust with respect to all or any portion of the Property and Improvements pursuant to the terms and conditions of this Agreement; or
- (l) **Hazardous Materials.** The discovery of any significant Hazardous Materials in violation with Hazardous Materials Laws in, on or about the Property or Improvements subsequent to the Effective Date and Borrower fails to remove such Hazardous Materials within thirty (30) days after discovery thereof. Any such Hazardous Materials shall be "significant" for this purpose if said Hazardous Materials, in Lenders' sole discretion, have a materially adverse impact on the value of the Property and Improvements; or
- (m) **Default Under Unsecured Indemnity Agreement.** The occurrence of a default under that certain Hazardous Materials Indemnity Agreement (Unsecured) executed by Borrower, as Indemnitor, in favor of Lenders, and of even date herewith, including without limitation Borrower's failure to perform any covenant, condition, or obligation thereunder; or
- (n) **Default Under Guaranty.** The occurrence of a default under any guaranty now or hereafter executed in connection with the Loans, including without limitation any guarantor's failure to perform any covenant, condition, or obligation thereunder; or
- (o) **Cross Default.** The occurrence of any default or event of default by Borrower or Guarantor under the Frost Loan Documents which default continues beyond all applicable notice and cure periods; or
- (p) **Litigation.** Any judgment shall be entered against Borrower which, if adversely determined, would substantially impair the ability of Borrower to perform each and every one of its obligations under and by virtue of the Loan Documents; or

- (q) **Acceleration of Other Debts.** Borrower does, or omits to do, any act, or any event occurs, as a result of which any material obligation of Borrower, not arising hereunder, is declared immediately due and payable by the holder thereof; or
- (r) **Lapse of Permit.** Borrower neglects, fails, or refuses to keep in full force and effect any required permit or approval with respect to the construction of the Improvements and such failure is not cured by Borrower within thirty (30) days after discovery thereof; or
- (s) **Failure to Complete Construction.** The failure of Borrower to achieve Completion of Construction of the Improvements on or before the Completion Date; or
- (t) **False Representations:** If any representation, statement or warranty made by Borrower in, under or pursuant to the Loan Documents or any affidavit or other instrument executed in connection with the Loan Documents shall be false or misleading in any material respect as of the date hereof, except to the extent that changes in the representations and warranties have been disclosed to Lenders in writing by Borrower and Lenders have approved such changes.
- (u) **Destruction of Improvements:** If the Property is demolished, destroyed or substantially damaged so that in Lenders' judgment it cannot be restored or rebuilt with available insurance proceeds (or if Lenders do not elect to fund the same to Borrower for repair or restoration under Section 5.6(b) of the Deed of Trust), plus any additional equity funds deposited by Borrower with Lenders, to the condition existing immediately prior to such demolition, destruction, or damage prior to the Maturity Date.
- (v) **Default Under Leases.** The occurrence of a default or Event of Default under the Ground Lease, the Sublease or the Master Lease, and the continuation of any such default or Event of Default beyond any applicable cure or grace period set forth in such lease or the occurrence of any affirmative action by ground lessor that the Lenders determine, in their sole discretion, could result in the termination of the Ground Lease.

11.2 ACCELERATION UPON DEFAULT; REMEDIES. Upon the occurrence of any Default specified in this Article 10, Lenders may, at their sole option, declare all sums owing to Lenders under the Notes, this Agreement and the other Loan Documents immediately due and payable. Upon such acceleration, Lenders may, in addition to all other remedies permitted under this Agreement and the other Loan Documents and at law or equity, apply any sums in the Disbursement Account and Operating Account to the sums owing under the Loan Documents and any and all obligations of Lenders to fund further disbursements under the Loans shall terminate.

11.3 DISBURSEMENTS TO THIRD PARTIES. Upon the occurrence of a Default occasioned by Borrower's failure to pay money to a third party as required by this Agreement, Lenders may but shall not be obligated to make such payment from the proceeds of the Loans, Borrower's Funds, or other funds of Lenders. If such payment is made from proceeds of the Loans or from Borrower's Funds, Borrower shall promptly deposit with Lenders, upon written demand, an amount equal to such payment. If such payment is made from funds of Lenders, Borrower shall promptly repay such funds upon written demand of Lender. In either case, the Default with respect to which any such payment has been made by Lenders shall not be deemed cured until such deposit or repayment (as the case may be) has been made by Borrower to Lender.

11.4 LENDERS' COMPLETION OF CONSTRUCTION. Upon the occurrence of a Default, Lenders may, upon five (5) days prior written notice to Borrower, and with or without legal process, take possession of the Property and Improvements, remove Borrower and all agents, employees and contractors of Borrower from the Property and Improvements, complete the work of construction and market, operate and sell or lease the Property and/or Improvements. For this purpose, Borrower irrevocably appoints each Lender as its attorney-in-fact, which agency is coupled with an interest. As attorney-in-fact, a Lender may, in Borrower's name, take or omit to take any action such Lender may deem appropriate, including, without limitation, exercising Borrower's rights under the Loan Documents and all contracts concerning the Property and/or Improvements.

- 11.5 LENDERS' CESSATION OF CONSTRUCTION.** If Lenders determine at any time that the Improvements are not being constructed in accordance with the Plans and Specifications and all governmental requirements, Lenders may immediately cause all construction to cease on any of the Improvements affected by the condition of nonconformance. Borrower shall thereafter not allow any construction work, other than corrective work, to be performed on any of the Improvements affected by the condition of nonconformance until such time as Lenders notify Borrower in writing that the nonconforming condition has been corrected.
- 11.6 REPAYMENT OF FUNDS ADVANCED.** Any funds expended by Lenders in the exercise of its rights or remedies under this Agreement and the other Loan Documents shall be payable to Lenders upon demand, together with interest at the rate applicable to the principal balance of the Senior Note from the date the funds were expended.
- 11.7 RIGHTS CUMULATIVE, NO WAIVER.** Lenders may also exercise any and all rights and remedies for such Default at law, equity or under the Loan Documents. All Lenders' rights and remedies provided in this Agreement and the other Loan Documents, together with those granted by law or at equity, are cumulative and may be exercised by Lenders at any time. Lenders' exercise of any right or remedy shall not constitute a cure of any Default unless all sums then due and payable to Lenders under the Loan Documents are repaid and Borrower has cured all other Defaults. No waiver shall be implied from any failure of Lenders to take, or any delay by Lenders in taking, action concerning any Default or failure of condition under the Loan Documents, or from any previous waiver of any similar or unrelated Default or failure of condition. Any waiver or approval under any of the Loan Documents must be in writing and shall be limited to its specific terms.

ARTICLE 12. CO-LENDING: LOAN ADMINISTRATION

- 12.1 PRO RATA TREATMENT.** Except to the extent otherwise provided herein: (a) each borrowing from Lenders shall be made from the Lenders, each payment of the fees shall be made for the account of the Lenders, and each termination or reduction of the amount of the Commitments pursuant to this Agreement shall be applied to the respective Commitments of the Lenders, according to their Pro Rata Interests; (b) each payment or prepayment of principal of the Loans by the Borrower shall be made for the account of the Lenders in accordance with their Pro Rata Interest; and (c) each payment of interest on the Loans by the Borrower shall be made for the account of the Lenders in accordance with the Pro Rata Interest.
- 12.2 OWNERSHIP OF LOAN AND LOAN DOCUMENTS.** Each of the Lenders shall be equal in priority and shall have an undivided interest in all collateral for, and all collections and receipts with respect to (i) the WCDE Loan and (ii) the NMF Loan. The rights and obligations of each Lender shall be direct, separate and several rights and obligations vis-à-vis the Borrower to the extent of such Lender's Portion of the Loans, subject to the terms of this Agreement, but certain of such rights shall be exercised vis-à-vis the Borrower by Servicer pursuant to the Servicing Agreement. In the event of any conflict between the terms of this Section 12.2 and the terms of the Servicing Agreement, the terms of the Servicing Agreement, as applicable, shall control and govern.
- 12.3 APPOINTMENT.** Each of the Lenders hereby irrevocably appoints the Servicer as its agent and authorizes the Servicer to oversee and administer the disbursement and release of the proceeds of the Loans and the evaluation of the satisfaction by Borrower of the conditions for such disbursement and release pursuant to Article 3 of this Agreement, and the provisions of the Servicing Agreement.
- 12.4 APPROVALS BY LENDERS.** As to any and all matters that are subject to the approval, consent, or direction of the Lenders, such approvals, consents, or directions shall be sought and obtained in accordance with the following provisions:
- (a) Each Lender agrees that any communications from the Servicer or any Lender to the other Lenders requesting the Lenders' determination, consent, approval, or direction shall be sufficient if the same (i) shall be given in the form of a written notice to each of the Lenders, (ii) shall be accompanied by a description of the matter as to which such determination, approval, consent, or direction is requested, and shall adequately describe the matter or issues as to which such request

is made, (iii) shall include, to the extent not previously provided to the Lenders, all written materials (to the extent reasonably necessary to make an informed decision) and a description of all oral information (to the extent reasonably necessary to make an informed decision) provided to the Servicer or the requesting Lender in respect of the matter or issue as to which such request is made, and (iv) shall include the course of action or determination recommended by the Servicer or Lender making such request. The other Lenders shall reply within ten (10) Business Days unless the Servicer or requesting Lender, in the exercise of its reasonable business judgment, determines a shorter period of time is necessary under the circumstances, but in no event shall the time required for a reply be less than three (3) Business Days.

- (b) Unless a Lender shall give written notice to the other Lenders that it objects to the recommendation or determination of the Servicer or requesting Lender within the time frame set forth in Section 12.4(a) and the reasons for such objection are specified in such written notice of objection, the Lender shall be deemed to have approved of and consented to such recommendation or determination. In such event, the Lenders shall follow the determination or recommendation to the Lenders made by the Servicer or requesting Lender, and such non-objecting Lender shall be deemed to have approved the same for purposes of this Agreement, unless the Servicer or requesting Lender has received, within the applicable time period set forth above, any notice(s) of objection from any one or more of the other Lenders.
- (c) The Lenders acknowledge and agree that, at any time or from time to time, in connection with any exercise of discretion or any action or inaction that the Servicer or other Lender proposes to take on behalf of the Lenders, the Servicer or any other Lender may elect to seek concurrence in such exercise of discretion or such action or inaction by the other Lenders. Such request for concurrence shall be sufficient if made by written notice to the Lenders, the form and content of which shall conform to the requirements for notices under Section 12.4(a) above. Each Lender shall reply to any such request for concurrence from the Lenders within ten (10) Business Days following receipt of said notice. Unless a Lender shall (x) give written notice to the Servicer or other requesting Lender that it objects to the determination, recommendation, action or inaction so proposed (as identified in the applicable notice) within said ten business day period and (y) shall specify therein the reasons for such objection, such Lender shall be deemed to have concurred in and consented to such determination, recommendation, action or inaction for purposes of this Agreement.

12.5 DECISIONS BY LENDERS; ENFORCEMENT. All actions and decisions to be taken or made under or pursuant to the Loan Documents shall be subject to the approval of all of the Lenders, and except as authorized by all of the Lenders (pursuant to Section 12.4(a) hereof), neither the Servicer nor any Lender shall be authorized or required to take any such action or make any such determination. Without limiting the foregoing, the approval of all of the Lenders shall be necessary to authorize the following actions:

- (a) entering into any amendment or modification or grant any waiver of any material provisions of any of the Loan Documents, or exercise any rights which the Lenders may have with respect to any Loan or any Loan Documents or the Project;
- (b) authorizing or permitting the distribution of insurance or condemnation proceeds in a manner not contemplated by the applicable Loan Documents, or electing to apply the proceeds of any casualty insurance or any condemnation to the payment of any Loan prior to the Maturity Date (it being agreed that such proceeds shall be applied to the restoration of the Project by the Borrower unless otherwise approved by the Lenders, other than in the event an Event of Default has occurred, as a result of which any Loan has been accelerated and/or an enforcement action has been commenced);
- (c) accelerating any Loan, initiating any enforcement action, or agreeing to the settlement of any such proceedings, except in accordance with an enforcement action plan approved in writing by the Lenders (it being intended that once the acceleration of such Loan or any enforcement action is so authorized and an enforcement action plan is so approved, other enforcement actions may be pursued in accordance such plan, without further approvals from the Lenders, but subject to the further direction of the Lenders);

- (d) permitting or consenting to any voluntary or involuntary sale, transfer, or encumbrance of all or any portion of the Project or other collateral for any Loan, or of any equity interests in the Borrower, or permitting any subordinate financing or additional financing (whether or not secured by the Project or any portion thereof or any equity interests in the Borrower), to the extent prohibited by the terms of the applicable Loan Documents;
- (e) determining the manner of exercise of remedies on account of any Event of Default;
- (f) taking possession of or acquiring (directly or through a nominee entity as further described below) any or all of the Borrower's rights, title, and interests in the Project and other collateral pursuant to any enforcement action (in the case of possession, whether as mortgagee-in-possession or through a receiver, and in the case of acquisition, whether pursuant to judicial or non judicial foreclosure or power of sale);
- (g) accepting a conveyance and assignment (directly or through a nominee entity as further described below) of all or substantially all of the Borrower's rights, title and interests in the Project and other collateral in lieu of foreclosure;
- (h) whether in consideration of a conveyance and assignment of the nature described in (vii) immediately above or otherwise, settling or discontinuing any or all enforcement actions and/or release or otherwise agree not to pursue the Borrower, Guarantor, and any other parties from all or any part (as determined by the Lenders) of their respective personal obligations under any of the Loan Documents;
- (i) in the event that the Lenders, the Servicer, or other designee of the Lenders shall be appointed as a receiver or a mortgagee in possession of any Property, or in the event that any Property shall be acquired as provided above, the making of any material decisions or actions with respect to the management, leasing, operation, or disposition of such Property, including approving (i) the form and documentation governing any nominee entity that will acquire the Property, (ii) any management company to be engaged to manage the Property, and the execution, amendment, or modification of any management agreement with such management company, (iii) the execution of any new lease or the modification or amendment of any existing lease, (iv) any leasing agent to be engaged to lease the Property, and the execution, amendment, or modification of any leasing agency agreement with such leasing agent, (v) any property operating and capital budgets for the Property, and material variations from such budgets, (vi) the making of any capital expenditures (other than advances required to preserve or protect the Property from imminent threat of loss or damage), (vii) the engagement of any broker for the sale of the Property, and (viii) the pursuit of any sale, disposition, financing, or encumbrance of the Property and the terms of any such sale, disposition, financing, or encumbrance; or
- (j) engaging in any other judicial or non judicial arrangement relating to any Loan which is the substantial equivalent of any one or more of the foregoing actions.

At the time the Lenders are asked to approve the commencement of any enforcement action with respect to any Loan, any Lender may propose an enforcement action plan covering any one or more of the matters set forth above, which shall be submitted and shall be subject to approval in accordance with the procedures set forth in Section 12.4(a) hereof. To the extent so authorized pursuant to the approval of such plan, the Servicer shall be authorized to take such actions as shall have been expressly authorized under any such enforcement action plan approved by the Lenders, subject to the further directions of the Lenders.

12.6 INDEPENDENT CREDIT ANALYSIS. Each Lender acknowledges that it has, independently and without reliance upon the Servicer or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Servicer or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decision in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

- 12.7 REINVESTMENT.** In the event of any unscheduled or unanticipated repayment or recovery of the principal amount of the Loans to the extent such amounts are required to be re-invested to prevent a recapture of any New Markets Tax Credits (herein referred to as "Reinvestment Proceeds"), each Lender shall be entitled to elect whether (i) to separately reinvest its Pro-Rata Interest in such Reinvestment Proceeds or (ii) to collectively reinvest such Reinvestment Proceeds (in proportion to their Pro-Rata Interests therein) in accordance with this Agreement. Each Lender shall be separately responsible for reinvesting its Pro-Rata Interest in such Reinvestment Proceeds, and this Agreement shall be inapplicable to the selection, funding, administration, servicing, collection, or disposition of any loans or investments that each Lender may elect to make out of its portion of such Reinvestment proceeds. Such Reinvestment Proceeds shall be paid to Lenders in the following priority: first to the outstanding interest and principal on WCDE Senior Note; second to the outstanding interest and principal on NNMF Senior Note; third to the outstanding interest and principal on WCDE Subordinate Note; and fourth to the outstanding interest and principal on NNMF Subordinate Note.
- 12.8 DEFAULTING LENDER.** If for any reason any Lender shall fail or refuse to abide by its obligation under this Agreement and such failure is not cured within thirty (30) days after receipt from the Servicer or any other Lender of written notice thereof (a "Defaulting Lender"), then, in addition to the rights and remedies that may be available to the Servicer, the other Lenders, Borrower or any other party at law or in equity, and not as a limitation thereof, (a) such Defaulting Lender's right to participate in the administration of, or decision-making rights related to, the Loans, this Agreement, the other Loan Documents shall be suspended during the pendency of such failure or refusal, and (b) such Defaulting Lender shall be deemed to have assigned any and all payments due to it from Borrower on account of the Loan Document obligations to the remaining non-defaulting Lenders for application to, and reduction of, their proportionate shares of the outstanding Loans until, as a result of the application of such assigned payments, the Lenders' respective shares of all the outstanding disbursements shall have returned to those in effect immediately prior to the such default and without giving effect to the nonpayment causing such default. A Defaulting Lender's rights to participate in Lender decision-making and to fully participate in payments due from Borrower shall be restored only upon the payment by such Defaulting Lender of the amounts as to which it is delinquent, and any damages suffered by Borrower as a result of such Defaulting Lender's default hereunder (including, without limitation, interest on any portion of draw requests funded by Borrower with equity at the Default Rate).
- 12.9 BORROWER'S RIGHTS.** The provisions of this Article 12 are solely for the benefit of the Servicer and the Lenders, and Borrower shall not have any rights to rely on, enforce or consent to any waiver, modification or amendment of, any of the provisions hereof. Borrower shall not be entitled to rely on consents or approvals executed only by one Lender without confirmation, in writing, as to the existence of proper Lender authorization but shall be entitled to rely on consents or approvals of Servicer, acting on behalf of each Lender unless and until a Lender notifies Borrower in writing that the Servicer is no longer acting on such Lender's behalf.

ARTICLE 13. MISCELLANEOUS PROVISIONS

- 13.1 INDEMNITY.** BORROWER HEREBY AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS LENDERS AND SERVICER, THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, LIABILITIES, CLAIMS, ACTIONS, JUDGMENTS, COURT COSTS AND LEGAL OR OTHER EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND EXPENSES) WHICH LENDERS OR SERVICER MAY INCUR AS A DIRECT OR INDIRECT CONSEQUENCE OF: (A) THE PURPOSE TO WHICH BORROWER APPLIES THE PROCEEDS OF THE LOANS; (B) THE FAILURE OF BORROWER TO PERFORM ANY OBLIGATIONS AS AND WHEN REQUIRED BY THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS; (C) ANY FAILURE AT ANY TIME OF ANY OF BORROWER'S REPRESENTATIONS OR WARRANTIES TO BE TRUE AND CORRECT; OR (D) ANY ACT OR OMISSION BY BORROWER, CONSTITUENT PARTNER OR MEMBER OF BORROWER, ANY CONTRACTOR, SUBCONTRACTOR OR MATERIAL SUPPLIER, ENGINEER, ARCHITECT OR OTHER PERSON OR ENTITY WITH RESPECT TO ANY OF THE PROPERTY OR IMPROVEMENTS. BORROWER SHALL IMMEDIATELY PAY TO LENDERS AND SERVICER UPON DEMAND ANY AMOUNTS OWING UNDER THIS INDEMNITY, TOGETHER WITH INTEREST FROM THE DATE THE INDEBTEDNESS ARISES UNTIL PAID AT THE RATE OF INTEREST APPLICABLE TO THE PRINCIPAL BALANCE OF THE SENIOR NOTES. BORROWER'S DUTY AND OBLIGATIONS

TO DEFEND, INDEMNIFY AND HOLD HARMLESS LENDERS AND SERVICER SHALL SURVIVE CANCELLATION OF THE NOTES AND THE RELEASE OR PARTIAL RELEASE OF THE DEED OF TRUST.

- 13.2 FORM OF DOCUMENTS.** The form and substance of all documents, instruments, and forms of evidence to be delivered to Lenders under the terms of this Agreement and any of the other Loan Documents shall be subject to Lenders' approval and shall not be modified, superseded or terminated in any respect without Lenders' prior written approval.
- 13.3 NO THIRD PARTIES BENEFITED.** No person other than Lenders and Borrower and their permitted successors and assigns shall have any right of action under any of the Loan Documents.
- 13.4 NOTICES.** All notices, demands, or other communications under this Agreement and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth on the signature page of this Agreement and as specified in Exhibit D (subject to change from time to time by written notice to all other parties to this Agreement). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, except that notice of a Default may be sent by certified mail, return receipt requested, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon receipt; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.
- 13.5 PUBLICITY.** Lenders, Servicer, and any of their affiliates (collectively, the "Lender Parties") and Borrower may prepare any press releases, public announcements, photographs or video recordings, brochures, internet pages or other announcements through electronic means related to the transaction set forth in this letter (collectively "Public Announcements"). Prior to releasing any such Public Announcement, the party producing the Public Announcement will submit a draft Public Announcement to the other party for approval at least two weeks prior to the intended release date. The approval of Borrower and the Lender Parties, as applicable, may not be unreasonably withheld and must be provided within two weeks of receipt of the draft Public Announcement. In addition, Borrower will use its best efforts to cooperate with the then-current internal review and approval requirements of the Lender Parties related to any Public Announcements, and will comply with then-current naming and branding standards. Borrower will provide notice to Lender Parties at least two (2) weeks in advance of any groundbreaking, ribbon-cutting or other public relations ceremony related to the transaction set forth in this letter. Representatives of the Lender Parties shall be invited to participate in such public ceremonies and, subject to such invited party's approval, its role shall be recognized in the public event.
- 13.6 ATTORNEY-IN-FACT.** Borrower hereby irrevocably appoints and authorizes each Lender, as Borrower's attorney-in-fact, which agency is coupled with an interest, to execute and/or record in Lender's or Borrower's name any notices, instruments or documents either Lender deems appropriate to protect Lender's interest under any of the Loan Documents.
- 13.7 ACTIONS.** Borrower agrees that Lenders, in exercising the rights, duties or liabilities of Lenders or Borrower under the Loan Documents, may commence, appear in or defend any action or proceeding purporting to affect the Property, the Improvements, or the Loan Documents and Borrower shall immediately reimburse Lenders upon demand for all such expenses so incurred or paid by Lenders, including, without limitation, attorneys' fees and expenses and court costs.
- 13.8 RIGHT OF CONTEST.** Borrower may contest in good faith any claim, demand, levy or assessment (other than mechanic's and materialmen's lien claims which must be handled as specified in Section 4.10 by any person other than Lenders which would constitute a Default if: (a) Borrower pursues the contest diligently, in a manner which Lenders determine is not prejudicial to Lenders, and does not impair the rights of Lenders under any of the Loan Documents; and (b) Borrower deposits with Lenders any funds or other forms of assurance which Lenders in good faith determines from time to time appropriate to protect Lenders from the consequences of the contest being unsuccessful. Borrower's compliance with this Section shall operate to prevent such claim, demand, levy or assessment from becoming a Default.

- 13.9 RELATIONSHIP OF PARTIES.** The relationship of Borrower and Lenders under the Loan Documents is, and shall at all times remain, solely that of borrower and lender, and Lenders neither undertake nor assume any responsibility or duty to Borrower or to any third party with respect to the Property or improvements, except as expressly provided in this Agreement and the other Loan Documents.
- 13.10 DELAY OUTSIDE LENDERS' CONTROL.** Lenders shall not be liable in any way to Borrower or any third party for Lenders' failure to perform or delay in performing under the Loan Documents (and Lenders may suspend or terminate all or any portion of Lenders' obligations under the Loan Documents) if such failure to perform or delay in performing results directly or indirectly from, or is based upon, the action, inaction, or purported action, of any governmental or local authority, or because of war, rebellion, insurrection, strike, lock-out, boycott or blockade (whether presently in effect, announced or in the sole judgment of Lenders deemed probable), or from any Act of God or other cause or event beyond Lenders' control.
- 13.11 ATTORNEYS' FEES AND EXPENSES: ENFORCEMENT.** If any attorney is engaged by Lenders to enforce or defend any provision of this Agreement, any of the other Loan Documents or Other Related Documents, or as a consequence of any Default under the Loan Documents, with or without the filing of any legal action or proceeding, and including, without limitation, any fees and expenses incurred in any bankruptcy proceeding of the Borrower, then Borrower shall immediately pay to Lenders, upon demand, the amount of all attorneys' fees and expenses and all costs incurred by Lenders in connection therewith, including all trial and appellate proceedings in any legal action, suit, bankruptcy or other proceeding, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance of the Notes as specified therein.
- 13.12 IMMEDIATELY AVAILABLE FUNDS.** Unless otherwise expressly provided for in this Agreement, all amounts payable by Borrower to Lenders shall be payable only in United States currency, immediately available funds.
- 13.13 LENDERS' CONSENT.** Wherever in this Agreement there is a requirement for Lenders' consent and/or a document to be provided or an action taken "to the satisfaction of Lenders", it is understood by such phrase that Lenders shall exercise its consent, right or judgment in a reasonable manner given the specific facts and circumstance applicable at the time.
- 13.14 LOAN SALES AND PARTICIPATIONS; DISCLOSURE OF INFORMATION.** Borrower agrees that either Lender may elect, at any time and at such Lender's expense (unless a Default has occurred and is continuing, in which the Borrower shall pay any expenses incurred by any Lender in connection with this Section 13.14), to sell, assign or grant participations in all or any portion of its rights and obligations under the Loan Documents, and that any such sale, assignment or participation may be to one or more financial institutions, private investors, and/or other entities, at either Lender's sole discretion ("Participant"). Borrower further agrees that either Lender may disseminate to any such actual or potential purchaser(s), assignee(s) or participant(s) all documents and information (including, without limitation, all financial information) which has been or is hereafter provided to or known to Lender with respect to: (a) the Property and Improvements and its operation; (b) any party connected with the Loans (including, without limitation, the Borrower, any partner, joint venturer or member of Borrower, any constituent partner, joint venturer or member of Borrower, and any Indemnitor); and/or (c) any lending relationship other than the Loans which Lender may have with any party connected with the Loans. In the event of any such sale, assignment or participation, such Lender and the parties to such transaction shall share in the rights and obligations of such Lender as set forth in the Loan Documents only as and to the extent they agree among themselves. In connection with any such sale, assignment or participation, Borrower further agrees that the Loan Documents shall be sufficient evidence of the obligations of Borrower to each purchaser, assignee, or participant, and upon written request by Lenders, Borrower shall enter into such amendments or modifications to the Loan Documents as may be reasonably required in order to evidence any such sale, assignment or participation. The indemnity obligations of Borrower under the Loan Documents shall also apply with respect to any purchaser, assignee or participant.

Anything in this Agreement to the contrary notwithstanding, and without the need to comply with any of the formal or procedural requirements of this Agreement, including this Section, any lender may at any time and from time to time pledge and assign all or any portion of its rights under all or any of the Loan

Documents to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from its obligations thereunder.

13.15 CAPITAL ADEQUACY. If either Lender or any Participant in the Loans determines that compliance with any law or regulation or with any guideline or request from any central bank or other governmental agency (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by either Lender or such Participant, or any corporation controlling either Lender or such Participant, as a consequence of, or with reference to, such Lender's or such Participant's or such corporation's commitments or its making or maintaining advances below the rate which such Lender or such Participant or such corporation controlling such Lender could have achieved but for such compliance (taking into account the policies of such Lender or such Participant or corporation with regard to capital), then Borrower shall, from time to time, within thirty (30) calendar days after written demand by such Lender or such Participant, pay to such Lender or such Participant additional amounts sufficient to compensate such Lender or such Participant or such corporation controlling Lender to the extent that Lender determines such increase in capital is allocable to such Lender's obligations hereunder. A certificate as to such amounts, submitted to Borrower by such Lender or such Participant, shall be conclusive and binding for all purposes, absent manifest error.

13.16 SIGNS. Lenders, at their sole cost, may place on the Property reasonable signs standard to construction loan transactions stating that construction financing is being provided by Lenders and any other lenders or participants in the Loans.

13.17 LENDERS' AGENTS/SERVICER.

(a) Lenders may designate an agent or independent contractor to exercise any of Lenders' rights under this Agreement and any of the other Loan Documents. Any reference to Lenders in any of the Loan Documents shall include Lenders' agents, employees or independent contractors. Borrower shall pay the costs of such agent or independent contractor either directly to such person or to Lenders in reimbursement of such costs, as applicable. Effective as of the date hereof, the Lender has designated the Servicer to exercise certain of Lender's rights under this Agreement.

(b) On or before the Effective Date and on each one year anniversary thereafter, Borrower shall pay Servicer (or WCDE, if Lenders notify Borrower that there is no Servicer) an annual loan servicing fee equal to \$35,000.

(c) In case of any default or Event of Default hereunder, Borrower will pay Servicer's reasonable attorneys' fees and expenses in connection with any "workout" or in connection with the interpretation, administration or enforcement of this Agreement. Without limiting the foregoing, Borrower shall pay such fees and expenses if at any time any Servicer employs counsel (whether or not any suit has been filed or shall be filed and whether or not legal proceedings have been or shall be instituted) for advice or other representation with respect to any amendment or modification of this Agreement or any of the other Loan Documents, or to advise or represent Servicer with respect to the protection, collection, sale or liquidation of the Project or to attempt to protect or enforce any security interest or lien or to enforce any other rights of Lenders under the Loan Documents as amended from time to time. Such amounts shall be payable by Borrower upon demand and if not paid within thirty (30) days of billing interest shall be payable thereon at the Default Rate.

13.18 TAX SERVICE. Lenders are authorized to secure, at Borrower's expense, a tax service contract with a third party vendor which shall provide tax information on the Property and Improvements satisfactory to Lender. Borrower shall submit to Lenders copies of tax statements and paid tax receipts evidencing the due and punctual payment of all real estate and personal property taxes, charges and assessments levied or imposed upon the Property at least five (5) Business Days prior to the delinquency date for the payment of any such taxes.

13.19 WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY, KNOWINGLY, INTENTIONALLY, IRREVOCABLY, UNCONDITIONALLY AND

VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THE LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THE LOAN DOCUMENTS (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

- 13.20 SEVERABILITY.** If any provision or obligation under this Agreement and the other Loan Documents shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision shall be deemed severed from the Loan Documents and the validity, legality and enforceability of the remaining provisions or obligations shall remain in full force as though the invalid, illegal, or unenforceable provision had never been a part of the Loan Documents, provided, however, that if the rate of interest or any other amount payable under any of the Notes or this Agreement or any other Loan Document, or the right of collectibility therefor, are declared to be or become invalid, illegal or unenforceable, Lenders' obligations to make advances under the Loan Documents shall not be enforceable by Borrower.
- 13.21 HEIRS, SUCCESSORS AND ASSIGNS.** Except as otherwise expressly provided under the terms and conditions of this Agreement, the terms of the Loan Documents shall bind and inure to the benefit of the heirs, successors and assigns of the parties.
- 13.22 TIME.** Time is of the essence of each and every term of this Agreement.
- 13.23 HEADINGS.** All articles, sections or other headings appearing in this Agreement and any of the other Loan Documents are for convenience of reference only and shall be disregarded in construing this Agreement and any of the other Loan Documents.
- 13.24 GOVERNING LAW.** This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Texas, except to the extent preempted by federal laws. Borrower and all persons and entities in any manner obligated to Lenders under the Loan Documents consent to the jurisdiction of any federal or state court within the State of Texas having proper venue and also consent to service of process by any means authorized by Texas or federal law.
- 13.25 USA PATRIOT ACT NOTICE. COMPLIANCE.** The USA Patriot Act of 2001 (Public Law 107-56) and federal regulations issued with respect thereto require all financial institutions to obtain, verify and record certain information that identifies individuals or business entities which open an "account" with such financial institution. Consequently, any Lender may from time-to-time request, and Borrower shall provide to Lenders, Borrower's name, address, tax identification number and/or such other identification information as shall be necessary for Lenders to comply with federal law. An "account" for this purpose may include, without limitation, a deposit account, cash management service, a transaction or asset account, a credit account, a loan or other extension of credit, and/or other financial services product.
- 13.26 INTEREST PROVISIONS.**
- (a) **Savings Clause.** It is expressly stipulated and agreed to be the intent of Borrower and Lenders at all times to comply strictly with the applicable Texas law governing the maximum rate or amount of interest payable on the Notes or the Related Indebtedness (or applicable United States federal law to the extent that it permits Lenders to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render unusable any amount (i) contracted for, charged, taken, reserved or

received pursuant to the Notes, any of the other Loan Documents or any other communication or writing by or between Borrower and Lenders related to the transaction or transactions that are the subject matter of the Loan Documents, (ii) contracted for, charged or received by reason of Lenders' exercise of the option to accelerate the maturity of the Notes and/or the Related Indebtedness, or (iii) Borrower will have paid or Lenders will have received by reason of any voluntary prepayment by Borrower of the Note and/or the Related Indebtedness, then it is Borrower's and Lenders' express intent that all amounts charged in excess of the Maximum Lawful Rate shall be automatically cancelled, ab initio, and all amounts in excess of the Maximum Lawful Rate theretofore collected by Lenders shall be credited on the principal balance of the Note and/or the Related Indebtedness (or, if the Note and all Related Indebtedness have been or would thereby be paid in full, refunded to Borrower), and the provisions of the Notes and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; provided, however, if the Notes have been paid in full before the end of the stated term of the Notes, then Borrower and Lenders agree that Lenders shall, with reasonable promptness after Lenders discovers or is advised by Borrower that interest was received in an amount in excess of the Maximum Lawful Rate, either refund such excess interest to Borrower and/or credit such excess interest against the Notes and/or any Related Indebtedness then owing by Borrower to Lender. Borrower hereby agrees that as a condition precedent to any claim seeking usury penalties against Lenders, Borrower will provide written notice to Lenders, advising Lenders in reasonable detail of the nature and amount of the violation, and Lenders shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Borrower or crediting such excess interest against the Notes and/or the Related Indebtedness then owing by Borrower to Lender. All sums contracted for, charged or received by Lenders for the use, forbearance or detention of any debt evidenced by the Notes and/or the Related Indebtedness shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of the Notes and/or the Related Indebtedness (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of the Notes and/or the Related Indebtedness does not exceed the Maximum Lawful Rate from time to time in effect and applicable to the Notes and/or the Related Indebtedness for so long as debt is outstanding. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving tri-party accounts) apply to the Notes and/or the Related Indebtedness. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Lenders to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.

- (b) **Definitions.** As used herein, the term "Maximum Lawful Rate" shall mean the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by Lenders in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that it permits Lenders to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all Charges (as herein defined) made in connection with the transaction evidenced by the Notes and the other Loan Documents. As used herein, the term "Charges" shall mean all fees, charges and/or any other things of value, if any, contracted for, charged, received, taken or reserved by Lenders in connection with the transactions relating to the Notes and the other Loan Documents, which are treated as interest under applicable law. As used herein, the term "Related Indebtedness" shall mean any and all debt paid or payable by Borrower to Lenders pursuant to the Loan Documents or any other communication or writing by or between Borrower and Lenders related to the transaction or transactions that are the subject matter of the Loan Documents, except such debt which has been paid or is payable by Borrower to Lenders under the Notes.
- (c) **Ceiling Election.** To the extent that Lenders are relying on Chapter 303 of the Texas Finance Code to determine the Maximum Lawful Rate payable on the Notes and/or the Related Indebtedness, Lenders will utilize the weekly ceiling from time to time in effect as provided in such Chapter 303, as amended. To the extent United States federal law permits Lenders to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law, Lenders

will rely on United States federal law instead of such Chapter 303 for the purpose of determining the Maximum Lawful Rate. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lenders may, at its option and from time to time, utilize any other method of establishing the Maximum Lawful Rate under such Chapter 303 or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect.

- 13.27 JOINT AND SEVERAL LIABILITY.** The liability of all persons and entities obligated in any manner under this Agreement and any of the Loan Documents shall be joint and several.
- 13.28 WAIVER OF CONSUMER RIGHTS. BORROWER HEREBY WAIVES BORROWER'S RIGHTS UNDER THE PROVISIONS OF CHAPTER 17, SUBCHAPTER E, SECTION 17.41 THROUGH 17.63 INCLUSIVE OF THE TEXAS BUSINESS AND COMMERCE CODE, GENERALLY KNOWN AS THE "DECEPTIVE TRADE PRACTICES CONSUMER PROTECTION ACT," A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF BORROWER'S OWN SELECTION, BORROWER VOLUNTARILY CONSENTS TO THIS WAIVER. IT IS THE INTENT OF LENDERS AND BORROWER THAT THE RIGHTS AND REMEDIES WITH RESPECT TO THIS TRANSACTION SHALL BE GOVERNED BY LEGAL PRINCIPLES OTHER THAN THE TEXAS DECEPTIVE TRADE PRACTICES CONSUMER PROTECTION ACT. THE WAIVER SET FORTH HEREIN SHALL EXPRESSLY SURVIVE THE TERMINATION OF THE REFERENCED TRANSACTION. BORROWER REPRESENTS AND WARRANTS TO LENDERS THAT BORROWER (i) IS A BUSINESS CONSUMER, (ii) HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE BORROWER TO EVALUATE THE MERITS AND RISKS OF THE SUBJECT TRANSACTION, (iii) IS NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION WITH RESPECT TO THE SUBJECT TRANSACTION, AND (iv) HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL (WHO WAS NOT, DIRECTLY OR INDIRECTLY, IDENTIFIED, SUGGESTED OR SELECTED BY LENDERS OR LENDERS' AGENTS) IN CONNECTION WITH THE REFERENCED TRANSACTION.**
- 13.29 COUNTERPARTS.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.
- 13.30 FRANCHISE TAX.** Borrower agrees that if, during the term of the Loans the State of Texas assesses against a Lender any franchise, gross receipts or similar tax based solely upon a Lender's making of the Loans within the State of Texas, Borrower shall pay an amount equal to such tax to such Lender upon presentation by such Lender of documentation evidencing the assessment of such tax against Lender and the amount thereof.
- 13.31 TEXAS FINANCE CODE SECTION 307.052 COLLATERAL PROTECTION INSURANCE NOTICE: (A) GRANTOR IS REQUIRED TO: (I) KEEP THE SUBJECT PROPERTY INSURED AGAINST DAMAGE IN THE AMOUNT SPECIFIED IN THE LOAN DOCUMENTS; (II) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (III) NAME BENEFICIARY AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS AS AND TO THE EXTENT REQUIRED IN THE LOAN AGREEMENT; (B) GRANTOR MUST, IF REQUIRED BY BENEFICIARY PURSUANT TO THE LOAN AGREEMENT, DELIVER TO BENEFICIARY A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (C) IF GRANTOR FAILS TO MEET ANY REQUIREMENT LISTED IN PARAGRAPH (A) OR (B), BENEFICIARY MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF GRANTOR AT THE GRANTOR'S EXPENSE AS AND TO EXTENT EXPLICITLY PERMITTED BY THE LOAN AGREEMENT.**
- 13.32 INTEGRATION; INTERPRETATION. THIS LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE**

CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. THIS INSTRUMENT MAY BE AMENDED ONLY BY AN INSTRUMENT IN WRITING EXECUTED BY THE PARTIES HERETO. Any reference in any of the Loan Documents to the Property or Improvements shall include all or any part of the Property or Improvements. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Lender in writing.

(Remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, Borrower and Lenders have executed this Agreement as of the date appearing on the first page of this Agreement.

BORROWER

HAVEN SUPPORT, INC.

a Texas non-profit corporation

By: _____

Name:

Title:

Borrower's Address:

Haven Support, Inc.

c/o Haven for Hope of Bexar County

2330 N. Loop 1604 West

San Antonio, TX 78248

Attention: Executive Director

With Copies to:

Kutak Rock LLP

1801 California Street, Suite 3100

Denver, CO 80202

Attention: Thane Hodson, Esq.

NOTICE OF INDEMNIFICATION:

BORROWER HEREBY ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT CONTAINS CERTAIN INDEMNIFICATION PROVISIONS PURSUANT TO SECTIONS 7.4, 8.1(d) AND 13.1 HEREOF.

WCDE:

**WACHOVIA COMMUNITY DEVELOPMENT,
ENTERPRISES IV, LLC**, a North Carolina limited liability
company

By: Wachovia Community Development Enterprises, LLC,
a North Carolina limited liability company, its manager

By: _____
Name:
Title:

WCDE Address:

Wachovia Community Development
c/o Wells Fargo Bank
Community Lending and Investment
401 B Street, Suite 304-A
San Diego, CA 92101
Attention: _____

With copies to:

Wells Fargo Bank, National Association
Community Lending and Investment
401 B Street, Suite 304-A
San Diego, CA 92101
Attention: _____

and

Holland & Knight LLP
10 St. James Avenue
Boston, Massachusetts 02116
Attention: Jeffrey Gaulin, Esq.

NNMF:

NNMF Sub-CDE IX, LLC, a California limited liability company

By: National New Markets Fund, LLC, a Delaware limited liability company

By: _____

Name:

Title:

NNMF Address:

c/o National New Markets Fund, LLC
11150 West Olympic Boulevard
Suite 910
Los Angeles, CA 90064
Attention: Laura Bauer, Controller

With a copies to:

Nixon Peabody LLP
Gas Company Tower
555 West Fifth Street, 46th Floor
Los Angeles, CA 90013
Attention: Aleks S. Frimershtein, Esq.
Telephone:
Facsimile: (866) 771-9454

EXHIBIT A - DESCRIPTION OF PROPERTY

Exhibit A to CONSTRUCTION LOAN AGREEMENT between Haven Support, Inc., as "Borrower", and Wachovia Community Development Enterprises IV, LLC, and NNMF Sub-CDE IX, LLC as "Lenders", dated as of December [_____], 2009 ("Agreement")

All that certain real property located in the County of Bexar, State of Texas, described as follows:

TRACT ONE:

A 3.017 acre, or 131,411 square feet, more or less, tract of land being a portion of Lot 1, Block 2, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described by metes and bounds in Exhibit "A", attached hereto and made a part hereof for all intents and purposes.

TRACT TWO:

A 6.860 acre, or 298,825 square feet, more or less, tract of land out of Lot 27, Block 1, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described by metes and bounds in Exhibit "B", attached hereto and made a part hereof for all intents and purposes.

**PAPE-DAWSON
ENGINEERS**

EXHIBIT 'A'

FIELD NOTES

FOR

A 3.017 acre, or 131,411 square feet more or less, tract of being a portion of Lot 1, Block 2 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

BEGINNING: At a set ½" iron rod with yellow cap marked "Pape-Dawson" at the intersection of the west right-of-way line of Haven For Hope Way, formerly known as N. Salado Street, a 60-foot public right-of-way, and the north right-of-way line of Hardberger Way, formerly known as Perez Street, a 55.6-foot public right-of-way, the southeast corner of said Lot 1, the southeast corner of the herein described tract;

THENCE: N 84°19'32" W, along and with the north right-of-way line of said Hardberger Way, the south line of said Lot 1, a distance of 214.52 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of the Union Pacific Railroad, a 50.0-foot right-of-way, the southwest corner of said Lot 1;

THENCE: Along the east right-of-way line of said railroad, the west line of said Lot 1 the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 64°50'42" W, a radius of 1937.79 feet, a central angle of 02°32'04", a chord bearing and distance of N 26°25'20" W, 85.71 feet, for an arc length of 85.72 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at a point of tangency;

N 27°41'22" W, a distance of 232.44 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the south-corner of a called 0.071 acre save and except tract recorded in Volume 13132, Pages 1539-1544 of the Official Public Records of Bexar County, Texas;

N 61°56'54" E, departing the east right-of-way line of said railroads, along and with the southeast line of said 0.071 acre tract, a distance of 42.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east corner of said 0.071 acre tract;

N 27°46'58" W, along and with the northeast corner of said 0.071 acre tract, a distance of 60.12 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Leal Street, a variable width public right-of-way, 60.0 feet wide at this point, on the north line of said Lot 1;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, the north line of said Lot 1, a distance of 68.63 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING
Haven For Hope
Lot 1 - Lease

THENCE: Along a non-tangent curve to the left, said curve having a radial bearing of N 05°36'51" E, a radius of 291.89 feet, a central angle of 43°55'04", a chord bearing and distance of N 73°39'19" E, 218.30 feet, for an arc length of 223.74 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the west return of the intersection of the south right-of-way line of said Leal Street and the southwest right-of-way line of Frio Street, an 86-foot right-of-way;

THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 38°18'39" E, a radius of 25.00 feet, a central angle of 90°00'54", a chord bearing and distance of S 83°18'12" E, 35.36 feet, for an arc length of 39.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east return of the south right-of-way line of said Leal Street and the southwest right-of-way line of said Frio Street;

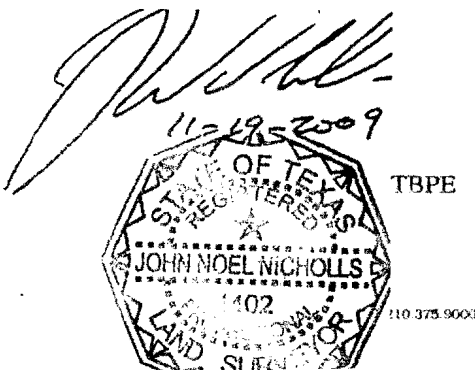
THENCE: S 38°18'12" E, along and with the southwest line of said Frio Street, the northeast line of said Lot 1, a distance of 241.00 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at the north return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;

THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 51°51'04" W, a radius of 25.00 feet, a central angle of 89°41'29", a chord bearing and distance of S 06°41'48" W, 35.26 feet, for an arc length of 39.14 feet to a set nail and washer marked Pape-Dawson at the south return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;

THENCE: Along the west right-of-way line of said Haven For Hope Way, the east line of said Lot 1, with a non-tangent curve to the left, said curve having a radial bearing of S 38°18'08" E, a radius of 284.90 feet, a central angle of 46°17'51", a chord bearing and distance of S 28°32'56" W, 224.00 feet, for an arc length of 230.21 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 05°26'29" W, a distance of 6.25 feet to the POINT OF BEGINNING, and containing 3.017 acres in the City of San Antonio, Bexar County, Texas, Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey\09\9-9300\9204-09\Word\9204-09 FN-LOT1.doc
Firm Registration #443
TBPLS Firm Registration #00288-00



FIELD NOTES

FOR

A 6.860 acre, or 298,825 square feet more or less, tract of land out of Lot 27, Block 1 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

COMMENCING: At a found iron rod with cap marked "SGCE-5293" at the intersection of the south right-of-way line of Leal Street, a variable width public right-of-way, 55.6 feet wide at this point, and the east right-of-way line of N. San Marcos Street, a 55.6-foot public right-of-way, the northwest corner of said Lot 27;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, a north line of said Lot 27, a distance of 73.22 feet to the POINT OF BEGINNING of the herein described tract;

THENCE: S 84°11'21" E, continuing along and with the south right-of-way line of Leal Street, a north line of said Lot 27, a distance of 155.65 feet to a found iron rod with cap marked "SGCE-5293" on the west right-of-way line of the Union Pacific Railroad, a 50-foot right-of-way

THENCE: Along and with the west right-of-way line of said Railroad the following calls and distances:

S 26°45'27" E, a distance of 121.26 feet to a found iron rod with cap marked "SCCE-5293";

S 27°33'49" E, a distance of 133.33 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 27°41'22" E, at 20.4 feet passing through the face of building and continuing for a total distance of 97.39 feet to a point;

Along a non-tangent curve to the right, said curve having a radial bearing of S 62°18'35" W, a radius of 1887.79 feet, a central angle of 01°37'38", a chord bearing and distance of S 26°52'36" E, 53.61 feet, for an arc length of 53.61 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at a building corner, the north line of Hardberger Way;

THENCE: N 84°16'11" W, departing the said railroad right-of-way, a distance of 18.22 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at an angle of said Lot 27;
S 05°43'49" W, a distance of 6.00 feet to a point;

Haven For Hope
Job No.: 9204-09

THENCE: Departing the line of said Lot 27 and over and across said Lot 27 the following calls and distances:

N 84°16'11" W, a distance of 109.16 feet to a point;

S 05°30'56" W, a distance of 99.28 feet to a building corner;

S 84°29'04" E, a distance of 5.53 feet to a point;

S 05°20'35" W, departing the face of said building, running along the east face of a building, a distance of 250.38 feet to a point;

S 84°29'04" E, a distance of 20.79 feet to a point;

S 05°20'35" W, a distance of 9.49 feet to a point;

S 84°29'04" E, a distance of 228.80 feet to a point;

N 05degrees,27'37" E, a distance of 18.11 feet to a point;

N 75°14'23" E, a distance of 36.64 feet to a point on the west right-of-way line of aforementioned railroad, the east line of said Lot 27;

THENCE: Along and with the west line of said railroad, the east line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the right, said curve having a radial bearing of S 74°59'53" W, a radius of 1885.06 feet, a central angle of 02°00'33", a chord bearing and distance of S 13°59'50" E, 66.10 feet, for an arc length of 66.11 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 10°04'02" E, a distance of 57.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 09°37'28" E, a distance of 176.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the southeast corner of said Lot 27;

THENCE: N 84°16'11" W, departing the west line of the aforementioned railroad right-of-way, a distance of 36.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of another Union Pacific Railroad, 50-foot right-of-way, the southwest corner of said Lot 27;

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 63°13'47" W, a radius of 488.93 feet, a central angle of 29°42'08", a chord bearing and distance of N 41°37'17" W, 250.63 feet, for an arc length of 253.46 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Along a non-tangent curve to the left, said curve having a radial bearing of S 33°31'01" W, a radius of 489.35 feet, a central angle of 11°04'13", a chord bearing and distance of N 62°01'05" W, 94.40 feet, for an arc length of 94.55 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 64°43'40" W, a distance of 58.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 84°23'52" W, a distance of 198.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the southeast corner of a 0.077 acre tract, conveyed to the City of San Antonio by instrument recorded in Volume 11781, Page 1407 of the Official Public Records of Bexar County, Texas;

THENCE: N 06°31'08" E, departing the northeast right-of-way line of said railroad along and with the east line of said 0.077 acre tract, a west line of said Lot 27, a distance of 7.31 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northeast corner of said 0.077 acre tract, a reentrant corner of said Lot 27;

N 65°03'36" W, a distance of 142.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northwest corner of said 0.077 acre tract, an angle point of Lot 27 on the northeast right-of-way line of said railroad;

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

N 59°15'37" W, a distance of 62.40 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°33'05" W, a distance of 47.08 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 84°22'25" W, a distance of 7.10 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 37°42'02" W, a distance of 317.80 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Perez Street, a 55.6-foot public right-of-way, the west corner of said Lot 27;

Haven For Hope
Job No.: 9204-09

THENCE: S 84°26'39" E, along and with the south line of said Perez Street, a distance of 261.98 feet to a found PK nail for an angle set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson" in a north line of said Lot 27;

THENCE: S 84°16'09" E, a distance of 56.43 feet to a found '+' in concrete on the east right-of-way line of aforementioned N. San Marcos Street;

THENCE: N 05°35'12" E, along and with the east right-of-way line of said N. San Marcos Street, the west line of said Lot 27, a distance of 47.09 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson" for an angle point in the west line of said Lot 27;

THENCE: Departing the east right-of-way line of said N. San Marcos Street, over and across said Lot 27 the following calls and distances:

S 84°31'06" E, a distance of 99.44 feet to a point;

N 05°45'08" E, a distance of 243.69 feet to a point; N

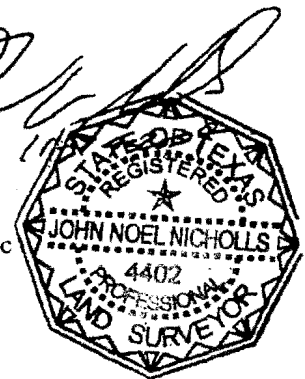
84°23'07" W, a distance of 26.74 feet to a point;

THENCE: N 05°39'20" E, a distance of 105.15 feet to feet to the POINT OF BEGINNING, and containing 6:860 acres in the City of San Antonio, Bexar County, Texas.

prepared by Pape Dawson Engineers, Inc.

PREPARED Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey09\9-9300\9204-09\Word\9204-
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00

FN-LOT27-Lease.doc



Haven For Hope
Job No.: 9204-09

, Said tract being described
in accordance with a survey made on the ground and a survey map

EXHIBIT B - DOCUMENTS

Exhibit B to CONSTRUCTION LOAN AGREEMENT between Haven Support, Inc., as "Borrower", and Wachovia Community Development Enterprises IV, LLC, and NNMF Sub-CDE IX, LLC as "Lenders", dated as of December [_____], 2009 ("Agreement").

1. Loan Documents. The documents listed below, numbered 1.1 through [1.11], inclusive, and amendments, modifications and supplements thereto which have received the prior written consent of Lenders, together with any documents executed in the future that are approved by Lenders and that recite that they are "Loan Documents" for purposes of this Agreement are collectively referred to herein as the Loan Documents.

1.1 This Agreement.

1.2 The Promissory Note of even date herewith in the original principal amount of \$19,250,000.00 made by Borrower payable to the order of WCDE.

1.3 The Promissory Note of even date herewith in the original principal amount of \$5,750,000.00 made by Borrower payable to the order of WCDE.

1.4 The Promissory Note of even date herewith in the original principal amount of \$12,000,000.00 made by Borrower payable to the order of NNMF.

1.5 The Promissory Note of even date herewith in the original principal amount of \$3,000,000.00 made by Borrower payable to the order of NNMF.

1.6 The Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith executed by Borrower, as Grantor, to J. Kent Howard, as Trustee for the Benefit of Lenders, as Beneficiary with respect to the Senior Loan.

1.7 The Leasehold Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith executed by Borrower, as Grantor, to J. Kent Howard, as Trustee for the Benefit of Lenders, as Beneficiary with respect to the Subordinate Loan.

1.8 Completion Guaranty of even date herewith executed by Guarantor in favor of Lenders.

1.9 Repayment Guaranty of even date herewith executed by Guarantor in favor of Lenders.

1.10 Security Agreement of even date herewith executed by Borrower in favor of Lenders.

1.11 Security Agreement of even date herewith executed by Guarantor in favor of Lenders.

1.12 Account Control Agreement of even date herewith executed by Borrower in favor of Lenders.

1.13 Account Control Agreement of even date herewith executed by Guarantor in favor of Lenders.

1.14 Uniform Commercial Code National UCC Financing Statement (Form UCC1) of even date herewith naming Borrower as Debtor and Lenders as Secured Party.

1.15 Uniform Commercial Code National UCC Financing Statement (Form UCC1) of even date herewith naming Guarantor as Debtor and Lenders as Secured Party.

1.16 Corporate Borrowing Resolution of even date herewith certified by [_____] as Secretary/Clerk of Borrower.

1.17 Assignment of Construction Agreements of even date herewith executed by Borrower and Contractor in favor of Lenders:

1.18 Assignment of Architectural Agreements and Plans and Specifications of even date herewith executed by Borrower, Architect and Engineer in favor of Lenders.

Other Related Documents (Which Are Not Loan Documents):

1.19 Servicing Agreement of even date herewith executed by Lenders and Servicer.

1.20 Funds Transfer Agreement for Disbursement of Loan Proceeds of even date herewith executed by and between Borrower and _____.

1.21 Hazardous Materials Indemnity Agreement (Unsecured) of even date herewith executed by and between Borrower, as Indemnitor, and Lenders.

1.22 Flood Hazard Notice dated [_____], executed by Borrower.

1.23 Opinion of Borrower's Legal Counsel dated [December _____, 2009] by Kutak Rock LLP.

EXHIBIT C - FINANCIAL REQUIREMENT ANALYSIS

Exhibit C to CONSTRUCTION LOAN AGREEMENT between Haven Support, Inc., as "Borrower", and Wachovia Community Development Enterprises IV, LLC, and NNM Sub-CDE IX, LLC as "Lenders", dated as of December [____], 2009 ("Agreement").

The Financial Requirement Analysis set forth herein represents an analysis of the total costs necessary in Borrower's estimation to perform Borrower's obligations under the Loan Documents. Column A, "Total Costs", sets forth Borrower's representation of the maximum costs for each Item specified in Column A. Column B, "Costs Paid By Borrower", sets forth Borrower's representation of costs that Borrower has paid or has caused to be paid from other sources of funds for each Item specified in Column B. Column C, "Costs To Be Paid By Borrower", sets forth Borrower's representation of costs that Borrower will pay or will cause to be paid from other sources of funds for each Item specified in Column C. Column D, "Disbursement Budget", sets forth the portion of the Loans and Borrower's Funds which has been allocated for each Item specified in Column D and will be disbursed pursuant to the terms, covenants, conditions and provisions of Exhibit D of this Agreement and the Loan Documents. Unless specified otherwise, all reference to Columns or Items in this Agreement refer to Columns or Items in this Exhibit C.

| BORROWER | | (A) TOTAL COSTS | (B) COSTS PAID BY BORROWER | (C) COSTS TO BE PAID BY BORROWER | (D) DISBURSEMENT BUDGET (a) (b) |
|----------|--|-----------------|----------------------------|----------------------------------|---------------------------------|
| 1. | Land Costs | 0 | 0 | 0 | \$ 0 |
| 2. | Construction Costs Of Improvements | 0 | 0 | 0 | \$ 0 |
| 3. | Tenant Improvement (\$/square foot) | 0 | 0 | 0 | \$ 0 |
| 4. | Site Work Costs | 0 | 0 | 0 | \$ 0 |
| 5. | Offsite Costs | 0 | 0 | 0 | \$ 0 |
| 6. | Architect & Engineering | 0 | 0 | 0 | \$ 0 |
| 7. | Government Fees (permits, bonds, etc.) | 0 | 0 | 0 | \$ 0 |
| 8. | Operating costs during construction (job supervision, utilities, etc.) | 0 | 0 | 0 | \$ 0 |
| 9. | Contingency (% of #'s 2-5) | 0 | 0 | 0 | \$ 0 |
| 10. | Other: | | | | |
| | a. | 0 | 0 | 0 | \$ 0 |
| | b. | 0 | 0 | 0 | \$ 0 |
| | c. | 0 | 0 | 0 | \$ 0 |
| 11. | TOTAL HARD COSTS (Lines 2 - 10) | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 12. | Interest during Loan | 0 | 0 | 0 | \$ 0 |
| 13. | Taxes during Loan | 0 | 0 | 0 | \$ 0 |
| 14. | Insurance During Loan | 0 | 0 | 0 | \$ 0 |
| 15. | Lender Loan Fee | 0 | 0 | 0 | \$ 0 |
| 16. | Permanent Loan Fee | 0 | 0 | 0 | \$ 0 |
| 17. | Title\Recording\Escrow | 0 | 0 | 0 | \$ 0 |
| 18. | Legal Fees | 0 | 0 | 0 | \$ 0 |
| 19. | Promotion & Advertising | 0 | 0 | 0 | \$ 0 |
| 20. | Commission Expense | 0 | 0 | 0 | \$ 0 |
| 21. | Organization Expenses (Developer Overhead) | 0 | 0 | 0 | \$ 0 |
| 22. | Contingency (Soft | 0 | 0 | 0 | \$ 0 |

| BORROWER | | (A) TOTAL COSTS | (B) COSTS PAID BY BORROWER | (C) COSTS TO BE PAID BY BORROWER | (D) DISBURSEMENT BUDGET (a) (b) |
|----------|--|-----------------|----------------------------|----------------------------------|---------------------------------|
| | Costs) | | | | |
| 23. | Other: | | | | |
| | a. | 0 | 0 | 0 | \$ 0 |
| | b. | 0 | 0 | 0 | \$ 0 |
| 24. | TOTAL SOFT COSTS (Lines 12 -23) | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 25. | CUMULATIVE TOTALS (Lines 1, 11, 24) | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Footnotes:

(a) Borrower's funds in the amount of \$_____ are included in the total shown on line #25 of the Project Budget. Unless specified otherwise, all such funds shall be disbursed prior to any disbursement of Proceeds of the Loans.

(b) These funds will be available on or after the Effective Date as defined in the Agreement.

EXHIBIT D - DISBURSEMENT PLAN

Exhibit D to CONSTRUCTION LOAN AGREEMENT between Haven Support, Inc., as "Borrower", and Wachovia Community Development Enterprises IV, LLC, and NNMF Sub-CDE IX, LLC as "Lenders". dated as of December [_____], 2009 ("Agreement").

1. Timing of Disbursement. Unless another provision of this Agreement specifies otherwise, on or about the [_____] day of each month, or at such other times as Lender may approve or determine more appropriate, Borrower shall submit to:

| |
|------------|
| [Servicer] |
| _____ |
| _____ |
| _____ |

a written itemized statement, signed by Borrower ("Application for Payment") setting forth:

1.1 a description of the work performed, material supplied and/or costs incurred or due for which disbursement is requested with respect to any line item ("Item") shown in Column D ("Disbursement Budget") of the Financial Requirement Analysis attached as Exhibit C to this Agreement; and

1.2 the total amount incurred, expended and/or due for each requested Item less prior disbursements.

1.3 Each Application for Payment by Borrower shall constitute a representation and warranty by Borrower that Borrower is in compliance with all the conditions precedent to a disbursement specified in this Agreement.

1.4 Each Application for Payment shall be in the form of the Application For Payment attached hereto and incorporated herein as Exhibit E.

1.5 Lenders will disburse funds within five (5) days of the receipt of an acceptable Application for Payment.

2. Lenders' Right to Condition Disbursements. Lender shall have the right to condition any disbursement upon Lenders' receipt and approval of the following:

2.1 the Application for Payment and an itemized requisition for payment of Items 2 through [_____] shown in the Disbursement Budget ("Hard Costs");

2.2 bills, invoices, documents of title, vouchers, statements, payroll records, receipts and any other documents evidencing the total amount expended, incurred or due for any requested Items;

2.3 evidence of Borrower's use of a lien release, joint check and voucher system acceptable to Lender for payments or disbursements to any contractor, subcontractor, materialman, supplier or lien claimant;

2.4 architect's, inspector's and/or engineer's periodic certifications of the percentage and/or stage of construction that has been completed and its conformance to the Plans and Specifications and governmental requirements based upon any such architect's, inspector's and/or engineer's periodic physical inspections of the Property and Improvements, and Borrower's payment of any fee associated therewith;

2.5 waivers and releases of any mechanics' lien, equitable lien claim or other lien claim rights;

2.6 a notice of title continuation or endorsement to the title insurance policy showing that since the last preceding advance there has been no change in the status of title to the Property;

2.7 evidence of Borrower's compliance with the provisions of the Articles and Sections of this Agreement entitled Construction and Authority/Enforceability, and any other certificate, affidavit, survey, release or agreement reasonably required by Lenders;

2.8 a written release executed by any surety to whom Lender has issued or will issue a set-aside letter and/or any public entity or agency which is a beneficiary under any instrument of credit or standby letter of credit which Lender has issued or will issue with respect to the Loans;

2.9 a foundation survey after completion of the foundation of the Improvements disclosing no violation, encroachment or other variance from applicable setbacks or restrictions;

2.10 valid, recorded Affidavit of Commencement and Affidavit of Completion for the Improvements or any portions of the Improvements for which an Affidavit of Commencement and Affidavit of Completion may be recorded under applicable law and within the applicable time as herein provided;

2.11 Certificate of Substantial Completion from the Architect and Engineer, if any, prior to the final retention disbursement or the final stage disbursement of Hard Costs, as applicable;

2.12 prior to the final retention disbursement, a final contractor's affidavit from the Contractor and full and complete releases of lien from the Contractor and each subcontractor, laborer, materialman, and any other party who has supplied labor, materials or services for construction of the Improvements;

2.13 prior to the final retention disbursement, Lender shall receive an as-built survey showing the location of the Improvements;

2.14 prior to the final retention disbursement, Lender shall receive a satisfactory set of as-built Plans and Specifications;

2.15 Lender shall have received a Down-Date Endorsement or other title report dated within five (5) days of the requested disbursement from the Title Company showing no state of facts objectionable to Lender (including, without limitation, a showing that title to the Property is vested in Borrower and that no claim for mechanics' or materialmen's liens has been filed against the Property or Improvements);

2.16 prior to the final retention disbursement, any tenant or prospective purchaser required to do so shall have approved and accepted the Improvements;

2.17 prior to the final retention disbursement, Borrower shall have obtained (and delivered copies to Lender) a final certificate of occupancy and any and all other approvals or permits from governmental authorities required for the operation of the Improvements for its intended use in accordance with the Plans and Specifications;

2.18 any other document, requirement, evidence or information that Lender may request under any provision of the Loan Documents; and

2.19 evidence that any goods, materials, supplies, fixtures or other work in process for which disbursement is requested have been incorporated into the Improvements.

2.20 in the event any Application for Payment includes the cost of materials stored at a location other than the Property ("Offsite Materials"), such Application for Payment shall include each of the following: (a) evidence that the Offsite Materials have been purchased by Borrower, have been segregated from other materials in the facility and have been appropriately marked to indicate Borrower's ownership thereof and Lenders' security interest therein; and (b) evidence that the Offsite Materials are insured as required by this Agreement; and (c) at Lenders' request, a security agreement, financing statement and/or subordination agreement in form and substance satisfactory to Lender executed by the supplier of the Offsite Materials, and/or such other persons as Lender determines may have an interest in or claim to the Offsite Materials, together with such other additional documentation and evidence as Lender may reasonably require to assure itself that it has a perfected first priority lien on the Offsite Materials.

2.21 in the event that any Application for Payment includes the cost of materials stored on the Property ("Onsite Materials"), such Application for Payment shall include each of the following: (a) evidence that the Onsite Materials have been purchased by Borrower; (b) evidence that the Onsite Materials are insured as required hereunder; and (c) evidence

that the Onsite Materials are stored in an area on the Property for which adequate security is provided against theft and vandalism.

Borrower acknowledges that this approval process may result in disbursement delays and Borrower hereby consents to all such delays.;

3. Disbursement of Land Cost. The portion of the Disbursement Budget initially totaling [\$_____] shall be disbursed to or for the benefit or account of Borrower for the Payment of the Land Cost on the Effective Date subject to the satisfaction of all terms and condition set forth in Section [____] above.

4. Periodic Disbursement of Construction Costs, Site Work Costs and Offsite Costs. As construction progresses, the portion of the Disbursement Budget initially totaling \$_____ shall be periodically disbursed into the Account or to or for the benefit or account of the Borrower for the Construction Costs, Site Work Costs and Offsite Costs Items up to ninety percent (90%) of the maximum amount allocated for such Item less prior disbursements. The remaining ten percent (10%) ("Retention") shall be disbursed into the Account or to or for the benefit or account of the Borrower upon the later to occur of (i) thirty (30) days after the filing of the Affidavit of Completion herein contemplated if same is filed within ten (10) days after completion of construction of the Improvements in accordance with the Plans and Specifications and governmental requirements, or (ii) if such Affidavit of Completion is not filed within ten (10) days after completion of construction of the Improvements in accordance with the Plans and Specifications and governmental requirements, then upon the date of filing such Affidavit of Completion.

5. Contingency Reserve. The portion of the Disbursement Budget initially totaling [\$_____], allocated for the payment of Contingency Reserve, and any increases in the Contingency Reserve pursuant hereto, shall be reallocated to such other Items as Borrower shall, from time to time, request in writing and Lender shall approve. After any such reallocation, the portion of the Contingency Reserve that has been reallocated will be disbursed in accordance with the provisions governing the disbursement of the Item(s) to which such portion of the Contingency Reserve has been allocated. If the actual cost or a revised guaranteed cost of an Item is less than the maximum amount of the Disbursement Budget allocated to any such Item, then any such excess amounts may be reallocated to the Contingency Reserve from time to time upon Borrower's written request and Lenders' approval. Any amounts reallocated to this Item will be disbursed in accordance with this Section. The reallocation, depletion, refusal of Lender to increase, reallocate or deplete the Contingency Reserve shall not release Borrower from any of Borrower's obligations under the Loan Documents.

6. Periodic Disbursement of Remaining Hard Costs. The portion of the Disbursement Budget initially totaling [\$_____], shall be periodically disbursed into the Account or to or for the benefit or account of Borrower for the Remaining Hard Cost Items up to the maximum amount allocated for any requested Item less prior disbursements.

7. Periodic Disbursement of Interest Reserve. The portion of the Disbursement Budget initially totaling [\$_____], allocated as an Interest Reserve, shall be periodically disbursed directly to Lender for the payment of interest which accrues and becomes due under the Notes. Lender is hereby authorized to charge the Loans and Operating Account directly for such interest payments when due. Lender shall provide Borrower with a monthly interest statement. Depletion of the Interest Reserve shall not release Borrower from any of Borrower's obligations under the Loan Documents including, without limitation, payment of all accrued and due interest and the deposit of Borrower's Funds with Lender pursuant to Section 3.1 (b) of this Agreement.

8. Periodic Disbursement of Taxes. The portion of the Disbursement Budget initially totaling [\$_____], shall be periodically disbursed into the Account or to or for the benefit or account of the Borrower for the payment of Taxes incurred during the term of the Loans as Taxes become due and payable.

9. Periodic Disbursement of Operating Costs. The portion of the Disbursement Budget initially totaling [\$_____], shall be periodically disbursed into the Account or to or for the benefit or account of the Borrower for the payment of Operating Costs incurred during construction up to a maximum amount equal to or less than the percentage of completion of the Property and Improvements.

10. Soft Costs Contingency Reserve. The portion of the Disbursement Budget allocated for the payment of Soft Cost Contingencies initially totaling [\$_____], shall be periodically reallocated within the Disbursement Budget or disbursed into the Account or to or for the benefit or account of the Borrower for cost overruns that have been approved by Lender for Soft Costs Items and disbursed in accordance with paragraphs [_____] hereof, depending upon the intended use of any such funds.

11. Periodic Disbursement of Remaining Soft Costs. The portion of the Disbursement Budget initially totaling [\$_____], shall be periodically disbursed into the Account or to or for the benefit or account of the Borrower for the Remaining Soft Cost Items up to the maximum amount allocated for any requested Item less prior disbursements.

EXHIBIT E - APPLICATION FOR PAYMENT

[_____] Loan Number

[_____] Advance Number

| Date | Office | Location | Number |
|------|--------|----------|--------|
| | | | |

You, Wachovia Community Development Enterprises IV, LLC, and NNMF Sub-CDE IX, LLC, made the construction loans numbered above to Haven Support, Inc. on December _____, 2009.

By signing below we ask you to make a payment of \$_____ from the Construction Loan Account according to the provisions of the Construction Loan Agreement we executed for the above construction loans. To the best of our knowledge and information, the amount requested is now payable. We have attached a copy of the contractor's requisition and other requests, copies of bills, and receipts for items we have paid.

| | AMOUNT |
|--------------|-----------|
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| | \$ |
| TOTAL | \$ |

According to our records, when you make the payment requested here you will have paid a total of \$_____ from the Construction Loan Account. WE CERTIFY THAT THERE HAS BEEN NO CHANGE IN THE PLANS AND SPECIFICATIONS, OR INCREASE IN COSTS, WHICH YOU HAVE NOT APPROVED.

WARNING! YOUR LENDER IS MAKING A LOAN DISBURSEMENT DIRECTLY TO YOU AS THE BORROWER, OR JOINTLY TO YOU AND ANOTHER PARTY. TO PROTECT YOURSELF FROM HAVING TO PAY TWICE FOR THE SAME LABOR, SERVICES, OR MATERIALS USED IN MAKING THE IMPROVEMENTS TO YOUR PROPERTY, BE SURE THAT YOU REQUIRE YOUR CONTRACTOR TO GIVE YOU LIEN RELEASES FROM EACH LIENOR WHO HAS SENT YOU A NOTICE TO OWNER EACH TIME YOU MAKE A PAYMENT TO YOUR CONTRACTOR. BORROWER'S SIGNATURE BELOW IS ALSO AN ACKNOWLEDGMENT BY BORROWER THAT IT HAS RECEIVED THIS STATUTORY WARNING FROM LENDER.

BORROWER:

HAVEN SUPPORT, INC.

By: _____
Name:
Title:

EXHIBIT F - TRANSFER AUTHORIZER DESIGNATION

(For Disbursement of Loan Proceeds by Funds Transfer)

NEW **REPLACE PREVIOUS DESIGNATION** **ADD** **CHANGE** **DELETE LINE NUMBER** _____

The following representatives of HAVEN SUPPORT, INC. ("Borrower") are authorized to request the disbursement of Proceeds of the Loans and initiate funds transfers for Loan Numbers [_____] dated December _____, 2009 between [_____] ("Bank") and Borrower. Bank is hereby authorized to rely on this Transfer Authorizer Designation until it has received a new Transfer Authorizer Designation signed by Borrower, even in the event that any or all of the foregoing information may have changed.

| | Name | Title | Maximum Wire Amount ¹ |
|----|------|-------|----------------------------------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |

Beneficiary Bank and Account Holder Information

1.

| | |
|---|--|
| Transfer Funds to (Receiving Party Account Name): Wachovia Bank, National Association | |
| Receiving Party Account Number: | |
| Receiving Bank Name, City and State: | Receiving Bank Routing (ABA) Number |
| Maximum Transfer Amount: | |
| Further Credit Information/Instructions: | |

Date: December _____, 2009

BORROWER:

HAVEN SUPPORT, INC.

By: _____
Name:
Title:

¹ Maximum Wire Amount may not exceed the Loan Amount.

EXHIBIT G - AFFIDAVIT OF COMMENCEMENT

Exhibit G to CONSTRUCTION LOAN AGREEMENT between Haven Support, Inc., as "Borrower", and Wachovia Community Development Enterprises IV, LLC, and NNMF Sub-CDE IX, LLC as "Lenders", dated as of December [_____], 2009 ("Agreement").

BEFORE ME, the undersigned authority, on this day personally appeared _____, the _____ of _____, a _____ ("Owner") and _____, the _____ of _____ ("Contractor"), known to me to be the persons (collectively, "Affiants") whose names are subscribed below, and who, being by me first duly sworn, did each on his or her oath state as follows:

Owner. The name and address of Owner are:

Contractor. The name and address of Contractor are:

Original Contractors. The name and address of each original contractor (other than Contractor) with Owner, presently known, after diligent inquiry, to the Affiants, Owner or Contractor, that is furnishing, or will furnish, labor, service, or materials (including specifically fabricated materials), for the construction of the Improvements, and the nature of such labor, service or materials (including specifically fabricated materials), are as stated on Exhibit "B" attached hereto and incorporated herein by reference for all purposes.

Property. Owner is the owner of the real property (the "Land") situated in _____ County, Texas, more particularly described as follows:

See Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

Commencement Date. Work, as contemplated by Texas Property Code §53.124(c)(4), on the Improvements actually commenced on _____, 20__ at approximately _____ o'clock __.m.

Improvements. The improvements ("Improvements"), which are being, or will be, constructed on the Land are generally described as single-family detached residences, constructed on the lot(s) or parcel(s) constituting all or a portion of the Land.

Affidavit. This Affidavit of Commencement has been jointly made by Owner and Contractor by and through an authorized representative of each, the same being the Affiants, and may be recorded by any person with the County Clerk of the county in which the Land is located, whereupon it shall be deemed to have been jointly filed by Owner and Contractor.

DATED this ____ day of _____, 20__.

AFFIANTS:

Print Name: _____,
who is an authorized representative of Owner

Print Name: _____,
who is an authorized representative of Contractor

STATE OF TEXAS §
 §
COUNTY OF _____ §

SUBSCRIBED AND SWORN BEFORE ME by _____ on this the
____ day of _____, 20__.

[S E A L]
My Commission Expires:

Notary Public - State of Texas

Printed Name of Notary Public

STATE OF TEXAS §
 §
COUNTY OF _____ §

SUBSCRIBED AND SWORN BEFORE ME by _____ on this the
____ day of _____, 20__.

[S E A L]
My Commission Expires:

Notary Public - State of Texas

Printed Name of Notary Public

EXHIBIT H - AFFIDAVIT OF COMPLETION

Exhibit H to CONSTRUCTION LOAN AGREEMENT between Haven Support, Inc., as "Borrower", and Wachovia Community Development Enterprises IV, LLC, and NNMF Sub-CDE IX, LLC as "Lenders", dated as of December [____], 2009 ("Agreement").

BEFORE ME, the undersigned authority, on this day personally appeared _____ ("Affiant"), the _____ of _____ ("Owner"), known to me to be the person whose name is subscribed below, and who, being by me first duly sworn, did on his oath state as follows:

Owner. The name and address of Owner are:

Contractor. The name and address of the original contractor ("Contractor") are:

Improvements. Certain improvements ("Improvements") were furnished under an original contract ("Contract") between Owner and Contractor, which Improvements are generally described on Exhibit "B" attached hereto and incorporated herein by reference for all purposes.

Real Property. Owner is the owner of the real property ("Real Property") situated in _____ County, Texas, on which the Improvements were constructed and are located, which Real Property is more particularly described as follows:

See Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

Completion. The Improvements under the Contract between Owner and Contractor have been completed within the meaning of Texas Property Code §53.106(e), and the date of such completion was _____, 20__ ("Date of Completion").

Affiant. The Affiant is an authorized representative of Owner and has been duly authorized to execute this Affidavit of Completion and cause it to be recorded with the County Clerk of the county in which the Real Property is situated.

**NOTICE: A CLAIMANT MAY NOT HAVE A LIEN ON
RETAINED FUNDS UNLESS THE CLAIMANT
FILES THE AFFIDAVIT CLAIMING A LIEN NOT
LATER THAN THE 30TH DAY AFTER THE
DATE OF COMPLETION.**

DATED as of the _____ day of _____, 20__.

AFFIANT:

Print Name: _____,
who is an authorized representative of Owner

STATE OF TEXAS §
 §
COUNTY OF _____ §

SUBSCRIBED AND SWORN BEFORE ME by _____ on this the
_____ day of _____, 20__.

[S E A L]
My Commission Expires:

Notary Public - State of Texas

Printed Name of Notary Public

STATE OF TEXAS §
 §
COUNTY OF _____ §

SUBSCRIBED AND SWORN BEFORE ME by _____ on this the
_____ day of _____, 20__.

[S E A L]
My Commission Expires:

Notary Public - State of Texas

Printed Name of Notary Public

EXHIBIT I - NMTC ADDENDUM TO CONSTRUCTION LOAN AGREEMENT

Borrower acknowledges that Lenders are making the Loans to Borrower on the basis that each of the Loans will qualify as a "Qualified Low-Income Community Investment" for purposes of generating New Markets Tax Credits. Borrower hereby represents, warrants, covenants and agrees that the proceeds of the Loans will be used solely for the purposes set forth in the Construction Loan Agreement to which this NMTC Addendum is attached (the "Agreement") and, upon a Lender's written request, Borrower will provide each Lender with all documentation determined by each Lender, in its sole discretion, to be reasonably necessary to demonstrate Borrower's compliance with such representations, warranties and covenants. Borrower further acknowledges that the availability of New Markets Tax Credits has enabled Lenders to make the Loans on terms that are more advantageous to Borrower than Borrower would otherwise have been able obtain, and that the initial and continuing qualification of the Loans as Qualified Low-Income Community Investments and of Borrower as a Qualified Active Low-Income Community Business is therefore of material benefit to Borrower as well as Lender.

Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Agreement. The terms and conditions, and representations, warranties, covenants and agreements set forth in this NMTC Addendum are, by this reference, incorporated into the agreement and made a part thereof.

A. Additional Representations and Warranties. Borrower hereby represents and warrants to Lenders as follows:

1. The Property is located in a Low-Income Community. More specifically, the Property is located in census tract number 48029110600 (the "Census Tract").
2. The sole business of Borrower is the operation of the Property.
3. One hundred percent (100%) of the total gross income generated by the Borrower is, and for the term of the Loans will continue to be, derived from the development, ownership, leasing, and operation of the Property, which will be carried out entirely within the Census Tract.
4. Neither Borrower nor any lessee, occupant or sublessee of the Property is or will be involved in the conduct of any of the excluded businesses listed below (collectively, the "Excluded Businesses"), either as a principal or an ancillary business:
 - a. Massage parlor
 - b. Hot tub facility
 - c. Suntan facility
 - d. Country club
 - e. Racetrack or other facility used for gambling
 - f. Sale of alcoholic beverages for consumption off premises
 - g. Development or holding of intangibles for sale
 - h. Private or commercial golf course
 - i. Check cashing store
 - j. Farming
5. None of the rental revenue of the Borrower is, or during the term of the Loans are expected to be, derived from the rental of residential rental property as such term is defined in Section 168(e)(2)(A) of the Internal Revenue Code ("Residential Rental Property").
6. The ratio of (i) the average value of the tangible property that (x) is owned or leased by Borrower and used by Borrower during its most recent taxable year and during its current taxable year to date, and (y) is located at the Property, to (ii) the total average value of the tangible property owned or leased by Borrower and used by Borrower in such taxable year, is at least 85%. For purposes of the preceding sentence, tangible property owned by Borrower shall be valued at its cost basis as determined under Section 1012 of the Internal Revenue Code, and tangible property leased by Borrower shall be valued at a reasonable amount established by Borrower and reasonably acceptable to Lender.

7. Any nonqualified financial property, as defined in Section 1397C(e) of the Internal Revenue Code ("Nonqualified Financial Property"), held by Borrower constitutes less than 5 percent of the aggregate unadjusted cost bases of the assets of Borrower. Borrower acknowledges that under Section 1397C(e) of the Internal Revenue Code, the term "nonqualified financial property" means debt, stock, partnership interest, options, futures contracts, forward contracts, warrants, notional principal contracts, annuities, and other similar property specified in Treasury Regulations; except that such term shall not include (1) reasonable amounts of working capital held in cash, cash equivalents, or debt instruments with a term of 18 months or less, or (2) debt instruments described in section 1221(a)(4) (i.e., accounts or notes receivable in the ordinary course of business).
8. Any collectibles, as defined in Section 408(m)(2) of the Internal Revenue Code ("Collectibles"), not held primarily for sale to customers in the ordinary course of business constitute less than 5 percent of the aggregate unadjusted cost bases of the assets of Borrower. Borrower acknowledges that "collectibles" means any work of art, any rug or antique, any metal or gem, any stamp or coin, any alcoholic beverage, and other tangible personal property specified by the Secretary of the Treasury under Section 408(m)(2) of the Internal Revenue Code.
9. The Borrower has no employees and does not anticipate having employees for the term of the Loans.
10. The Borrower will generate revenues from the operation of its business and engage in an activity that furthers its purpose as a nonprofit corporation within three years of the first advance of the Loans and
11. The Borrower is not a bank, credit union or other financial institution.
12. Borrower has no information or knowledge that it does not satisfy the criteria for constituting a Qualified Active Low-Income Community Business.
13. As of the date hereof, Borrower has no plans to:
 - a. move/expand existing operations to a new address;
 - b. change the percentage of gross income derived from the active conduct of a qualified business within any Low-Income Community;
 - c. lease any portion of its Property to a business that operates any of the Excluded Businesses;
 - d. hire any employees;
 - e. change the percentage of use of tangible property in any Low-Income Community;
 - f. acquire and maintain Collectibles not held primarily for sale in the ordinary course of business at more than 5% of the aggregate unadjusted cost bases of its assets; or
 - g. acquire and maintain Nonqualified Financial Property at more than 5% of the aggregate unadjusted cost bases of its assets.
14. Borrower is not, and does not intend to, use low-income housing tax credits in connection with the Property.
15. Borrower has not received any communication from the Community Development Financial Institutions Fund concerning noncompliance with, or deficiencies in, reporting practices.

B. Covenants. Borrower hereby covenants and agrees, for the benefit and reliance of Lenders and its equity investor(s), as follows:

1. Borrower will exclusively operate its trade or business at Property and will at all times generate 100% of its gross income within the Census Tract.
2. The ratio of (i) the average value of the tangible property that (x) is owned or leased by Borrower and used by Borrower during each taxable year of Borrower and (y) is located at the Property, to (ii) the total average value of the tangible property owned or leased by Borrower and used by Borrower in such taxable year, shall at all times be at least 85%. For purposes of the preceding sentence, tangible property owned by Borrower shall be valued at its cost basis as determined under Section 1012 of the Internal Revenue Code, and tangible property leased by Borrower shall be valued at a reasonable amount established by Borrower and reasonably acceptable to Lender.
3. The Borrower will not hire any employees.
4. Collectibles that are not held primarily for sale to customers shall at all times constitute less than 5% of the aggregate unadjusted cost bases of Borrower's assets.
5. Nonqualified Financial Property will constitute less than 5% of the aggregate unadjusted cost bases of Borrower's assets.
6. Borrower shall at all times maintain as its sole business the development, ownership, leasing, and operation of the Property, and the Borrower will not (i) engage in any of the Excluded Businesses, either a primary or ancillary business, or lease any portion of its Property to a business that operates any of the Excluded Businesses, or (ii) own Residential Rental Property.
7. During the terms of the Loans, Borrower will not change its operation in any manner that would not enable it to maintain compliance with the representations, warranties and covenants set forth in this NMTC Addendum.
8. The Borrower will generate revenues from the operation of its business and engage in an activity that furthers its purpose as a nonprofit corporation within three years of the date hereof.
9. The Borrower shall expend any advance made hereunder within 12 months of receipt by Borrower.

C. Reporting.

1. Annually within 90 days after the close of each fiscal year (or such other date that may be established by Lenders with written notice to Borrower), Borrower agrees to certify in writing to Lenders that it remains in compliance with the provisions of paragraphs A and B above, including in such certification the current percentages or ratios under the above paragraphs A and B that are applicable to Borrower at such time.
2. Borrower shall maintain records of:
 - a. the average values and locations of its tangible personal property that are sufficient to establish compliance with the requirements of Paragraph B.3 of this NMTC Addendum; and
 - b. the unadjusted basis of its property generally and in particular, any Collectibles and any Nonqualified Financial Property it may own, that are sufficient to establish compliance with the requirements of Paragraphs B.5 and B.6 of this NMTC Addendum.
3. Borrower shall provide Lenders with such information as it has in its possession to assist Lenders in obtaining information needed for New Market Tax Credit reporting purposes. Such assistance shall include providing reasonable estimates to Lenders where necessary or otherwise assisting Lenders in obtaining such New Markets Tax Credit related information, including, without limitation, the following:
 - a. the number of minority, woman or low income person-owned or controlled businesses operating at the Property;

- b. the number of minority, woman or low income persons employed by businesses operating at the Property;
 - c. on closing of the Loans, and at the Completion Date, an estimate of the number of construction jobs, if any, involved in the improvement of the Property, including the jobs held by low-income persons or residents of low-income communities as defined in Section 45D of the Code to the extent the latter information is available, and a breakdown of the construction jobs based upon wages;
 - d. on closing of the Loans, an estimate of the number of full-time equivalent jobs as of the date hereof, and the projected full-time equivalent jobs to be created or retained, and within forty-five (45) days of the close of each tax year, the jobs actually created or retained as a result of the financing, including an estimate of the number of permanent jobs held by low-income persons or residents of low-income communities as defined in Section 45D of the Code to the extent the latter information is available, and a breakdown of such jobs based on wages;
 - e. the total cost of Improvements upon the Completion Date;
 - f. the total cost of Improvements funded by public sources, if any (provided in the first year of the term of the Loans only).
 - g. [additional NMTC reporting, if needed]
4. Borrower shall make all such records available to Lenders for inspection and copying from time to time (at Borrower's expense) as Lenders may request. Upon a Lender's reasonable request, the Borrower will promptly provide such Lender with any and all information in the possession of Borrower or any of its affiliates required (as determined by such Lender in its sole discretion) to comply with any reporting obligations imposed by, or requests for information made by, the Community Development Financial Institutions Fund, the Internal Revenue Service or any other governmental body.

8846702_v4

Exhibit F
Master Lease

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is entered into as of December __, 2009 by and between **HAVEN SUPPORT, INC.**, a Texas non-profit corporation ("Landlord"), with an address of 2330 North Loop 1604 West, San Antonio, Texas 78248, and **HAVEN FOR HOPE OF BEXAR COUNTY**, a Texas non-profit corporation ("Tenant") with an address 2330 North Loop 1604 West, San Antonio, Texas 78248.

BACKGROUND

A. The City of San Antonio, a Texas municipal corporation (the "City"), as landlord, and Haven for Hope of Bexar County, a Texas non-profit corporation, as tenant, entered into that certain Lease Agreement dated March 6, 2008 (the "Ground Lease"), a copy of which is attached hereto as Exhibit A, covering certain real properties legally described in the Ground Lease and bounded by Ruiz Street on the north, North Frio Street on the east, Martin Street on the south and Union Pacific Railroad on the west, in the City of San Antonio, Bexar County, Texas, and more specifically described in the Ground Lease (the "Ground Lease Premises").

B. Landlord holds a leasehold interest in a portion of the Ground Lease Premises containing several parcels of land and improvements thereon in the City of San Antonio, Bexar County, Texas, covering certain real properties legally described in the Landlord Sublease (defined below) (the "Premises"), pursuant to that certain Sublease Agreement (the "Landlord Sublease") dated of even date herewith, by and among Haven Support, Inc. and Haven for Hope of Bexar County, a copy of which is attached hereto as Exhibit B.

C. Tenant desires to lease the Premises and Landlord is willing to lease Tenant the Premises upon the terms, conditions and covenants set forth herein. In accordance with Section 6.1 of the Ground Lease, Tenant intends to use the Premises to operate a human services campus for the homeless, which includes, without limitation, providing mental services, childcare, food services, recreational buildings and administrative programs and offices.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties, intending to be legally bound by this Lease, hereby agree as follows:

Section 1. Definitions.

"*Commencement Date*" means the date of this Lease.

"*Extension Option*" has the meaning set forth in Section 2(b) below.

"*Extension Term*" has the meaning set forth in Section 2(b) below.

"*Initial Term*" has the meaning set forth in Section 2(a) below.

“*Permitted Use*” means to maintain and operate the Property as a human services campus for the homeless, as more fully described in Article 6 of the Ground Lease, attached hereto as Exhibit A.

“*Rent Commencement Date*” means the date of this Lease.

“*Term*” means the Initial Term and the Extension Term (if the Extension Option is exercised hereunder).

“*Termination Date*” means December __, 2041.

Section 2. Lease of Premises.

(a) ***Initial Term.*** In consideration of the mutual covenants contained herein, and the payment of Rent as provided in Section 3 of this Lease, Landlord hereby Leases to Tenant, and Tenant hereby Leases from Landlord, the Premises, for the initial term of thirty-two (32) years running from the Commencement Date to the Termination Date (“Initial Term”). The parties hereby agree and acknowledge that except as provided in the Landlord Sublease and this Lease, this Lease is subject to all the terms of the Ground Lease relating to the Premises.

(b) ***Extension.*** Landlord shall have the unilateral right and option (“Extension Option”) to extend the Initial Term for one (1) additional successive period of five (5) years (“Extension Term”), pursuant to the terms and conditions of this Lease then in effect.

(c) ***Notice of Exercise.*** Landlord may exercise the Extension Option by giving written notice thereof to Tenant of its election to do so no later than thirty (30) days prior to the Termination Date. If written notice of the exercise of the Extension Option is not received by Tenant by the applicable dates described above, then this Lease shall terminate on the last day of the Initial Term.

Section 3. Rent.

(a) ***Fixed Rent.*** Tenant covenants and agrees to pay to Landlord during the Term monthly fixed rent (the “Fixed Rent”) at the following rates per calendar month, payable on the first day of each calendar month, prorated for any fraction thereof:

| Time Period | Monthly Fixed Rent |
|--------------------------|--|
| Lease years 1 through 7 | \$33,824.42 |
| Lease years 8 through 32 | \$236,771 |
| Extension Term | Fair rental value for similar property in San Antonio, Texas as mutually agreed to in good faith by the Tenant and Landlord. |

(b) **Taxes.** Tenant covenants and agrees to timely pay all real estate taxes and payments in lieu thereof with respect to the Premises ("Taxes") for each fiscal tax period, or ratable portion thereof, included in the Term.

(c) **Net Lease.** It is intended that Fixed Rent payable hereunder shall be a net return to Landlord throughout the Term, free of expense, charge, offset, diminution or other deduction whatsoever on account of the Premises (excepting financing expenses, federal and state income taxes of general application and those expenses which this Lease expressly makes the responsibility of Landlord), and all provisions hereof shall be construed in terms of such intent.

(d) **General.** The payments of all amounts due from Tenant to Landlord under this Lease in excess of Fixed Rent shall be referred to collectively as "Additional Rent." All payments of Fixed Rent, Additional Rent or other sums due from Tenant hereunder are collectively referred to as "rent." Monthly payments of Fixed Rent are due and payable in advance, on the Commencement Date and on the first day of each subsequent calendar month during the Term. If the Commencement Date of the Term occurs other than on the first day of a calendar month, then the monthly installment for the first month of the Term shall be prorated at the rate of one divided by 31 (1/31) times the monthly payment of rent for each day, payable in advance on the Commencement Date. Tenant shall pay all rent to Landlord at Landlord's office, or to such other party or other address as Landlord may designate by written notice to Tenant.

Section 4. Late Payment Fee. In the event that any monthly payment of rent, whether Fixed Rent or any other amount due hereunder, is not paid within 10 days after it is due, then Tenant shall also pay to Landlord, as Additional Rent, a late payment fee equal to 5% of the delinquent rent for each month or part thereof that such rent remains unpaid. However, if the tenth day of the month falls on a Saturday, Sunday or legal holiday, payment must be received by the next business day or the late payment fee will be assessed.

Section 5. Insurance. Tenant shall carry casualty and liability insurance and other insurance coverages specified by the Landlord and which is compliance with the terms of the Ground Lease.

Section 6. Utilities. Tenant shall pay, in addition to the rent specified in Section 3 of this Lease, all electric light and power bills taxed, levied or charged on the Premises. In case these charges are not paid when due, Landlord shall have the right to pay the same, which amounts so paid are declared Additional Rent and are payable by Tenant with the next monthly installment of rent due to Landlord. It is understood and agreed that no interruption in the supply of any services or utilities to the Premises shall constitute an actual or constructive eviction of Tenant from the Premises or shall entitle Tenant to terminate this Lease or to an abatement of any rent payable hereunder. Landlord shall have no liability to Tenant on account of any such interruption.

Section 7. Tenant Covenant to Exercise Ground Lease Renewal Term. Tenant, as lessee under the Ground Lease, hereby represents and warrants to Landlord that Tenant has the right under the Ground Lease to two (2) successive renewal terms of ten (10) years each pursuant

to Section 3.1(c) of the Ground Lease. Tenant hereby agrees and covenants to Landlord that Tenant shall exercise the first renewal term of ten (10) years under the Ground Lease in accordance with the terms and conditions of the Ground Lease.

Section 8. Condition on Possession. Tenant has examined and knows the condition of the Premises and has received the same in good order and repair, and acknowledges that no representations as to the condition and repair of the Premises, and no agreements or promises to decorate, alter, repair or improve the Premises, have been made by Landlord, except for those executed in writing and made a part of this Lease.

Section 9. Use of Premises. No use shall be made of the Premises other than the Permitted Use without the prior consent of Landlord. Any other use shall constitute a default of this Lease. Tenant shall not permit the Premises to be used for any of the following uses: (i) massage parlor, (ii) hot tub facility, (iii) sun tan facility, (iv) country club, (v) racetrack or other facility used for gambling, (v) for the sale of alcoholic beverages for consumption off premises, (vi) development or holding of intangibles for sale, (vii) private or commercial golf course, (viii) check cashing store, (ix) farming, or (x) any use of the Premises which shall make voidable any insurance on the Premises, or the contents thereof, or which shall be improper or contrary to any law or regulation. Tenant shall not keep or use or permit to be kept or used in or on the Premises or any place contiguous thereto any flammable fluids or explosives, without the prior consent of Landlord.

Section 10. Maintenance. Tenant shall maintain and keep the Premises in good repair throughout the Term. Tenant shall not commit waste or cause damage to the Premises; nor shall Tenant permit the appearance of the Premises to deteriorate. If Tenant does not keep the Premises in good repair, Landlord may enter the same and may make such repairs as required to restore the Premises to the condition they were in upon the date of execution of this Lease and Tenant agrees to pay Landlord, in addition to the rent set forth in Section 3 of this Lease, the expenses Landlord incurred in repairing the Premises due to the failure of Tenant to keep the Premises in good repair.

Section 11. Access to Premises. Landlord reserves the right at all reasonable times, for itself and its duly authorized agents, to go upon and inspect the Premises and at its option to make repairs, alterations and additions to the Premises as it deems necessary, provided none of Tenant's rights granted under this Lease are unreasonably abridged by Landlord's action under this Section. Landlord, during the progress of any work on the Premises, may take all necessary materials and equipment into the Premises without the same constituting an eviction. Tenant shall not be entitled to any abatement of rent while work is in progress nor to any damages by reason of loss or interruption of business or otherwise; provided, however, that Landlord shall use its best efforts not to interfere with Tenant's business operations. In emergencies, if Tenant is not present to permit entry into the Premises, Landlord or Landlord's agent may enter the Premises to protect or preserve or avoid damage to the Premises, provided, however, reasonable care is exercised to safeguard Tenant's property. Landlord or its agents shall not be rendered liable for any entry into the Premises pursuant to this Section, nor shall the obligations of Tenant under this Lease be affected by Landlord's entry.

Section 12. Quiet Enjoyment. Landlord covenants and agrees that Tenant, paying the rent and other charges due hereunder and observing and keeping the terms, covenants and conditions of this Lease, shall lawfully, peaceably and quietly hold, occupy and enjoy the Premises without any hindrance, ejection or molestation by Landlord or any person or persons lawfully claiming under it.

Section 13. Nonliability of Landlord. To the extent permitted by applicable law, Landlord shall not be liable to Tenant for any damage or injury to Tenant, Tenant's agents, employees, or invitees, or Tenant's property caused by the failure of Landlord to keep the Premises, in good repair, and shall not be liable for any injury caused by wind, defective plumbing, electric wiring, insulation, gas pipes, water pipes, or steam pipes, or from broken stairs, porches, railings or walks, or from the backing up of any sewer pipe or down-spout or from the bursting, leaking or running of any tank, tub, washstand, water closet or waste pipe, drain or any other pipe or tank, or from the escape of steam or hot water from any radiator, nor for any such damage or injury occasioned by the falling of any fixture, plaster or stucco, nor for any damage or injury arising from any act, omission or negligence of co-tenants or of other persons, all claims for any such damage or injury being expressly waived by Tenant, except to the extent that such claims arise from the negligence or willful misconduct of Landlord or its agents or employees.

Section 14. Assigning or Subletting. Tenant shall not assign this Lease or sublet the whole or any part of the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld or denied. Notwithstanding the forgoing, the parties hereto agree that it is not unreasonable for Landlord to withhold its consent to any assignment or sublease if such assignment or sublease would violate any provision of the Landlord Sublease or the Ground Lease. In the event Tenant should assign this Lease or sublet the Premises with the prior written consent of Landlord, the assignee or sublessee shall become subject to and perform all the terms, covenants and conditions of this Lease to be kept and performed by Tenant. No assignment of this Lease or subletting of the Premises shall release Tenant from liability under this Lease and Tenant shall at all times remain liable to Landlord for payment of rent and for performance of all terms, covenants and conditions of this Lease. Landlord shall give Tenant notice of any default by any assignee or sublessee under this Lease and Tenant shall have 30 days from the date such notice is given to cure the default. If Tenant cures the default within the specified period, Tenant shall have the right to re-enter and possess the Premises subject to the terms and conditions of this Lease.

Section 15. Signs. Tenant shall not erect or install any ground, building or roof signs except as permitted by Landlord; provided that Landlord's permission shall not be unreasonably withheld. Notwithstanding the forgoing, the parties hereto agree that it is not unreasonable for Landlord to withhold its consent to the erection or installation of any sign if such erection or installation would violate any provision of the Landlord Sublease. All signs installed by Tenant shall comply with all requirements of appropriate governmental authorities and all necessary permits or licenses shall be obtained by Tenant. Tenant shall maintain all signs in good condition and repair at all times and shall save Landlord harmless from injury to person or property arising from the erection installation and maintenance of said signs. Upon vacating the Premises, Tenant shall remove all signs and repair any damaged caused by their removal.

Section 16. Indemnification. To the extent permitted by applicable law, and except to the extent caused by Landlord's gross negligence or willful misconduct, Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all claims, causes of action, liabilities and other such loss or expense, of whatever nature, including costs of litigation and reasonable attorneys' fees (including attorneys' fees incurred in establishing a right of indemnification hereunder), whether for personal injury or property damage, arising out of, or connected in any way with, the Premises, the conduct of Tenant's business in the Premises or Tenant's use and occupancy of the Premises, whether such injury occurs in the Premises, in any area adjacent to the Premises.

Section 17. Subordination and Recognition. Except as provided herein, this Lease shall be subject to and subordinate to any and all mortgages or leaseholds (including without implied limitation the Ground Lease, the Landlord Sublease and leasehold mortgages granted thereunder) now or at any time hereafter constituting a lien or leasehold on the Premises. The foregoing subordination provisions of this section shall be automatic and self-operative without the necessity of the execution of any further instrument or agreement of subordination on the part of the Tenant.

Section 18. Third-Party Liens. In the event that any lien upon Landlord's leasehold interest in the Premises results from any act or neglect of Tenant, and Tenant fails to remove said lien within 10 days after Landlord's notice to do so, Landlord may remove the lien by paying the full amount of the lien without any investigation or contest of the validity of such lien, and Tenant shall pay Landlord upon request the amount paid out by Landlord in such behalf, including Landlord's costs, expenses and attorneys' fees.

Section 19. Damage and Destruction.

(a) If, at any time during the Term, the Premises or any part thereof shall be damaged or destroyed by fire or other casualty of any kind or nature, including any casualty for which insurance was not obtained or obtainable, so as to be unfit for Tenant's carrying on of its business in its normal and usual manner, then Landlord shall notify Tenant within 30 days after such damage or destruction as to whether such destruction or damage can, in Landlord's sole reasonable judgment, be restored or repaired within 180 days after such damage or destruction ("Landlord's Casualty Determination"). If Landlord's Casualty Determination is that such destruction or damage can be repaired within such 180 days, then there shall be no abatement of rent or other obligation of Tenant under this Lease and Landlord shall restore or repair the Premises to substantially the same condition as they were in immediately before the destruction with all reasonable speed and shall complete such restoration or repair within 180 days after such damage or destruction. If Landlord's Casualty Determination is that such destruction or damage cannot be repaired within such 180 days, then either party shall be entitled to terminate this Lease by written notice of termination to the other party within 30 days after the date of Landlord's Casualty Determination. If no notice of termination is given by either party, Landlord, or Tenant, with Landlord's written permission, shall immediately after expiration of such 30-day period undertake such restoration or repair as is necessary to restore the Premises to their former condition with all reasonable speed. In such event,

the rent shall abate from the date of destruction or damage until the completion of such repairs.

(b) Landlord shall bear all costs expended on the repair or restoration of the Premises, including actual and reasonable costs incurred by Tenant with Landlord's approval, except that Landlord shall not be required to pay for the cost of repair or restoration of Tenant's alterations or improvements, trade fixtures, equipment or personal property. If Landlord, during the course of its repair or restoration of the Premises, repairs or restores any alterations or improvements made by Tenant, or any of Tenant's trade fixtures, equipment or personal property, Tenant shall reimburse Landlord for any cost incurred in repairing or restoring these items which is not reimbursed through insurance. Tenant shall tender such reimbursement to Landlord not later than 30 days after receipt of the invoices from Landlord for the reimbursable items.

(c) If the Premises is so destroyed or damaged so as to make the Premises unfit for occupancy and Landlord decides not to restore or repair the Premises, this Lease shall be terminated.

Section 20. Default. If any installment of rent shall remain unpaid for five days after the same becomes due, or if Tenant shall fail to keep or perform any of the terms, covenants or conditions of this Lease to be kept by it within 10 days after notice from Landlord of such failure, or if Tenant's interest in the Premises shall be sold under execution, attachment or other legal process, or if Tenant shall make an assignment of the benefit of creditors or if Tenant shall be subjected to a receivership, then, and without notice, it shall be lawful for Landlord to re-enter the Premises and have free possession of the same and this Lease shall be terminated without prejudice to Landlord's right of action for arrears of rent or breach of contract, present and prospective damages or for any other costs or expenses resulting from such breach on the part of Tenant. In the event of default, Landlord may relet the Premises for the remainder of the Term, and may recover from Tenant any deficiency between the amounts owed by Tenant hereunder and the rents paid by the new tenant. The reletting of the Premises under such circumstances by Landlord shall not be construed under any circumstances as the acceptance of the surrender of the Premises by Tenant, unless Landlord consents in writing. Landlord's rights and remedies under this Section shall be cumulative and nonexclusive of any other rights or remedies at law or in equity.

Section 21. Termination of Lease.

(a) *Surrender of Premises.* Tenant shall, at the expiration or earlier termination of this Lease, for whatever reason, remove all Tenant's goods and effects from the Premises, including all trade fixtures, furniture and equipment. Tenant shall deliver to Landlord the Premises in the condition required under Section 15(d) above and all keys to the Premises. In the event of Tenant's failure to remove any of Tenant's property from the Premises, Landlord is hereby authorized, without liability to Tenant for loss or damage, and at the sole risk of Tenant, to remove and store any of the property at Tenant's expense, or to retain same under Landlord's control, or to sell at public or private sale, without notice, and to apply the net proceeds of such sale to the payment of

any sum due hereunder, or to destroy such property without liability or obligation of any nature to Tenant.

(b) ***Holding Over.*** At the expiration of the Term, through lapse of time or otherwise, Tenant shall yield up immediate possession of the Premises to Landlord in accordance with the conditions of Section 21(a) of this Lease. If Tenant retains possession of the Premises or any part thereof after the termination of the Term, then Tenant shall also pay to Landlord all damages sustained by Landlord resulting from retention of possession of the Premises by Tenant. This Section shall not constitute a waiver by Landlord of any right of re-entry.

(c) ***Abandonment of Premises.*** If Tenant shall vacate or abandon the Premises or permit the same to remain vacant or unoccupied for a period of 30 consecutive days, Tenant shall be considered in default hereunder and Landlord shall immediately have all of its remedies for Tenant's breach of this Lease.

Section 22. Miscellaneous Provisions.

(a) ***Rules and Regulations.*** Tenant and Tenant's agents, employees and licensees shall faithfully observe and strictly comply with such reasonable and uniform rules and regulations as Landlord may from time to time adopt. Notice of any rules or regulations shall be given in writing. If there is any inconsistency between this Lease and the rules and regulations established by Landlord, this Lease shall govern.

(b) ***Notices.*** Notices may be served on either party, at their respective addresses listed at the beginning of this Lease, either (i) by delivering or causing be delivered a written copy of the notice; or (ii) by sending a written copy of the notice by recognized overnight courier, addressed to Landlord or Tenant at their respective addresses, in which event, the notice shall be deemed to have been served at the time of hand delivery or one day after being deposited with such recognized overnight courier.

(c) ***No Waiver by Landlord.*** No waiver of any of the terms, covenants, or conditions imposed or required by this Lease and no waiver of any legal or equitable relief or remedy shall be implied by the failure of Landlord to assert any right to declare any forfeiture or for any other reason. No waiver of any terms, covenants or conditions shall be valid unless it shall be in writing and signed by Landlord. No waiver of any pledge of this Lease or the forgiveness or performance of any one or more of the terms, covenants or conditions may be claimed or pleaded by Tenant to excuse a subsequent pledge or failure of performance of any of the terms, covenants or conditions of this Lease.

(d) ***Force Majeure.*** In the event that either party shall be delayed or prevented from the performance of any act required under this Lease by reason of strikes, lockouts, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, explosion, accident, fire, flood or other catastrophe or any other reason of a like nature not the fault of the party delayed in such performance, then such performance shall be excused for the period of the delay and the period of the

performance of any act shall be extended for a period equivalent to the period of such delay. Notwithstanding anything contained herein to the contrary, under no circumstances shall Tenant at any time be excused from the payment of any rent or other sums of money which may become due under the terms of this Lease.

(e) **Personal Property Taxes.** Tenant shall pay promptly when due all taxes (and charges in lieu thereof) imposed upon Tenant's personal property in the Premises, no matter to whom assessed (including, without limitation, fixtures and equipment).

(f) **Criminal Acts of Third Parties.** Landlord shall not be liable in any manner to Tenant, its agents, employees, invitees or visitors for any injury caused by the criminal or intentional misconduct of third parties or of Tenant, Tenant's agents, employees, invitees or visitors. All claims against Landlord for any such damage or injury are hereby expressly waived by Tenant, and Tenant agrees to hold harmless and indemnify Landlord from all such damages and the expense of defending all claims made by Tenant's agents, employees, invitees or visitors.

(g) **Severability.** If any provision of this Lease shall to any extent be held by a court of law to be invalid or unenforceable, the remainder of this Lease shall not be affected and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

(h) **Successors and Assigns.** All covenants, promises, representations, obligations and agreements contained in this Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective heirs, legal representatives, successors and assigns.

(i) **Intentionally Omitted.**

(j) **Notice of Lease.** Tenant agrees not to record this Lease, but each party hereto agrees, on the request of the other, to execute a so-called notice of lease in form recordable and complying with applicable law and reasonably satisfactory to Landlord's attorneys. In no event shall such document set forth the rent or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

(Remainder of page intentionally left blank; signature page(s) to follow))

IN WITNESS WHEREOF, the parties have executed this Lease and have agreed that it shall be effective as of the date first written above.

LANDLORD:

HAVEN SUPPORT, INC., a Texas non-profit corporation

By _____
Steve Oswald
Vice Chairman and Treasurer

TENANT:

HAVEN FOR HOPE OF BEXAR COUNTY,
a Texas non-profit corporation

By _____
Steve Oswald
CFO and VP of Sustainability

(Signature Page to Haven for Hope of Bexar County Master Lease)

EXHIBIT A
GROUND LEASE

LEASE AGREEMENT

Dated , 2008

BETWEEN

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

and

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

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

STATE OF TEXAS §
 §

COUNTY OF BEXAR §

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

WITNESSETH:

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

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

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

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

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

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

leadership of LESSEE as the general operator; and

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

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

NOW THEREFORE:

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

ARTICLE 1

DEFINITIONS

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

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

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

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

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

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

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

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

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

ARTICLE 2

DESCRIPTION OF PREMISES; TITLE

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

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

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

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

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

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

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

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

ARTICLE 3

TERM

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

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

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

ARTICLE 4

RENT AND UTILITY BILLS

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

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

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

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

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

ARTICLE 5

CONDITION OF PREMISES AND CONSTRUCTION

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

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

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

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

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

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

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

a. LESSEE shall procure, and LESSOR will, if requested by LESSEE, cooperate with LESSEE in procuring, any and all approvals of Governmental Authorities, and all zoning changes, building permits, certificates of occupancy and other licenses and permits that may be required in connection with the construction of the Campus. LESSEE shall pay any fees associated with such licenses and permits. LESSEE shall furnish copies of all such licenses and permits to LESSOR prior to the commencement of any work. Without limiting the foregoing, LESSOR agrees that upon the request of LESSEE, LESSOR will join in applications for licenses and permits where the signature of LESSOR is required by applicable laws, regulations, or ordinances as the fee simple owner of the Premises.

b. LESSEE shall give written notice to LESSOR not less than five (5) Business Days prior to the commencement of any construction, alteration or repairs on the Premises in order that LESSOR may, but shall not be obligated to post notices of non-responsibility, and LESSEE agrees that such notices may remain posted until the acceptance of such work.

c. LESSOR shall not be required to remove any trees or landscaping, perform any site grading, or undertake any other site preparation. LESSOR approves of the destruction of any existing improvements on the Premises by LESSEE as part of the construction of the Campus and the Project, provided such destruction is in accordance with the approved Campus Plans, Structure Plans, or

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 6

USE, RESTRICTIONS AND ENTRY OF THE PREMISES

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

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

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

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

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

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

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

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

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

LESSOR for any resulting damage.

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

ARTICLE 7

TAXES

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

ARTICLE 8

SUBLETTING AND ASSIGNMENT

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

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

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

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

ARTICLE 9

INSURANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10

PROPERTY LOSS

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

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

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

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

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

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

ARTICLE 11

CONDEMNATION

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

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

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

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

ARTICLE 12

RELEASE OF LIABILITY AND INDEMNIFICATION

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

Section 12.2 **INTENTIONALLY LEFT BLANK**

Section 12.3 **Indemnification.**

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13

EXPIRATION OF TERM

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

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

ARTICLE 14

HOLDING OVER; PEACEFUL ENJOYMENT

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

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

ARTICLE 15

ESTOPPEL CERTIFICATES AND COMPLIANCE WITH COVENANTS

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

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

ARTICLE 16

DEFAULT AND TERMINATION OF LEASE

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

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

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

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

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

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

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

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

h. LESSEE shall be adjudicated bankrupt;

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

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

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

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

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

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

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

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

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

ARTICLE 17

REPRESENTATIONS AND WARRANTIES

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

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

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

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

ARTICLE 18

CONFLICT OF INTEREST

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

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

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

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

ARTICLE 19

HAZARDOUS SUBSTANCES

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

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

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

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

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

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

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

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

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

ARTICLE 20

MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 21

NOTICES

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

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

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

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

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

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

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

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

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

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

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

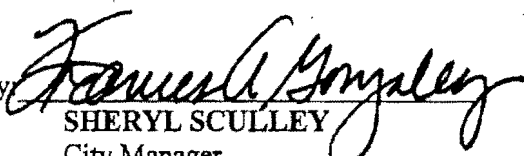
LESSEE:

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

By: 
ROBERT G. MARBUT, JR.
Executive Director

LESSOR:

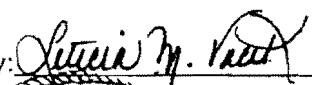
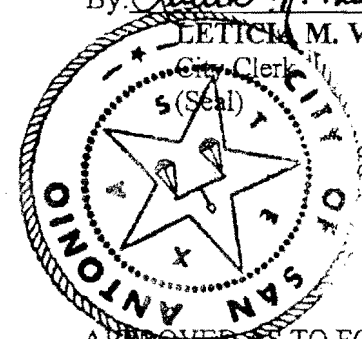
CITY OF SAN ANTONIO, TEXAS

By: 
SHERYL SCULLEY
City Manager

ATTEST:


Secretary
(Seal)

ATTEST:

By: 
LETICK M. VACEK
City Clerk
(Seal)

APPROVES AS TO FORM

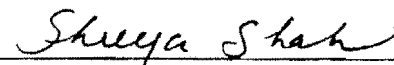
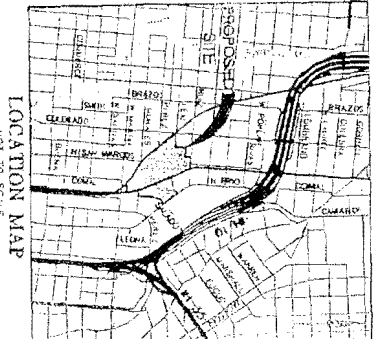
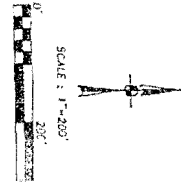
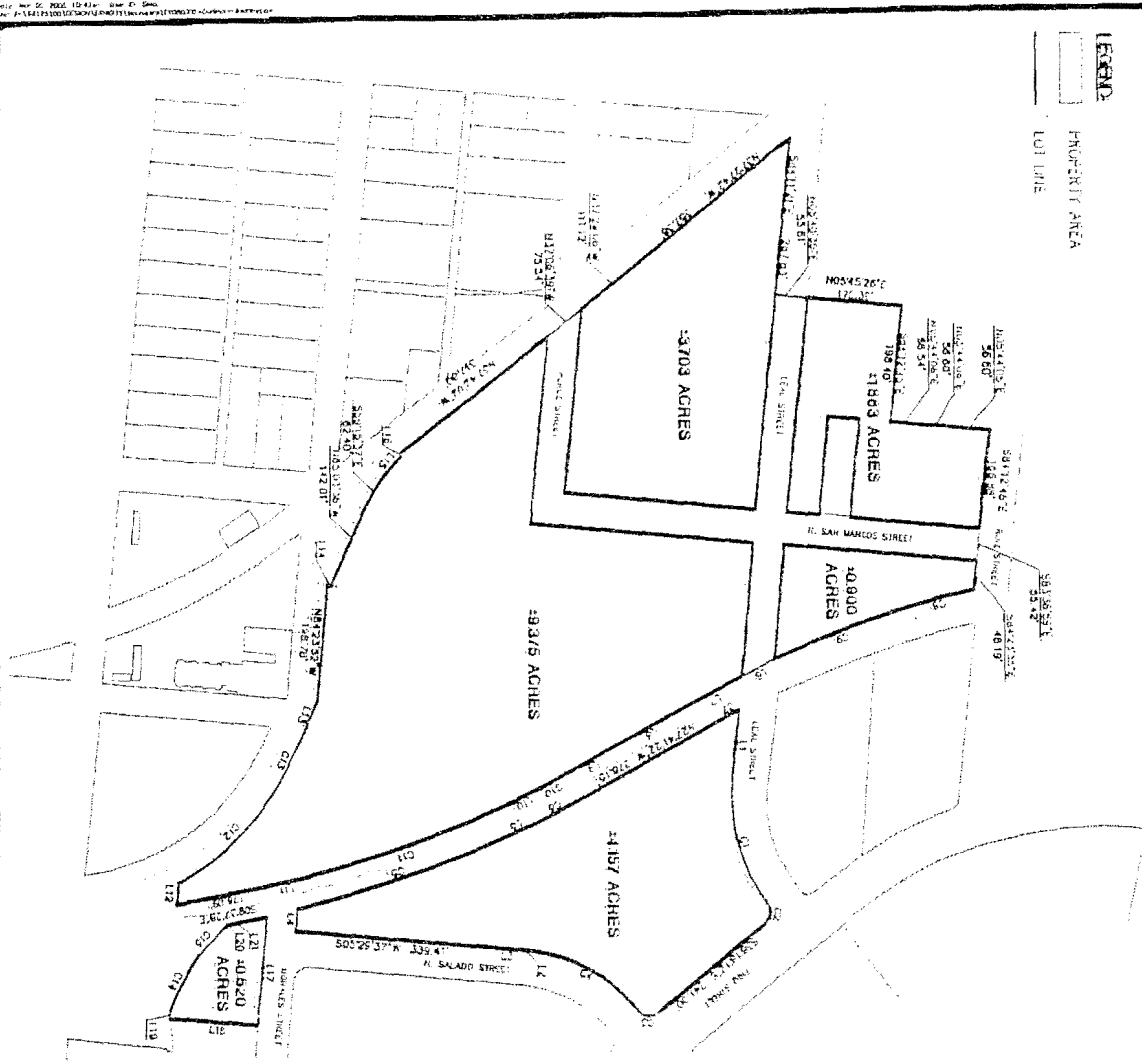
By: 
for City Attorney

EXHIBIT A

DESCRIPTION OF THE PREMISES

LEGEND

PROPERTY AREA
LOT LINE



| CURVE | LENGTH | RADIUS | TANGENT | DELTA | CHORD | CHORD BEARING |
|-------|--------|---------|---------|----------|--------|---------------|
| C1 | 223.74 | 291.99 | 117.89 | 43.5504° | 218.30 | N73.5919°E |
| C2 | 35.26 | 25.00 | 25.00 | 90.0000° | 35.26 | S81.8181°E |
| C3 | 39.14 | 25.00 | 24.97 | 69.4129° | 35.26 | S08.4129°W |
| C4 | 230.21 | 284.93 | 71.87 | 48.1751° | 224.00 | S78.3258°W |
| C5 | 370.94 | 1835.08 | 168.64 | 10.5859° | 370.37 | N17.5618°W |
| C6 | 85.72 | 1937.79 | 47.97 | 2.3704° | 85.71 | N28.7520°W |
| C7 | 42.18 | 1868.05 | 21.08 | 1.1851° | 42.18 | N27.0319°W |
| C8 | 131.93 | 1535.00 | 66.01 | 4.1931° | 131.91 | S14.2008°E |
| C9 | 239.65 | 1535.00 | 120.06 | 8.4625° | 239.41 | S19.3222°E |
| C10 | 53.61 | 1889.82 | 26.81 | 1.3732° | 53.61 | N78.6238°W |
| C11 | 371.51 | 1631.82 | 187.37 | 11.2241° | 372.90 | N18.4008°W |
| C12 | 231.45 | 488.93 | 129.65 | 28.4208° | 250.63 | N41.5717°W |
| C13 | 94.55 | 488.93 | 47.47 | 11.0413° | 94.40 | N42.0105°W |
| C14 | 107.90 | 342.25 | 54.40 | 18.0343° | 107.45 | S81.3417°E |
| C15 | 73.37 | 281.92 | 38.89 | 14.3458° | 73.16 | S43.0722°E |

| LINE | LENGTH | BEARING |
|------|--------|------------|
| L1 | 118.43 | S84.1121°E |
| L2 | 6.25 | S05.2829°W |
| L3 | 55.72 | S05.2829°W |
| L4 | 37.27 | N85.1818°E |
| L5 | 63.41 | N27.5010°E |
| L6 | 63.99 | S28.4522°E |
| L7 | 121.26 | S27.3333°E |
| L8 | 133.33 | S27.4322°E |
| L9 | 97.30 | S27.4322°E |
| L10 | 54.86 | S24.2119°E |
| L11 | 52.78 | S10.0402°E |
| L12 | 36.28 | N84.1011°W |
| L13 | 58.95 | N61.3340°W |
| L14 | 7.31 | N08.3108°E |
| L15 | 47.08 | S47.3308°E |
| L16 | 7.10 | S84.2228°E |
| L17 | 188.80 | S84.2007°E |
| L18 | 182.54 | S05.2400°W |
| L19 | 12.22 | N84.2042°W |
| L20 | 71.02 | N10.2942°W |
| L21 | 4.18 | N05.2404°E |

HAVIN FOR HOPE OF BEXAR COUNTY
SAN ANTONIO, TEXAS
OWN ALL BOUNDARY EXHIBIT

EXHIBIT B

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

Exhibit B

Z2007217 S - Legal Descriptions

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

Also known as 601 North Frio Street, 717 North Frio Street, 524 Leal Street, 1301 West Martin Street, 1323 West Martin Street, 519 North Medina, 720-722 Morales, 801 Morales, 825 Morales, 903 Morales, 525 Perez Street, 615 Perez Street, 701 North Salado Street, 727 North Salado Street and 626 North San Marcos Street .

EXHIBIT C

BONDING REQUIREMENTS

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

PERFORMANCE BOND AND PAYMENT BONDS

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

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

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

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

EXHIBIT D

SEVERANCE AND BILL OF SALE

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

SEVERANCE AND BILL OF SALE

Authorizing Ordinance:

Seller: City of San Antonio

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

Buyer: Haven for Hope of Bexar County

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

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

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

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

Predicate Facts

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

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

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

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

Acts of Severance and Sale

Now Therefore, the parties agree and act as follows:

1. Severance.

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

2. Conveyance.

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

3. Reversion to Realty.

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

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

4. Liens.

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

5. Disclaimer.

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

6. Coupled with Lease.

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

7. Indemnity.

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

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

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

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

8. Risk of Loss.

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

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

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

9. Acceptance of Obligations.

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

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

City of San Antonio,
a Texas municipal corporation

Haven for Hope of Bexar County, a
Texas nonprofit corporation

By: Frances A. Gonzalez By: [Signature]

Printed Name: FRANCES A. GONZALEZ Printed Name: Robert G. MARSHALL

Title: Asst. City Manager Title: Ex. Dir.

Date: 3/12/08 Date: 3/7/08

Attest:

[Signature]
City Clerk

Approved As To Form:

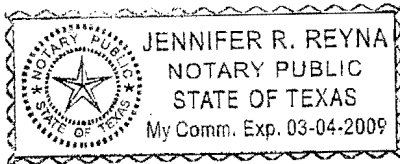
[Signature]
City Attorney

State of Texas §

County of Bexar §

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

Date: 3/12/08



Jennifer R. Reyna
Notary Public, State of Texas

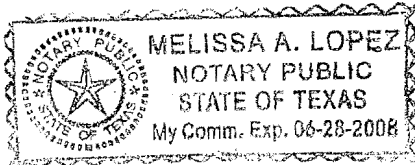
My Commission expires: 3/4/09

State of Texas §

County of Bexar §

This instrument was acknowledged before me this date by Robert G. Marbut, of the Haven for Hope of Bexar County, a Texas nonprofit corporation, in the capacity therein stated and on behalf of that entity.

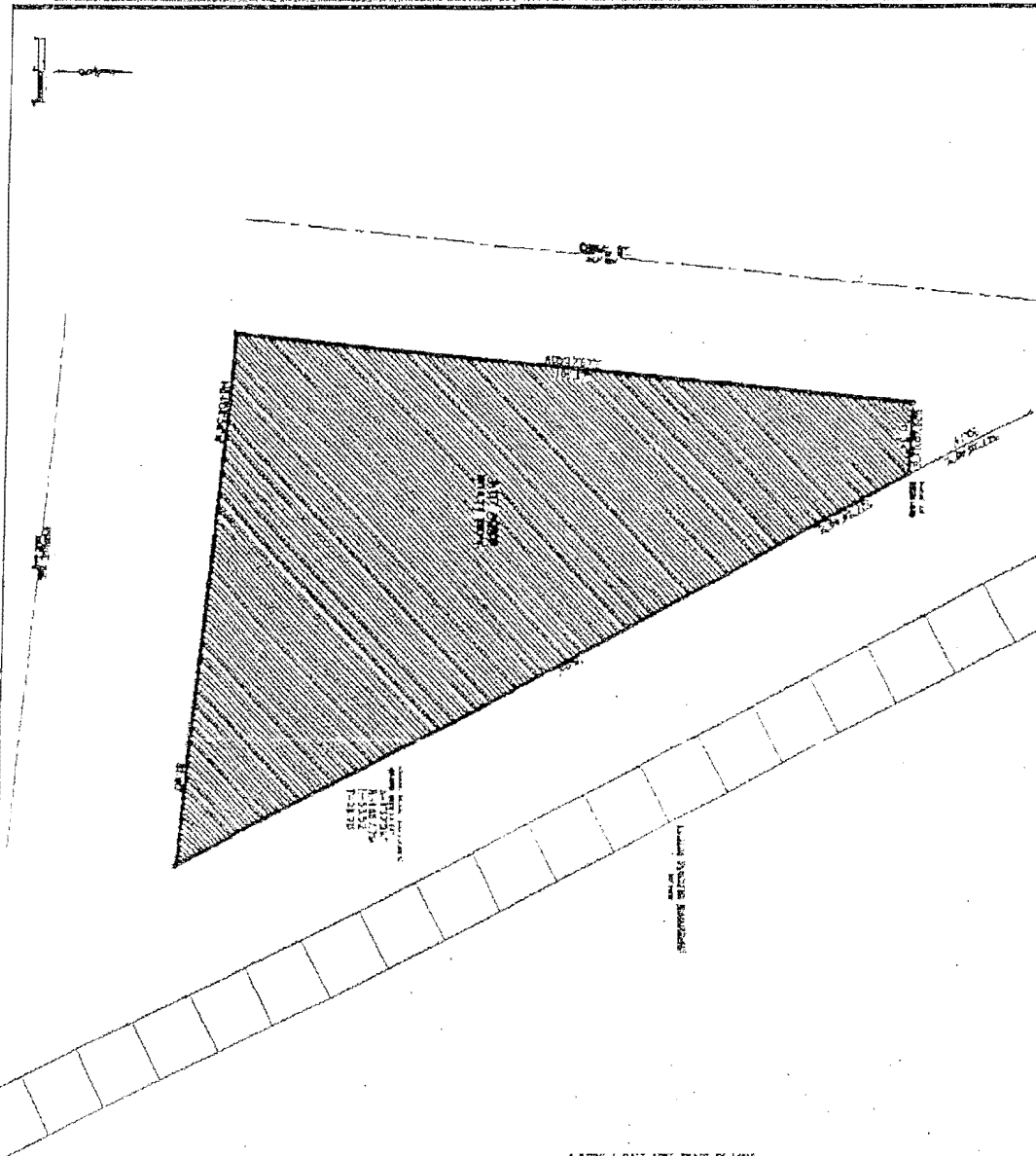
Date: 3/7/08



Melissa A. Lopez
Notary Public, State of Texas


My Commission expires: 6/28/08

Exhibit A



* BEING A CITY ADJ. TRACT OF LAND

I, A PROFESSIONAL ENGINEER, HAVE EXAMINED THE ABOVE PLAN AND FIND IT TO BE CORRECT AND ACCURATE IN ALL RESPECTS AND TO BE IN ACCORDANCE WITH THE CITY OF SAN ANTONIO, TEXAS, ORDINANCES AND REGULATIONS. I HEREBY CERTIFY THE CORRECTNESS, ACCURACY AND COMPLETENESS OF THE SAME. IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND SEAL OF OFFICE, AT SAN ANTONIO, TEXAS, THIS 10th DAY OF FEBRUARY, 1964.


 J. R. [Signature]
 PROFESSIONAL ENGINEER
 STATE OF TEXAS, No. 12345

| | | | |
|--------------------------------|----------------------------|-----------------------|----------|
| PROJECT NAME: 223 PEREZ ST. | SCALE: 1" = 10' | NO. DATE | COMMENTS |
| DATE: FEB 11 1964 | SHEET: 1 OF 1 | | |
| JOB # 507-001-014 | DATE PREPARED: FEB 11 1964 | BY: J. R. [Signature] | |

SGC
 STATE ENGINEERING BOARD OF TEXAS
 LICENSE NO. 12345
 EXPIRES 12/31/64

METES AND BOUNDS DESCRIPTION

February 21, 2008

BEING a 0.117 acre tract of land situated in the City of San Antonio, Bexar County, Texas and being a portion of Comal St. conveyed by City Ordinance No. 13,613, December 14, 1950, said 0.117 acre tract being more particularly described as follows:

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

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

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

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

to an $\frac{1}{4}$ " iron rod found at the intersection of the westerly R.O.W. line of said Union Pacific Railroad and the north R.O.W. line of Perez St. for the southeast corner of the herein described tract;

THENCE, North 84°06'56" West, 81.80 feet along the north R.O.W. line of said Perez St. to a $\frac{1}{2}$ " iron rod found at the intersection of the north R.O.W. line of said Perez St. and the easterly R.O.W. line of said Comal St. for the southwest corner of the herein described tract;

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

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

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-003-014A

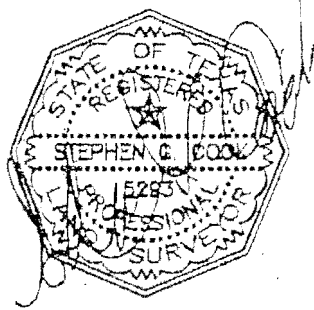
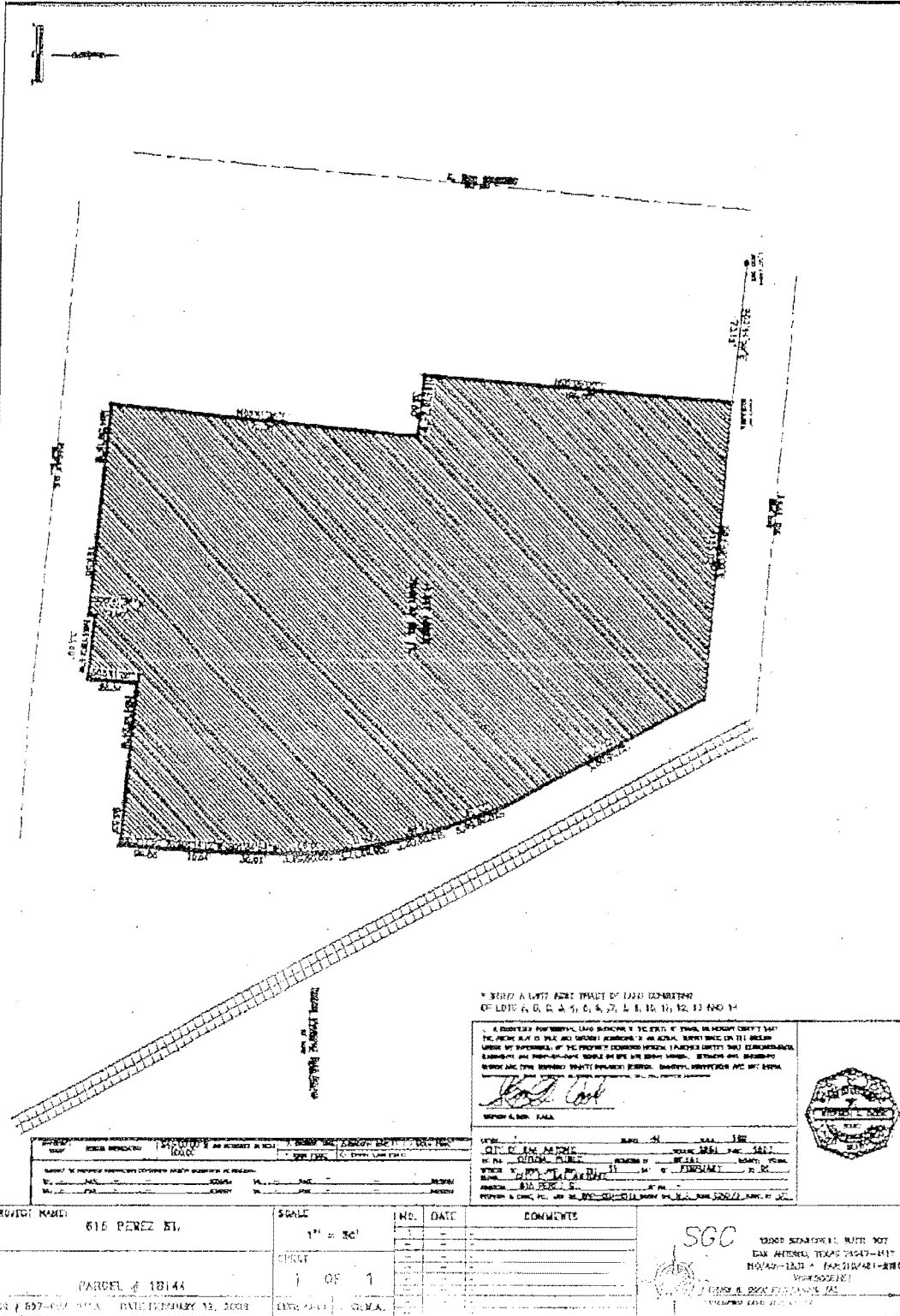


Exhibit B



A PART OF A CERTAIN TRACT OF LAND COMPRISING OF LOTS A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z AND 1-4

A SURVEY FOR THE PURPOSE OF DIVIDING THE TRACT OF LAND INTO SEVERAL LOTS AND THE PARTS OF THE TRACT ARE SHOWN IN THE PLAN. THE PARTS OF THE TRACT ARE SHOWN IN THE PLAN. THE PARTS OF THE TRACT ARE SHOWN IN THE PLAN.

G. S. G. S. G.
 SURVEYOR



| | |
|---------------|---------------|
| PROVIDER NAME | 616 PEREZ BL. |
| SCALE | 1" = 30' |
| NO. OF SHEETS | 1 OF 1 |
| DATE | |
| COMMENTS | |

| | |
|---------------|--|
| DATE | |
| NO. OF SHEETS | |
| COMMENTS | |

PROVIDER NAME: 616 PEREZ BL.
 PARCEL # 18144
 DATE: 03/27/2014

SCALE: 1" = 30'
 NO. OF SHEETS: 1 OF 1
 DATE: 03/27/2014

COMMENTS:

SGC
 10000 BURNING...
 SAN ANTONIO, TEXAS 78247-1117
 (512) 381-1234 • FAX (512) 381-1234
 WWW.SGC.COM

METES AND BOUNDS DESCRIPTION

February 19, 2008

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

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

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

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

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

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

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

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

THENCE, South $01^{\circ}34'54''$ West, 30.08 feet along the easterly face of said building to a corner of said building;

THENCE, South $03^{\circ}14'12''$ West, 30.04 feet along the easterly face of said building to the southeast corner of said building;

THENCE, North $84^{\circ}18'24''$ West, 85.53 feet along the south face of said building to an inside corner of said building;

THENCE, South $05^{\circ}41'36''$ West, 26.34 feet along the east face of said building to a corner of said building;

THENCE, North $84^{\circ}18'24''$ West, 33.60 feet along the south face of said building to an inside corner of said building;

THENCE, South $05^{\circ}41'36''$ West, 3.50 feet along the east face of said building to a corner of said building;

THENCE, North $84^{\circ}59'16''$ West, 109.56 feet along the south face of said building to the southwest corner of said building;

THENCE, North $05^{\circ}41'36''$ East, 170.38 feet along the west face of said building to an inside corner of said building;

THENCE, North $84^{\circ}18'24''$ West, 32.60 feet along the south face of said building to a corner of said building;

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

Stephen G. Cook
Registered Professional Land Surveyor

No. 5293

SGCE No. 597-003-011A



METES AND BOUNDS DESCRIPTION

February 21, 2008

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

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

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

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

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

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

THENCE, North $07^{\circ}40'24''$ East, 54.61 feet along the westerly face of said building to an inside corner;

THENCE, North $82^{\circ}11'21''$ West, 13.84 feet along the south face of said building to a building corner;

THENCE, North $07^{\circ}44'56''$ East, 55.39 feet to the most northerly corner of said building;

THENCE, South $82^{\circ}12'21''$ East, 151.41 feet along the north face of said building to a building corner;

THENCE, South 07°44'58" West, 29.94 feet along the easterly face of said building to a corner of said building;

THENCE, North 82°13'36" West, 27.23 feet along the south face of said building to an inside corner;

THENCE, South 07°44'06" West, 79.91 feet along the easterly face of said building to an inside corner;

THENCE, South 82°15'33" East, 85.34 feet along the northerly face of said building to a building corner;

THENCE, South 05°51'07" West, 100.19 feet along the easterly face of said building to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-003-018B

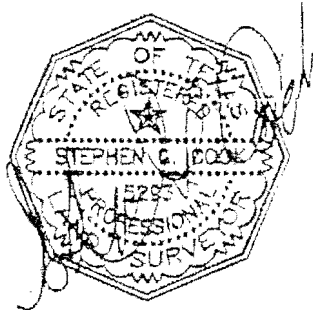
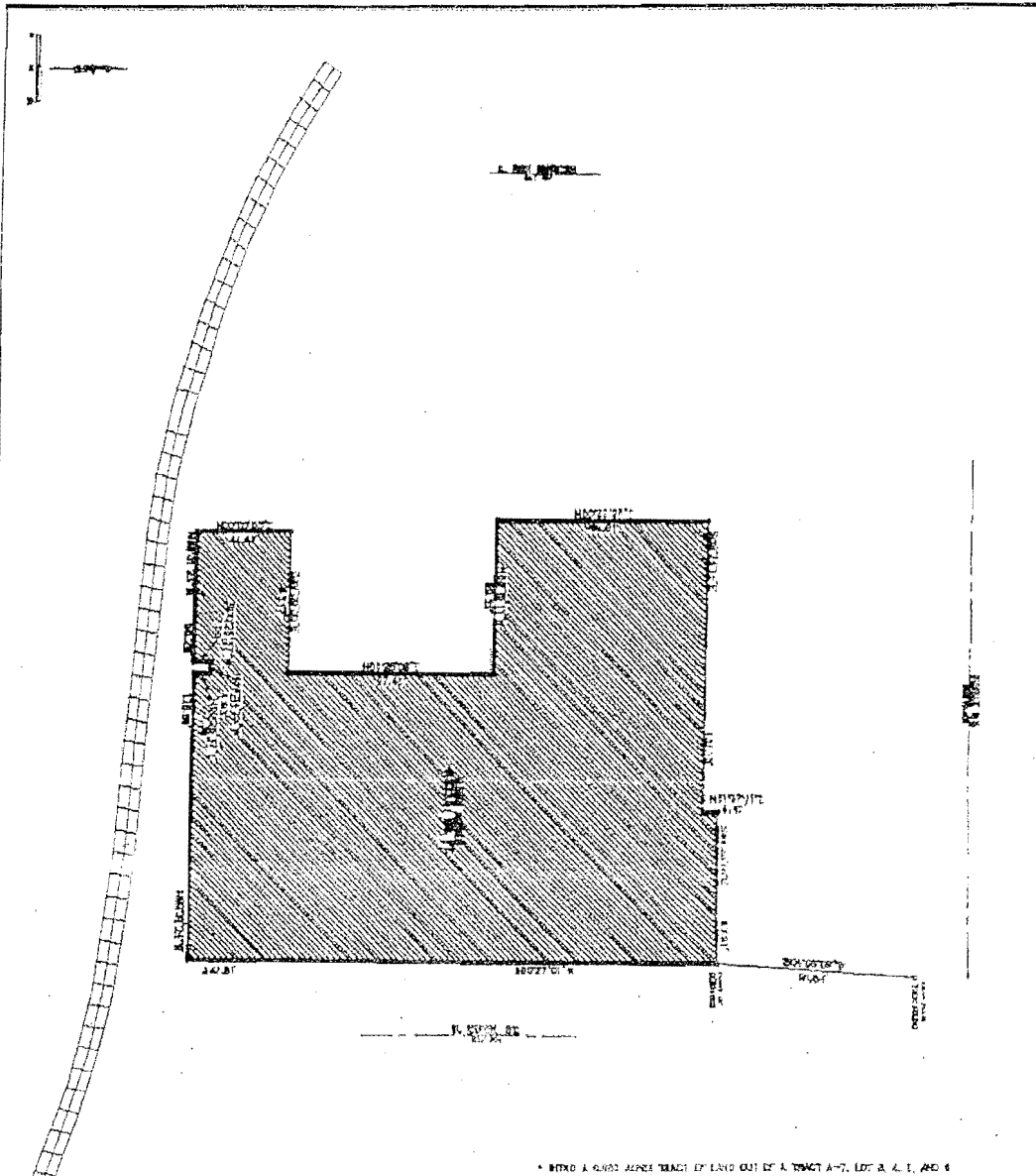


Exhibit D



* BEING A GOOD ALPINE TRACT OF LAND ONE OF A TRACT A-7, LOT A, B, C, AND D

I, the undersigned, being a duly qualified and licensed Surveyor in the State of Texas, do hereby certify that the above is a true and correct copy of the original survey as shown to me by the owner, and that the same is in accordance with the original survey as shown to me by the owner, and that the same is in accordance with the original survey as shown to me by the owner, and that the same is in accordance with the original survey as shown to me by the owner.

Surveyor's Name: *[Signature]*
 License No.: *[Number]*
 Date: *[Date]*



| | | | | |
|--|-------------------------------|------------------------|------------------------|--|
| <p>PROVIDOR NAME: DOE MORALES ET.</p> | <p>SCALE: 1" = 30'</p> | <p>MC. DATE: _____</p> | <p>COMMENTS: _____</p> | <p>SGC</p> <p>18000 STEPHENS, SUITE 101 DALLAS, TEXAS 75247-4117 (214) 441-2533 • FAX (214) 441-1100 WWW.SGCENTRIL.COM</p> |
| <p>1 OF 1</p> | <p>NO. _____</p> | <p>DATE _____</p> | <p>COMMENTS _____</p> | |

METES AND BOUNDS DESCRIPTION

February 19, 2008

BEING a 0.953 acre tract of land out of Tract A-7, Lot 3, 4, 5 and 6, Block 47, New City Block 197, in the City of San Antonio, Bexar County, Texas, said 0.953 acre tract being more particularly described as follows:

BEGINNING at the northeast corner of a building for the northeast corner of the herein described tract, said northeast corner being South $04^{\circ}06'09''$ West, 91.64 feet across said tract A-7 from Lead Plug with tack found at the intersection of the south Right-of-Way (R.O.W.) line of Perez St. and the west R.O.W. line of N. Comal St.;

THENCE, South $00^{\circ}27'01''$ West, 247.81 feet along the easterly face of said building to the southeast corner of said building;

THENCE, North $89^{\circ}31'24''$ West, 129.81 feet along the south face of said building to a corner of said building;

THENCE, North $00^{\circ}25'37''$ East, 7.39 feet along the west face of said building to an inside corner of said building;

THENCE, North $89^{\circ}34'22''$ West, 4.83 feet along the north face of said building to an inside corner;

THENCE, South $00^{\circ}25'37''$ West, 7.55 feet along the east face of said building to a building corner;

THENCE, North $89^{\circ}31'23''$ West, 58.29 feet along the south face of said building to the southwest corner of said building;

THENCE, North $00^{\circ}00'03''$ East, 44.48 feet along the west face of said building to a building corner;

THENCE, South $89^{\circ}36'35''$ East, 63.17 feet along the north face of said building to an inside corner of said building;

THENCE, North $00^{\circ}26'09''$ East, 97.46 feet along the west face of said building to an inside face of said building;

THENCE, North 89°16'11" West, 69.21 feet along the south face of said building to a corner of said building;

THENCE, North 00°33'20" East, 99.61 feet along the west face of said building to the northwest corner of said building;

THENCE, South 89°24'14" East, 131.13 feet along the north face of said building to an inside corner;

THENCE, North 01°37'11" East, 6.42 feet along the west face of said building to a corner of said building;

THENCE, South 89°25'16" East, 67.91 feet along the north face of said building to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor

No. 5293

SGCE No. 597-003-002A

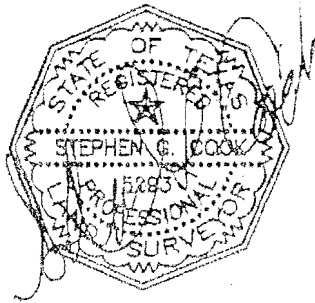


EXHIBIT E

NAMING PARAMETERS

The City of San Antonio (City) and Haven for Hope recognize that naming rights for the buildings (and any subpart thereof) located at the Haven for Hope Campus and its component parts potentially will provide revenue opportunities for Haven for Hope that will enhance the financial viability of the overall Haven for Hope Campus project.

The parties agree that the following parameters and limitations are in the best interests of the City, Haven for Hope, and the public and will be imposed upon the buildings and be enforceable by the City as an attachment to the lease agreement with Haven for Hope:

1. The name adopted for a building shall either:
 - (a) include the name of a facilitator or benefactor of the Haven for Hope campus project;
 - (b) honor a Person, place, institution, group, entity or event, whether now existing or that existed in the past, including but not limited to any corporation, limited partnerships, limited liability companies;
 - (c) recognize events or affairs of historic significance; or
 - (d) embrace civic ideals or goals.

EXHIBIT B
LANDLORD SUBLEASE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

KUTAK ROCK LLP
1801 California Street
Suite 3100
Denver, CO 80202
Attention: Micah J. Halverson, Esq.

THIS SPACE ABOVE FOR RECORDER'S USE

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT ("Sublease") is made and effective as of December ____, 2009 (the "Effective Date"), by and between **HAVEN FOR HOPE OF BEXAR COUNTY**, a Texas non-profit corporation ("Sublandlord") and **HAVEN SUPPORT, INC.**, a Texas non-profit corporation ("Subtenant").

RECITALS

A. The City of San Antonio, a Texas municipal corporation ("Ground Landlord") as landlord, and Sublandlord, as tenant, entered into that certain Lease Agreement dated March 6, 2008 (the "Ground Lease"), covering certain real properties legally described in the Ground Lease and bounded by Ruiz Street on the north, North Frio Street on the east, Martin Street on the south, and Union Pacific Railroad on the west, in the City of San Antonio, Bexar County, Texas, and more specifically described in the Ground Lease (the "Premises"). A copy of the Ground Lease is attached as Exhibit A hereto and incorporated herein.

B. Subtenant desires to, among other things, sublease from Sublandlord a portion of the Premises described on Exhibit B attached hereto, together with all rights, benefits and easements held by Sublandlord under the Ground Lease or otherwise, including without limitation, all rights and easements relating to ingress and egress to and from the Premises and rights to parking on the Premises, (collectively, the "Sublease Premises") and Sublandlord desires to sublease the Sublease Premises to Subtenant on the terms, covenants and conditions contained in this Sublease. There is appurtenant to the Sublease Premises the right and easement (a) to use the roads and ways on the Premises for access to and from public ways, and (b) to construct, use, maintain and repair utilities located in the Premises to the extent reasonably necessary to serve the Sublease Premises.

C. Ground Landlord and Sublandlord are parties to that certain Operating Agreement related to the Premises dated April 30, 2009 (the "Operating Agreement"). Pursuant to the sublease contemplated herein, Sublandlord desires to assign its rights, title and interest in and to

the Operating Agreement to Subtenant to the extent the Operating Agreement affects the Sublease Premises.

D. Capitalized terms not defined herein and used in the Ground Lease shall have the same meaning as set forth in the Ground Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and promises of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant agree as follows:

1. Sublease and Assignment.

Upon and subject to the terms, covenants and conditions hereinafter set forth, Sublandlord hereby leases to Subtenant, and Subtenant hereby leases from Sublandlord, the Sublease Premises. Upon and subject to the terms, covenants and conditions hereinafter set forth, Sublandlord hereby assigns to Subtenant, and Subtenant hereby assumes from Sublandlord, the Operating Agreement to the extent the Operating Agreement affects the Sublease Premises.

2. Term.

The term of this Sublease (which shall be co-terminus with the Ground Lease (as related to the Sublease Premises)) ("Term") shall commence on the Effective Date and, unless sooner terminated as provided herein, shall terminate upon the expiration of the term of the Ground Lease as set forth in Section 3.1 of the Ground Lease ("Termination Date").

3. Rent.

3.1 During the Term, Subtenant agrees to pay Sublandlord as annual Rent ("Rent") for the Sublease Premises ONE DOLLAR (\$1.00). Sublandlord acknowledges that such annual Rent has been prepaid in advance for the entire Term.

3.2 Each annual installment of Rent shall be payable in the manner set forth in the Ground Lease.

3.3 In addition to Rent, Subtenant agrees to pay all costs, expenses and obligations of every kind and nature whatsoever relating to the Sublease Premises. Subtenant hereby acknowledges and agrees that Rent due hereunder shall be absolutely net, without deduction, set off or abatement.

4. Incorporation of Ground Lease by Reference; Assumption.

4.1 Subtenant acknowledges that it has read the Ground Lease and is fully familiar with the terms and conditions thereof. All of the paragraphs of the Ground Lease are incorporated into this Sublease as if fully set forth in this Sublease. With respect to the Ground

Lease, as incorporated herein, the term "Lessor" as used therein shall refer to Sublandlord hereunder, the term "Lessee" as used therein shall refer to Subtenant hereunder, the term "Lease" as used therein shall refer to this Sublease and the term "Premises" as used therein shall refer to the Sublease Premises described herein. Except as specified in this Sublease, this Sublease is subject to all of the terms of the Ground Lease. If any provisions of this Sublease expressly conflict with any portion of the Ground Lease as incorporated herein, the terms of this Sublease shall govern. Subtenant shall assume and perform for the benefit of Sublandlord and Ground Landlord all of Sublandlord's obligations under the Ground Lease to the extent that such provisions are applicable to the Sublease Premises. Sublandlord acknowledges and agrees that Subtenant cannot perform, and consequently is not required to perform, the obligations of Sublandlord on portions of the Premises other than the Sublease Premises. By way of illustration and example, Subtenant cannot complete construction on portions of the Premises (other than the Sublease Premises) and accordingly cannot be responsible for compliance with the provisions of Section 5 of the Ground Lease relating to construction, plan approval, alterations, etc., except with respect to the Sublease Premises. Likewise, Subtenant is not required to maintain, repair or pay Impositions on portions of the Premises other than the Sublease Premises.

4.2 At any time and on reasonable prior written notice to Subtenant, Sublandlord may elect to require Subtenant to perform Subtenant's obligations under this Sublease related to the Sublease Premises directly to Ground Landlord, in which event Subtenant shall send to Sublandlord from time to time copies of all notices and other communications it shall send to and receive from Ground Landlord. In addition, at any time and with reasonable notice to Sublandlord, Subtenant may elect to perform Subtenant's obligations under the Sublease, and Sublandlord's obligations under the Ground Lease, directly to Ground Landlord. Neither Subtenant (subject to the foregoing qualification) nor Sublandlord shall do or permit to be done anything which would constitute a violation or breach of any of the terms, conditions or provisions of the Ground Lease or which would cause the Ground Lease to be terminated or forfeited by virtue of any rights of termination or forfeiture reserved by or vested in Ground Landlord.

4.3 All utilities, road maintenance costs and Impositions shall be equitably allocated between the Sublease Premises and the remainder of the Premises. If the owner of the Premises or any portion thereof is required to pay real estate taxes, the parties shall agree to subdivide the Premises in order to allow the Sublease Premises to be assessed as separate tax parcels.

4.4 In the event the Ground Lease is hereafter amended so as to provide for less restrictive provisions on use, non-profit status of sublessees, assignment and subletting and leasehold financing, this Sublease shall be deemed likewise amended such that Subtenant shall have the benefit of said less restrictive provisions. The Ground Lease shall not be amended or modified in any manner which will affect this Sublease or the Sublease Premises without the prior written consent of Subtenant.

5. **Representations and Warranties.**

Sublandlord and Subtenant (each for itself only) represent, warrant and certify to each other, as applicable, that: (a) the Ground Lease is genuine, valid and enforceable in accordance with their respective terms, is in full force and effect as of the date hereof, and has not been

supplemented, modified, amended or terminated; (b) Sublandlord has not been given and has not received notice of the occurrence of a default under the Ground Lease, and to its best knowledge, there are no defaults, breaches, defenses, claims or offsets thereunder or to the enforcement thereof; (c) Annual Rent owing under the Ground Lease has been paid in full for the entire term of the Ground Lease, and to the best knowledge of Sublandlord, Sublandlord is in compliance with all other obligations under the Ground Lease; (d) the term of the Ground Lease expires on March 5, 2048; (e) there are no agreements between Ground Landlord and Sublandlord with respect to the Sublandlord's occupancy of the Premises other than the Ground Lease, Operating Agreement and Funding Agreement; (f) Sublandlord's leasehold interest in the Premises is not subject to any deed of trust, mortgage, or other lien; and (g) the Ground Landlord has approved the plans and specifications and the construction schedule and all aspects of the construction relating to Sublease Premises that is subject to Ground Landlord's approval as set forth in Section 5.3 and 5.4 of the Ground Lease.

6. **Acceptance of Sublease Premises "As Is"**.

The Sublease Premises shall be delivered to Subtenant in "As Is and With All Faults" condition and without any representations and warranties with respect thereto by Sublandlord, its agents, officers, directors or employees. Sublandlord and its agents, employees, officers and directors have made no representations or promises with respect to the Sublease Premises. The taking of possession of any portion of the Sublease Premises by Subtenant shall be conclusive evidence that Subtenant accepts the same "As Is and with All Faults" and that the Sublease Premises are suited for the use intended by Subtenant and are in good and satisfactory condition at the time such possession was taken.

7. **Defaults and Remedies: Holdover.**

7.1 Upon any default by Subtenant under this Sublease or under the Ground Lease, Sublandlord shall have all rights and remedies available at law or in equity, including, without limitation, the rights and remedies available to Ground Landlord as described in the Ground Lease.

7.2 Sublandlord shall promptly notify Subtenant in writing of any default by Sublandlord under the terms and conditions of the Ground Lease. Subtenant shall be entitled to all rights to receive notices and cure defaults of Sublandlord as more particularly described in Section 16.1 of the Ground Lease (or in any other similar sections of the Ground Lease).

8. **Destruction.**

During the Term, in the event of destruction of any improvements on the Sublease Premises, Subtenant may, at its option, reconstruct the same and neither Sublandlord nor Subtenant shall terminate the Ground Lease or Sublease if and for so long as Subtenant or Lenders pursues such reconstruction with reasonable diligence.

9. **Waiver of Bankruptcy.**

Unless Subtenant otherwise consents in writing, Sublandlord hereby waives, and agrees not to assert or otherwise take the benefit of, Section 36.(f)(1), or any other applicable provisions,

of the United States Bankruptcy Code (11 U.S.C. § 101 et. seq.), which may cause the termination of the Ground Lease, or otherwise render it unenforceable in accordance with its terms, whether automatically by operation of law, or otherwise.

10. **Subtenant's Insurance.**

10.1 Subtenant, at its sole cost and expense, shall maintain or cause to be maintained from and after the Effective Date and throughout the Term, the insurance required to be carried by Sublandlord under the Ground Lease with respect to the Sublease Premises and shall comply with all requirements for insurance set forth in the Ground Lease.

10.2 Subtenant hereby waives on behalf of itself and on behalf of its insurers any and all rights of recovery against Sublandlord, Ground Landlord and the officers, employees, agents and representatives of Sublandlord or Ground Landlord on account of loss or damage occasioned to Subtenant or its property or the properties of others under its control caused by fire or any of the extended coverage risks described hereunder to the extent that such loss or damage is insured under any insurance policy in force at the time of such loss or damage or required to be carried hereunder. If necessary for its effectiveness, Subtenant shall give notice to its insurance carrier of the foregoing waiver of subrogation. Sublandlord hereby waives on behalf of itself and on behalf of its insurers any and all rights of recovery against Subtenant and its officers, employees, agents and representatives on account of damage to the Sublandlord or its property or the properties of others under its control caused by fire or any of the extended coverage risks described herein to the extent that such loss or damage is insured under any insurance policy in force at the time of such loss or damage or required to be carried hereunder.

11. **Leasehold Financing.**

11.1 Subject to the terms and conditions of that certain Consent Related to New Markets Tax Credit Transactions (the "Consent") dated December __, 2009 by and among the Ground Landlord, the Sublandlord, the Subtenant and others, the original Subtenant under this Sublease and any Permitted Transferee (as defined in the Consent) may grant a subleasehold deed of trust ("Deed of Trust") covering the subleasehold estate created by this Sublease without the prior consent of either Sublandlord or Ground Landlord. In addition, such original Subtenant or Permitted Transferee shall provide a copy to Sublandlord and to Ground Landlord of a Deed of Trust promptly after recording of the Deed of Trust in the applicable land records office. Sublandlord hereby agrees that the following provisions shall apply to any such Deed of Trust, notwithstanding anything herein to the contrary:

(a) If the holder of any Deed of Trust (any such holder, together with its successors and assigns, being hereinafter called "Lender") or any Permitted Transferee shall succeed to the interest of the Subtenant under the Sublease (whether by an assignment of Lender's rights hereunder, a foreclosure, transfer in lieu of foreclosure or otherwise) the Sublandlord will recognize such Lender (or an affiliate of Lender) or Permitted Transferee as its subtenant under the terms of the Lease. Notwithstanding anything in the Sublease or in the Ground Lease to the contrary, after foreclosure of the Deed of Trust or assignment of the Sublease in lieu of foreclosure, the Subtenant's interest under the Sublease may be freely sold, assigned, transferred or sublet (a "Transfer") to any Permitted Transferee without the consent of either Sublandlord or

Ground Landlord. Any other Transfer to a Person which is not a Permitted Transferee shall require the prior written approval of Ground Landlord only (but only to the extent such approval is required under the Ground Lease) and such approval by Ground Landlord shall be deemed to constitute approval by the Sublandlord for all purposes hereunder.

(b) If the Sublandlord shall give any written notice of default (hereafter "Default Notice") to the Subtenant under the Sublease, the Sublandlord shall concurrently send a copy of each such Default Notice to the Lender and to Ground Landlord. No Default Notice given by the Sublandlord to the Subtenant shall be binding upon or affect the Lender or the Subtenant unless a copy of the Default Notice is given to the Lender pursuant to the terms hereof.

(c) If a monetary default of the Subtenant shall occur under any provision of the Sublease, then the Sublandlord shall take no action with respect to such default if the Lender remedies such default not later than sixty (60) days after the Sublandlord's giving of a Default Notice relating to such default to the Lender. If a non-monetary default of the Subtenant shall occur under any provision of the Sublease, then the Sublandlord shall take no action with respect to such default if the Lender remedies such default not later than one hundred twenty (120) days after the Sublandlord's giving of a Default Notice relating to such default to the Lender, provided that in the case of a non-monetary default which cannot with diligence be remedied within such one hundred twenty (120) day period, the Lender shall have such additional period as may be necessary to obtain possession of the Sublease Premises and to remedy such default or to institute foreclosure proceedings and to complete such foreclosure or otherwise acquire the interest of Subtenant under the Lease if the Lender commences such proceedings within such one hundred twenty (120) day period and thereafter diligently prosecutes such remedy to completion.

(d) If a default of the Subtenant shall occur under any provision of the Sublease, then the Lender shall, without prejudice to its rights against the Subtenant, have the right to cure such default within the applicable grace periods provided for in section (c) above, and the Sublandlord shall accept such performance on the part of the Lender as though the same had been performed by the Subtenant.

(e) No surrender (except a surrender upon the expiration of the term of the Sublease) by the Subtenant to the Sublandlord of the Lease, or the Sublease Premises or any part thereof, or of any interest therein, and no termination of the Sublease may occur, nor may any of the terms thereof be amended, modified, changed or canceled, without the prior written consent of the Lender. No merger of the Sublease or the leasehold estate created under the Sublease with the Ground Lease or the fee title to the Premises may occur, notwithstanding that the Sublease or such leasehold estate and such fee title or Ground Lease shall be owned by the same person(s) or entity(ies), without the prior written consent of the Lender.

(f) Subject to the provisions of Section 11.4 hereof, the Lender shall not become personally liable for the performance or observance of any covenants or conditions to be performed or observed by the Subtenant under the Sublease unless and until the Lender becomes the owner of the Subtenant's interest under the Sublease or the Lender actually obtains exclusive possession of the Sublease Premises upon the exercise of any remedy provided for in the Deed of Trust, or enters into a new sublease with the Sublandlord as set forth herein. Thereafter, the Lender shall be liable for the performance and observance of such covenants and conditions only

for the period that such Lender owns such interest, maintains such possession of the Sublease Premises, or is a Subtenant under such new lease.

(g) In the case of a default of the Subtenant under the Sublease that is of such nature that it cannot be cured by the Lender (for example, the bankruptcy of the Subtenant), or the termination of the Sublease for any reason, or in the event the Sublease is rejected or disaffirmed pursuant to any bankruptcy, insolvency or other law affecting creditor's rights, the Sublandlord shall give prompt notice thereof to the Lender in the manner provided in Section 14. The Sublandlord, on written request of the Lender made any time within sixty (60) days after the giving of such notice by the Sublandlord, shall promptly execute and deliver a new sublease of the Sublease Premises to the Lender, for the remainder of the term of the Sublease (or for such period of time as would have constituted the remainder of the term of the Sublease in the absence of such termination, rejection or disaffirmance) upon all the covenants, conditions, limitations and agreements therein contained (including, without limitation, options to extend the term of the Sublease) except for such provisions which must be modified to reflect such termination, rejection or disaffirmance and the passage of time or the agreements contained herein, provided that such Lender (1) shall pay to the Sublandlord, simultaneously with the delivery of such new sublease, all unpaid rent due under the Sublease up to and including the date of the commencement of the term of such new lease and all reasonable expenses, including, without limitation, reasonable attorneys' fees and disbursements and court costs, incurred by the Sublandlord in connection with the default by the Subtenant, the termination of the Sublease and the preparation of the new lease, and (2) shall cure all defaults existing under the Sublease which are susceptible to being cured by the Lender promptly and with due diligence after the delivery of such new lease. Any such new sublease and the leasehold estate thereby created shall, subject to the same conditions contained in this Sublease, continue to maintain the same priority as this Sublease with regard to any mortgage or deed of trust, including any fee deed of trust or any deed of trust on the Sublandlord's interest in the Sublease, on the Sublease Premises or any part thereof or any leasehold interest therein or any other lien, charge or encumbrance thereon, whether or not the same shall now be in existence. Concurrently with the execution and delivery of such new sublease, the Sublandlord shall assign to the Subtenant named therein all of its right, title and interest in and to all funds (including insurance and condemnation proceeds), if any, then held by or payable to the Sublandlord or any other depository which the Subtenant would have been entitled to receive but for the termination, rejection or disaffirmance of the Sublease, and any sums then held by or payable to the Sublandlord or such depository shall be deemed to be held by or payable to it as Sublandlord or depository under the new sublease; provided, however, that the provisions of this sentence shall not be construed to grant to the Subtenant named in such new sublease any rights with respect to any such funds that are superior to or in addition to the rights that the Subtenant would have had with respect to such funds in the absence of such termination, rejection or disaffirmance of the Sublease. The Subtenant hereby agrees that, if the Sublandlord and the Lender enter into a new sublease of the Sublease Premises in accordance with the provisions of this Section 11.1(g), then the Sublandlord may assign to the Subtenant named in such new sublease all of the Sublandlord's right, title and interest in and to all funds then held by or payable to the Sublandlord or any other depository which the Subtenant would have been entitled to receive but for the termination, rejection or disaffirmance of the Sublease without thereby incurring any liability to the Subtenant. For so long as the Lender shall have the right to enter into a new sublease with the Sublandlord pursuant to the second sentence of this Section 11.1(g), the Sublandlord shall not enter into a new sublease of the Sublease

Premises with any person or entity other than the Lender, without the prior written consent of the Lender. If the Lender fails to request that the Sublandlord execute and deliver a new sublease of the Sublease Premises in accordance with the provisions of this Section 11.1(g) within sixty (60) days after the giving by the Sublandlord to the Lender of the notice described in the first sentence of this Section 11.1(g), then the Sublandlord may enter into a new sublease of the Sublease Premises with any person or entity without the consent of the Lender.

(h) The Sublandlord shall not grant a deed of trust or otherwise encumber its interest in the Sublease Premises or the Premises unless the holder of such deed of trust or encumbrance specifically agrees, in writing, that such deed of trust or encumbrance is subordinate to the Sublease and further agrees, in writing, to recognize the rights of the Lender, its successors, assigns or transferees, to the Sublease and the Sublease Premises, and the rights of Lender under this Sublease.

(i) The Sublandlord irrevocably waives any provisions of the Sublease which provide that Subtenant shall, upon request of the Sublandlord, subordinate the Sublease to any lien of any present or future deed of trust granted by the Sublandlord.

(j) In the event of the total or partial destruction of the Sublease Premises, the Sublandlord agrees that, notwithstanding anything to the contrary contained in the Sublease, (i) Sublandlord shall not have any right or claim to any insurance proceeds arising out of such loss and shall not participate in the settlement or adjustment of any such loss, (ii) any insurance proceeds arising out of any such loss shall be paid to Lender and applied in accordance with the provisions of the Deed of Trust, and (iii) the Sublease shall not terminate as a result of any casualty loss unless the insurance proceeds received as a result of said loss and paid to the Lender are sufficient to satisfy in full the obligations of the Subtenant to the Lender secured by the Deed of Trust.

(k) In the event of a total or partial taking of the Premises, the Sublandlord shall permit the Lender to participate in any proceedings relating thereto and, notwithstanding anything to the contrary contained in the Sublease, the Sublandlord agrees that any award resulting from such total or partial taking shall be paid to the Lender and applied in accordance with the provisions of the Deed of Trust.

(l) The Sublandlord recognizes the right of the Lender or any successor, assignee or transferee of the Lender to exercise any options, including, without limitation, any renewal or extension options or rights of first refusal provided to the Subtenant under the Sublease; and agree that if, prior to the exercise of the Lender of its rights under the Deed of Trust, the Subtenant fails to exercise within the applicable time periods set forth in the Sublease any option including, without limitation, any renewal or extension option or right of first refusal, the Sublandlord shall notify the Lender and the Lender shall be authorized, at its option, to exercise any option or right as attorney-in-fact for the Subtenant within sixty (60) days of receipt of such notice and the Sublandlord shall recognize said exercise of any option or right by the Lender.

11.2 Any claim by the Sublandlord against the Lender under the Sublease or any new lease or direct lease with Ground Landlord shall be satisfied solely out of the interest of the Lender in the Sublease Premises, and the Sublandlord shall not seek recovery against or out of

any other assets of the Lender. Notwithstanding the foregoing, this Section 11.2 relates only to Sublandlord in its capacity as sublandlord of the Sublease Premises and this Section 11.2 shall not be construed to limit any other liability Lender may have, if any, to Sublandlord.

11.3 The benefits and burdens of this Sublease shall inure to and bind the successors and assigns of the respective parties hereto and any and all future Lenders. It is the express intention of the parties hereto that each and every Lender (a) may rely on the provisions of this Sublease in making any loan to Subtenant and (b) shall have and enjoy the same benefits, rights and protections as are afforded to Lender hereunder AS IF such Lender had been named a party to this Sublease; the foregoing provisions shall be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon the recordation of any leasehold deed of trust on the Sublease Premises. The Sublandlord shall execute such additional instruments, in recordable form, as any Lender may deem necessary or desirable in order to confirm the provisions or benefits of this Sublease.

11.4 The provisions of this Section 11 shall survive the termination, rejection or disaffirmance of the Sublease and shall continue in full force and effect thereafter, and from the effective date of such termination, rejection or disaffirmance of the Sublease to the date of execution and delivery of a new sublease in accordance with the provisions of Section 11.1(g) above, the Lender may use and enjoy the leasehold estate created by the Sublease without hindrance by the Sublandlord; provided, however, that if the Lender either (a) fails to request that the Sublandlord execute and deliver a new sublease of the Sublease Premises in accordance with the provisions of Section 11.1(g), or (b) requests that the Sublandlord execute and deliver a new sublease of the Sublease Premises and subsequently fails to execute such new lease and deliver the same to the Sublandlord in a timely manner, then the Lender shall pay rent to the Sublandlord at the rate that would have been applicable under such a new sublease of the Premises for the period of Lender's use and enjoyment of the leasehold estate created by the Sublease. The aforesaid agreement of the Sublandlord to enter into a new sublease with the Lender shall be deemed a separate agreement between the Sublandlord and the Lender, separate and apart from the Sublease (as well as a part of the Sublease), and shall be unaffected by the rejection or disaffirmance of the Sublease in any bankruptcy proceeding by any party.

11.5 The provisions of this Section 11 are for the benefit of the Lender and may be relied upon and shall be enforceable by the Lender as if the Lender were a party to the Sublease.

11.6 This Sublease may not be amended or modified without the prior written consent of Lender. This Sublease may not be terminated without the prior written consent of Lender.

11.7 Sublandlord and Subtenant agree to deliver to Lender within fifteen (15) days after written request by Lender, an estoppel certificate from Ground Landlord, Sublandlord and Subtenant setting forth (a) the name of the tenant under the Ground Lease and Sublease, as applicable; (b) that the Ground Lease and Sublease have not been modified or, if it has been modified, the date of each modification (together with copies of each such modification); (c) the rent payable under the Ground Lease and the Sublease; (d) the date to which all rental charges have been paid by Subtenant under the Sublease; (e) whether there are any alleged defaults of Sublandlord or Subtenant under the Ground Lease and Sublease and, if there are, a description of

the nature of such defaults in reasonable detail; and (f) such other matters as Lender may reasonably request.

12. **Time.**

Time is of the essence of this Sublease.

13. **Notices.**

All notices under this Sublease shall be in writing as follows:

| | |
|------------------------|---|
| If to Sublandlord: | Haven for Hope of Bexar County 2330 N. Loop 1604 West San Antonio, Texas 78248 Attention: Executive Director |
| If to Ground Landlord: | City of San Antonio Director, Department of Community Initiatives Plaza de Armas, Suite 210 San Antonio, Texas 78205 |
| If to Subtenant: | Haven Support, Inc. 2330 N. Loop 1604 West San Antonio, Texas 78248 Attention: Executive Director |
| If to Initial Lenders: | Wachovia Community Development Enterprises IV, LLC c/o Wells Fargo Bank Community Lending and Investment 401 B Street, Suite 304-A San Diego, CA 92101 Attention: Lee Winslet NNMF Sub-CDE IX, LLC c/o National New Markets Fund, LLC 11150 West Olympic Blvd., Suite 910 Los Angeles, CA 90064 Attention: Laura Bauer, Controller |

or such addresses as may hereafter be designated by either party in writing. Any such notices shall be sent in accordance with the Ground Lease.

14. **General Provisions**

14.1 **Entire Agreement.** This Sublease contains all of the agreements of the parties, and there are no verbal or other agreements which modify or affect this Sublease. This Sublease

supersedes any and all prior agreements made or executed by or on behalf of the parties hereto regarding the Sublease Premises and sets forth obligations concerning the Sublease Premises.

14.2 Nonwaiver of performance. Unless otherwise specifically provided for in this Sublease, a waiver by any party of a breach of any of the terms, conditions, covenants, or guarantees of this Sublease shall not be construed or held to be a waiver of any succeeding or preceding breach of the same or other term, condition, covenant or guarantee herein contained. Further, any failure of any party to insist in any one or more cases upon the strict performance of any of the covenants of this Sublease, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by any party hereto of any provision of this Sublease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged. In the case of Ground Landlord, such changes must be approved by its City Council by Ordinance duly adopted. No act or omission by a party shall in any manner impair or prejudice any right, power, privilege, or remedy available to that party hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

14.3 Terms and Headings. The words "Ground Landlord", "Sublandlord" and "Subtenant" include the plural as well as the singular, and words used in any gender include all genders. The titles to sections of this Sublease are not a part of this Sublease and shall have no effect upon the construction or interpretation of any part hereof. Capitalized terms used in this Sublease without definition which are defined in the Ground Lease shall have the same meanings given to such terms in the Ground Lease.

14.4 Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Sublease shall inure to and be binding upon Sublandlord and Subtenant and their respective successors and assigns.

14.5 Brokers. Subtenant represents and warrants to Ground Landlord and Sublandlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees with respect to the negotiation, execution or delivery of this Sublease and shall indemnify, defend and hold harmless Sublandlord and Ground Landlord against any loss, cost, liability or expense incurred by Sublandlord or Ground Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or asserted to have been made by or on behalf of Subtenant. Sublandlord represents and warrants to Subtenant that it has not engaged any broker, finder or other person who would be entitled to any commission or fees, with respect to the negotiation, execution or delivery of this Sublease and shall indemnify, defend and hold harmless Subtenant against any loss, cost, liability or expense incurred by Subtenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Sublandlord.

14.6 Severability. Any provision of this Sublease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall nevertheless remain in full force and effect.

14.7 Force Majeure. Except as may be otherwise specifically provided herein, time periods for either party's performance under any provisions of this Sublease not involving the payment of money or rent shall be extended for periods of time during which said party's performance is prevented due to circumstances beyond the party's control, including, without limitation, strikes, embargoes, governmental regulations, acts of God, war or other strife.

14.8 Examination of Lease. Submission of this instrument for examination or signature by Subtenant does not constitute a reservation of or option to lease, and it is not effective as a lease or otherwise unless and until (a) the execution by and delivery to both Sublandlord and Subtenant, and (b) the Ground Landlord consents hereto as provided above.

14.9 Recording. Subtenant may record this Sublease or any memorandum hereof in the real estate records of the state and county where the Sublease Premises is located.

14.10 Applicable Laws. This Sublease shall be governed by and construed pursuant to the laws of the state provided in the Ground Lease.

14.11 Survival of Obligations. All provisions of this Sublease which require the payment of money or the delivery of property after the termination of this Sublease or require Subtenant to indemnify, defend or hold Sublandlord and/or Ground Landlord harmless or require Sublandlord to indemnify, defend or hold Subtenant harmless shall survive the termination of this Sublease.

14.12 Appendices and Riders. The following appendices and riders are attached hereto and by this reference made a part of this Sublease:

EXHIBIT A Ground Lease

EXHIBIT B Sublease Premises – Legal Description

[Remainder of this page is intentionally left blank; Signature pages to follow]

EXHIBIT A
GROUND LEASE

LEASE AGREEMENT

Dated , 2008

BETWEEN

THE CITY OF SAN ANTONIO, A TEXAS MUNICIPAL CORPORATION,
As Lessor

and

THE HAVEN FOR HOPE OF BEXAR COUNTY, A TEXAS NON-PROFIT
CORPORATION
As Lessee

For a human services campus to include a homeless transformational facility
also known as the "Haven for Hope",
located in the City of San Antonio, Bexar County, Texas

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This LEASE (this "Lease") is hereby made and entered into on this the ____ day of March, 2008, by and between the City of San Antonio, a Texas municipal corporation and a home rule municipality (hereinafter referred to as "LESSOR" or "City") acting by and through its City Manager or authorized designee pursuant to City of San Antonio Ordinance No. _____, passed and approved on March 6, 2008 and effective on _____, 2008 (the "Effective Date"), and the Haven for Hope of Bexar County, a Texas non-profit corporation (hereinafter referred to as "LESSEE") acting by and through its Board chair, hereto duly authorized.

WITNESSETH:

WHEREAS, LESSOR is the fee simple owner of certain real property, generally bounded by Ruiz Street on the north, North Frio Street on the east, Martin Street on the south, and Union Pacific Railroad on the west, in the City of San Antonio, Bexar County, Texas, and more specifically described in Exhibit "A" (as the same may be supplemented or changed by the Subsequent Survey, as defined below), which is attached hereto and incorporated herein by reference for all purposes as if copied at length, and all improvements currently located thereon (the "Premises"); and

WHEREAS, the LESSOR and LESSEE have expressly indicated their mutual desire to enter into this long-term lease on the Premises for LESSEE to: (i) develop new improvements and modify existing improvements thereon, as necessary, at LESSEE's sole cost and expense according to the site plan previously approved by the City of San Antonio in Ordinance No. 2007-09-06-0952; (ii) manage; and (iii) operate a comprehensive human services campus for the homeless (the "Campus"); and

WHEREAS, the purpose of the Campus setting is to treat the root causes of homelessness and address the housing, workforce training, medical, mental health, and substance abuse needs of the homeless population by providing humane and therapeutic services and connecting individuals and families to services appropriate to their needs; and

WHEREAS, the LESSEE is undertaking a fund raising and planning effort to raise the money necessary for the development and construction of the Campus on the Premises and to thereafter maintain, operate and manage the Campus; and

WHEREAS, the LESSOR intends to contract with the LESSEE for the management and operation of the Campus (the management and operation of the Campus is hereinafter referred to as the "Project"); and

WHEREAS, it is proposed that the Project be conducted on a collaborative basis among a number of experienced and specialized providers of services under the management and

leadership of LESSEE as the general operator; and

WHEREAS, LESSOR and LESSEE desire to enter into this Lease for the purposes of delineating the respective obligations and duties of each Party in connection with the development and construction on, and use of, the Premises, for the Campus; and

WHEREAS, this lease will be executed contemporaneously with a Severance and Bill of Sale between the parties and is the lease referenced within that Severance and Bill of Sale ; and

NOW THEREFORE:

In consideration of the mutual covenants and provisions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

ARTICLE 1

DEFINITIONS

As used in this Lease, the following terms (in addition to the terms defined elsewhere herein), shall have the respective meanings indicated below when used herein with initial capital letters, unless the context requires otherwise:

"Business Days" shall mean Monday through Friday, excluding LESSOR's established holidays. All references in this Lease to a "day" or "date" shall be to a calendar day unless specifically referred to as a "Business Day."

"Event of Default" shall have the meaning ascribed to it in Section 16.1.

"Force Majeure" shall mean any delay due to strikes, lockouts, or other labor or civil disturbance, future order of any government, governmental act or failure of government to act (other than denial of, or failure to grant, regulatory approval and/or license due to incomplete application, information, or inadequate or substandard performance on the part of the party requesting approval or license), court or regulatory body claiming jurisdiction, act of public enemy, war, riot, sabotage, blockade, embargo, act of God, and unusually adverse weather conditions. If a party is delayed, hindered or prevented from the performance of any obligation hereunder by reason of an event of Force Majeure (and such party shall not otherwise be in default of its obligations hereunder) the time for performance of the obligation shall be extended for a reasonable time period to compensate for the delay.

"Governmental Authority" shall mean the federal government of the United States of America, the State of Texas, County of Bexar, City of San Antonio, and any other governmental body, subdivision, agency, authority now or hereafter in existence that has jurisdiction over the Premises, or any use or activity with respect to the Premises.

“**Legal Requirements**” shall mean all orders, injunctions, writs, statutes, rulings, rules, regulations, requirements, permits, certificates or ordinances of any Governmental Authority applicable to (and as enforced from time to time with respect to) the Premises, the improvements thereon, or the parties to this Lease.

“**Person**” shall mean an individual, a corporation, a limited partnership, a limited liability company, a partnership, a joint stock association, a trust, or any other legal entity.

“**Subsequent Survey**” shall have the meaning ascribed to it in Section 2.3 and shall mean a metes and bounds description sufficient to delete the survey exception from the title policy to be obtained by LESSEE.

“**Taking**” shall mean the taking of all or any portion of the Premises by or on behalf of any Governmental Authority or any other Person pursuant to its power of eminent domain, condemnation or similar right.

ARTICLE 2

DESCRIPTION OF PREMISES; TITLE

Section 2.1 **Premises.** LESSOR, for and in consideration of the rents, covenants, and agreements hereinafter mentioned, reserved and contained, to be paid, kept, and performed by LESSEE, does hereby demise, rent and lease unto LESSEE, and LESSEE hereby agrees to lease and take from LESSOR upon the terms and conditions hereinafter set forth, the Premises, together with all rights and interests appurtenant thereto, subject to (i) the terms, covenants and agreements contained herein, (ii) all matters of public record or which LESSEE is otherwise aware to the extent such matters affect the Premises or any portion thereof and (iii) the public right of way to streets that have not been closed, vacated or abandoned, notwithstanding the boundary of the Premises delineated on the attached Exhibit “A.”

Section 2.2 **No Easement for Light and Air.** No easement for light or air is included in the Premises.

Section 2.3 **Delivery of Title Commitment and Survey.** LESSEE, at its expense, may obtain and deliver to LESSOR within two (2) weeks after the Effective Date, (i) a current, effective commitment for title insurance (the “**Title Commitment**”) issued by Independence Title Company (the “**Title Company**”), naming LESSEE as the proposed insured, and accompanied by true, complete, and legible copies of all documents referred to in the Title Commitment; and (ii) a current (dated within two (2) weeks after the Effective Date) [on-the-ground survey prepared in accordance with the Texas Surveyors Association Standards and Specifications for a Category IA, Condition II survey (including field notes)] of the Premises (the “**Subsequent Survey**”) made by a duly licensed surveyor acceptable to LESSEE and using a certification reasonably acceptable to LESSEE.

Section 2.4 **Title Review and Cure.** LESSEE shall notify LESSOR in writing (the “**Title Notice**”) within two (2) weeks after last to be received by LESSEE of the Title

Commitment, including all documents referred to in the Title Commitment, and the Subsequent Survey, which exceptions to title (including survey matters), if any, will not be accepted by LESSEE (the "**Title Review Period**"). If LESSEE fails to notify LESSOR in writing of its disapproval of any exceptions to title prior to the expiration of the Title Review Period, LESSEE shall be deemed to have approved the condition of title (including survey matters) to the Premises as then reflected in the Title Commitment and on the Subsequent Survey. LESSOR shall notify LESSEE in writing within five (5) business days after its receipt of the Title Notice, indicating which objections to title (and survey) LESSOR will cure (the "**Cure Notice**"). If LESSOR fails to timely deliver the Cure Notice to LESSEE, LESSOR shall be deemed to have elected not to cure any of the objections specified in the Title Notice. LESSEE shall have until ten (10) days after delivery of the Cure Notice or the date by which LESSOR has been deemed to have elected not to cure any of the title objections to provide LESSOR with written notice indicating that either (A) LESSEE waives the objections that LESSOR has not agreed to cure (whereby such exceptions shall be deemed Permitted Exceptions (as hereinafter defined)); or (B) LESSEE elects to terminate this Lease in which event neither party hereto shall have any further obligations hereunder. If LESSOR does not receive such a notice from LESSEE then LESSEE shall be deemed to have elected option (A) above. LESSOR agrees to remove any exceptions or encumbrances to title which are created by, under or through LESSOR after the date of this Lease and which are not permitted by the terms of this Lease. As used in this Lease, the term "**Permitted Exceptions**" shall mean:

- (i) those matters that either are not objected to in writing within the time period provided in Sections 2.3 and 2.4, or if objected to in writing by LESSEE, are those which LESSOR has elected not to remove or cure, and subject to which LESSEE has elected or is deemed to have elected to accept the Lease of the Premises;
- (ii) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the Effective Date;
- (iii) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Premises; and
- (iv) the standard pre-printed exceptions to title customarily excepted by title companies in similar transactions.

Section 2.5 Delivery of Title Policy. LESSEE shall have the right to obtain, at LESSEE's expense: a Texas standard Leasehold Policy of Title Insurance ("**Title Policy**") issued by the Title Company, insuring LESSEE as lessee of a valid leasehold interest in the Premises, free and clear of all liens, claims, easements and encumbrances whatsoever, subject only to the Permitted Exceptions. LESSOR shall execute an affidavit satisfactory to LESSEE and to the Title Company in order for the Title Company to delete its standard printed exception as to parties in possession, unrecorded liens, and similar matters.

Section 2.6 **Third Parties In Possession.** To the extent any portion of the Premises is, as of the Effective Date, being used, occupied or otherwise possessed by third parties, LESSOR agrees to clear such parties and their property from the Premises within ninety (90) days of the Effective Date. If all such third parties have not been cleared by such time and LESSEE suffers or has suffered damages as a result of such use, occupation or possession, LESSOR shall make LESSEE whole for any such reasonable damages suffered by LESSEE as a result of such use, occupation or possession.

ARTICLE 3

TERM

Section 3.1 **Term.** Unless sooner terminated as herein provided, this Lease shall be and continue in full force and effect for the following consecutive terms (all terms hereunder referred to collectively as the "Term"):

- a. A term during which the Campus will be built-out (the "**Build-out**") commencing on the Effective Date and ending on June 30, 2009 (the "**Build-out Completion Date**").
- b. An operating term (the "**Operating Term**") commencing on October 1, 2008 and ending at midnight on March 5, 2048.
- c. Two (2) successive renewal terms ("**Renewal Terms**") of ten (10) years each, each Renewal Term being subject to the approval of the City Council of LESSOR. LESSEE shall provide LESSOR written notice of its desire to renew no later than six (6) months prior to the end of a given term. If such notice is not timely provided, LESSEE shall be deemed to have waived its right to all Renewal Terms then remaining. Such notice shall include a copy of this Lease, together with any amendments thereto.

Section 3.2 **Continued Fundraising.** If the required level of funding and/or financing to substantially complete construction of the Campus ("**Adequate Funding**") has not been achieved by March 1, 2009, then LESSOR may, in its discretion: (i) agree to extend the time for fundraising for the development and construction of the Campus during the initial Operating Term, or (ii) require redesign of the Campus to fit within the available funding. Notwithstanding the preceding, in the event that Adequate Funding has not been obtained by March 1, 2009, and the parties are unable to come to agreement on an extension of time or redesign, then LESSOR shall have the right to terminate this Lease and neither party shall have any further obligations or liabilities to the other party under this Lease. LESSOR and LESSEE shall execute a writing commemorating the date upon which the completion of the construction of the Campus occurs, which documentation shall be in a form suitable for recording in the real property records of Bexar County, Texas.

ARTICLE 4

RENT AND UTILITY BILLS

Section 4.1 **Annual Rent.** Beginning on the Effective Date and continuing thereafter throughout the Term of this Lease, LESSEE agrees to pay to LESSOR at the address of LESSOR as stated in this Lease, without prior notice or demand, deduction or set off, an annual base rental of ONE DOLLAR (\$1.00) (the “**Annual Rent**”) payable in advance on the Effective Date and on the anniversary of the Effective Date for each year thereafter at the address set forth for notice to the LESSOR in Article 21 or at such place as LESSOR may from time to time direct.

Section 4.2 **Additional Expenses.** All amounts required to be paid by LESSEE under the terms of this Lease other than Annual Rent, including but not limited to Impositions and Utilities (as defined below), are collectively referred to as “**Additional Expenses**.” Annual Rent and Additional Expenses are collectively referred to as “**Rent**.”

a. **Impositions.** The term “**Impositions**” shall mean all ad valorem taxes and any use, sales, and occupancy taxes that during the Term shall be assessed, levied, or imposed by any Governmental Authority upon the Premises, the Campus, or the Project or any part thereof during the Term, except as provided in Section 7.1 herein. LESSEE will pay or cause to be paid prior to delinquency, as Additional Expenses, any and all Impositions. Impositions that are payable by LESSEE for the tax year in which this Lease commences as well as during the tax year in which the Term ends shall be apportioned so that LESSEE shall pay its proportionate share of the Impositions payable for such periods of time and LESSOR shall pay its proportionate share (if and to the extent LESSOR is not exempt under applicable Legal Requirements); provided, however, such Impositions shall not be prorated, and LESSEE shall be responsible for the full extent thereof, notwithstanding the termination of their Lease if LESSOR would not have been responsible for such Impositions had LESSOR not entered into this Lease. Where any Imposition that LESSEE is obligated to pay may be paid pursuant to law in installments, LESSEE may pay such Imposition in installments prior to delinquency. LESSEE may, at its sole cost and expense, contest the validity or amount of any Imposition for which it is responsible, in which event the payment thereof may be deferred during the pendency of such contest, if diligently prosecuted. Additionally, LESSEE may apply for, and thereby avail itself of, any credits, discounts, exceptions or exemptions from Impositions that may be legally available to LESSEE (i) by virtue of its status as a tax exempt non-profit corporation; (ii) by virtue of the services offered by LESSEE at the human services campus; (iii) because the purpose for which it is organized affords LESSEE such benefit; or (iv) if the same may be transferred to LESSEE by virtue of its contractual relationship with a Governmental Authority. Nothing herein contained, however, shall be construed to allow any imposition to remain unpaid for such length of time as would permit the Premises, the Campus or the Project or any part thereof, to become the subject of a tax lien imposed by any Governmental Authority, or to be sold or seized by any Governmental Authority for the nonpayment of the same. Notwithstanding anything herein to the contrary, LESSEE will take no action with any Governmental Authority with respect to any

Imposition without first securing the written consent of LESSOR, and LESSOR may, in LESSOR's sole discretion and without notice to or the consent of LESSEE, pay or otherwise satisfy any Imposition if, in LESSOR's reasonable discretion, the continued failure to pay or otherwise satisfy such Imposition is likely to result in seizure or forfeiture of the Premises, the Campus or the Project or the imposition of a lien upon the Premises, the Campus or the Project and in the event LESSOR takes such action, LESSEE shall immediately reimburse LESSOR for all costs incurred by LESSOR in connection therewith. LESSEE will indemnify, defend and hold LESSOR harmless from and against any and all losses, costs and expenses, including reasonable attorneys' fees, as the result of the Impositions.

b. **Utilities and Services.** LESSEE shall contract with service providers for the provision of utilities and other services for the Premises, Campus, or Project including, but not limited to electricity, air conditioning, power, telephone, water, sewer, gas, fuel, light, heat, communication services, garbage collection services or other sanitary services rendered to the Premises, Campus, or Project or used by LESSEE in connection therewith. LESSEE shall be solely responsible for the payment of all costs of such utilities and other services and shall remit such payments directly to the service providers. However, LESSEE may apply for, and thereby avail itself of, any credits, discounts, exceptions or exemptions from the payment of utilities that may be legally transferred to LESSEE by virtue of its contractual relationship with a Governmental Authority.

ARTICLE 5

CONDITION OF PREMISES AND CONSTRUCTION

Section 5.1 **Acceptance of Premises.** LESSEE accepts the Premises in its "AS IS – WHERE IS" condition, with all faults, on the Effective Date of the Term hereof. LESSEE agrees that LESSEE has had a full, adequate and fair opportunity to inspect the Premises and has done so to its satisfaction. LESSOR has not made and LESSEE has relied on no representations and warranties, whether express or implied or arising by operation of law, as to the condition of the Premises, or its fitness for a particular purpose or suitability for LESSEE's use. LESSEE agrees that LESSOR is leasing to LESSEE all of LESSOR's right, title and interest to the Premises without warranty of title. LESSEE shall make all necessary repairs, improvements, and modifications to the Premises as are required to construct a human services campus to include a homeless transformational facility without any cost or expense to the LESSOR, unless jointly agreed to by both parties, subject to the provisions and requirements hereinafter set forth.

Section 5.2 **LESSEE's Entry Prior to Construction.** Prior to the commencement of construction, LESSEE may enter upon the Premises to: (i) inspect the Premises, (ii) prepare development and building plans and specifications, (iii) obtain all necessary permits, (iv) perform any and all engineering or other feasibility studies or tests (including, without limitation, soil studies or similar tests) which LESSEE deems necessary or desirable. LESSEE agrees to indemnify, defend and hold LESSOR harmless from and against any and all losses, costs,

expenses, claims, demands and causes of action of whatsoever nature arising out of or in connection with such entry and the acts, omissions or negligence of LESSEE or any of its officers, agents, employees or contractors, including, without limitation, all mechanics', surveyors', engineers' and materialmen's liens or claims of liens. Further, LESSEE agrees to provide LESSOR, within fifteen (15) Business Days after LESSEE's receipt thereof, with copies of all surveys and all title commitments, searches or abstracts obtained by LESSEE.

Section 5.3 **Construction Plans.** For the purposes of clarification, the review and approval by LESSOR of construction plans or changes thereto set forth in Sections 5.3, 5.4 and 5.8 shall mean the LESSOR in its capacity as landlord and not the LESSOR in its capacity as a governmental authority charged with enforcement of City Code provisions relating to building and other industry standards for development and construction. Consequently, when and where the LESSEE is obligated to submit plans for approval to "LESSOR," LESSEE shall submit said plans to the Director of the Department of Community Initiatives, or his designee, acting on behalf of the LESSOR as landlord. Separate and apart from the review and approval processes set forth in this Article, LESSEE shall continue to comply with all procedures established for obtaining the approval of design, construction or development plans by the LESSOR in its capacity as a governmental authority charged with enforcement of City Code provisions relating to building and other industry standards for development and construction. Prior to any commencement of construction on the Premises by or for LESSEE, LESSEE shall cause to be prepared by a qualified architect and/or engineer licensed to do business in the State of Texas, and submit to LESSOR detailed plans and specifications for the Campus (the "**Campus Plans**"), which Campus Plans shall include, without limitation, plans, schematic drawings and site elevations for the Campus, together with any demolition, destruction and/or site preparation for the Campus, as well as provisions for landscaping, grading, drainage, signage, parking, and construction safety plans that are necessary for the Campus. The Campus Plans shall show in reasonable detail (i) all proposed buildings, structures, fixtures, signage, equipment and other improvements to be constructed as part of the Campus, and (ii) all uses to be made of each lot or area of the Premises. The Campus Plans will include without limitation, plans for residential housing for men, women and families, transformational facilities, food service, outdoor sleeping, medical facilities, dental facilities, administration and intake, storage, parking, animal care and a security site. LESSEE shall also submit to LESSOR detailed plans and specifications for each individual improvement or structure to be constructed or erected on a lot or in an area on the Campus (the "**Structure Plans**"), which shall include, without limitation, schematic drawings and site elevations, and all proposed fixtures, signage, and equipment for the particular improvement or structure in question. In lieu of Campus Plans and/or Structure Plans, LESSEE may submit general conceptual site plans ("**General Conceptual Site Plans**") to LESSOR accompanied by a request that they be considered in lieu of the Campus Plans and/or the Structure Plans. LESSOR may accept for consideration the General Conceptual Site Plans in lieu of the Campus Plans and/or the Structure Plans by indicating receipt and acceptance as a satisfactory substitute in writing.

Section 5.4 **Plan Approval.** If LESSOR, in its capacity as landlord, acting by and through its Director of Community Initiatives Department, or his designee, disapproves of the Campus Plans, the Structure Plans, or the General Conceptual Site Plans, as the case may be, LESSOR shall give LESSEE notice thereof of the plans in question within five (5) Business

Days after receipt by the Director of the Community Initiatives Department, or his designee, describing specifically all items which fail to meet LESSOR's approval. LESSOR and LESSEE shall work together to resolve all objections and, upon resolution, LESSEE shall have the proposed plans modified as necessary for resubmission to LESSOR. If LESSOR fails to give LESSEE notice of its disapproval within five (5) Business Days, the Proposed Campus Plans, the Proposed Structure Plans, or the General Conceptual Site Plans, as the case may be, shall be deemed approved by LESSOR. LESSEE shall continue to comply with all procedures established for obtaining the approval of design, construction or development plans by the LESSOR in its capacity as a governmental authority charged with enforcement of City Code provisions relating to building and other industry standards for development and construction. LESSOR's failure to notify LESSEE in its capacity as a landlord of its disapproval shall not constitute a representation that the Campus Plans, the Structure Plans or the General Conceptual Site Plans comply with any Legal Requirements, safety standards or industry standards, and LESSOR shall have no liability as a result of its approval or disapproval of the final plans in question.

Section 5.5 **Construction of Campus.** Commencing promptly upon the Effective Date and continuing diligently thereafter until Build-out Completion Date (subject only to delays occasioned by Force Majeure not due to LESSOR), LESSEE shall construct or cause to be constructed the Campus on the Premises, in accordance with the Campus Plans, the Structure Plans, or the General Conceptual Site Plans, as the case may be, and all Legal Requirements; and provided that construction shall be made in a good and workmanlike manner and shall be at LESSEE's sole cost and expense. The Parties agree that during the construction:

a. LESSEE shall procure, and LESSOR will, if requested by LESSEE, cooperate with LESSEE in procuring, any and all approvals of Governmental Authorities, and all zoning changes, building permits, certificates of occupancy and other licenses and permits that may be required in connection with the construction of the Campus. LESSEE shall pay any fees associated with such licenses and permits. LESSEE shall furnish copies of all such licenses and permits to LESSOR prior to the commencement of any work. Without limiting the foregoing, LESSOR agrees that upon the request of LESSEE, LESSOR will join in applications for licenses and permits where the signature of LESSOR is required by applicable laws, regulations, or ordinances as the fee simple owner of the Premises.

b. LESSEE shall give written notice to LESSOR not less than five (5) Business Days prior to the commencement of any construction, alteration or repairs on the Premises in order that LESSOR may, but shall not be obligated to post notices of non-responsibility, and LESSEE agrees that such notices may remain posted until the acceptance of such work.

c. LESSOR shall not be required to remove any trees or landscaping, perform any site grading, or undertake any other site preparation. LESSOR approves of the destruction of any existing improvements on the Premises by LESSEE as part of the construction of the Campus and the Project, provided such destruction is in accordance with the approved Campus Plans, Structure Plans, or

General Conceptual Site Plans, as the case may be, and conducted in accordance with all applicable laws.

d. LESSEE shall have no right, authority, or power to bind the Premises, LESSOR or LESSOR's interest under this Lease and in and to the Premises ("LESSOR's Interest") for any claim for labor or material or for any other charge or expense incurred in the construction of the Campus and the Project or any change, alteration, or addition thereto, or any replacement or substitution therefore, nor to render LESSOR's Interest subject to any lien or right of lien for any labor or material or other charge or expense incurred in connection therewith without specific written approval of LESSOR. Notice is hereby given that the LESSOR shall not be liable for any labor or materials furnished, or to be furnished, to LESSEE and that no mechanics' liens or other liens for any such labor or materials shall attach to or affect the reversionary or other estate or interest of LESSOR in and to the Premises. If any involuntary liens for labor and materials supplied or claimed to have been supplied to the Premises shall be filed in connection with the work, LESSEE shall defend, indemnify and hold LESSOR free and harmless from any costs or expenses or liability for labor or materials supplied for such work and shall promptly pay or bond such liens to LESSOR's satisfaction or otherwise obtain the release or discharge thereof in recordable form within thirty (30) days from receipt of notice of the filing thereof.

e. LESSEE will not pledge, hypothecate or otherwise encumber LESSEE's interest under this Lease and in and to the Premises ("LESSEE's Interest"), LESSOR's Interest, the Premises or any part thereof with any restrictions or conditions, nor shall LESSEE pledge as collateral or place a lien or mortgage on the LESSOR's Interest, LESSEE's Interest, the Premises or any part thereof without the prior written consent of LESSOR which consent may be withheld in LESSOR's sole and absolute discretion.

f. Except as specifically stated otherwise herein, LESSEE shall comply with the provisions in Chapter 6 of the Code of the City of San Antonio, Texas (Building Code). Moreover, LESSEE shall comply with applicable statutes, ordinances, all zoning and land use requirements as required by any Governmental Authority applicable to the Premises and rules and regulations of such authorities with proper jurisdiction. LESSEE shall comply with all requirements associated with the demolition, partial demolition, renovation and modification of buildings on the Premises as facilities owned by a municipality. LESSEE shall further comply with all requirements of the Americans with Disabilities Act (Public Law 101-336 (July 26, 1990) and the Texas Architectural Barriers Act (Article 9102, TEX. REV. CIV. ST. (1991)) applicable to the Premises and LESSEE's operation thereon, as amended or modified from time to time. LESSEE shall provide to LESSOR copies of all permits, certificates of occupancy and other documents related to the Premises in connection with any construction during the Build-out or thereafter.

g. LESSEE agrees that buildings or other permanent improvements shall be constructed only on parcels of land zoned "C3-NA" S General Commercial, Non Alcoholic Sales with a Specific Use Permit for a Human Services Campus, and as more specifically described in Exhibit "B," which is attached hereto and incorporated herein by reference for all purposes as if copied at length, unless construction on other parcels of land within the boundaries of the Premises is approved in writing by LESSOR in its sole discretion.

Section 5.6 **Easements.** LESSEE shall not, without LESSOR's prior written consent, grant any easements or other encumbrances on the Premises.

Section 5.7 **Design Meetings.** LESSEE shall notify LESSOR of the date and time of scheduled design and development meetings associated with the Campus or the Project in advance of said scheduled meetings and shall invite LESSOR to attend said meetings.

Section 5.8 **Alterations and Additions to the Campus.** LESSEE shall have the right, from time to time, to make non-structural and interior structural additions, alterations and changes to existing buildings on the Campus during and after construction of the Campus has been completed, provided that such additions, alterations and changes do not deviate materially from the approved Campus Plans or General Conceptual Site Plans, as the case may be, or have a materially detrimental effect on the operation of the Campus, and provided further that no uncured Event of Default then exists hereunder. Whenever LESSEE shall make alterations to external walls of, or expand, existing structures after construction of the Campus, or shall construct new buildings or improvements upon unimproved real property, LESSEE shall obtain LESSOR's prior written consent and approval in accordance with the procedure set forth in Sections 5.3 and 5.4.

Section 5.9 **Removal and Ownership of Improvements.** At the time of execution of this Lease, LESSOR is the owner of improvements currently located on the Premises. The parties agree that LESSOR shall convey to LESSEE certain improvements currently located on the Premises. A copy of the Severance and Bill of Sale is attached hereto as Exhibit "D" and incorporated herein by reference for all purposes as if copied at length. The parties agree that the conveyance of the improvements to LESSEE is in consideration of the mutual covenants and provisions contained herein, and other good and valuable consideration, to include the accomplishment of the public purpose of providing for the welfare, health, and safety of San Antonio inhabitants through the development, construction, management and operation of a homeless campus by the LESSEE. The conveyance is for only the duration of this Lease, and upon this Lease's expiration or early termination, all buildings conveyed to LESSEE by LESSOR automatically revert to LESSOR. Until such time as the LESSOR shall execute the Severance and Bill of Sale conveying the improvements listed in Exhibit "D," the listed improvements shall be included within the property leased to LESSEE. LESSOR approves of the destruction of any existing improvements on the Premises not listed in Exhibit "D" by LESSEE as part of the construction of the Campus and the Project, provided such destruction is in accordance with the Campus Plans, Structure Plans, or General Conceptual Site Plans approved by LESSOR and conducted in accordance with all applicable laws. LESSEE owns all permanent improvements constructed by LESSEE on the Premises for the duration of this Lease

only. At the expiration or earlier termination of this Lease, all such improvements automatically become the property of LESSOR. If necessary, LESSEE shall execute any and all documents to effectuate transfer back to LESSOR. LESSEE shall have no right to alter or remove any improvements, whether constructed by LESSEE or not, without the approval of LESSOR. LESSOR may require LESSEE to remove or alter improvements made by LESSEE, in which case, LESSEE must completely repair any resulting damage at LESSEE's sole cost and expense. All such approved removals and restoration shall be accomplished in a good and workmanlike manner. LESSEE shall keep the Premises free of any mechanic's lien or encumbrance due to LESSEE's removal of the alterations, additions, or improvements. Title to all improvements that have not been removed or are of such a nature as cannot be removed without material damage to the Premises (including trade fixtures, furniture, equipment and other personal property) shall vest in LESSOR, all without payment or compensation to LESSEE. Without liability whatsoever for loss thereof or damage thereto, LESSOR may, at its option, remove all or any part of said property in any manner that LESSOR shall choose and store the same, or dispose of said property which LESSOR, in its sole discretion, shall determine is of no value to LESSOR upon fifteen (15) days after LESSEE has received written notice from LESSOR listing all such personal property that LESSOR has designated for removal, storage or disposal. LESSEE shall be liable to LESSOR for all costs and expenses incurred in such removal, storage or disposal of said property. The provisions hereof shall survive the termination or expiration of this Lease.

Section 5.10 Signs and Naming of Improvements. The parties agree that LESSEE shall comply with all applicable federal and state laws and ordinances relating to the regulation of signs. Compliance shall include, but in no way is limited by, size, shape, construction materials, design, height, spacing, manner of construction, building permits and color of signs. With regard to the naming of all buildings on the Premises, LESSEE shall comply with the parameters and limitations set forth in Exhibit "E," which is attached hereto and incorporated herein by reference for all purposes as if copied at length. Compliance under Exhibit "E" as contractually agreed upon under this Lease shall not subject LESSEE to Chapter 6, Article XVI "Naming of City Facilities and Streets" of the City Code of San Antonio, Texas. With respect to the use of signs and naming of improvements at the Campus, neither the LESSOR nor the LESSEE shall take any action to adversely affect the tax-exempt status of the debt issued by either the LESSOR, the LESSEE, or by one or more Governmental Authorities to construct or improve the Campus or to fund the LESSOR's or the LESSEE's obligations under this Lease. This section shall not be construed as to remove LESSEE from compliance with applicable provisions of the City Code of San Antonio, Texas, unless specifically stated otherwise.

ARTICLE 6

USE, RESTRICTIONS AND ENTRY OF THE PREMISES

Section 6.1 LESSEE Use. Subject to the terms and provisions hereof, LESSEE shall continuously throughout the Term of this Lease use and occupy the Premises for the purpose of constructing, maintaining the Campus and operating the Project, a human services campus for the homeless in which multiple structures and related grounds or portions thereof are used to provide a multitude of services including, but not limited to the following: emergency food,

medical or shelter services; animal care facilities; schools, including educational, business and vocational; community health care clinics, including those that provide mental health care; alcohol or drug abuse services; information and referral services for dependent care, housing, emergency services, transportation assistance, employment or education; multi-family housing; consumer and credit counseling; or day care services for children and adults (the "Permitted Uses"). No change of use of the Premises shall be permitted without LESSOR's prior written consent.

a. LESSEE shall use the Premises and provide the services authorized under its Permitted Uses in full accordance and compliance with the standards set by any regulatory agencies having jurisdiction, in full accordance and compliance with all applicable Legal Requirements and in full accordance and compliance with any applicable accreditation, notification, licensing, permit, and certification requirements pertaining to the services provided. LESSEE shall not use or allow the Premises to be used for any other purpose. LESSEE shall not use or allow the Premises to be used by any person, entity or organization for any illegal purpose, nor violate any Legal Requirements in its use thereof, nor in a manner which would cause injury or damage to invitees, licensees, or to the Premises. LESSEE shall promptly pay all fines, penalties, and damages that arise out of or be imposed because of LESSEE's failure to comply with any Legal Requirements.

b. LESSEE shall not use or occupy the Premises in a manner which would make void or voidable any insurance then in force with respect thereto, or which would make it impossible to obtain the insurance required to be furnished by LESSEE hereunder, or which would in any way increase the rate of insurance or cause the cancellation of any insurance policy on the Premises, or which would constitute a public nuisance. LESSEE shall be permitted to use the Premises for the Permitted Uses only.

c. The Public Information Act, Government Code Section 552.021, requires the LESSOR to make public information available to the public. Under Government Code Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of official business: i) by a governmental body; or ii) for a governmental body and the governmental body owns the information or has a right of access to it. Therefore, LESSEE agrees to cooperate with LESSOR to satisfy, to the extent required by law, any and all requests for information received by LESSOR under the Texas Public Information Act or related laws pertaining to this Lease. If LESSEE receives inquiries regarding documents within its possession pursuant to this LEASE, LESSEE shall within three (3) Business Days of receiving the requests forward such requests to LESSOR for disposition. If the requested information is confidential pursuant to state or Federal law, the LESSEE shall submit to LESSOR the list of specific statutory authority mandating confidentiality no later than three (3) Business Days of LESSEE's receipt of such request.

Section 6.2 **Securing the Premises.** LESSEE, at LESSEE's own expense, shall at all times provide security necessary, sufficient, and appropriate for the protection of the Premises and of LESSEE's improvements, fixtures, inventory and equipment located therein against theft, burglary, graffiti and vandalism. In no event will LESSOR be responsible for the loss of or damage to any of LESSEE's fixtures, inventory, and equipment situated inside the Premises.

Section 6.3 **Nondiscrimination.** LESSEE covenants that it, or agents, employees or anyone under its control, shall not discriminate against any individual or group on account of race, color, sex, age, religion, national origin, handicap or familial status, in employment practices or in the use of, or admission to, the Premises, or in the participation of programs or services offered at the Campus, which said discrimination LESSEE acknowledges is prohibited. LESSEE shall comply with all applicable laws relating to non-discrimination and equal employment opportunity.

Section 6.4 **Maintenance and Repairs.** Commencing on the Effective Date and for the remainder of the Term, and except as otherwise subsequently agreed in writing by the parties hereto, LESSEE, at its sole cost and expense, shall take good care of and maintain the Premises, shall make all repairs thereto (including, without limitation, entrances, repairs to the walls, structural components, foundation, roof, mechanical, electrical and plumbing systems of the buildings on the Campus), and shall maintain and keep the Premises and the landscaping, sidewalks, passageways and curbs around the Premises in a good, clean and safe operating condition. To the extent that the Premises are shared with, or leased by, or subleased to, other organizations or lessees, LESSEE shall cooperate with other organizations or lessees to keep the sidewalks, curbs, entrances, passageways, parking lots and areas adjoining the Premises in a clean and orderly condition, free from garbage, snow, ice, rubbish and obstructions. LESSEE shall, out of LESSEE's operating budget, establish (i) a maintenance fund to provide for future repairs of the Campus, and (ii) a preservation fund to be used for capital replacements and improvements (but not for routine maintenance and repair). During the Operating Term and any Renewal Terms, LESSOR shall have no obligation or responsibility for maintenance and repairs to the Premises.

Section 6.5 **LESSOR Use.** LESSEE agrees that LESSOR and its agents, employees, architects, engineers, and contractors may enter the Premises to continue external and internal remediation to include soil remediation and asbestos abatement upon the Premises after the Effective Date of this Lease, provided that such entrance or use does not unreasonably interfere with LESSEE's use and quiet enjoyment. Additionally, LESSEE agrees that LESSOR and its agents, employees, architects, engineers, and contractors may enter the Premises, but without any obligation to do so, at such other times during the Term of the Lease as LESSOR deems necessary to make such repairs, additions, alterations, and improvements as LESSOR is required or is entitled to make to the Premises or to the improvements located and constructed thereon, or to inspect the Premises to determine whether or not LESSEE is complying with the terms of this Lease or to examine the Premises in connection with any improvements and related activities in the development of the Campus, or for any other reason, provided that such entrance or use does not unreasonably interfere with LESSEE's use and quiet enjoyment. In the event of an emergency, or if otherwise necessary to prevent injury to persons or damage to property, such entry to the Premises may be made by force without any liability whatsoever on the part of

LESSOR for any resulting damage.

Section 6.6. Street Closure and Replatting. Without violating LESSEE's rights, LESSOR agrees to use its best efforts to close, vacate, and abandon streets within or about the Premises in accordance with LESSEE's and the Campus' needs. In addition, LESSOR agrees to use its best efforts to replat areas within the Premises or the entire Premises, in accordance with LESSEE's and the Campus' needs or as LESSOR determines is required by law. LESSEE shall bear all costs and expenses associated with replatting.

ARTICLE 7

TAXES

Section 7.1 Taxes. It is acknowledged that the Premises shall not be subject to any ad valorem real property taxes levied or imposed by the City of San Antonio.

ARTICLE 8

SUBLETTING AND ASSIGNMENT

Section 8.1 Assignments or Subleases. LESSEE shall not voluntarily or involuntarily sell, assign, or otherwise transfer all or any portion of its interests under this Lease or otherwise with respect to the Premises or the improvements comprising the Project and the leasehold estate hereby created without the prior written consent of LESSOR. Any LESSOR-approved assignment shall not nullify this provision, and all later assignments shall be made likewise only after the prior written consent of LESSOR is obtained in each instance.

Notwithstanding anything else provided elsewhere herein, LESSEE shall have the right, with (i) notice to LESSOR, to sublease or license any portion of the Premises to any third party non-profit entity, including, without limitation, any governmental authority, agency, department, or other instrumentality, or any service provider exempt from federal income taxation or charitable organization, to operate certain services provided at the Campus; and (ii) prior notice to, and approval by, LESSOR, to sublease or license, any portion of the Premises to any third party for-profit entity to operate certain services provided at the Campus.

Notwithstanding the foregoing, LESSEE agrees to submit for review, comment and approval by LESSOR its proposed sublease to the American GI Forum. LESSEE shall not enter into a sublease with American GI Forum unless and until LESSOR consents, approving it as to form. LESSOR shall have the right to prohibit the execution of a sublease or license by LESSEE if the same shall be in violation of the bond covenants associated with LESSOR's acquisition of the Premises. Any sublease shall expressly be made subject to the provisions of, and subordinate to, this Lease. LESSEE shall attach to each sublease a copy of this Lease so as to advise each sublessee of the provisions to which the sublease is subordinate. Regardless of any subletting or licensing, LESSEE shall be primarily liable for the performance of its obligations under this Lease. In the event of any sublease, LESSOR shall have the right to notify such sublessee of any default by LESSEE under this Lease and permit such sublessee to cure such default within the same

cure periods provided to LESSEE. LESSEE covenants and agrees to provide LESSOR with an executed counterpart of any sublease or assignment permitted hereunder within ten (10) days following execution thereof.

ARTICLE 9

INSURANCE

Section 9.1 **Insurance by LESSEE.** LESSEE shall obtain and continuously maintain in full force and effect during the Term, commencing on the Build-out commencement date, policies of insurance covering the Campus and providing that the LESSOR is an additional insured and loss payee for the amount of its interest as defined in this Lease against (i) loss or damage by fire; (ii) loss or damage from such other risks or hazards now or hereafter embraced by an "All Risks" property insurance policy including, but not limited to, windstorm, hail, explosion, vandalism, riot and civil commotion, damage from vehicles, smoke damage, water damage and debris removal; (iii) loss or damage from flood if the Campus is in a designated flood or flood insurance area; and (iv) loss or damage from such other risks or hazards of a similar or dissimilar nature which are now or may hereafter be customarily insured against with respect to structures similar in construction, design, general location, use and occupancy to the Campus. At all times, such insurance coverage shall be in an amount equal to Replacement Cost coverage of the Campus. "Replacement Cost" shall be interpreted to mean the cost of replacing the improvements without deduction for depreciation or wear and tear, and it shall include a reasonable sum for architectural, engineering, legal, administrative and supervisory fees connected with the restoration or replacement of the Campus in the event of damage thereto or destruction thereof.

Section 9.2 **Other Insurance Coverage By LESSEE.** Commencing on the Build-out commencement date and continuing for the remainder of the Term, LESSEE shall obtain and continuously maintain in full force and effect the following insurance coverage (all of the following along with insurance on the Campus referred to collectively herein as "LESSEE's Insurance"):

a. Commercial general liability broad form insurance against any loss, liability or damage on, about or relating to the Premises, or any portion thereof, with limits of not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit, per occurrence, coverage on an occurrence basis and Two Million and No/100 Dollars (\$2,000,000.00) general aggregate or its equivalent in umbrella or excess liability coverage, and providing for reasonable loss retentions or deductibles. Such insurance shall be obtained with contractual liability endorsement concerning LESSEE's obligations under this Lease, insuring LESSEE against any and all liability for injury to or death of a person or persons and for damage to property occasioned by or arising out of any construction work done in the Premises by LESSEE, its agents, contractors or employees, licensees and invitees, or arising out of LESSEE's use or occupancy of the Premises or occasioned by or arising out of the activities of LESSEE, its agents, contractors, licensees, guests, invitees, visitors, or employees, on or about the Premises or

other portions of the Premises or Property. Any such insurance obtained and maintained by LESSEE shall provide that the LESSOR is an additional insured by endorsement therein.

b. Workers' Compensation and Employer's Liability Insurance providing for statutory benefits and limits for Employer's Liability of not less than One Million and No/100 Dollars (\$1,000,000.00) per claim.

c. Commercial Auto Liability Insurance providing for a Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000.00 per occurrence for (i) Owned/leased vehicles, (ii) Non-owned vehicles, (iii) Hired Vehicles.

d. "Builders risk" insurance in commercially reasonable amounts during construction of the Campus. LESSEE shall require LESSEE's contractors, suppliers or agents to provide and maintain this insurance.

e. Boiler and pressure vessel insurance (including, but not limited to, pressure pipes, steam pipes and condensation return pipes), provided the Campus structures contain a boiler or other pressure vessel or pressure pipes. LESSOR shall be provided for as an additional insured and loss payee as its interest may appear in such policy or policies of insurance.

f. Property insurance coverage upon LESSEE's real and business personal property (structure and contents) and upon all personal property, including any and all furniture, equipment, supplies, and inventory owned, leased, held or possessed by LESSEE or the personal property of others kept, stored or maintained on the Premises against loss or damage by theft, fire, windstorm or other casualties or causes for such amount reasonably acceptable to LESSOR, including annual business income expense and listing the LESSOR as additional insured.

g. Pollution Legal Liability, with a minimum limit of liability of \$5,000,000.00.

h. Each policy required under this Article 9 shall contain a waiver of subrogation clause as to LESSOR and shall contain a provision through endorsement or otherwise that (i) LESSOR shall be provided written notice of a cancellation, and (ii) an endorsement to the effect that the insurance as to the interest of LESSOR shall not be invalidated by any act or neglect of LESSOR or LESSEE.

Section 9.3 Contractor and subcontractor insurance. LESSEE will cause its contractors and subcontractors to carry sufficient workers' compensation, general liability and personal and property damage insurance and shall obtain the LESSOR's approval of such insurance prior to the start of the proposed work. All contractors and subcontractors shall also be required to comply with the insurance requirements of Section 9.2 (a) - (d) and Surety Bond

Requirements as set forth in Exhibit "C," which is attached hereto and incorporated herein by reference for all purposes as if copied at length. LESSEE shall provide LESSOR with documents evidencing compliance with this section.

Section 9.4 **Insurer.** All insurance policies procured and maintained by LESSEE contractors and/or subcontractors pursuant to this Section 9.4 shall: (i) be carried with companies authorized and admitted to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII) (ii) be non-cancelable except after thirty (30) days written notice to LESSOR and any designees of LESSOR and (iii) name LESSOR in the comprehensive general liability insurance policy as an additional insured and insure LESSOR's contingent liability under this Lease. Such policies or duly executed certificates of insurance with respect thereto shall be delivered to LESSOR prior to the date that LESSEE takes possession of the Premises, and renewals thereof as required shall be delivered to LESSOR at thirty (30) days prior to the expiration of each respective policy term. Moreover, the policy shall provide that no act or omission by LESSEE shall invalidate such policies as they apply to LESSOR. In the interim, LESSEE agrees to pay any reasonable additional insurance costs incurred by LESSOR as a result of the use of the Premises by LESSEE under this Lease.

Section 9.5 The LESSOR shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by the LESSOR, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). LESSEE shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to LESSOR within ten (10) days of the requested change. LESSEE shall pay any costs incurred resulting from said changes.

Section 9.6 All insurance policies procured and maintained by LESSEE, contractors and/or subcontractors pursuant to Section 9.4 shall name the LESSOR, its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the LESSEE, with the exception of the workers' compensation and professional liability policies.

Section 9.7 All insurance policies procured and maintained by LESSEE, contractors and/or subcontractors pursuant to Section 9.4 shall provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy.

Section 9.8 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, LESSEE shall provide a replacement Certificate of Insurance and applicable endorsements to LESSOR. LESSOR shall have the option to suspend LESSEE's performance should there be a lapse in coverage at any time during this Lease. Failure to provide and to maintain the required insurance shall constitute a material breach of this Lease.

Section 9.9 Nothing herein contained shall be construed as limiting in any way the extent to which LESSEE may be held responsible for payments of damages to persons or property resulting from LESSEE's or its contractors' performance of the work covered under this Lease.

Section 9.10 It is agreed that LESSEE's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the LESSOR for liability arising out of operations under this Lease.

Section 9.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Lease.

ARTICLE 10

PROPERTY LOSS

Section 10.1 **Notice of Damage.** LESSEE shall immediately notify LESSOR of any destruction or damage to the Premises in an amount, in each case, in excess of \$100,000.00.

Section 10.2 **LESSEE's Obligation to Restore.**

a. **Total or Partial Destruction.** Should any structure or building or other improvements be wholly or partially destroyed or damaged by fire, wind or any other casualty covered by the insurance to be provided by LESSEE pursuant to Article 9 of this Lease, the parties shall discuss the facilities and services that are necessary, beneficial or in the best interests of the goals, purpose, or mission of the human services campus at the time of destruction, taking into account changes in service needs of the community since the time of initial construction. LESSEE shall have the opportunity to present to LESSOR a design or plan for reconstruction that satisfies service needs at the time of destruction. However, if the parties mutually determine that repair or replacement is necessary, beneficial or in the best interests of the goals, purpose, or mission of the human services campus, then LESSEE shall promptly repair, replace, restore, and reconstruct the destroyed or damaged structures or buildings or such other improvements as the parties agree, with at least as good workmanship and quality as the improvements being repaired or replaced; provided however, any such reconstruction shall be subject to design approval by LESSOR. LESSEE shall complete any such reconstruction within the period of time agreed upon by the parties as being reasonable given the nature and extent of the destruction. In the event that LESSEE should fail to complete such repairs and rebuilding within the period of time agreed upon by the parties, LESSOR may, at its option, terminate this Lease by delivering written notice of termination within thirty (30) days to LESSEE, whereupon all rights and obligations hereunder (other than those which survive the termination of this Lease) shall cease and terminate. The Rent payable

hereunder, except to the extent covered by insurance, shall in no event abate by reason of damage or destruction.

b. Use of Insurance Funds for Restoration. In the event of destruction or damage to the improvements by casualty where LESSEE is obligated to repair, replace, restore and reconstruct any structure, building or other improvements, all of the proceeds of LESSEE's Insurance may be used by LESSEE in connection with such restoration and LESSOR shall not make any claim on such proceeds.

Section 10.3 Personal Property Liability. Except as expressly provided in this Lease, LESSOR shall have no liability to LESSEE with respect to any loss sustained by LESSEE to LESSEE's personal property, fixtures or inventory located within the Premises.

ARTICLE 11

CONDEMNATION

Section 11.1 Notice of Taking. LESSEE shall immediately notify LESSOR and LESSOR shall immediately notify LESSEE (whichever receives notice of or becomes aware of such activity), of the commencement of any eminent domain, condemnation, or other similar proceedings with regard to the Premises.

Section 11.2 Total Taking. Upon the Taking of the entire Premises by a Governmental Authority other than LESSOR, this Lease shall terminate as of the date the condemning authority is entitled to possession and no further Annual Rent shall be due. In no event shall LESSEE have any right or claim to any part of any award made to or received by LESSOR for such taking, or against LESSOR for the value of any unexpired Term of this Lease; provided, however, LESSEE may separately claim and receive from the condemning authority, if legally payable, compensation for LESSEE's renovations, improvements and removal and relocation costs. The LESSOR reserves, and LESSEE grants to the LESSOR, all other rights which LESSEE may have for damages or injury to the Premises for any taking or eminent domain.

Section 11.3 Partial Taking. Upon the Taking of a portion of the Premises, (including without limitation any building, structures, and the equipment, machinery, and fixtures comprising a part thereof) by a Governmental Authority other than LESSOR, this Lease shall nevertheless continue in effect as to the remainder of the Premises unless, in LESSEE's and LESSOR's reasonable judgment, so much of the Premises shall be subject to the Taking as to make it economically unsound to use the remainder for the uses and purposes contemplated hereby, whereupon this Lease shall terminate (as of the date the condemning authority is entitled to possession) in the same manner as if the whole of the Premises had thus been subject to the Taking, and the condemnation proceeds shall be distributed as provided in Section 11.2. In the event of a partial Taking where this Lease is not terminated, then to the extent of the condemnation proceeds made available to LESSEE for restoration, LESSEE shall proceed promptly to restore the remaining portion of the Premises to an integral unit, and the Rent payable during the remainder of the Term after the condemning authority is entitled to possession shall not be reduced.

Section 11.4 Temporary Taking. Upon a Taking of all or any portion of the Premises for temporary use or occupancy by a Governmental Authority other than LESSOR, the Term shall not be reduced or affected and LESSEE shall continue to pay the Rent in full. Except to the extent LESSEE is prevented from so doing pursuant to the terms of the order of the condemning authority, LESSEE shall continue to perform and observe all of the other covenants, agreements, terms, and provisions of this Lease. LESSEE shall be entitled to receive the entire amount of any award provided for any temporary Taking.

ARTICLE 12

RELEASE OF LIABILITY AND INDEMNIFICATION

Section 12.1 Risk of Use. Except as otherwise provided herein, LESSEE shall use and occupy the Premises at its own risk. Except as otherwise provided herein, LESSOR shall have no responsibility or liability for any loss or damage to fixtures or any other personal property of LESSEE or LESSEE's employees, agents, contractors, visitors, licensees, invitees or guests.

Section 12.2 INTENTIONALLY LEFT BLANK

Section 12.3 Indemnification.

LESSEE covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the LESSOR and the elected officials, employees, officers, directors, volunteers and representatives of the LESSOR, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature (collectively, "Claims"), including but not limited to, personal or bodily injury, death and property damage, made upon the LESSOR directly or indirectly arising out of, resulting from or related to LESSEE's activities under this LEASE, including any acts or omissions of LESSEE, any agent, officer, director, representative, employee, consultant or sublessee of LESSEE, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this LEASE to the extent such Claims are caused by LESSEE's negligence, gross negligence, or intentional, willful or criminal misconduct.

The indemnity provided for in the preceding paragraph shall not apply to any liability resulting from the negligence of LESSOR, its officers or employees, in instances where such negligence causes personal injury, death, or property damage.

IN THE EVENT LESSEE AND LESSOR ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE LESSOR UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. LESSEE shall promptly advise the LESSOR in writing

of any claim or demand against the LESSOR or LESSEE known to LESSEE related to or arising out of LESSEE's activities under this LEASE.

Section 12.4 Environmental Indemnification. LESSEE hereby agrees to INDEMNIFY and HOLD LESSOR HARMLESS from any and all losses, costs, expenses, claims, demands and causes of action of whatsoever nature, including all reasonable fees for attorneys, experts, environmental consultants and engineers, plus court costs and costs of remediation, relating to or in any way arising out of:

(i) LESSEE's breach or violation of any of the Environmental Regulations by LESSEE or any of its agents, employees, representatives, invitees or contractors,

(ii) any noncompliance under the Environmental Regulations of the Premises that first exists or is directly attributable to LESSEE from an event arising after the Effective Date, but prior to the expiration of the Term and that is not attributable to or caused by LESSOR, or

(iii) any property damage or personal injury alleged to be caused by environmental conditions of the Premises first existing after the Effective Date, but prior to the expiration of the Term attributable to activities by LESSEE and that is not attributable to or caused by LESSOR.

The provisions of this Section 12.4 are solely for the benefit of the LESSOR and are not intended to create or grant any rights, contractual or otherwise, to any other Person. The provisions of this Section 12.4 shall not apply to any environmental damage or violation of Environmental Regulations occurring prior to the Effective Date, unless caused by LESSEE. The LESSOR hereby agrees that it retains any obligations and liabilities related to any breach or violation of any of the Environmental Regulations occurring prior to the Effective Date, unless caused by LESSEE. In addition, the LESSOR hereby agrees that it will retain any obligations and liabilities related to any breach or violation of any of the Environmental Regulations caused by LESSOR's negligence, or intentional, willful or criminal misconduct, or such conduct of any of its agents, employees, representatives, invitees or contractors on the Premises.

As used herein, the term "Environmental Regulations" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §6901 et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. §1251 et seq., the Toxic Substances Control Act of 1976, 15 U.S.C. §2601 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §11001 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. §7401 et seq., the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136 et seq., the National Environmental Policy Act of 1975, 42 U.S.C. §4321, the Rivers and Harbors Act of 1899, 33 U.S.C. §401 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. §651, et seq., the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. §300(f) et seq., the Texas Solid Waste Disposal Act, TEX. REV. CIV. STAT. ANN. art. 4477-7, the Texas Water Code Chapters 26 and 27; and the Texas Clean Air Act, TEX. REV. CIV. STAT. ANN. art 4477-5, and all rules, regulations and guidance documents promulgated or published thereunder, and any state, regional, county or local statute, law, rule, regulation or ordinance relating to public health, safety or the environment, including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or groundwater, to the withdrawal or use of

groundwater, to the use, handling or disposal of polychlorinated biphenyls (PCB's), asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, its derivatives, by-products or other hydrocarbons), to exposure to toxic, hazardous, or other controlled, prohibited or regulated substances, to the transportation, storage, disposal, management or release of gaseous or liquid substances, and any regulation, order, injunction, judgment, declaration, notice or demand issued thereunder.

ARTICLE 13

EXPIRATION OF TERM

Section 13.1 LESSEE, at the expiration or termination of this Lease as herein provided, shall peaceably yield up the Premises, and other fixtures and all additions, improvements and alterations made thereupon in the same condition and repair as the same were in at the commencement of the Term hereof, or may have been put in thereafter pursuant to this Lease, reasonable wear and use excepted.

Section 13.2 Upon the expiration or earlier termination of this Lease, Articles 12, 19 and 20, and all provisions which by their nature are intended to survive termination of this Lease, shall continue in effect.

ARTICLE 14

HOLDING OVER; PEACEFUL ENJOYMENT

Section 14.1 In no event shall there be any renewal of this Lease by operation of law, and if LESSEE remains in possession of the Premises after expiration of the term or the earlier termination of this Lease, or any renewals, extensions or modifications thereof, with LESSOR's acquiescence and without the execution of a new lease or any express agreement of the parties, LESSEE shall be deemed to be occupying the Premises as a tenant-at-will at a rate of \$10,000.00 per month and otherwise subject to all the covenants and provisions of this Lease insofar as the same are applicable to a month-to-month tenancy. If LESSEE fails to surrender the Premises to LESSOR upon the expiration of the Term or upon the earlier termination of this Lease, in addition to any other liabilities to LESSOR accruing there from, LESSEE shall defend, indemnify and hold LESSOR harmless from any loss, cost, damage, expense or liability (including, without limitation, court costs and attorneys' fees) resulting from such failure, including, without limitation, any claims made by any succeeding tenant founded on such failure.

LESSEE shall, and may peacefully have, hold and enjoy the Premises, provided that LESSEE pays the Rent and other sums herein recited to be paid by LESSEE and performs all of LESSEE's covenants and agreements herein contained. Except for such rights as LESSOR may have under this Lease, LESSOR agrees not to interfere with LESSEE's possession of the Premises so long as LESSEE is not in default under the Lease.

ARTICLE 15

ESTOPPEL CERTIFICATES AND COMPLIANCE WITH COVENANTS

Section 15.1 **Estoppel Certificates.** At any time and from time to time, LESSEE and LESSOR, on or before the date specified in a request therefore made by the other party, which date shall not be earlier than ten (10) days from the making of such request, shall execute, acknowledge and deliver to the requesting party and to such assignee, mortgagee or other party as may be designated by the requesting party a certificate (in a form to be reasonably required by the requesting party) setting forth the commencement date, expiration date and the current amount of the Rent, if any, payable hereunder, and stating whether or not: (i) this Lease is in full force and effect; (ii) this Lease has been amended in any way; (iii) there are any existing events of default on the part of any party hereunder to the knowledge of such party and specifying the nature of such events of default, if any; and (iv) the date through which Rent, if any, have been paid. Any such assignee, mortgagee or other party may rely upon the certificate delivered by a party hereunder.

Section 15.2 **Federal Covenants.** LESSEE understands that LESSOR owns property utilized by the LESSOR as a homeless shelter located at 307 Dwyer Avenue, and more commonly referred to as the Dwyer Center (the "Shelter"), which Shelter was acquired by the LESSOR by Quitclaim Deed from the Department of Health and Human Services as federal surplus property. LESSEE further understands that LESSOR is negotiating the release of the restrictive covenants, or, alternatively the modification of LESSOR's obligations under said Quitclaim Deed and that the negotiations may incorporate, but are not limited to, agreements relating to the Premises leased to LESSEE pursuant to this Lease or relating to improvements constructed by LESSEE, notwithstanding ownership thereof, including agreements regarding restrictive uses, restrictive transfers and attachment of liens to property. LESSEE agrees that the mission, and the needs of the beneficiaries, of the human services campus are of paramount importance. Consequently, LESSEE shall, upon demand, at any time or times, execute, acknowledge and deliver to LESSOR, without expense to LESSOR, any and all instruments that may be reasonably requested by the federal government or agency pursuant to said negotiations for release or satisfactory modification of the restrictive covenants set forth in the Quitclaim Deed, and if LESSEE shall fail at any time to execute, acknowledge, and deliver any such instrument, LESSOR, in addition to any other remedies available to it in consequence thereof, may execute, acknowledge and deliver the same as the attorney in fact of LESSEE and in LESSEE's name, place and stead, and LESSEE hereby irrevocably makes, constitutes and appoints LESSOR, its successors and assigns, such attorney in fact for that purpose.

ARTICLE 16

DEFAULT AND TERMINATION OF LEASE

Section 16.1 **LESSEE Default.** Each of the following shall be deemed an "Event of Default" by LESSEE hereunder and a material breach of this Lease:

- a. LESSEE shall fail to pay any installment of Annual Rent and such failure shall continue for a period of thirty (30) days after written notice from LESSOR of non-payment.

- b. LESSEE shall fail to pay, or is delinquent, in the ordinary course of business, in the payment of taxes or in the payment of costs of performance of this Lease, or of Additional Rent when due, and the failure continues for a period of thirty (30) days after LESSEE shall have been given written notice specifying the same by LESSOR; provided, however, that so long any such amount shall be disputed in good faith by appropriate procedures, and the non-payment of such amount does not result in the imposition by a Governmental Authority of a lien against the Land or any threat of seizure of the Premises or forfeiture of title thereto, then LESSEE shall not be in default of its obligation hereunder until final resolution of such dispute.
- c. LESSEE shall fail to keep, perform, or observe any of the covenants, agreements, terms or provisions contained in this Lease that are to be kept or performed by LESSEE other than with respect to payment of Rent, and LESSEE shall fail to commence and take such steps as are necessary to remedy the same as soon as reasonably possible, and in any event within thirty (30) days after LESSEE shall have been given a written notice by LESSOR specifying the same, or having so commenced, shall thereafter fail to proceed diligently and with continuity to remedy the same; unless such occurrence is of a nature that remedy is possible but will take longer than thirty (30) days, in which event LESSEE will not be in default so long as it promptly commences and diligently pursues such cure to completion within ninety (90) days following the original notice from LESSOR.
- d. LESSEE shall sell, assign or sublet its interest in this Lease in violation of Section 8.1 above.
- e. LESSEE shall abandon or vacate the Premises for thirty (30) days, unless such abandonment or vacation is due to casualty or condemnation;
- f. If LESSEE shall cease using the Premises for the Permitted Uses for a period of sixty (60) days or more, then LESSOR may terminate this Lease upon thirty (30) days' written notice to LESSEE unless LESSEE, within such thirty (30) day period, resumes such use and operation of the Premises.
- g. LESSEE, either voluntarily or involuntarily, shall take advantage of any debt or relief proceedings under any present or future law, whereby the Rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred;
- h. LESSEE shall be adjudicated bankrupt;
- i. A permanent receiver is appointed for LESSEE's property and such receiver is not removed within sixty (60) days after written notice from LESSOR to LESSEE to obtain such removal;
- j. LESSEE makes an assignment for benefit of creditors, which is not

satisfied or dissolved within thirty (30) days after written notice from LESSOR to LESSEE to obtain satisfaction thereof; or

k. Substantially all of LESSEE's effects are levied upon or attached process, which is not satisfied or dissolved within thirty (30) days after written notice from LESSOR to LESSEE to obtain satisfaction thereof.

Section 16.2 **LESSOR Remedies.** Upon the occurrence of an Event of Default and after the time for cure, if any, has run, LESSOR may, in addition to and without prejudicing any remedies available to LESSOR at law or in equity, exercise any one of more of the following rights and remedies:

a. Terminate the Lease, in which event LESSEE shall immediately surrender the Premises to LESSOR, and if LESSEE fails to do so, LESSOR may, without prejudice to any other remedy which LESSOR may have, enter upon and take possession of Premises and expel or remove LESSEE and any other Person who may be occupying Premises or any part thereof by, through, or under LESSEE, by force, if necessary, without being liable for prosecution or any claim or damages therefore. In the event of such termination, LESSEE's liability hereunder as to Rent still due and owing for periods prior to such surrendering of the Premises shall not be waived. Upon surrender of the Premises by LESSEE, all rights and obligations hereunder (other than those which survive the termination of this Lease) shall cease and terminate. Though LESSOR has the right to require LESSEE's sublessees to vacate immediately and without legal process on termination of this Lease, LESSOR also reserves the right, on a case-by-case basis, to require sublessees to remain and perform under their subleases.

b. LESSOR may, in addition to any other remedies at law or in equity or elsewhere in this Lease provided, enter upon the Premises and correct the failure or violation at reasonable expenses, which expenses shall be paid to LESSOR by LESSEE on demand. LESSEE agrees that in the event of any failure or violation covered by this Section 16.2, all rights of LESSOR may be exercised by Persons acting on behalf of LESSOR, under authority granted by LESSOR, with full right of reimbursement as provided hereunder. LESSEE agrees that neither LESSOR nor any such Person acting on LESSOR's behalf shall be liable for any damage resulting to LESSEE by the exercise of the rights granted under this Section 16.2.

Section 16.3 **LESSOR's Right of Entry.** LESSOR shall have the right but not the obligation, prior or subsequent to an Event of Default without in any way limiting LESSOR's other rights and remedies under this Lease, to enter onto the Premises to make inspections or to take such other actions as it deems reasonably necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any event or condition at the Premises. If such entry has been made necessary by the failure of LESSEE to perform its obligations under this Lease, all reasonable costs and expenses paid or incurred by LESSOR in the exercise of any such rights shall be payable by LESSEE within thirty (30) days after demand, which obligation shall survive the expiration of the Term or earlier termination of this Lease.

Section 16.4 Remedies Cumulative. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to LESSOR hereunder or any damages accruing to LESSOR by reason of the violation of any of the covenants and provisions herein contained.

ARTICLE 17

REPRESENTATIONS AND WARRANTIES

Section 17.1 LESSOR Representations. LESSOR makes the following representations with respect to the Premises as of the Effective Date:

- a. LESSOR owns good and indefeasible fee simple title to the Premises subject to the Permitted Exceptions.

Section 17.2 LESSEE as Non-Profit. LESSEE represents that as of the Effective Date, LESSEE is a validly formed 501(c)(3) foundation, and LESSEE agrees that it shall continue to maintain its 501(c)(3) status for the duration of the Term.

Section 17.3 Funding. The LESSOR and LESSEE to this Lease recognize that funding for each party's participation in the construction, development, operation, and management of the Campus and the Project may be derived all or in part from the issuance of tax-exempt obligations by one or more Governmental Authorities. Neither the LESSOR nor the LESSEE shall take any action to adversely affect the tax-exempt status of the debt issued by either the LESSOR, the LESSEE, or by one or more Governmental Authorities to construct or improve the Campus or to fund the LESSOR's or the LESSEE's obligations under this Lease.

ARTICLE 18

CONFLICT OF INTEREST

Section 18.1 LESSEE Covenants. LESSEE covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Lease. LESSEE further covenants that in the performance of this Lease, no Persons having such interest shall be employed or appointed as a member of its governing body or of its staff. LESSEE further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

Section 18.2 Prohibited Financial Interest. LESSEE acknowledges that it is informed that the Charter of the City of San Antonio (for purposes of this paragraph, the "City") and the City's Ethics Code prohibit a City officer or employee, as those terms are defined in the Ethics

Code, from having a financial interest in any contract with the City or any City agency such as City-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or services, if any of the following individual(s) or entities is party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

Section 18.3 **LESSEE Certification.** LESSEE warrants and certifies, and this Lease is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of LESSOR. LESSEE further warrants and certifies that it has tendered to LESSOR a Discretionary Contracts Disclosure Statement in compliance with the LESSOR's Ethics Code.

ARTICLE 19

HAZARDOUS SUBSTANCES

Section 19.1 LESSEE hereby covenants that LESSEE shall not cause or permit any "Hazardous Substances" (as hereinafter defined) to be placed, held, or disposed of in, on or at the Premises or any part thereof, excluding normal cleaning and office products, which shall be used in compliance with all applicable laws, and LESSEE shall not use the Premises or improvements nor any part thereof as a dump site or storage site (whether permanent or temporary) for any Hazardous Substances during the Term of this Lease, or prior to the effective date of the Lease. Nothing contained herein is intended to be nor shall be construed to be any covenant, responsibility or obligation of LESSEE with respect to any pre-Effective Date environmental condition or underground storage tank (UST) System, unless caused by LESSEE.

Section 19.2 LESSEE shall defend, indemnify LESSOR and hold LESSOR harmless from and against any and all claims, losses paid, incurred or suffered by, or asserted against, LESSOR by any Person or entity or governmental agency for, with respect to, or as a result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from, the Premises of any Hazardous Substances or regulated wastes placed, held, or disposed of by LESSEE or any Person claiming by, through or under LESSEE in, on or at the Premises or any part thereof (including, without limitation, any losses asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called federal or state "Superfund" or "Superlien" law, statute, ordinance, code, rule, or regulation, regulating, relating to or imposing liability, including strict liability, concerning any Hazardous Substance), provided, however, that the foregoing indemnity is limited to matters arising solely from LESSEE's violation of the covenant contained in Section 19.1 above and does not include any pre-Effective Date environmental condition or UST System, unless caused by LESSEE.

Section 19.3 The LESSOR hereby agrees that it retains any obligations and liabilities related to any obligations or losses for, with respect to, or as a result of, the presence on or under,

or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from, the Premises of any Hazardous Substances or regulated wastes placed, held, or disposed of in, on or at the Premises prior to the Effective Date, unless caused by LESSEE. In addition, the LESSOR hereby agrees that it will retain any obligations and liabilities related to any such discharge of Hazardous Substances or regulated wastes occurring after the Effective Date caused by LESSOR's negligence, or intentional, willful or criminal misconduct, or such conduct of any of its agents, employees, representatives, invitees or contractors on the Premises.

Section 19.4 For purposes of this Lease, "**Hazardous Substances**" shall mean and include those elements or compounds which are contained in the list of Hazardous Substances adopted by the United States Environmental Protection Agency (the "EPA"), regulated wastes under authority of the Texas Commission on Environmental Quality ("TCEQ"), and the list of toxic pollutants designated by United States Congress or the EPA, any and all oil and petroleum, oil and petroleum products, and oil and petroleum constituents, or other wastes which are defined as hazardous, toxic, pollutant, infectious or radioactive by any other federal, state or local statute, law, ordinance, code, rule, or regulation, regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, regulated or dangerous waste, substance or material, as now or at any time hereafter in effect.

Section 19.5 If LESSOR or LESSEE receives notice of the presence of a Hazardous Substance on the Premises in amounts which require cleanup or which could result in any claim against LESSOR or LESSEE, then, LESSEE shall undertake the responsibility to address the presence of the Hazardous Substance on the Premises and any related claim.

If LESSOR alone receives notice of the presence of a Hazardous Substance on the Premises, LESSOR shall provide a copy of such notice to LESSEE.

If after a reasonable time after LESSEE's receipt of such notice LESSEE fails to act, LESSOR shall have the right, but not the obligation, and without limitation of LESSOR's rights under this Lease, to enter onto the Premises or to take such other actions as it deems necessary or advisable to cleanup, remove, resolve or minimize the impact of, or otherwise deal with, any Hazardous Substance following receipt of any notice from any Person or entity (including without limitation the EPA or TCEQ) asserting the existence of any Hazardous Substance in, on, or at the Premises or any part thereof which, if true, could result in an order, suit or other action against LESSEE and/or LESSOR. All reasonable costs and expenses incurred by LESSOR in the exercise of any such rights, which costs and expenses are finally judicially determined to have resulted from LESSEE's violation of the covenant contained in Section 19.1 above, not including any pre-Effective Date environmental condition or UST System, unless caused by LESSEE, shall be deemed Additional Rent under this Lease and shall be payable to LESSOR upon demand.

Section 19.6 This Article 19 shall survive the termination or expiration of this Lease.

ARTICLE 20

MISCELLANEOUS PROVISIONS

Section 20.1 **Construction.** Unless the context of this Lease clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the term "includes" or "including" shall mean "including without limitation"; and (d) the words "hereof" or "herein" refer to this entire Lease and not merely the Section or Article number in which such words appear. Article and Section headings in this Lease are for convenience of reference and shall not affect the construction or interpretation of this Lease. Any reference to a particular Article or Section shall be construed as referring to the indicated article or section of this Lease.

Section 20.2 **Captions.** The captions used in this Lease are for convenience only and do not in any way limit or amplify the Terms and provisions hereof.

Section 20.3 **Time of the Essence.** Time is of the essence with respect to each provision, term and covenant of this Lease.

Section 20.4 **Sale of Property.** LESSOR specifically reserves the right to sell the Premises, or a part thereof, subject to this Lease, or to assign or transfer this Lease with respect to the entire leasehold estate, or a part thereof, to the new owner or to any other party, subject to this Lease. In the event of a transfer or assignment, LESSEE agrees to look solely to LESSOR's successor in interest for obligations to be performed by LESSOR under this Lease with respect to the transferred leasehold estate. LESSEE shall promptly execute all documentation reasonably required to effect the sale of the Premises.

Section 20.5 **Relation of Parties.** Nothing contained herein shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers or any other similar such relationship between the parties. It is expressly understood and agreed that LESSEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that LESSOR shall in no way be responsible therefore.

Section 20.6 **Rights Cumulative.** All rights, powers, and privileges conferred herein upon the parties hereto shall be cumulative but not restrictive of those given by law.

Section 20.7 **No Waiver of Rights.** No failure or delay by LESSOR to exercise any right or power given it or to insist upon strict compliance by LESSEE with any obligation imposed on it, and no custom or practice of either party hereto at variance with any term hereof shall constitute a waiver or a modification of the terms hereof by LESSOR or any right it has herein to demand strict compliance with the terms hereof by LESSEE. No payment by LESSEE or acceptance by LESSOR of a lesser amount than shall be due from LESSEE to LESSOR shall be deemed to be anything but payment on account, and the acceptance by LESSOR of such lesser amount, whether by check with an endorsement or statement thereon or by an accompanying letter or otherwise stating that said lesser amount is payment in full shall not be deemed an accord and satisfaction, and LESSOR may accept such payment without prejudice to LESSOR's rights to recover the balance due or pursue any of LESSOR's other remedies hereunder. For the purpose of any suit brought by LESSOR in connection with the Lease, the

failure to include any sum or sums maintained shall not be a bar to the maintenance of any suit or action for the recovery of said sum or sums so omitted.

Section 20.8 **Attorney's Fees.** If any Rent or other debt owing by LESSEE to LESSOR hereunder is collected by or through an attorney at law, LESSEE agrees to pay reasonable attorney's fees incurred in connection with such collection.

Section 20.9 **Successors and Assigns.** The provisions of this Lease shall inure to the benefit of and be binding upon LESSOR and LESSEE, and such respective successors, heirs, legal representatives and assigns, as are permitted under this Lease. Whenever a reference is made herein to a party, such reference shall include the party's successors and assigns.

Section 20.10 **Representations.** LESSEE acknowledges that neither LESSOR nor LESSOR's agents, employees or contractors have made any representations or promises with respect to the Premises or this Lease except as expressly set forth herein and that LESSEE shall have no claim, right or cause of action based on or attributable to any representation or promises with respect to the Premises or this Lease except as expressly set forth herein.

Section 20.11 **Governing Law.** This Lease has been made and is performable in Bexar County, Texas, and shall be construed and enforced in accordance with the laws of the State of Texas. The Parties expressly acknowledge the applicability of the laws of the State of Texas, including but not limited to Article 11, Section 5 of the Texas Constitution, to this Lease.

Section 20.12 **Severability.** This Lease is intended to be performed in accordance with and only to the extent permitted by applicable law. If any clause or provision of this Lease or the application thereof to any Person or circumstance is or becomes illegal, invalid or unenforceable because of present or future laws, rule or regulation of any governmental body, or becomes unenforceable for any reason, the intention of the parties hereto is that the remaining parts of this Lease and the application of such provision to other Persons or circumstances shall not be thereby affected, but rather shall be enforced to the greatest extent permitted by law.

Section 20.13 **Entire Agreement.** This Lease (including all attachments and exhibits hereto) contains the sole and entire agreement of LESSOR and LESSEE and no prior or contemporaneous oral or written representation or agreement between the parties and affecting the Premises shall be deemed to exist or to bind the parties hereto. No representative, agent or employee of LESSOR has or shall have any authority to waive any provision of this Lease unless such waiver is expressly made in writing and signed by an authorized representative of LESSOR.

Section 20.14 **Amendments.** This Lease may only be amended in a written document expressly described as an amendment to this Lease, dated subsequent to the Effective Date and duly executed by the parties.

Section 20.15 **Counterparts.** This Lease may be executed in any number of counterparts, which together shall constitute but one and the same instrument, and counterparts of the signature pages hereto separately executed by each of the parties may be collated and attached to one counterpart hereof to collectively constitute one fully executed instrument.

Section 20.16 Authorized Signatory. The Person or Persons executing this Lease on behalf of LESSEE does hereby covenant and warrant that LESSEE is an existing non-profit corporation, that LESSEE has and is qualified to do business in Texas, that the non-profit corporation has full right and authority to enter into this Lease, that each of the persons executing this Lease on behalf of the non-profit corporation are authorized to do so, and that such execution is fully binding on the non-profit corporation.

Section 20.17 Exhibits and Attachments. All exhibits, attachments, riders and addenda referred to in this Lease are incorporated herein and made a part hereof for all intents and purposes.

Section 20.18 Lessor's Municipal Powers. LESSOR is a municipality as well as landlord under this Lease. As a municipality, it may from time to time exercise municipal powers unrelated to the Lease that will nevertheless adversely affect LESSEE. Such actions may include redirection of traffic, street closures, or other actions intended to facilitate public safety, the public interest, or the conduct of major events. No such action by LESSOR as a municipality is a breach of LESSOR's duties as LESSOR or entitles LESSEE to any relief under this Lease. Likewise, no breach of contract or other duty by the municipal utility providers is a breach of LESSOR's duties as LESSOR or entitles LESSEE to any relief under this Lease. LESSEE has no more rights under this Lease than it would if the LESSOR were a private entity.

ARTICLE 21

NOTICES

Section 21.1 Notices. All notices, consents, approvals or demands of any kind required or permitted by the terms of this Lease to be given shall be in writing and sent in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, or by hand delivery, addressed as follows:

To LESSOR: City of San Antonio
Director, Department of Community Initiatives
Plaza de Armas, Suite 210
San Antonio, Texas 78205

With a copy to: City Clerk of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966

City of San Antonio
Director, Department of Asset Management
P.O. Box 839966
San Antonio, Texas 78283

To LESSEE: Haven for Hope of Bexar County, Inc.
2330 N. Loop 1604 West
San Antonio, Texas 78248
Attention: Executive Director

or to such other address or addresses as the parties have agreed to in writing. Notice shall be deemed to have been duly served when it is hand-delivered or if mailed, two (2) days after it is so mailed.

Section 21.2 Notices During Emergencies. In the event of an emergency, natural disaster, terrorist attack, or declaration of war, affecting the operation of the human services campus, the following representatives of LESSEE and LESSOR shall be immediately notified by the other party using the most expeditious means of communicating such information:

To LESSOR: City of San Antonio
Director, Department of Community Initiatives
Plaza de Armas, Suite 210
San Antonio, Texas 78205

To LESSEE: Haven for Hope of Bexar County, Inc.
2330 N. Loop 1604 West
San Antonio, Texas 78248
Attention: Executive Director

Section 21.3 Change of Address. Each party shall apprise the other party immediately of any change in address, telephone number, or personnel or representatives with responsibilities under this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease by their duly authorized officers the day and year first hereinabove written.

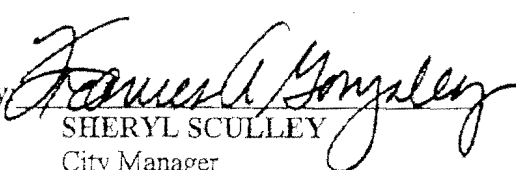
LESSEE:

LESSOR:

HAVEN FOR HOPE OF BEXAR
COUNTY, A TEXAS NON-PROFIT
CORPORATION

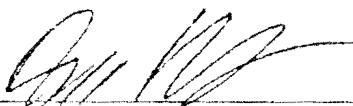
CITY OF SAN ANTONIO, TEXAS

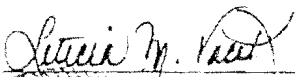

By: 
ROBERT G. MARBUT, JR.
Executive Director

By: 
SHERYL SCULLEY
City Manager

ATTEST:

ATTEST:


Secretary
(Seal)

By: 
LETICIA M. VACEK
City Clerk
(Seal)

APPROVED AS TO FORM

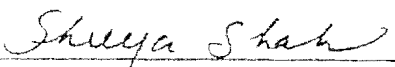
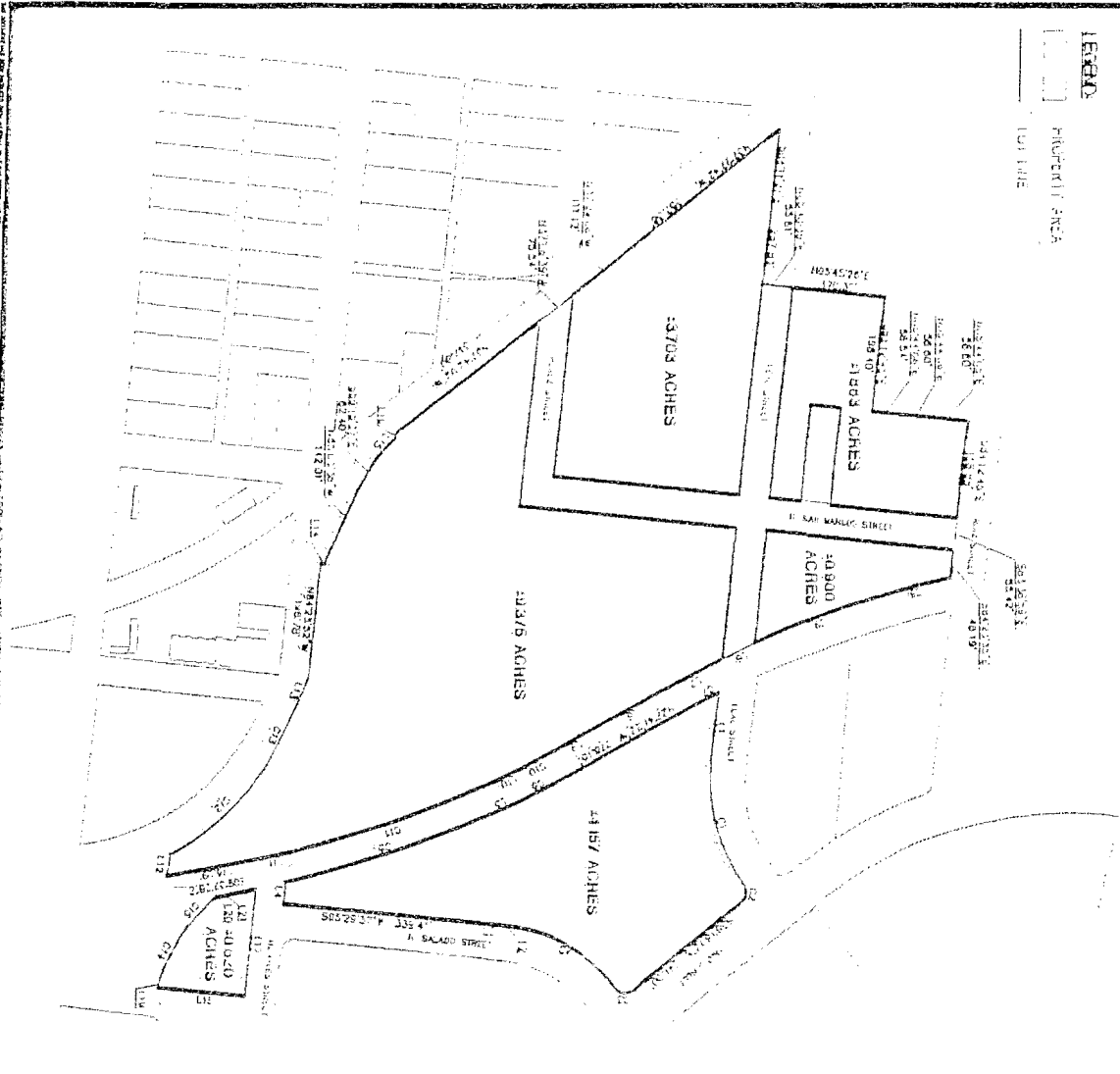
By: 
for City Attorney

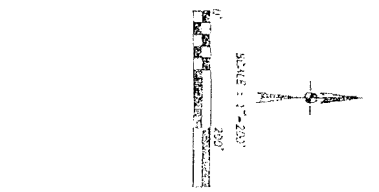
EXHIBIT A

DESCRIPTION OF THE PREMISES



| CURVE | LENGTH | RADIUS | TANGENT | CHORD | CHORD BEARING |
|-------|--------|--------|---------|---------|---------------|
| C1 | 223.72 | 200.00 | 117.89 | 218.04 | 173.5811 |
| C2 | 79.78 | 200.00 | 39.91 | 69.0034 | 159.8118 |
| C3 | 38.81 | 200.00 | 19.41 | 34.5017 | 159.8118 |
| C4 | 230.21 | 200.00 | 117.89 | 218.04 | 173.5811 |
| C5 | 378.56 | 200.00 | 189.74 | 357.08 | 173.5811 |
| C6 | 89.72 | 200.00 | 44.86 | 89.72 | 173.5811 |
| C7 | 42.19 | 200.00 | 21.08 | 42.19 | 173.5811 |
| C8 | 131.98 | 200.00 | 65.99 | 131.98 | 173.5811 |
| C9 | 239.65 | 200.00 | 120.00 | 239.65 | 173.5811 |
| C10 | 373.51 | 200.00 | 189.74 | 373.51 | 173.5811 |
| C11 | 373.51 | 200.00 | 189.74 | 373.51 | 173.5811 |
| C12 | 251.48 | 200.00 | 125.74 | 251.48 | 173.5811 |
| C13 | 34.83 | 200.00 | 17.42 | 34.83 | 173.5811 |
| C14 | 107.90 | 200.00 | 53.95 | 107.90 | 173.5811 |
| C15 | 73.87 | 200.00 | 36.94 | 73.87 | 173.5811 |

| LINE | LENGTH | BEARING |
|------|--------|-------------|
| 1 | 118.92 | S05°22'00"W |
| 2 | 6.45 | S05°22'00"W |
| 3 | 58.72 | S05°22'00"W |
| 4 | 47.43 | S05°22'00"W |
| 5 | 63.31 | S05°22'00"W |
| 6 | 83.55 | S05°22'00"W |
| 7 | 121.36 | S05°22'00"W |
| 8 | 121.36 | S05°22'00"W |
| 9 | 121.36 | S05°22'00"W |
| 10 | 121.36 | S05°22'00"W |
| 11 | 121.36 | S05°22'00"W |
| 12 | 121.36 | S05°22'00"W |
| 13 | 121.36 | S05°22'00"W |
| 14 | 121.36 | S05°22'00"W |
| 15 | 121.36 | S05°22'00"W |
| 16 | 121.36 | S05°22'00"W |
| 17 | 121.36 | S05°22'00"W |
| 18 | 121.36 | S05°22'00"W |
| 19 | 121.36 | S05°22'00"W |
| 20 | 121.36 | S05°22'00"W |
| 21 | 121.36 | S05°22'00"W |
| 22 | 121.36 | S05°22'00"W |



HAVEN FOR HOME OWNERS COUNTY
 SAN ANTONIO, TEXAS
 A. G. GARDNER & COMPANY

EXHIBIT B

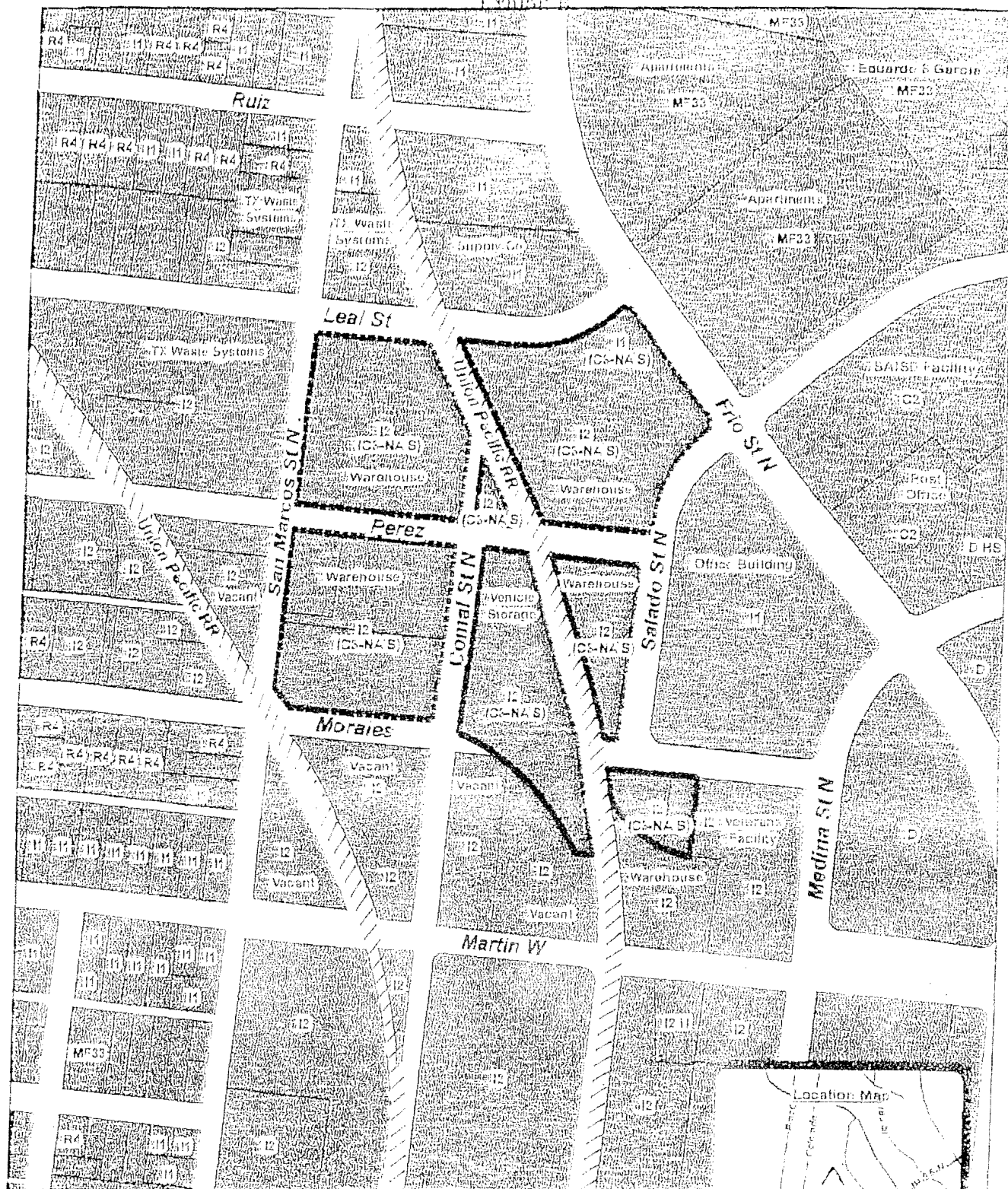
PARCELS OF LAND ZONED C3-N4 S
GENERAL COMMERCIAL, NON ALCOHOLIC SALES WITH A SPECIFIC USE
PERMIT FOR A HUMAN SERVICES CAMPUS

Exhibit D

Z2007217 S - Legal Descriptions

Change of "I-1" General Industrial District and "I-2" Heavy Industrial District to "C-3
NA" S General Commercial Nonalcoholic Sales District with Specific Use Permit for a
Human Services Campus on 11.872 acres out of NCB 197, NCB 198, NCB 219, NCB
220, NCB 221, NCB 250, and NCB 252.

Also known as 601 North Frio Street, 715 North Frio Street, 524 Leal Street, 1301 West
Martin Street, 1323 West Martin Street, 1515 North Medina, 720-722 Morales, 801
Morales, 825 Morales, 903 Morales, 523 Perez Street, 615 Perez Street, 701 North Salado
Street, 727 North Salado Street and 626 North San Marcos Street.



Zoning Case Notification Plan

Case Z-2007-217

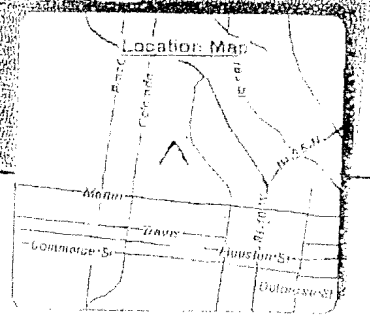
Council File # 217

Order # 10999-0709



Legend

- Subject Property (hatched pattern)
- 200' Notification Buffer (dashed line)
- Current Zoning (I1)
- Proposed Zoning Change (I2)
- City of San Antonio Planning Department



Prepared by the City of San Antonio
 Division of Planning Department
 11/10/2007

EXHIBIT C

BONDING REQUIREMENTS

Lease Agreement between the City of San Antonio and
the Haven for Hope of Bexar County, a Texas non-profit corporation

PERFORMANCE BOND AND PAYMENT BONDS

C.1 LESSEE shall require its contractors and subcontractors providing services or materials related to the construction on the Premises to furnish and file Surety Bonds described below which shall be in accordance with the provision of Chapter 2253, Texas Government Code.

C.1.1 Performance Bond. For every contract in excess of \$100,000 a good and sufficient bond in an amount equal to 100% of the total contract sum, guaranteeing the full and faithful execution of the work and performance of the contract in accordance with plans, specifications and all other contract documents, including any extensions thereof, for the protection of the LESSEE and LESSOR. This bond shall also provide for the repair and maintenance of all defects due to faulty materials and workmanship that appear within a period of one (1) year from the date of final completion and acceptance of the improvements by the LESSEE or lesser or longer periods as may be otherwise designated in the contract documents.

C.1.2 Payment Bond. For every contract in excess of \$25,000 a good and sufficient bond in an amount equal to 100% of the total contract sum, guaranteeing the full and prompt payment of all claimants supplying labor or materials in the prosecution of the work provided for in the contract, and for the use and protection of each claimant.

C.2 No surety will be accepted by the LESSEE who is now in default or delinquent on any bonds or who is a party in any litigation against the LESSOR. No surety agreement shall be executed with less than one corporate surety that is authorized and admitted to do business in the State of Texas, is licensed by the State of Texas to issue surety bonds, is listed in the most current United States Department of the Treasury List of Acceptable Sureties, and is otherwise acceptable to the LESSOR. Each bond shall be executed by the contractor and the surety, to whom any requisite statutory notices may be delivered and on whom service of process may be had in matters arising out of the suretyship. Each bond shall name LESSOR as an additional Obligees.

EXHIBIT I

SEVERANCE AND BILL OF SALE

Notice of Confidentiality Rights: If You Are a Natural Person, You May Remove or Strike Any or All the Following Information from Any Instrument That Transfers an Interest in Real Property Before it Is Filed for Record in the Public Records: Your Social Security Number or Your Driver's License Number.

SEVERANCE AND BILL OF SALE

Authorizing Ordinance:

Seller: City of San Antonio

Seller's Mailing Address (including county): P.O. Box 839966, San Antonio, Texas 78283-3966
(Attention: Director, Community Initiatives Department)
(Bexar County)

Buyer: Haven for Hope of Bexar County

Buyer's Mailing Address (including county): 2330 North Loop 1604 West, San Antonio, Texas 78248
(Bexar County)

Consideration: Raising money for services to the homeless and neighborhood residents located in the City of San Antonio and providing those services in accordance with the terms of the Lease and other related agreements between Seller and Buyer and improving the Buildings to make them better suited for providing the required services. All to accomplish the public purpose of providing for the welfare, health, and safety of San Antonio inhabitants through the development, construction, management, and operation of a human services campus by the Buyer

Buildings: The structures described on Exhibits A through D, which are incorporated into this instrument for all purposes as if fully set forth.

Lease: Lease Agreement between the City of San Antonio, a Texas municipal corporation, as Lessor, and Haven for Hope of Bexar County, a Texas nonprofit corporation, as Lessee, for a human services campus to include a homeless transformational facility also known as the "Haven for Hope", located in the City of San Antonio, Bexar County, Texas and authorized by the Authorizing Ordinance

Predicate Facts

Seller owns the Buildings and the real estate of which they are a part ("Property").

Seller is leasing the Property to Buyer by means of the Lease so that Buyer may provide services to the homeless and residents in the neighborhood surrounding the proposed human services campus.

Buyer may raise money from private and public donations to further the services it will provide, and some of those donations may be used to make improvements to the Buildings.

That Buyer owns the Buildings to be improved would enhance Buyer's fund-raising ability for capital improvements and campus operations.

Acts of Severance and Sale

Now Therefore, the parties agree and act as follows:

1. Severance.

Subject to the terms of this instrument, Seller hereby severs the Buildings from the real estate on which they are situated. Seller expressly intends that, as a result of the severance, the Buildings become personal property as opposed to real property.

2. Conveyance.

Seller hereby sells and conveys the Buildings, as personal property, to Buyer for so long as the Lease is in effect. When the Lease expires or otherwise terminates, ownership of the Buildings automatically reverts to Seller without action or formality by Seller, Buyer, or any other person. Buyer may not remove or claim compensation for improvements made to the Buildings, and all such improvements pass with the Buildings to Seller.

3. Reversion to Realty.

In addition, when the Lease expires or otherwise terminates, the severance of the Buildings from the real estate on which they are situated likewise terminates. Thereupon, the Buildings again automatically become fixtures and real property, without action or formality by Seller, Buyer, or any other person, to the same effect as would have been the case had they never been severed. At termination of the Lease, all improvements to the Buildings that would be considered fixtures under

ordinary principles of law are considered fixtures for the purpose of this transaction and become part of the real estate to the same extent as the Buildings themselves.

4. Liens.

While Buyer owns the Buildings, it may subject them to liens, but no lienholder claiming through Buyer can acquire more rights than Buyer has in the Buildings. Without limiting the generality of that statement, all lien rights and rights arising from lien rights are extinguished when the Buildings revert to Seller. If a lienholder forecloses and takes title to a Building, its title, or the title of those claiming through the lienholder, reverts to Seller just as Buyer's would at termination of the Lease.

5. Disclaimer.

The conveyance made by this instrument is as-is, where-is, without warranty, either express or implied. Without limiting the generality of the above disclaimer, Seller disclaims all other warranties of title, condition, or character, including the warranty of merchantability and the warranty of fitness for any intended purpose.

6. Coupled with Lease.

This instrument is void unless, contemporaneously with its execution and delivery, Seller and Buyer likewise execute and deliver the Lease. At the expiration or other termination of the Lease, Seller may execute and record a certificate of termination of the Lease without joinder of Buyer. Third parties may rely on the certificate without inquiry as proof that the Lease is terminated, that Seller is revested with title to the Buildings, and that the Buildings are part of the real estate to which they are attached.

7. Indemnity.

7.01. Buyer covenants and agrees to fully indemnify and hold harmless, the Seller and the elected officials, employees, officers, directors, volunteers and representatives of the Seller, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature (collectively, "Claims"), including but not limited to, personal or bodily injury, death and property damage, made upon the Seller directly or indirectly arising out of, resulting from, or related to this conveyance or Buyer's use and occupancy of the Buildings. Claims may include acts or omissions of Buyer, any agent, officer,

director, representative, employee, consultant or sublessee of Buyer, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this instrument, to the extent such Claims are caused by Buyer's negligence, gross negligence, or intentional, willful or criminal misconduct.

7.02. The indemnity provided for in the preceding paragraph does not apply to any liability resulting from the negligence of Seller, its officers or employees, when the negligence causes personal injury, death, or property damage.

7.03. If both Buyer and Seller are found jointly liable by a court of competent jurisdiction, liability shall be apportioned comparatively, in accordance with the laws of the State of Texas. But nothing waives any governmental immunity available to the Seller under Texas law. Likewise, nothing waives any defenses of the parties under Texas law. The provisions of this indemnification are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Buyer shall promptly advise the Seller in writing of any claim or demand against the Seller or Buyer known to Buyer related to or arising out of Buyer's activities under this instrument.

8. Risk of Loss.

8.01. At the expiration or earlier termination of the Lease, Buyer must return the Buildings to Seller in substantially the same condition as that in which they were received, ordinary wear and tear excepted.

8.02. To secure partially Buyer's obligation to return the Buildings to Seller, Buyer must at all times maintain property insurance for physical damage to the Buildings in an amount equal to the Buildings' replacement cost. All insurers must be authorized and admitted to do business in the State of Texas and rated A or better by A.M. Best Company.

8.03. Seller may at any time during normal business hours ask to see evidence of Buyer's insurance required above. If Buyer (A) fails to cooperate in providing evidence of such insurance or (B) does not have such insurance in place and fails to procure it within 10 business days of Seller's notice to Buyer, this conveyance to Buyer reverts to Seller and the Buildings become automatically become fixtures and real property, without action or formality by Seller, Buyer, or any other person, to the same effect as would have been the case had they never been severed.

9. Acceptance of Obligations.

Buyer's acceptance of the interest conveyed by this instrument is likewise Buyer's agreement to assume the obligations contained in it.

In Witness Whereof, the parties have caused their representatives to set their hands:

City of San Antonio,
a Texas municipal corporation

Haven for Hope of Bexar County, a
Texas nonprofit corporation

By: Francis A. Gonzalez By: Robert G. M. ABUTTA

Printed Name: FRANCIS A. GONZALEZ Printed Name: ROBERT G. M. ABUTTA

Title: Asst. City Manager Title: Ex. Dir.

Date: 3/12/08 Date: 3/7/08

Attest:

Steven M. Valet
City Clerk

Approved As To Form:

[Signature]
City Attorney

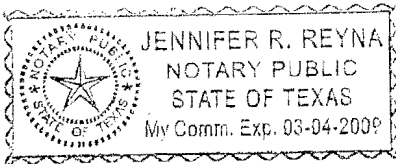
State of Texas §

County of Bexar §

This instrument was acknowledged before me this date by Frances Gonzalez of the City of San Antonio, a Texas municipal corporation, in the capacity therein stated and on behalf of that entity.

Date: 3/12/08

Jennifer R. Reyna
Notary Public, State of Texas



My Commission expires: 3/4/09

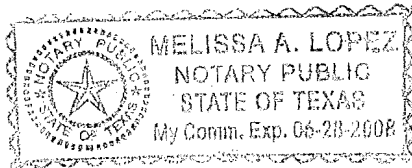
State of Texas §

County of Bexar §

This instrument was acknowledged before me this date by Robert G. Marbut, of the Haven for Hope of Bexar County, a Texas nonprofit corporation, in the capacity therein stated and on behalf of that entity.

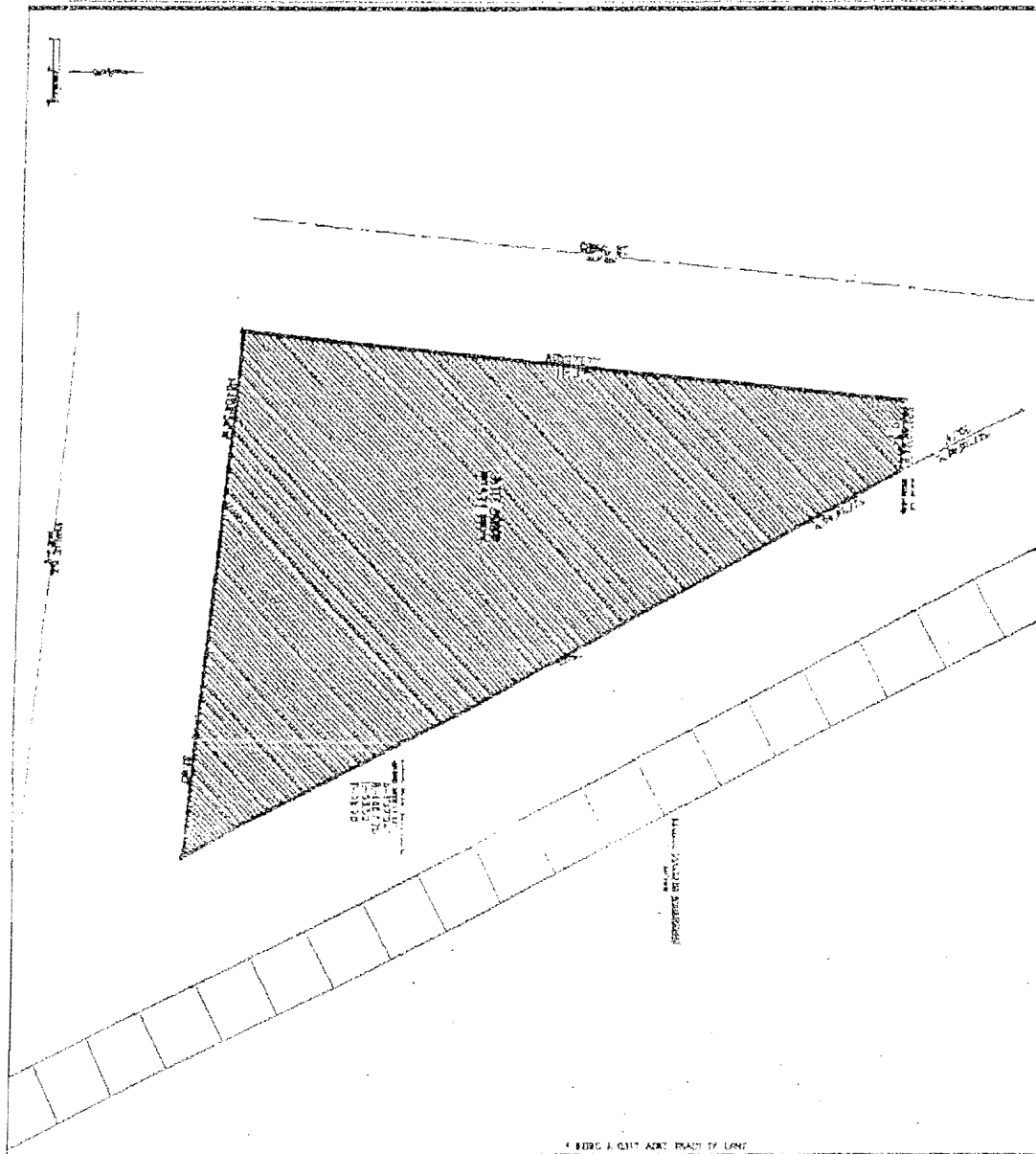
Date: 5/1/08

Melissa A. Lopez
Notary Public, State of Texas



My Commission expires: 6/28/08

Exhibit A



1. SERVICIO DE OBRAS PUBLICAS DE LA CIUDAD DE SAN JUAN, P.R.

2. PLAN DE OBRAS DE RECONSTRUCCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. (SECCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. ENTRE LAS ESTACIONES 10+00 Y 10+50).

3. PLAN DE OBRAS DE RECONSTRUCCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. (SECCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. ENTRE LAS ESTACIONES 10+00 Y 10+50).

4. PLAN DE OBRAS DE RECONSTRUCCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. (SECCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. ENTRE LAS ESTACIONES 10+00 Y 10+50).



| | |
|----------------|--|
| PROYECTO | RECONSTRUCCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. (SECCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. ENTRE LAS ESTACIONES 10+00 Y 10+50). |
| CLIENTE | SECRETARIA DE OBRAS PUBLICAS DE LA CIUDAD DE SAN JUAN, P.R. |
| ENCARGADO | ING. JUAN PABLO GARCIA |
| PROYECTADO POR | ING. JUAN PABLO GARCIA |
| REVISADO POR | ING. JUAN PABLO GARCIA |
| FECHA | 15 DE ABRIL DE 1964 |

| | |
|------------------|--|
| PROYECTO: NOMBRE | RECONSTRUCCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. (SECCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. ENTRE LAS ESTACIONES 10+00 Y 10+50). |
| ESQUEMA | 1 OF 1 |
| FECHA | 15 DE ABRIL DE 1964 |
| PROYECTADO POR | ING. JUAN PABLO GARCIA |
| REVISADO POR | ING. JUAN PABLO GARCIA |
| SCALE | 1" = 10' |
| NO. DE OBRAS | 0470 |
| COMENTARIOS | |
| SGC | INGENIERIA DE OBRAS PUBLICAS DE LA CIUDAD DE SAN JUAN, P.R. (SECCION DE LA CARRETERA DE SAN JUAN A SAN JUAN, P.R. ENTRE LAS ESTACIONES 10+00 Y 10+50). |

METES AND BOUNDS DESCRIPTION

February 21, 2008

BEING a 0.117 acre tract of land situated in the City of San Antonio, Bexar County, Texas and being a portion of Comal St. conveyed by City Ordinance No. 13,613, December 14, 1956, said 0.117 acre tract being more particularly described as follows:

BEGINNING at a point in the westerly Right-of-Way (R.O.W.) line of the Union Pacific Railroad for the northeast corner of the herein described tract, said point being South 27°28'46" East, 20.74 feet along the westerly R.O.W. line of said Union Pacific Railroad from the intersection of the westerly R.O.W. line of said Union Pacific Railroad and the east R.O.W. line of Comal St.;

THENCE, South 27°28'46" East, 76.65 feet along the westerly R.O.W. line of said Union Pacific Railroad to a point;

THENCE, 53.52 feet along the westerly R.O.W. line of said Union Pacific Railroad by a circular curve to the right having the following parameters:

| | |
|----------------|------------------------|
| Radius | = 1887.79 feet |
| Chord Bearing | = South 26°46'05" East |
| Chord Distance | = 53.52 feet |

to an 1/2" iron rod found at the intersection of the westerly R.O.W. line of said Union Pacific Railroad and the north R.O.W. line of Perez St. for the southeast corner of the herein described tract;

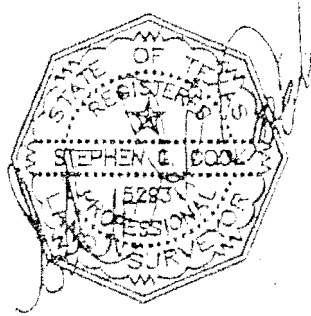
THENCE, North 84°06'56" West, 81.80 feet along the north R.O.W. line of said Perez St. to a 1/2" iron rod found at the intersection of the north R.O.W. line of said Perez St. and the easterly R.O.W. line of said Comal St. for the southwest corner of the herein described tract;

THENCE, North, $05^{\circ}37'57''$ East, 108.67 feet along the easterly R.O.W. line of said Comal St. to the northwest corner of the herein described tract;

THENCE, South, $86^{\circ}25'02''$ East, 11.54 feet to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-003-014A.



METES AND BOUNDS DESCRIPTION

February 19, 2008

BEING a 1.617 acre tract of land consisting of the east portion of Lots A, B and C, all of Lots 3, 4, 5, 6, 7, 11, 12, 13, 14 and a portion of Lot 10, Block 49, New City Block 198, in the City of San Antonio, Bexar County, Texas said 1.617 acre tract of land being more particularly described as follows:

BEGINNING at an existing corner of a building in the south Right-of-Way (R.O.W.) line of Leal St. for the northwest corner of the herein described tract, said northwest corner being South 84°37'20" East, 73.19 feet across said Lot A from the intersection of the south R.O.W. line of said Leal St. and the east R.O.W. line N. San Marcos;

THENCE, South 84°49'58" East, 155.02 feet along the north face of said building to a corner of said building;

THENCE, South 27°15'09" East, 11.17 feet along the northeast face of said building to a corner of said building;

THENCE, South 20°28'55" East, 33.39 feet along the easterly face of said building to a corner of said building;

THENCE, South 15°05'02" East, 31.86 feet along the easterly face of said building to a corner of said building;

THENCE, South 08°52'17" East, 29.11 feet along the easterly face of said building to a corner of said building;

THENCE, South 02°09'58" East, 30.02 feet along the easterly face of said building to a corner of said building;

THENCE, South $01^{\circ}34'54''$ West, 30.08 feet along the easterly face of said building to a corner of said building;

THENCE, South $03^{\circ}14'12''$ West, 30.04 feet along the easterly face of said building to the southeast corner of said building;

THENCE, North $84^{\circ}18'24''$ West, 85.53 feet along the south face of said building to an inside corner of said building;

THENCE, South $05^{\circ}41'36''$ West, 26.34 feet along the east face of said building to a corner of said building;

THENCE, North $84^{\circ}18'24''$ West, 33.60 feet along the south face of said building to an inside corner of said building;

THENCE, South $05^{\circ}41'36''$ West, 5.50 feet along the east face of said building to a corner of said building;

THENCE, North $84^{\circ}59'16''$ West, 109.56 feet along the south face of said building to the southwest corner of said building;

THENCE, North $01^{\circ}41'36''$ East, 17.11 feet along the west face of said building to an inside corner of said building;

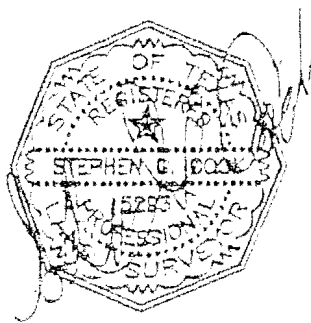
THENCE, North $84^{\circ}18'24''$ West, 32.60 feet along the south face of said building to a corner of said building;

THENCE, North 05°05'00" East, 168.58 feet along the westerly face of
said building to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor

No. 5293

SGCE No. 597-003-011A



METES AND BOUNDS DESCRIPTION

February 21, 2008

BEING a 0.967 acre tract of land out of New City Block 219, in the City of San Antonio, Bexar County, Texas and a portion of New City Block 48, in the City of San Antonio, Texas including a portion of Lot 2, Block 48, Vista Verde Project Texas K-109 Subdivision, Unit-II recorded in Volume 7700, Page 190, Deed and Plat Records, Bexar County, Texas, said 0.967 acre tract being more particularly described as follows:

BEGINNING at a building corner for the southeast corner of the herein described tract, said building corner being North $06^{\circ}07'21''$ East, 62.36 feet from a $\frac{1}{2}''$ rod at the intersection of the westerly Right-of-Way (R.O.W.) line of Salado St. and the north R.O.W. line of Perez St.;

THENCE, North $82^{\circ}18'48''$ West, 255.70 feet along the southerly face of said building to the southwest corner of said building;

THENCE, North $27^{\circ}49'46''$ West, 72.50 feet along the westerly face of said building to the most westerly building corner;

THENCE, North $07^{\circ}35'16''$ East, 41.37 feet along the westerly face of said building to a building corner;

THENCE, South $07^{\circ}11'57''$ East, 54.37 feet along the north face of said building to an inside corner;

THENCE, North $07^{\circ}40'24''$ East, 54.61 feet along the westerly face of said building to an inside corner;

THENCE, North $82^{\circ}11'21''$ West, 13.84 feet along the south face of said building to a building corner;

THENCE, North $07^{\circ}44'56''$ East, 55.39 feet to the most northerly corner of said building;

THENCE, South $82^{\circ}12'21''$ East, 151.41 feet along the north face of said building to a building corner;

THENCE, South: $07^{\circ}44'58''$ West, 29.94 feet along the easterly face of said building to a corner of said building;

THENCE, North: $82^{\circ}13'36''$ West, 27.25 feet along the south face of said building to an inside corner;

THENCE, South: $07^{\circ}44'06''$ West, 79.91 feet along the easterly face of said building to an inside corner;

THENCE, South: $82^{\circ}15'33''$ East, 85.34 feet along the northerly face of said building to a building corner;

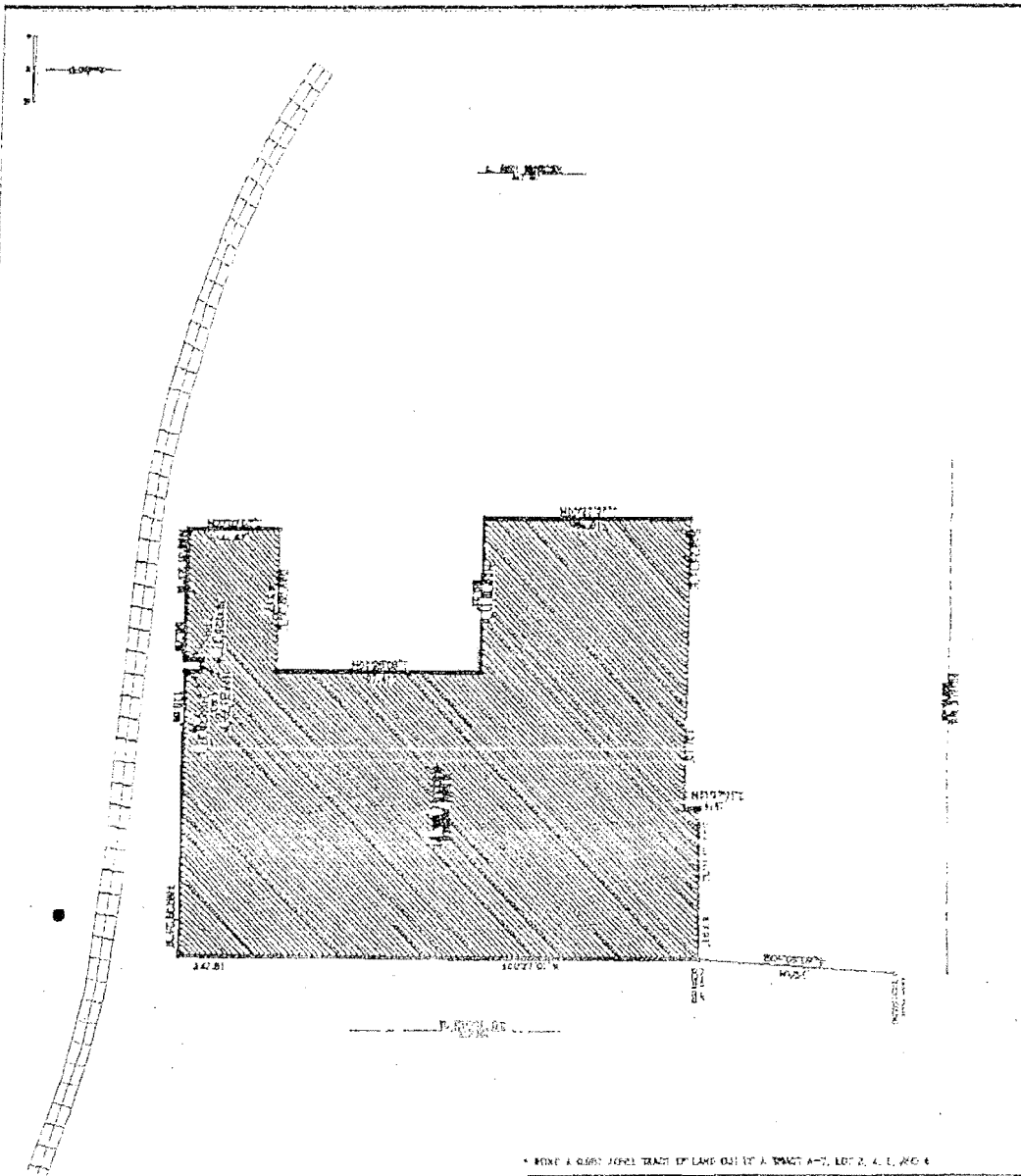
THENCE, South: $05^{\circ}51'07''$ West, 100.19 feet along the easterly face of said building to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor
No. 5293

SGCE No. 597-005-018B



Exhibit D



* POINT A CORNER POINT TRACT OF LAND OUT OF A TRACT A-7, LOT 2, 4, 1, AND 6

I, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that the above is a true and correct copy of the original record as shown to me by the person or persons who claim to be the owner of the same. I have compared the same with the original record and find it to be a true and correct copy of the same. My commission expires on the 1st day of January, 1950.

Handwritten signature



| | | | |
|----------|-------|------|----------|
| FILE NO. | 10287 | DATE | 10/27/49 |
| PROJECT | ... | ... | ... |
| ... | ... | ... | ... |

| PROJECT NAME | SCALE | PK. | DATE | COMMENTS |
|-----------------|----------|-----|------|----------|
| 800 MORALEE ST. | 1" = 30' | | | |
| | | | | |
| | | | | |
| | | | | |

500
 12000 WASHINGTON, SUITE 107
 DALLAS, TEXAS 75244-1107
 (214) 343-1100
 TEXAS SURVEYORS ASSOCIATION
 1949

METES AND BOUNDS DESCRIPTION

February 19, 2008

BEING a 0.953 acre tract of land out of Tract A-7, Lot 3, 4, 5 and 6, Block 47, New City Block 197, in the City of San Antonio, Bexar County, Texas, said 0.953 acre tract being more particularly described as follows:

BEGINNING at the northeast corner of a building for the northeast corner of the herein described tract, said northeast corner being South $04^{\circ}06'09''$ West, 91.64 feet across said tract A-7 from Lead Plug with tack found at the intersection of the south Right-of-Way (R.O.W.) line of Perez St. and the west R.O.W. line of N. Comal St.;

THENCE, South $00^{\circ}27'01''$ West, 247.81 feet along the easterly face of said building to the southeast corner of said building;

THENCE, North $89^{\circ}31'24''$ West, 129.81 feet along the south face of said building to a corner of said building;

THENCE, North $00^{\circ}25'37''$ East, 7.39 feet along the west face of said building to an inside corner of said building;

THENCE, North $89^{\circ}34'23''$ West, 4.85 feet along the north face of said building to an inside corner;

THENCE, South $00^{\circ}25'37''$ West, 7.55 feet along the east face of said building to a building corner;

THENCE, North $89^{\circ}31'23''$ West, 58.29 feet along the south face of said building to the southwest corner of said building;

THENCE, North $00^{\circ}00'03''$ East, 44.48 feet along the west face of said building to a building corner;

THENCE, South $89^{\circ}36'35''$ East, 63.17 feet along the north face of said building to an inside corner of said building;

THENCE, North $00^{\circ}26'09''$ East, 97.46 feet along the west face of said building to an inside face of said building;

THENCE, North 89°16'11" West, 69.23 feet along the south face of said building to a corner of said building;

THENCE, North 00°33'20" East, 99.61 feet along the west face of said building to the northwest corner of said building;

THENCE, South 89°24'14" East, 131.13 feet along the north face of said building to an inside corner;

THENCE, North 01°27'11" East, 6.42 feet along the west face of said building to a corner of said building;

THENCE, South 89°25'16" East, 67.91 feet along the north face of said building to the POINT OF BEGINNING.

Stephen G. Cook
Registered Professional Land Surveyor

No. 5295

SGCE No. 597-003-002A

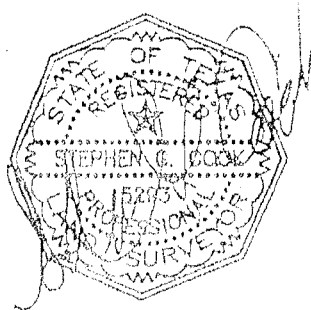


EXHIBIT I

NAMING PARAMETERS

The City of San Antonio (City) and Haven for Hope recognize that naming rights for the buildings (and any subpart thereof) located at the Haven for Hope Campus and its component parts potentially will provide revenue opportunities for Haven for Hope that will enhance the financial viability of the overall Haven for Hope Campus project.

The parties agree that the following parameters and limitations are in the best interests of the City, Haven for Hope, and the public and will be imposed upon the buildings and be enforceable by the City as an attachment to the lease agreement with Haven for Hope:

1. The name adopted for a building shall either:
 - (a) include the name of a facilitator or benefactor of the Haven for Hope campus project;
 - (b) honor a Person, place, institution, group, entity or event, whether now existing or that existed in the past, including but not limited to any corporation, limited partnerships, limited liability companies;
 - (c) recognize events or affairs of historic significance; or
 - (d) embrace civic ideals or goals.

EXHIBIT B

SUBLEASE PREMISES – LEGAL DESCRIPTION

TRACT ONE:

A 3.017 acre, or 131,411 square feet, more or less, tract of land being a portion of Lot 1, Block 2, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 3.017 acre tract being more fully described by metes and bounds in Exhibit "A", attached hereto and made a part hereof for all intents and purposes.

TRACT TWO:

A 6.860 acre, or 298,825 square feet, more or less, tract of land out of Lot 27, Block 1, of the HAVEN FOR HOPE OF BEXAR COUNTY subdivision, recorded in Volume 9599, Pages 157-160, of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212, of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described by metes and bounds in Exhibit "B", attached hereto and made a part hereof for all intents and purposes.

LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING
Haven For Hope
Lot 1 - Lease

THENCE: Along a non-tangent curve to the left, said curve having a radial bearing of N 05°36'51" E, a radius of 291.89 feet, a central angle of 43°55'04", a chord bearing and distance of N 73°39'19" E, 218.30 feet, for an arc length of 223.74 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the west return of the intersection of the south right-of-way line of said Leal Street and the southwest right-of-way line of Frio Street, an 86-foot right-of-way;

THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 38°18'39" E, a radius of 25.00 feet, a central angle of 90°00'54", a chord bearing and distance of S 83°18'12" E, 35.36 feet, for an arc length of 39.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the east return of the south right-of-way line of said Leal Street and the southwest right-of-way line of said Frio Street;

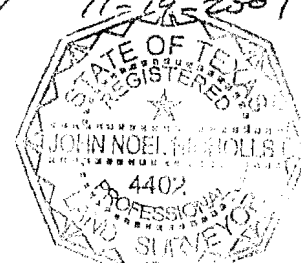
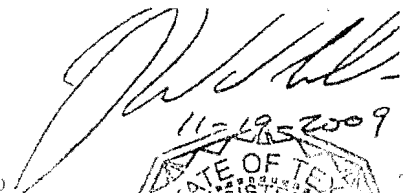
THENCE: S 38°18'12" E, along and with the southwest line of said Frio Street, the northeast line of said Lot 1, a distance of 241.00 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" at the north return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;

THENCE: Along a non-tangent curve to the right, said curve having a radial bearing of S 51°51'04" W, a radius of 25.00 feet, a central angle of 89°41'29", a chord bearing and distance of S 06°41'48" W, 35.26 feet, for an arc length of 39.14 feet to a set nail and washer marked Pape-Dawson at the south return of the intersection of the southwest right-of-way line of said Frio Street, and the west line of said Haven for Hope Way;

THENCE: Along the west right-of-way line of said Haven For Hope Way, the east line of said Lot 1, with a non-tangent curve to the left, said curve having a radial bearing of S 38°18'08" E, a radius of 284.90 feet, a central angle of 46°17'51", a chord bearing and distance of S 28°32'56" W, 224.00 feet, for an arc length of 230.21 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 05°26'29" W, a distance of 6.25 feet to the POINT OF BEGINNING, and containing 3.017 acres in the City of San Antonio, Bexar County, Texas, Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: NASurvey09\9-9300\9204-09\Word\9204-09 EN-LOT1.do
File Registration #470
TBPE's Plan Registration #100288-09



TBPE

FIELD NOTES

FOR

A 6.860 acre, or 298,825 square feet more or less, tract of land out of Lot 27, Block 1 of the Haven For Hope of Bexar County subdivision, recorded in Volume 9599, Pages 157-160 of the Deed and Plat Records of Bexar County, Texas, now in New City Block (N.C.B.) 2212 of the City of San Antonio, Bexar County, Texas. Said 6.860 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone;

COMMENCING: At a found iron rod with cap marked "SGCE-5293" at the intersection of the south right-of-way line of Leal Street, a variable width public right-of-way, 55.6 feet wide at this point, and the east right-of-way line of N. San Marcos Street, a 55.6-foot public right-of-way, the northwest corner of said Lot 27;

THENCE: S 84°11'21" E, along and with the south right-of-way line of said Leal Street, a north line of said Lot 27, a distance of 73.22 feet to the POINT OF BEGINNING of the herein described tract;

THENCE: S 84°11'21" E, continuing along and with the south right-of-way line of Leal Street, a north line of said Lot 27, a distance of 155.65 feet to a found iron rod with cap marked "SGCE-5293" on the west right-of-way line of the Union Pacific Railroad, a 50-foot right-of-way

THENCE: Along and with the west right-of-way line of said Railroad the following calls and distances:

S 26°45'27" E, a distance of 121.26 feet to a found iron rod with cap marked "SCCE-5293";

S 27°33'49" E, a distance of 133.33 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 27°41'22" E, at 20.4 feet passing through the face of building and continuing for a total distance of 97.39 feet to a point;

Along a non-tangent curve to the right, said curve having a radial bearing of S 62°18'35" W, a radius of 1887.79 feet, a central angle of 01°37'38", a chord bearing and distance of S 26°52'36" E, 53.61 feet, for an arc length of 53.61 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at a building corner, the north line of Hardberger Way;

THENCE: N 84°16'11" W, departing the said railroad right-of-way, a distance of 18.22 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at an angle of said Lot 27;

S 05°43'49" W, a distance of 6.00 feet to a point;

THENCE: Departing the line of said Lot 27 and over and across said Lot 27 the following calls and distances:

N 84°16'11" W, a distance of 109.16 feet to a point;

S 05°30'56" W, a distance of 99.28 feet to a building corner;

S 84°29'04" E, a distance of 5.53 feet to a point;

S 05°20'35" W, departing the face of said building, running along the east face of a building, a distance of 250.38 feet to a point;

S 84°29'04" E, a distance of 20.79 feet to a point;

S 05°20'35" W, a distance of 9.49 feet to a point;

S 84°29'04" E, a distance of 228.80 feet to a point;

N 05degrees,27'37" E, a distance of 18.11 feet to a point;

N 75°14'23" E, a distance of 36.64 feet to a point on the west right-of-way line of aforementioned railroad, the east line of said Lot 27;

THENCE: Along and with the west line of said railroad, the east line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the right, said curve having a radial bearing of S 74°59'53" W, a radius of 1885.06 feet, a central angle of 02°00'33", a chord bearing and distance of S 13°59'50" E, 66.10 feet, for an arc length of 66.11 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 10°04'02" E, a distance of 57.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 09°37'28" E, a distance of 176.09 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the southeast corner of said Lot 27;

THENCE: N 84°16'11" W, departing the west line of the aforementioned railroad right-of-way, a distance of 36.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the east right-of-way line of another Union Pacific Railroad, 50-foot right-of-way, the southwest corner of said Lot 27;

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

Along a non-tangent curve to the left, said curve having a radial bearing of S 63°13'47" W, a radius of 488.93 feet, a central angle of 29°42'08", a chord bearing and distance of N 41°37'17" W, 250.63 feet, for an arc length of 253.46 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Along a non-tangent curve to the left, said curve having a radial bearing of S 33°31'01" W, a radius of 489.35 feet, a central angle of 11°04'13", a chord bearing and distance of N 62°01'05" W, 94.40 feet, for an arc length of 94.55 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 64°43'40" W, a distance of 58.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 84°23'52" W, a distance of 198.78 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" at the southeast corner of a 0.077 acre tract, conveyed to the City of San Antonio by instrument recorded in Volume 11781, Page 1407 of the Official Public Records of Bexar County, Texas;

THENCE: N 06°31'08" E, departing the northeast right-of-way line of said railroad along and with the east line of said 0.077 acre tract, a west line of said Lot 27, a distance of 7.31 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northeast corner of said 0.077 acre tract, a reentrant corner of said Lot 27;

N 65°03'36" W, a distance of 142.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" for the northwest corner of said 0.077 acre tract, an angle point of Lot 27 on the northeast right-of-way line of said railroad;

THENCE: Along and with the northeast line of said railroad, the southwest line of said Lot 27, the following calls and distances:

N 59°15'37" W, a distance of 62.40 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°33'05" W, a distance of 47.08 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 84°22'25" W, a distance of 7.10 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 37°42'02" W, a distance of 317.80 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson" on the south right-of-way line of Perez Street, a 55.6-foot public right-of-way, the west corner of said Lot 27;

Haven For Hope
Job No.: 9204-09

THENCE: S 84°26'39" E, along and with the south line of said Perez Street, a distance of 261.98 feet to a found PK nail for an angle set 1/2" iron rod with yellow cap marked "Pape-Dawson" in a north line of said Lot 27;

THENCE: S 84°16'09" E, a distance of 56.43 feet to a found '+' in concrete on the east right-of-way line of aforementioned N. San Marcos Street;

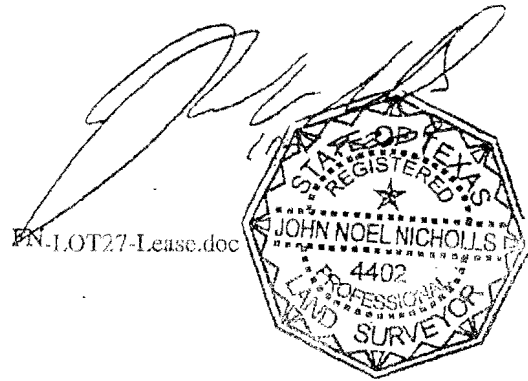
THENCE: N 05°35'12" E, along and with the east right-of-way line of said N. San Marcos Street, the west line of said Lot 27, a distance of 47.09 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" for an angle point in the west line of said Lot 27;

THENCE: Departing the east right-of-way line of said N. San Marcos Street, over and across said Lot 27 the following calls and distances:
S 84°31'06" E, a distance of 99.44 feet to a point;
N 05°45'08" E, a distance of 243.69 feet to a point; N
84°23'07" W, a distance of 26.74 feet to a point;

THENCE: N 05°39'20" E, a distance of 105.15 feet to feet to the POINT OF BEGINNING, and containing 6:860 acres in the City of San Antonio, Bexar County, Texas.

prepared by Pape Dawson Engineers, Inc.

PREPARED Pape-Dawson Engineers, Inc.
DATE: November 5, 2009
REVISED: November 18, 2009
JOB No.: 9204-09
FILE: N:\Survey09\9-9300\9204-09\Word\9204-
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



PAPE DAWSON
a ENGINEERS

Haven For Hope
Job No.: 9204-09

, Said tract being described
in accordance with a survey made on the ground and a survey map

**ATTACHMENT II
TO
ORDINANCE**

Contract #

**AMENDMENT #1
OPERATING AGREEMENT
WITH
HAVEN FOR HOPE OF BEXAR COUNTY**

This amendment (hereinafter referred to as "Amendment") of the Operating Agreement (hereinafter referred to as "Agreement") is entered into by and between the City of San Antonio, a Texas Municipal Corporation, (hereinafter referred to as "City") acting by and through its designated representative, the Director of the Department of Community Initiatives, pursuant to Ordinance No. 2009 -12 -10 - _____ passed and approved on December 10, 2009 and Haven for Hope of Bexar County, a Texas non-profit corporation (hereinafter referred to as "Operator").

WHEREAS, the City has leased to Operator premises upon which a homeless campus (the "Campus") is situated pursuant to that certain Lease between the City and the Operator, dated March 6, 2008 and authorized pursuant to Ordinance 2008-03-06-0164, together with all attachments, appendices and exhibits; and

WHEREAS, the Operator manages and leads the day to day operation of the Campus on a collaborative basis with various service providers; and

WHEREAS, pursuant to that certain Consent authorized by Ordinance 2009-12-10-_____, the City has consented to actions related to a portion of the Haven for Hope Homeless Campus, including a sublease, the sale of personalty and the related hypothecation of the subleasehold interest and personalty to secure various loans (collectively, the "Loan"); and

WHEREAS, under the Consent, if Operator, or its affiliated entity, fails to perform under the Loan, the City may cure a monetary default; NOW THEREFORE:

City and Operator agree to amend the Agreement as follows:

1. Section 7. 1 is hereby amended to read:

Section 7.1 For the City's 2009-2010 fiscal year, the City shall fund Operator in the amount of \$880,000 (the "**Initial Year Funding**"). subject to City Council approval of such funding and a budget appropriation for this Agreement. For each subsequent fiscal year of the Agreement, the City shall fund the Operator in the amount of \$1,000,000 (the "**Annual Funding**"), subject to annual City Council approval and a budget appropriation for this Agreement. For each year of the Agreement, Operator shall develop an annual Budget and submit such Budget for the City's review by no later than July 1st of each year for the services to be performed in the upcoming fiscal year. In the event that the City exercises its option to cure a monetary default of Operator or its affiliated entity under the

Loan from Wachovia Community Development Enterprises IV, LLC, a North Carolina limited liability company and NNMF Sub-CDE IX, LLC, a California limited liability company, or their successors in interest, Operator agrees that the Annual Funding may be reduced by the amount paid by the City to cure said default.

2. All other terms, conditions, covenants and provisions of the Agreement are hereby continued and shall remain in effect in their original form, except for the provisions modified by this Amendment.

Executed this the _____ day of _____, 2009.

CITY OF SAN ANTONIO:

CONTRACTOR:

Haven for Hope of Bexar County,
A Texas Non-Profit Corporation

Dennis J. Campa, Director
Department of Community Initiatives

By: Robert G. Marbut, Jr.
President

Date: _____

Date: _____

APPROVED AS TO FORM:

Assistant City Attorney

**ATTACHMENT III
TO
ORDINANCE**

State of Texas §
 § **Know All By These Presents:**
County of Bexar §

Irrevocable Power of Attorney (Coupled with an Interest)

The undersigned director of Haven for Hope of Bexar County, on the condition stated below, constitutes and appoints the City of San Antonio as my true and lawful attorney and agent for me and in my name, place and stead, to vote as my proxy at any meeting of the directors of Haven for Hope of Bexar County for the transaction of any lawful business, and for me and in my name, to act as fully as I could do if personally present. This power of attorney includes the power to resign myself from the board of directors upon appointing new board members.

This power of Attorney is conditioned on the City receiving notice of Haven Support, Inc.'s failure to timely perform under any obligation to Wachovia Community Development Enterprises IV, LLC or NNMF Sub-CDE IX, LLC, if such default continues beyond the applicable notice and cure period as more fully set forth in Section 4.08 of the Consent (as defined below). Whether or not the condition has occurred, until this power of attorney expires, the undersigned may not vote to change the composition of the board of directors without the written consent of the City of San Antonio. As a condition to consenting to a new board member, the City may require the new board member to give the City a power of attorney in the form of this instrument.

On the terms provided in section 4.08(c) of the Consent, the City of San Antonio may act on this power of attorney through the person who is its City Manager from time to time or through the Manager's designee.

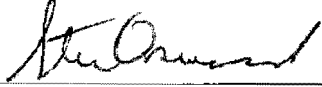
This power of attorney is irrevocable and coupled with an interest in that receipt of this power of attorney is a material condition to City's consent to the New Market Tax Credits transactions that Haven for Hope of Bexar County and Haven Support, Inc. are entering into in December 2009 (the "Consent").

I herewith revoke any other proxy heretofore given. I have given no other proxies coupled with interests.

Remainder of Page Intentionally Left Blank

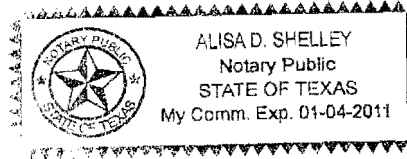
This power of attorney expires when all debt of Haven Support, Inc. to Wachovia Community Development Enterprises IV, LLC and NNMF Sub-CDE IX, LLC is paid in full.

WITNESS my hand and seal this 15 day of December 2009.



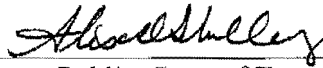
Steve Oswald

The State of Texas §
County of Bexar §



This instrument was acknowledged before me this date by Steve Oswald.

Date: 15 Dec 2009



Notary Public, State of Texas

My commission expires: 01-04-2011

**ATTACHMENT IV
TO
ORDINANCE**

Attachment IV

State of Texas §
 § **Know All By These Presents:**
County of Bexar §

Irrevocable Power of Attorney (Coupled with an Interest)

The undersigned director of Haven Support, Inc., on the condition stated below, constitutes and appoints the City of San Antonio as my true and lawful attorney and agent for me and in my name, place and stead, to vote as my proxy at any meeting of the directors of Haven Support, Inc. for the transaction of any lawful business, and for me and in my name, to act as fully as I could do if personally present. This power of attorney includes the power to resign myself from the board of directors upon appointing new board members.

This power of Attorney is conditioned on the City receiving notice of Haven Support, Inc.'s failure to timely perform under any obligation to Wachovia Community Development Enterprises IV, LLC or NNMF Sub-CDE IX, LLC, if such default continues beyond the applicable notice and cure period as more fully set forth in Section 4.08 of the Consent (as defined below). Whether or not the condition has occurred, until this power of attorney expires, the undersigned may not vote to change the composition of the board of directors without the written consent of the City of San Antonio. As a condition to consenting to a new board member, the City may require the new board member to give the City a power of attorney in the form of this instrument.

On the terms provided in section 4.08(c) of the Consent, the City of San Antonio may act on this power of attorney through the person who is its City Manager from time to time or through the Manager's designee.

This power of attorney is irrevocable and coupled with an interest in that receipt of this power of attorney is a material condition to City's consent to the New Market Tax Credits transactions that Haven for Hope of Bexar County and Haven Support, Inc. are entering into in December 2009 (the "Consent").

I herewith revoke any other proxy heretofore given. I have given no other proxies coupled with interests.

Remainder of Page Intentionally Left Blank

Attachment IV

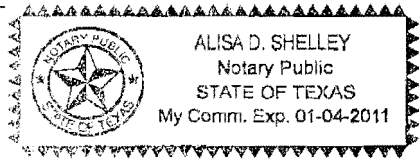
This power of attorney expires when all debt of Haven Support, Inc. to Wachovia Community Development Enterprises IV, LLC and NNMF Sub-CDE IX, LLC is paid in full.

WITNESS my hand and seal this 15th day of December 2009.



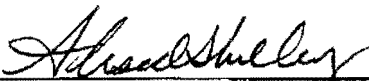
Robert Marbut

The State of Texas §
County of Bexar §



This instrument was acknowledged before me this date by Robert Marbut.

Date: 15 Dec 2009



Notary Public, State of Texas

My commission expires: 01-04-2011