CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: **City Development/Real Estate Services**

AGENDA DATE: **December 4, 2012**

CONTACT PERSON/PHONE: **Jane Tomchik, 541-4897**

DISTRICT(S) AFFECTED: 8

SUBJECT:

Ordinance to authorize the City Manager to sign a lease with Texas Tech University Health Sciences Center for the AB Fall Mansion located at 1725 Arizona at one dollar per year. Lessee is responsible for all repair, maintenance and utilities during the term of the lease.

BACKGROUND / DISCUSSION:

The City acquired the property known as the AB Fall Mansion through an eminent domain process in 2009. Renovations were completed on the Mansion earlier this year. Prior to the completion of those renovations, TTU Health Sciences Center notified the City of their interest in leasing the property for administrative offices and staff was instructed to pursue.

PRIOR COUNCIL ACTION:

No specific prior action but Council has approved a number of similar leases to entities that provide a public service such as Texas Tech University Health Services Center.

AMOUNT AND SOURCE OF FUNDING:
How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

Revenue generating

BOARD / COMMISSION ACTION:
Enter appropriate comments or N/A
NA

**********REQUIRED AUTHORIZATION**********

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO SIGN A LEASE WITH TEXAS TECH UNIVERSITY HEALTH SCIENCE CENTER FOR THE LEASE OF THE AB FALL MANSION, CONSISTING OF A PORTION OF LOTS 11-14, BLOCK 5, GOLDEN HILL ADDITION, CITY OF EL PASO, EL PASO COUNTY, TEXAS AND CERTAIN IMPROVEMENTS LOCATED THEREON AND MUNICIPALLY KNOWN AND NUMBERED AS THE AT 1725 ARIZONA AVENUE, EL PASO, TEXAS, 79902 FOR AN THREE-YEAR TERM AT RENTAL AMOUNT OF $1 PER ANNUM AND TWO ONE-YEAR EXTENSION OPTIONS

WHEREAS, Lessor owns the historic building known as the AB Fall Mansion, consisting of of a portion of Lots 11-14, Block 5, Golden Hill Addition, City of El Paso, El Paso County, Texas and certain improvements located thereon and municipally known and numbered as 1725 Arizona Avenue, El Paso, Texas 79902;

WHEREAS, Lessee, Texas Tech University Health Science Center, is a public institution of higher education created pursuant to the VCTA, Texas Education Code, Chapter 110 and desires to lease the AB Fall Mansion for its administrative offices;

WHEREAS, pursuant to §272.001(j) and §272.005 of the Texas Local Government Code the City of El Paso is authorized to lease property to another Lessee as a institution of higher education and political subdivision of the State of Texas to promote a public purpose and to charge less than fair market value for the lease so as to promote and maintain such public purpose related to higher education;

WHEREAS, Lessor has determined that a public purpose related to higher education will be served by leasing the property to Lessee in accordance with the terms specified herein, together with certain privileges, rights, uses and interests therein, as hereinafter set out;

WHEREAS, Lessee has indicated a willingness and ability to use the AB Fall Mansion to provide services in accordance with the terms of this Lease and to properly keep and maintain said grounds and Lessee's improvements.

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager is hereby authorized to sign, on behalf of the City of El Paso, a lease with Texas Tech University Health Science Center for the lease the AB Fall Mansion, consisting of a portion of Lots 11-14, Block 5, Golden Hill Addition, City of El Paso, El Paso County, Texas and certain improvements located thereon and municipally known and numbered as 1725 Arizona Avenue, El Paso, Texas 79902, at rental amount of $1 per annum and two one-year extension options.

[Signatures on following page]

PASSED AND APPROVED on this the _____ day of _____, 2012.

CITY OF EL PASO

_____
John F. Cook
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Bertha A. Ontiveros
Senior Assistant City Attorney

APPROVED AS TO CONTENT:

_____
Mathew McElroy, Director
City Development Department

11-1040-022/Ordinance – Lease TTUHSC AB Fall Mansion
BAO/PL#148492

LEASE

CITY OF EL PASO

Lessor

TEXAS TECH UNIVERSITY HEALTH SCIENCE CENTER

Lessee

For Property located at

1725 Arizona Street
El Paso, Texas

January 1, 2013
Effective Date

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ATTACHMENTS

EXHIBIT "A" - Property Description & Metes and Bounds of Premises
EXHIBIT "B" – Rental Schedule

LEASE

THIS LEASE AGREEMENT is entered into this_____ of _____2012 by and between the CITY OF EL PASO, a municipal corporation ("Lessor") and TEXAS TECH UNIVERSITY HEALTH SCIENCE CENTER, a Texas institution of higher education ("Lessee").

WHEREAS, Lessor owns the historic building, located at 1725 Arizona ("AB Fall Mansion"), El Paso, El Paso County, Texas 79902;

WHEREAS, Lessee, Texas Tech University Health Science Center, is a public institution of higher education created pursuant to the VCTA, Texas Education Code, Chapter 110 and desires to lease the AB Fall Mansion for administrative offices;

WHEREAS, pursuant to §272.001(j) and §272.005 of the Texas Local Government Code the City of El Paso is authorized to lease property to another Lessee as a institution of higher education and political subdivision of the State of Texas to promote a public purpose and to charge less than fair market value for the lease so as to promote and maintain such public purpose related to higher education;

WHEREAS, Lessor has determined that a public purpose related to higher education will be served by leasing the AB Fall Mansion to Lessee in accordance with the terms specified herein, together with certain privileges, rights, uses and interests therein, as hereinafter set out;

WHEREAS, Lessee has indicated a willingness and ability to use the AB Fall Mansion to provide services in accordance with the terms of this Lease and to properly keep and maintain said grounds and Lessee's improvements in accordance with the terms hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Lessor and Lessee agree and covenant as follows:

ARTICLE I - PREMISES AND PRIVILEGES

1.01 Description of Premises Demised. Subject to and on the terms, conditions, covenants, agreements and undertakings hereinafter set forth, Lessor does hereby demise and lease to Lessee and Lessee does hereby lease from Lessor the following described real property located in El Paso County, Texas:

> A portion of Lots 11-14, Block 5, Golden Hill Addition, City of El Paso, El Paso County, Texas and certain improvements located thereon and municipally known and numbered as 1725 Arizona Avenue, as more fully described in **Exhibit "A"** attached hereto and incorporated herein by reference (the "Premises").

1.02 Right to Construct. Lessee shall have the right and privilege to construct, maintain, and remove improvements upon the Premises subject to the terms, covenants, and conditions contained herein. Prior to the construction or any modifications to the Premises, the plans and specifications for any improvements, additions, alterations or changes shall be submitted to the Lessor's Historic Preservation Officer, with a copy to the Lessor's Real Estate Coordinator, City Development Department, for review and approval. No work shall commence until the Historic Preservation Officer has given written approval.

1.03 Restriction of Privileges, Uses and Rights. The rights and privileges granted Lessee hereunder are subject and expressly limited for Lessee's administrative offices. Any change of use will require the prior written approval of the City Council. Failure to obtain the prior written approval of the City Council prior to using the Premises for anything other than the approved Lessee's administrative offices shall constitute an event of default and may result in termination of the Lease.

1.04 Conditions of Granting Lease. The granting of this Lease and its acceptance by Lessee is conditioned upon the following covenants:

A. That no functional alteration of the Premises or improvements located thereon or functional change in the uses of such Premises shall be made without the prior written consent of Lessor.

B. That the right to use the Premises shall be exercised only subject to and in accordance with the laws of the United States of America and the State of Texas; the rules and regulations promulgated by their authority and all reasonable and applicable rules, regulations and ordinances of Lessor now in force or hereafter prescribed or promulgated by charter authority or by law.

C. Due to the historic nature of the building, the building shall be open to the public for scheduled viewing on all Fridays, except for -Lessee observed holidays, from 1:00 p.m. until 5:00 p.m. Lessee has accepted the Premises with the knowledge the site will be used in that manner. Lessee may establish reasonable rules for scheduling visits and change the weekday and time of public viewing, upon reasonable notice to the Lessor and public, provided that the Premises is open to the public at least four (4) consecutive hours per week for public historic visits and viewing. It is understood between the parties, that at all times Lessee will comply with the City Code regarding occupancy limits when scheduling viewing appointments.

From time to time during the lease term, Lessor may find it necessary to make repairs to the improvements located on the site owned by Lessor. Every effort will be made to not interfere with Lessee's use and enjoyment of the site but Lessee understands and agrees that the use of the site will sometimes require the cooperation of Lessee and adjustments to Lessee's operations.

E. The use of alcohol on the Premises will be governed by Lessee's institutional policy dated February 28, 2011. In the event that Lessee revises its policy to expand the use of alcohol on the Premises, it shall provide a copy to the Lessor. Lessor reserves the right to object to any revisions that may adversely impact the historical nature of the Premises.

F. The use of tobacco products/smoking is prohibited in the building.

G. The attic and balcony will not be utilized for any purpose. These areas may be accessed by Lessee only for purposes of inspection, maintenance and construction.

ARTICLE II - OBLIGATIONS OF LESSOR

2.01 Quiet Enjoyment. Lessor agrees that upon Lessee's occupying the Premises and performing all of the covenants, conditions, and agreements set forth in this Lease, Lessee shall and may peaceably and quietly have, hold, and enjoy the Premises. Lessor has no knowledge, nor any reason to believe, that there is any legal impediment to its full right to enter into this Lease and perform its obligations hereunder.

ARTICLE III - OBLIGATIONS OF LESSEE

3.01 Net Lease. This Lease shall be without cost to Lessor except for Lessor's obligations specifically set forth in Article II above and elsewhere in this Lease. Lessee shall:

A. Keep and maintain the Premises and improvements located thereon in a good state of repair at all times;

B. While the parties do not anticipate any taxes being assessed on the Premises due to the fact the Premises is owned by a tax-exempt governmental entity and being lease to another tax-exempt governmental entity that is engaged in providing governmental services at the Premises, Lessee nevertheless agrees for the term of the Lease to pay any and all taxes assessed against Lessee's interest in the Premises and improvements, and all of Lessee's personal property located on the Premises; and

C. No functions, events, gatherings, will be allowed on the balcony at any time.

3.02 Condition of Premises. Lessee accepts the Premises in their present condition and agrees that the Premises are suitable for Lessee's business, activities, and operations proposed to be conducted thereon relying on its own inspection and judgment. Lessor has not made any warranties expressed or implied with regard to the condition of the Premises or improvements or

their suitability for a particular use. Lessee accepts the Premises "As Is", with all faults, relying on Lessee's own inspection and judgment and not in reliance on any representations of Lessor. Lessor shall not assume responsibility for maintenance, upkeep, or repair necessary to keep the Premises in a safe and serviceable condition.

Lessee asserts that beginning in 2011, Lessor engaged in substantial rehabilitation of the improvements on the Premises, and Land, in compliance with all applicable laws, ordinances, rules, regulations and orders of any governmental authority, including but not limited to those governing zoning, health, safety, and occupational hazards and pollution and environmental control, and with the Americans with Disabilities Act, and with all recorded declarations, restrictions and covenants applicable to the Land. Construction was completed and a certificate of occupancy was issued in September 2012.

3.03 Annual Inspection. At least once each calendar year during the term of this lease, Lessor shall conduct an inspection of the Premises and improvements in order to insure they are being properly maintained. Upon completion of the inspections, Lessor shall provide written notice of any Repairs and/or Maintenance which Lessor determines must be made to the Premises and improvements. Failure to complete such repairs shall be an event of default and may result in termination of the Lease and Lessee shall be responsible for payment of the sums necessary to make said repairs.

For the purposes of this Agreement, the parties agree that "Repair and Maintenance" shall be defined to be an incidental repair or replacement of a component part that is performed to keep the Premises in an ordinarily efficient operating condition. Repair and Maintenance shall not include Capital Expenditures. "Capital Expenditures" are defined to be permanent improvements or betterments made to increase the value of the Premises or material repairs or replacements that prolong the useful life of the asset that qualify as capital expenditures under IRS laws and regulations. The costs of Capital Expenditures shall be the Lessor's responsibility.

3.04 Compliance With Laws. Lessee, at Lessee's expense, agrees that it will construct, operate and maintain improvements on the Premises in accordance with the terms, conditions and processes contained herein, and in accordance with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, including, but not limited to, those which shall impose any duty upon Lessee, with respect to the use, occupation or alteration of the Premises and any improvements thereon.

Lessee, at Lessee's expense, specifically agrees to make or cause to be made all such alterations to the Premises, and any improvements thereon, including, without limiting the generality of the requirements of this sentence, removing such barriers and providing such alternative services, as shall be required by the Americans with Disabilities Act of 1990, as amended, and any other laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, which relate to the use or occupation of the Premises and any improvements thereon by disabled persons ("Disabilities Laws").

Lessee shall, at Lessee's expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, affecting Lessee's use, operation, occupation or alteration of the Premises including any improvements thereon.

A. Definitions.

(1) "Environmental Laws" means any one or all of the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 Section 9601 et seq,; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300h et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; the Clean Air Act, 42 Section 7401 et seq.; and the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereinafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including sub-strata land.

(2) "Hazardous Material" shall mean all substances, materials and wastes that are, or that become, regulated under or classified as hazardous or toxic under any Environmental Law and all petroleum products, such as gasoline, kerosene, and diesel fuel.

(3) "Release" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping into the environment.

B. Compliance.

(1) Lessor asserts that any use, storage, treatment, or transportation of Hazardous Materials that has occurred in or on the Premises during the Lessor's ownership of the Premises prior to Effective Date of this Lease has been in compliance with all applicable federal, state and local laws, and regulations, and ordinances. Lessor additionally asserts that no release, leak, discharge, disposal, or emission of Hazardous Materials has occurred in, on or under the Premises, and that the Premises are free of Hazardous Materials as of the Effective Date.

(2) Lessee shall not cause or permit any Hazardous Material to be used, generated, manufactured, produced, stored, brought upon, or released, on, under or about the Premises, or transported to and from the Premises, by Lessee, its sublessees, agents, employees, contractors, in violation of any Environmental Law.

(3) Without limiting the foregoing, if Lessee causes or permits the presence of any Hazardous Material on, under or about the Premises or in any improvements thereon which results in any contamination of the Premises or any improvements thereon, Lessee shall promptly take all actions, at its sole cost and expense, as are necessary to return the Premises or any improvements thereon to the condition existing prior to the introduction of any such Hazardous Material to the Premises or in any improvements thereon; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Premises or on any improvements thereon.

(4) Lessee shall, at Lessee's own cost and expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Government") under the Environmental Laws. Should the Government determine that a site characterization, site assessment or cleanup plan be prepared or that a cleanup should be undertaken in any improvements to the Premises made by Lessee, then Lessee shall, at Lessee's own cost and expense, prepare and submit the required plans and financial assurances, and carry out the approved plans. At no cost or expense to Lessor, Lessee shall promptly provide all information requested by Lessor to determine the applicability of the Environmental Laws to the Premises or to respond to any governmental investigation or to respond to any claim of liability by third parties which is related to environmental contamination.

(5) Lessee shall immediately notify Lessor of any of the following: (a) any correspondence or communication from any governmental entity regarding the application of Environmental Laws to the Premises or Lessee's operation on the Premises, and (b) any change in Lessee's operation on the Premises that will change or has the potential to change Lessee's or Lessor's obligations or liabilities under the Environmental Laws.

(6) Lessee shall insert the provisions of this Section 3.03 in any lease agreement or contract by which it grants a right or privilege to any person, firm or corporation under this Lease.

3.05 <u>Lessor's Approval of Plans</u>. Lessor's approval of any plans, specifications and working drawings for Lessee's construction or alterations of improvements shall create no responsibility or liability on the part of Lessor for their completeness, design sufficiency or compliance with all laws, rules and regulations of federal, state, county and municipal authorities. It is specifically understood that the Department is only one of numerous departments of the Lessor and that, in addition to obtaining approval of the Real Estate Coordinator, Lessee shall be required to obtain the approval of other departments as well, such as Engineering, Municipal Services, Building and Planning Services, or the Historic Preservation Officer.

3.06 Landscaping and Maintenance of Improvements. Lessee shall maintain the landscaping on the Premises and keep any improvements on the Premises in a good state of repair and condition. Lessor agrees that attractive, low water usage landscaping is a desirable goal and agrees to consider and approve appropriate low water usage landscaping plans if improvements are made to the current landscaping.

The Lessor shall inspect and provide notice of repairs and maintenance as set forth in Section 3.03 of this Agreement. Lessee's obligation regarding Repair and Maintenance of the landscaping and improvements on the Premises shall not include Capital Expenditures, as such terms are defined in Section 3.03 of this Agreement.

If said Repairs and Maintenance is not undertaken by Lessee within thirty (30) days after receipt of written notice, Lessor shall have the right to enter on the Premises and perform such Repairs and Maintenance, the Cost of which shall be borne by Lessee as Additional Rent.

3.07 Utilities. Lessee shall pay for all costs or charges for utility services furnished to Lessee during the term hereof.

3.08 Trash, Garbage, and Other Refuse. Lessee shall provide a complete and proper arrangement for the adequate sanitary handling and disposal, of all trash, garbage and other refuse caused as a result of its use and occupancy of the Premises. Lessee shall provide and use suitable covered commercial type receptacles for all such garbage, trash and other refuse, and will maintain these receptacles, screened from view of adjoining properties or public streets in an attractive, safe, and sanitary manner. Piling of boxes, cartons, barrels or other similar items, in an unsightly or unsafe manner, on or about the Premises, shall not be permitted.

3.09 Permitted Uses. Lessee will not enter into any activity on the Premises other than those permitted in Paragraph 1.03.

3.10 Signs. All signs on the Premises shall comply with all building codes and other ordinances of the City of El Paso. The size, design and location of all signs shall be subject to approval by the Lessor prior to installation. No outdoor advertising signs, billboards or flashing lighting shall be permitted. Signs on the property shall be limited to those identifying the uses conducted on the Premises and those necessary for informational and directional purposes.

ARTICLE IV - TERM OF LEASEHOLD

4.01 Term. This Lease shall be for a term of three (3) years, commencing on the Occupancy Date, as defined in Section 4.02, and terminate three (3) years from the Occupancy Date, known as the "Initial Term" unless such term is extended pursuant to Section 4.02.

4.02 Extension of Lease Term. Provided that there are no uncured defaults by Lessee with respect to any provision of the Lease, the Lessor and Lessee may extend the term of the Lease for two (2) additional periods of one (1) year each from the expiration of the prior term (individually **"Extended Term"**). Lessee shall provide written notice to the Lessor of such

intention to extend the Lease at least sixty (60) days prior to the expiration date of the Initial Term or the expiring Extended Term, as applicable. The City Manager shall have the authority to extend such term on behalf of Lessor without further approval of the City Council and execute a written instrument on behalf of the Lessor regarding the Lease Extended Term. All provisions of the Lease shall continue in full force and effect for the period of such Extended Term(s).

4.03 Holding Over. It is agreed and understood that any holding over by Lessee of the Premises at the expiration or cancellation of this Lease shall operate and be construed as a tenancy from month to month at a rent payable as calculated in Section 5.01. No receipt or acceptance of expiration or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Lease, or affect any such notice, demand or suit or imply consent for any action for which Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises.

4.04 National Emergency. In the event the rights and privileges hereunder are suspended by reason of war or other national emergency, the term of this Lease shall be extended by the amount of the period of time of such suspension.

4.05 Termination without Cause. Either party may terminate this Lease Agreement at any time, with or without cause, by giving the other party one hundred twenty (120) days written notice to terminate.

ARTICLE V - RENT

5.01 Base Rent. As rent for the Premises, Lessee hereby agrees to pay to Lessor, without deduction, set-off, prior notice or demand, Base Rental of ONE DOLLAR AND NO/100 ($1.00) per year unless there is holdover as defined in paragraph 4.5 as set forth above. The Base Rental for the entire Lease Term shall be paid upon execution of the Lease.

5.02 Value of Leasehold Estate. For purposes of valuing the leasehold estate and the rental value being provided to the Lessee by Lessor to support the public purpose specified by City Council and for calculating rent in the event of holdover, the parties have agreed that the value of the leasehold is $92,500.00 per annum during the Initial Term of the Lease, which was calculated as follows:

City acquisition cost	=	$ 650,000.00
+Build out	=	$1,200,000.00
TOTAL INVESTMENT	=	$1,850,000.00
Amortized over 20 years	=	$ 92,500.00

The amount of usable square footage is 5,394, which results in a cost per square foot of $17.15 during the first year of the Lease. In order to calculate the base rental value of the leasehold in succeeding years, the parties have agreed to make adjustments in accordance with CPI

calculations. Therefore, the value of base rent during holdover period in subsequent years will be calculated and adjusted as set forth in this paragraph.

5.03 Additional Rent. It is the intention of Lessor and Lessee that Lessee receive the Base Rent "net" of all other charges; accordingly, beginning on the Effective Date, Lessee shall pay the Operating Expenses for the Premises as additional rent ("Additional Rent"). The term "Operating Expenses" shall mean any costs and expenses with respect to the ownership of the Premises and for the maintenance and operation of the Premises to keep the Premises in the condition they were on the Rent Commencement Date, including but not limited to: any taxes applicable to Lessee (as provided in Section 3.01(b)); utilities; compliance with laws as set forth in this Agreement; Maintenance and Repair, but not Capital Expenditures (as such terms are defined in Section 3.03 of this Agreement), of all portions of the Premises and all costs and expenses associated therewith including, but not limited to, any permits, amounts paid to contractors and subcontractors for work or services performed for Repair and Maintenance but not Capital Expenditures; deductibles on insurance loss arising from Lessee's use of the Premises ; maintenance or security services and any other charges arising from Lessee's use of the Premises.

5.04 Time of Payment – Additional Rent and Hold Over. Any Additional Rent during the Initial Term, and any Base Rent and Additional Rent due during the Hold Over period as defined in Section 4.03 (together, the "Rent") shall be paid on a month-to-month basis. These Rent payments shall be paid in advance on or before the first day of each and every month during the Hold Over period.

5.05 Unpaid Rent, Fees and Charges. Any installment of rent, fees, or other charges or monies accruing under any provisions of this Lease that are not received by Lessor by the 30th day of the month in which payment is due, shall bear interest in accordance with Chapter 2251 of the Texas Government Code from the date when the same was due according to the terms of this Lease until paid by Lessee.

5.06 Place of Payment. To the extent any payments are due from Lessee to Lessor, any such payments herein shall be paid to Lessor at the following address:

City of El Paso
Department of Financial Services
2 Civic Center Plaza, 7th Floor
El Paso, TX 79901.

ARTICLE VI – INSURANCE AND ALLOCATION OF RISK

6.01 Fire and Other Risks Insurance. Lessor shall throughout the term of this Lease keep or cause to be kept all improvements now or hereafter located upon the Premises insured for the mutual benefit of Lessor and Lessee against loss or damage by fire and against loss or damage by other risks embraced by "extended coverage" and against civil commotions, riots, vandalism and malicious mischief, in an amount equal to the actual replacement cost of such improvements,

including costs of replacing excavations and foundation, but without deduction for depreciation (hereinafter called "Full Insurable Value").

6.02 Liability Insurance. Lessor acknowledges that, because Lessee is an agency of the State of Texas, liability for the tortious conduct of the agents and employees of Lessee or for injuries caused by conditions of tangible state property is provided for solely by the provisions of the Texas Tort Claims Act (Texas Civil Practice and Remedies Code, Chapters 101 and 104). Lessor further acknowledges that State agencies are prohibited, by the General Appropriations Act, from expending any funds appropriated by that Act for purchasing policies of insurance covering claims arising under the Texas Tort Claims Act. Lessee shall therefore have no obligation under this Agreement to purchase policies of insurance, which cover claims arising under the Texas Tort Claims Act.

Lessee acknowledges that, because Lessor is a political subdivision of the State of Texas, liability for the tortious conduct of the agents and employees of Lessor or for injuries caused by conditions of tangible property is provided for solely by the provisions of the Texas Tort Claims Act (Texas Civil Practice and Remedies Code, Chapters 101 and 104).

6.03 Workers Compensation. Lessee is self-funded for Workers' Compensation benefits provided by Article 8309 b VCTS and Texas Labor Code Chapter 501.

6.04 No Indemnification. The parties expressly agree that neither party shall have the right to seek indemnification or contribution from the other party for any losses, costs, expenses, or damages directly or indirectly arising, in whole or part, from this Agreement. Neither party waives any immunity under the Texas Tort Claims Act.

6.05 Risk Allocation. Lessor and Lessee each acknowledge that the provisions of this Lease were negotiated to reflect an informed, voluntary allocation between them of all risks (both known and unknown) associated with the transactions associated with this Lease. The disclaimers and limitations in this Lease are intended to limit the circumstances of liability. The remedy limitations, and the limitations of liability, are separately intended to limit the forms of relief available to the parties.

A. Lessee shall be responsible for all claims, damages, liability and court awards including costs, expenses and attorney's fees incurred as a result of any action or omission of the Lessee or its officers, employees, and agents in connection with the performance of this Lease.

B. Lessor shall be responsible for all claims, damages, liability and court awards including costs, expenses and attorney's fees incurred as a result of any action or omission of the Lessor or its officers, employees, and agents in connection with the performance of this Lease to the extent any such loss is not covered by insurance coverage or surety.

C. Nothing in this Article or any other provision of this Lease shall be construed as a waiver of the notice requirements, defenses, immunities, and limitations the Lessor or Lessee may have under Texas law. The provisions in this Article are solely for the benefit of the parties

to this Lease and are not intended to create or grant any rights, contractually or otherwise, to any third party.

6.06 Waiver of Liability Regarding Lessee's Personal Property. Lessor shall not be responsible for any damage to any personal property placed on the Premises by Lessee, including but not limited to, office equipment, vehicles, inventory, etc.

6.07 Payment and Performance Bonds. In the event Lessor authorizes any construction on the Premises pursuant to Article III above, Lessee, at its own cost and expense, shall cause to be made, executed, and delivered by any contractor or subcontractor to Lessor two (2) separate bonds, as follows:

A. Prior to the date of commencement of any construction, a contract surety bond in a sum equal to the full amount of the construction contract awarded. Said bond shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and shall guarantee Lessor against any losses and liability, damages, expenses, claims and judgments caused by or resulting from any failure of Lessee's contractor to perform completely the work described as herein provided.

B. Prior to the date of commencement of any construction, a payment bond with Lessee's contractor or contractors as principal, in a sum equal to the full amount of the construction contract awarded. Said bond shall guarantee payment of all wages for labor and services engaged and of all bills for materials, supplies, and equipment used in the performance of said construction contract.

In accordance with Article 7.19-1 of the Texas Insurance Code, if a Performance bond is in an amount of excess of ten percent (10%) of the surety's capital and surplus, the Lessor will require, as a condition to accepting the bond(s), a written certification from the surety that the surety has reinsured the portion of the risk that exceeds ten percent (10%) of the surety's capital and surplus with one or more reinsurers who are duly authorized, accredited or trusted to do business in the State of Texas. If any portion of the surety's obligation is reinsured, the amount reinsured may not exceed ten percent (10%) of the reinsurer's capital and surplus.

6.08 Liens. It is expressly acknowledged and understood that Landlord does not consent, and has not by the execution and delivery of this Lease consented, to the imposition of any liens upon the Landlord's interest in the Demised Premises by any party whomsoever. Tenant covenants and agrees that all Improvements at any time constructed upon the Demised Premises will be completed free and clear of all valid liens and claims of contractors, subcontractors, mechanics, laborers and materialmen, and other claimants related to the Improvements.

ARTICLE VII - DESTRUCTION OF IMPROVEMENTS BY FIRE OR OTHER CASUALTY

7.01 Obligations of Lessor. During the term hereof, except as provided in Section 7.03 below, should the improvements on the Premises be damaged or destroyed in whole or in part by fire or other casualty, Lessor, at its sole option, shall repair, replace and rebuild the same, at least to the same extent as the value and as nearly as practical to the character of the buildings and improvements existing immediately prior to such time. Such repairs, replacements or rebuilding shall be made by Lessor as aforesaid.

7.02 Insurance Proceeds. Upon receipt by Lessor of the proceeds of the insurance policy or policies, Lessor shall deposit same in a separate account to pay for the cost of such repair, replacement or rebuilding. Such proceeds shall be disbursed by Lessor during construction to pay the cost of such work. If the amount of such insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements, Lessor shall pay any additional sums required if Lessor opts to repair, replace or rebuild such improvements, and if the amount of such insurance proceeds is in excess of the costs thereof, the amount of such excess shall be retained by Lessor.

7.03 Cancellation of Lease. Should the improvements on the Premises be damaged or destroyed in whole or in part by fire or other casualty during the Initial Term or any Extended Term of this Lease, Lessor shall have the right to be relieved of the obligation to repair, replace and rebuild the same and either party shall have the right to cancel this Lease by giving the other party written notice of such election within thirty (30) days after the date of any such damage or destruction. In such event, this Lease shall terminate as of the date of such destruction and the insurance proceeds received or receivable under any policy of insurance shall be paid to and retained by Lessor, unless Lessor has elected to have the Premises returned to it clear of all improvements in accordance with Section 10.05 herein below, in which case Lessee shall be entitled to such insurance proceeds. All rents payable under this Lease shall be prorated and paid to the date of such cancellation or termination.

ARTICLE VIII – CONDEMNATION

8.01 Definitions. The following definitions apply in construing the provisions of this Lease relating to the taking of or damage to all or any part of the Premises, or improvements thereon, or any interest in them by eminent domain or condemnation:

A. "Taking" means the taking or damaging, including severance damage by eminent domain or by condemnation for any public or quasi-public use under any statute. The transfer of title may be either a transfer resulting from the recording of a final order in condemnation or a voluntary transfer or conveyance to the condemning agency or entity under threat of condemnation and avoidance proceedings are pending. The taking shall be considered to take place the date actual physical possession is taken by the condemning authority.

B. "Total taking" means the taking of the fee title to all of the Premises and improvements thereon.

C. "Substantial taking" means the taking of so much of the Premises or improvements or both that one or more of the following conditions results:

1. The remaining portion of the Premises and improvements thereon after such taking would not be economically and feasibly useable by Lessee;

2. The conduct of Lessee's business on the Premises would be substantially prevented or impaired;

3. The portion of the Premises not so taken cannot be so repaired or reconstructed, taking into consideration the amount of the award available for repair or reconstruction, as to constitute a complete rentable structure capable of producing a proportionately fair and reasonable net annual income after payment of all operation expenses including the rent and after performance of all covenants and conditions required of Lessee under this Lease.

D. "Partial taking" means the taking of a fee title that is not either a total or substantial taking.

E. "Improvements" includes, but is not limited to, all buildings, structures, fixtures, fences, utility installations, parking facilities and landscaping on the Premises.

F. "Notice of intended taking" means any notice or notification on which a reasonably prudent person would rely and which such person would interpret as expressing an existing intention of Taking as distinguished by a mere preliminary inquiry or proposal. It includes, but is not limited to, the service of a condemnation summons and complaint on a party to this Lease. The notice is considered to have been received when a party to this Lease receives from the condemning agency or entity a notice of intent to take in writing containing a description or map reasonably defining the extent of the Taking.

G. "Award" means compensation paid for the Taking, whether pursuant to judgment, or by agreement, or otherwise.

H. "Date of Taking" means the date that Lessee is required to vacate the Premises pursuant to a final order of condemnation or agreement between the parties hereto.

8.02 **Notice of Condemnation.** The party receiving any notice of the kind specified below shall promptly give the other party notice of the receipt, contents and date of the notice received:

A. Notice of intended Taking;

B. Service of any legal process relating to condemnation of the Premises or improvements; or

C. Notice in connection with any proceedings or negotiations with respect to such a condemnation.

8.03 Rights of Parties During Condemnation Proceeding. Lessor and Lessee shall each have the right to represent its respective interest in each proceeding or negotiation with respect to a Taking or intended Taking and to make full proof of its claims. No agreement, settlement, sale or transfer to or with the condemning authorities shall be made without the consent of all parties. Each party agrees to execute and deliver to any other party hereto any instrument that may be required to facilitate the provisions of this Lease relating to the condemnation.

8.04 Taking of Leasehold. Upon a Total Taking, Lessee's obligation to pay any amount to Lessor hereunder shall terminate on the Date of Taking, but Lessee's interest in the leasehold shall continue until the Taking is completed by deed, contract or final order of condemnation. If the Taking is substantial under the aforementioned definition, Lessee may, by notice to Lessor within ninety (90) days after Lessee receives Notice of the intended Taking, elect to treat the Taking as a Total Taking. If Lessee does not so notify Lessor, the Taking shall be deemed a partial Taking. Upon a partial Taking, this Lease shall remain in full force and effect covering the balance of the Premises not so taken, except that the Rent payable hereunder by Lessee shall be reduced in the same ratio as the percentage of the area of the Premises taken bears to the total area of the Premises.

8.05 Total Taking. All of Lessee's obligations under the Lease shall terminate as of the Date of Taking. Upon a Total Taking, all sums awarded for any Lessee-owned improvements and the leasehold estate shall be disbursed to Lessee. All sums awarded for the Premises, as unencumbered by any Lessee-owned improvements, but subject to the Lease, shall be disbursed to Lessor.

8.06 Partial Taking. Upon a Partial Taking, all Awards shall be disbursed as follows:

A. To the cost of restoring the improvements on the Premises; and

B. The balance, if any, to Lessor and Lessee as follows: Lessee shall receive all sums awarded for Lessee-owned improvements and the Leasehold estate. Lessor shall receive all sums awarded for the Premises, as unencumbered by the Lessee-owned improvements but subject to the Lease.

8.07 Obligations of Lessee Under Partial Taking. Promptly after any such Partial Taking, Lessee, at its expense, shall repair, alter, modify or reconstruct the improvements on the Premises so as to make them reasonably suitable for Lessee's continued occupancy for the uses and purposes for which the Premises are leased. Notwithstanding the foregoing to the contrary, should there be a Partial Taking in the last year of the initial term or any renewal term, Lessee shall be relieved of the responsibility to so repair or reconstruct the improvements on Premises as

aforesaid by notifying Lessor of its intention to that effect; provided however, that all sums awarded for Lessee owned improvements shall be disbursed to Lessee.

8.08 Taking of Temporary Use of Premises and Improvements. Upon any Taking of the temporary use of all or any part or parts of the Premises or improvements, or both, for a period of ending on or before the expiration date of the term, neither the term nor the rent shall be reduced or affected in any way and Lessee shall be entitled to any award for the use or estate taken. If a result of the Taking is to necessitate expenditures for changes, repairs, alterations, modifications or reconstruction of the improvements to make them reasonably suitable for Lessee's continued occupancy for the uses and purposes for which the Premises are leased, after the termination of such Taking, Lessee shall receive, hold and disburse the Award in trust for such work. At the completion of the work and the discharge of the Premises and improvements from all liens or claims arising therefrom, Lessee shall be entitled to any surplus.

If any such Taking is for a period extending beyond the expiration date of the term, the Taking shall be treated under the foregoing provisions for total, substantial and Partial Takings.

ARTICLE IX – ENCUMBRANCES

9.01 Encumbrance. Lessee may not encumber its leasehold estate and its interest in the improvements constructed and to be constructed on the Premises.

ARTICLE X - EXPIRATION, CANCELLATION, ASSIGNMENT AND TRANSFER

10.01 Expiration. This Lease shall expire on January 2, 2016, unless as extended pursuant to paragraph 4.02 above.

10.02 Cancellation. Subject to the provisions of Article IX above, this Lease shall be subject to cancellation by Lessor in the event Lessee shall:

A. Fail to maintain the Premises and any improvements for a period of thirty (30) days after Lessor has notified Lessee that repairs are needed;

C. Fail to use the Premises for the purpose identified in paragraph 1.03;

D. Be in arrears in the payment of the whole or any part of the amounts agreed upon hereunder for a period of thirty (30) days after Lessor has notified Lessee in writing that payment was not received when due.

E. File in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of Lessee's property;

F. Make any general assignment for the benefit of creditors;

G. Abandon the Premises;

H. Be in violation of any local, state, or federal rules and/or regulations or in default in the performance of any of the covenants and conditions required herein (except payments) to be kept and performed by Lessee, and such violation or default continues for a period of thirty (30) days after receipt of written notice from Lessor to cure such default, unless during such thirty-day period, Lessee shall commence and thereafter diligently perform such action as may be reasonably necessary to cure such default;

I. Be adjudged bankrupt in involuntary bankruptcy proceedings; or

J. Be made a party to any receivership proceeding in which a receiver is appointed for the property or affairs of Lessee where such receivership is not vacated within sixty (60) days after the appointment of such receiver.

In any of the aforesaid events, Lessor may take immediate possession of the Premises including any and all improvements thereon and remove Lessee's effects, forcibly if necessary, without being deemed guilty of trespassing.

Failure of Lessor to declare this Lease canceled upon the default of Lessee for any of the reasons set out shall not operate to bar or destroy the right of Lessor to cancel this Lease by reason of any subsequent violation of the terms of this Lease.

No receipt or acceptance of money by Lessor from Lessee after the expiration or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue, or extend the terms of this Lease, or affect any such notice, demand or suit or imply consent for any action for which Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises.

In the event either party shall fail to keep and perform or shall materially violate the terms, covenants and conditions of this Agreement, and the defaulting party shall not have cured or corrected such violation or is not diligently taking action to cure or correct such violations within thirty (30) days after written notice thereof shall have been received by the defaulting party from non-defaulting party, the defaulting party shall be considered to be in default hereunder. Upon the occurrence of any one or more event(s) of default by the defaulting party, the non-defaulting partyshall have the right to terminate this Lease by giving the defaulting party immediate written notice of the non-defaulting party's intention to terminate.

Funding Contingency. This Lease Contract is made in accordance with the authority delegated by the General Service Commission under Texas Government Code Chapter 2167, and is contingent upon continuation of federally funded programs, availability of funds from the general revenue fund of the State of Texas, or other funding sources to cover the full term and

cost of this Lease. Pursuant to the provisions of this statute, if Federal funds, or funds become unavailable, Lessee shall have the right to terminate this Lease upon written notice to Lessor as set forth in Government Code Section 2167.055.

10.03 Repossessing and Reletting. In the event of default by Lessee hereunder which shall remain uncured after the required notices have been given pursuant to this Lease, and for such time as provided herein, Lessor may at once thereafter, or at any time subsequent during the existence of such breach or default:

A. Enter into and upon the Premises or any part thereof and repossess the same, expelling therefrom Lessee and all personal property of Lessee (which property may be removed and stored at the cost of and for the account of Lessee), using such force as may be necessary; and

B. Either cancel this Lease by notice or without canceling this Lease, relet the Premises or any part thereof upon such terms and conditions as shall appear advisable to Lessor.

10.04 Assignment and Transfer. Lessee may not assign or transfer any part of its interest in this Lease. Any attempt to transfer shall be void and an event of default which may result in immediate termination of the Lease.

10.05 Rights Upon Expiration. At the expiration of this Lease, at the sole option of Lessor the Premises will either be returned to its prior condition, reasonable wear and tear excepted or Lessor will agree to accept the improvements placed on the Premises by Lessee. Lessee will have no liability for damages for reasonable use, ordinary wear and tear, depreciation, or unavoidable casualty.

ARTICLE XI - GENERAL PROVISIONS

11.01 Time is of the Essence. Time is and shall be deemed of the essence in respect to the performance of each provision of this Lease.

11.02 Notices. All notices provided to be given under this Lease shall be given by certified or registered mail, return receipt requested, postage fully prepaid, addressed to the proper party at the following addresses:

LESSOR: City of El Paso
City Manager
2 Civic Center Plaza
El Paso, Texas 79901

Copy to: City of El Paso
City Development Director
2 Civic Center Plaza
El Paso, Texas 79901

LESSEE: Texas Tech University Health Sciences Center
Frank Stout - Associate Academic Dean for Finance & Administration and Assistant Vice President for Fiscal Affairs
5001 El Paso Drive
El Paso, TX 79905

Any notice so given shall be deemed properly delivered, given, served, or received on the date shown for delivery or rejection on the return receipt. Any party may change the address to which notices shall thereafter be given upon five (5) days prior written notice to all other parties in the manner set forth in this Section.

11.04 Agreement Made in Texas. The laws of the State of Texas shall govern the validity, interpretation, performance and enforcement of this Lease. Venue shall be in the courts in El Paso County, Texas.

11.05 Nondiscrimination Covenant. Lessee, for himself, his heirs, personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree as follows:

A. That no person on the grounds of race, creed, color, sex, age, disability or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Premises.

B. That in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, creed, color, sex, age, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination.

C. Lessee shall also comply with the applicable provisions of Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112) and 49 CFR Part 27. D. That, in the event of breach of any of the above nondiscrimination covenants, Lessor shall have the right to terminate this Lease and re-enter and repossess the Premises and the improvements thereon, and hold the same as if said Lease had never been made or issued.

11.06 Cumulative Rights and Remedies. All rights and remedies of Lessor here enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by Lessor of any remedy provided for herein or allowed by law shall not be to the exclusion of any other remedy.

11.07 Interpretation. Lessor and Lessee agree that this Lease has been freely negotiated by both parties and that in any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this Lease or any of its terms or conclusion, there shall be no inference, presumption, or conclusion drawn whatsoever against other party by virtue of that party having drafted this Lease or any portion thereof.

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

11.08 Agreement Made in Writing. This Lease contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors in interest.

11.09 Paragraph Headings. The Table of Contents of this Lease and the captions of the various articles and sections of this Lease are for convenience and ease of reference only, and do not define, limit, augment or describe the scope, context or intent of this Lease or any part or parts of this Lease.

11.10 Severability. If any provision of this Lease is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

11.11 Successors and Assigns. All of the terms, provisions, covenants and conditions of this Lease shall inure to the benefit of and be binding upon Lessor and Lessee and their successors, assigns, legal representatives, heirs, executors and administrators.

11.12 Taxes and Other Charges. The parties do not anticipate any local taxes being assessed on the Premises due to the fact the Premises is owned by a tax-exempt governmental entity and being leased to another tax-exempt governmental entity that is engaged in providing governmental services at the Premises. However, to the extent there are any taxes assessed, the Lessee shall pay all taxes that may be lawfully assessed against the Lessee or Lessor, with respect to Lessee's use and/or occupancy of the Premises during the term of this Lease including any extensions or option periods granted thereto.

The Lessee in good faith may contest any tax; provided that the Lessee may not permit such tax to remain unpaid during the period of such contest and any appeal therefrom.

11.13 Waiver of Warranty of Suitability. Lessor disclaims any warranty of suitability that may arise by operation of law. Lessee leases the Premises as is and Lessor does not warrant that there are no latent defects that are vital to Lessee's use of the Premises for their intended commercial purpose.

11.14 Survival of Certain Provisions. All provisions of this Lease which expressly or impliedly contemplate or require performance after the cessation, expiration, cancellation, or termination of this Lease hereunder shall survive such cessation, expiration or termination of this Lease, including without limitation, Paragraphs 3.03 and 6.05.

11.15 Restrictions and Reservations. This Lease is subject to all rights-of-way, easements, dedications, restrictions, reservations and other encumbrances of record and running with the land. Lessor reserves the right to grant any future rights-of-way, easements, dedications, restrictions, reservations, or encumbrances and Lessee consents to and will diligently execute all documentation necessary to complete any future rights-of-way, easements, dedications, restrictions, reservations, or encumbrances, so long as such grants do not adversely affect Lessee's use of the Premises.

Lessor reserves for itself and any authorized agent to, at any reasonable time and with prior reasonable notice, enter upon and inspect the Premises for all legal purposes, including without limitation the purpose of ascertaining whether the maintenance of such parcel, and the maintenance, construction, or alteration of structures thereon are in compliance with all the Environmental Laws and for the purpose of showing the Premises; Lessor shall not be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

11.16 Authorization To Enter Lease. Lessee warrants to Lessor that Lessee is a duly authorized and existing unit of government and that Lessee is qualified to do business in the State of Texas, that Lessee has full right and authority to enter into this Lease, and that each and every person signing on behalf of Lessee is authorized to do so. Upon Lessor's request, Lessee will provide evidence satisfactory to Lessor confirming these representations.

11.17 Dispute Resolution. The parties agree to non-binding arbitration or to mediation, conducted pursuant to Chapter 154, Alternative Dispute Resolution procedures, Texas Civil Practice and Remedies Code, each party to be responsible for its own costs.

11.18 Effective Date. Regardless of the date signed, this Lease shall be effective January 1, 2013.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of this ___ day of _____, 2012.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

CITY CLERK DEPT.
2012 DEC 17 AM 8:09

LESSOR:
CITY OF EL PASO

_____
Joyce A. Wilson
City Manager

APPROVED AS TO FORM:

_____
Bertha A. Ontiveros
Senior Assistant City Attorney

APPROVED AS TO CONTENT:

_____
Mathew McElroy, Director
City Development Department

ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this ____ day of _____, 2012, by Joyce A. Wilson as City Manager of the City of El Paso, Texas.

_____
Notary Public, State of Texas
Printed Name: _____

My Commission Expires:
_____

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

LESSEE:
Texas Tech University Health Science Center,
a Texas institution of higher education

_____
Elmo M. Cavin, Executive Vice President

ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this day ____ of _____, 2012, by _____(name), _____ (title), Texas Tech University Health Science Center.

_____
Notary Public, State of Texas
Printed Name: _____

My Commission Expires:
_____

CITY CLERK DEPT.
2012 DEC 17 AM 8:09

EXHIBIT A.

Lots 11 through 17 (inclusive), Block 5, GOLDEN HILL ADDITION, an addition to the City of El Paso, El Paso County, Texas, according to the plat thereof on file in Book 3, Page 35, Plat Records, El Paso Count, Texas, municipally known as 1725 Arizona

CITY CLERK DEPT.
2012 DEC 17 AM 8:09

EXHIBIT B.

One dollar ($1.00) per year . Lessee to be responsible for all repair, maintenance and utilities.