

LEASE AGREEMENT

This Lease Agreement (“**Lease**”) dated the ____ day of _____, 2015 (“**Effective Date**”), is entered into by the Landlord and Tenant identified below (being sometimes referred to herein individually as a “**Party**” or together as the “**Parties**”).

W I T N E S S E T H:

I.

DEFINITIONS

1.1 Definitions. For the purpose of this Lease, the following terms shall have the meaning specified below:

Landlord: **CITY OF BOERNE**
(sometimes referred to herein as the “**City**”)

whose address is:

P.O. Box 1677
402 E. Blanco
Boerne, Texas 78006.
Attn: City Manager

Tenant: **YOUNG MEN’S CHRISTIAN ASSOCIATION
OF GREATER SAN ANTONIO,**
a Texas non-profit corporation
(sometimes referred to herein as the “**YMCA**”)

whose address is:

3233 N. St. Mary’s
San Antonio, Texas 78212
Attn: Ross Magsig

(a) Premises: The tract of land depicted on the drawing attached hereto as **Exhibit “A-1”**, as more particularly described by metes and bounds on **Exhibit “A-2”** attached hereto, together with the Building (defined below) as it now exists, or as it may be revised, enlarged, reduced in size, remodeled, renovated or reconstructed from time to time (with the initially-contemplated configuration and location of the Building being outlined on **Exhibit “A-3”**, with such Exhibit “A-3” to be finally approved by Landlord

and Tenant, initialed, and re-attached hereto prior to the end of the Review Period (defined below)), and together with all parking areas, exterior patios, landscape areas, lighting facilities, sprinkler systems, sidewalks, and any other improvements on the Premises as they exist from time to time.

(b) Building: The existing building located on the Premises (commonly referred to now as the City of Boerne Civic Center (“**Center**”), and located at 820 Adler Road, Boerne, Texas), as the same may be revised, enlarged, reduced in size, remodeled, renovated or reconstructed from time to time.

(c) Joint Use Areas: All ingress, egress and access portions of all adjacent streets belonging to the City, as same may exist from time to time, and all driveways and parking areas, including all motor vehicle parking areas and pedestrian access ways as shown in Exhibit “A-1”, for use to enter upon, park, access and use the Building for, in connection with, and/or pertaining to the Tenant’s activities, programs, and operations and/or otherwise as provided for in this Lease. The City shall have the right, from time to time, to modify the Joint Use Areas provided that they will not be changed in such a way that the YMCA’s operation of the Building is materially adversely impacted. During the course of any construction or maintenance of these areas, the City will take reasonable steps to minimize, to the extent practicable, any negative impact on the operation of the Building.

(d) Rental: The total rental (“**Rent**”) to be charged and received by Landlord from Tenant for the Premises for the entire Term shall be Twenty Five and No/100 Dollars (\$25.00), payable in advance within two (2) business days after Tenant receives Tenant’s Building Permit (as defined in Section 3.2).

(e) Term: Twenty Five (25) Lease Years, as more particularly described in Section 4.1 below.

(f) Lease Year: In the case of the first lease year, the term “**Lease Year**” shall mean the period commencing on the Commencement Date, as is defined in Section 3.2, of the Lease and terminating on the last day of the twelfth (12th) full calendar month thereafter. In the case of the second and all Lease Year(s) after the first Lease Year, the term “Lease Year” shall mean a period of twelve (12) successive calendar months commencing on the day following the last day of the preceding Lease Year.

(g) Notice: Within the sixty (60) day period prior to the beginning of the twentieth (20th) Lease Year, the Parties will notify one another of their respective desire to proceed with one of three options as follows: (a) Lease termination at the end of the 25 year Lease term; (b) extension of the 25 year Lease term by an additional 10 years; or (c) the Landlord will deed the Premises to the YMCA at the end of the Lease term (free and clear of all liens, and subject to review and approval of title to the Premises at the time of title transfer). In the event either Party elects to terminate the Lease at the end of the Lease term under subsection (a) above, the extension and/or deed options under subsections (b) and (c) immediately above shall be null and void and no longer applicable

as options for either Party. The decision to proceed at the end of the Lease term under options (b) and (c) immediately above shall be at the sole discretion of the Landlord.

II.

GRANTING CLAUSE, TERM AND RESERVED RIGHTS

2.1 Granting Clause. Landlord hereby demises and leases to Tenant, and Tenant hereby takes from Landlord, for the consideration and upon the terms and conditions herein set forth, the Premises for the Term specified in Section 1.1(e) above, and commencing on the date fixed by Section 4.1 below.

2.2 Short Form Lease. Within ten (10) days after the Commencement Date, Landlord and Tenant shall execute the "Short Form Lease" attached hereto as **Exhibit "B"**, and such Short Form Lease thereafter shall be filed and made a part of the public records.

2.3 Title and Quiet Enjoyment. Landlord warrants and covenants that it has good and indefeasible title to the Premises in fee simple absolute, free of any agreement, encumbrance or lien that would interfere with Tenant's rights hereunder. Landlord further covenants and warrants that Landlord has full right and authority to enter into this Lease and to grant to Tenant the leasehold estate and all rights purported herein to be granted with respect to the Premises. Landlord further warrants and covenants that Tenant shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances thereto and all of Tenant's other rights under this Lease during the entire Term and during each renewal term as to which Tenant shall have validly exercised a renewal option.

2.4 Full Financial Support. Tenant warrants and covenants the commitment of its good faith efforts and financial resources to the creation of a YMCA health/wellness facility (and related offices) on the Premises (which facility may be created in Phases over the course of the Term).

2.5 Purpose of Tenancy. Tenant is permitted to use the Premises for the following purposes: (i) the phased in construction, reconstruction, maintenance and operation of a full-service YMCA membership-based multi-use health/wellness/fitness facility, including related offices and parking facilities, and with the flexibility to partner with outside sources for programming and management services (collectively the "**YMCA Facility**") (the YMCA will co-brand the YMCA Facility with the City; provided that the YMCA will be allowed to include the name(s) of any donor(s) selected by the YMCA in the name/branding of the YMCA Facility); and (ii) any other ancillary lawful use that is not inconsistent with clause (i). In addition, this Lease is intended to assist in the accomplishment of the following goals:

(a) The management and operation of a YMCA Facility to better meet the recreational, fitness, safety and therapy needs of the growing Boerne community in accordance with all state, federal and local laws, ordinances and regulations.

(b) To ensure that people of all ages and economic levels are provided with the opportunity to enjoy and have access to a broad range of programs and services provided at the YMCA Facility to be operated on the Premises;

(c) To ensure that the operation and maintenance of the Premises is performed in the most cost-effective and efficient manner possible; and

(d) For Landlord and Tenant to cooperate and work together to cross promote programs, avoid duplication of services and maximize the use of the Premises for the purpose of providing recreational, wellness, and educational opportunities, programs and facilities, subject to operational constraints and limitations of the Parties and the Premises.

III.

IMPROVEMENTS

3.1 Initial Delivery. Tenant shall have access to the Premises after the Effective Date hereof for the purpose of conducting studies, tests and examinations of the Premises in accordance with Section 4.3 below.

3.2 Tenant's Improvements. After the expiration of the Review Period (as defined herein), and prior to the Commencement Date, Tenant, at its cost and expense, shall substantially complete the initial phase of leasehold improvements described on the attached **Exhibit "C"** ("**Tenant's Improvements**") (subject to the fees to be paid by Landlord to Tenant as set out below). Following the expiration of the Review Period, and provided that Tenant has not otherwise terminated this Lease, Landlord shall grant Tenant full access to the Premises to complete Tenant's Improvements on the Possession Date (as defined below). Before Tenant begins the construction of any of Tenant's Improvements (or any subsequent phase of construction), Tenant shall present all plans and specifications for Tenant's Improvements, and policies evidencing all required insurance coverages, to Landlord for Landlord's written approval, which shall not be unreasonably withheld, conditioned, or delayed. To the extent that Landlord disapproves any submitted plans and specifications, the parties shall work cooperatively and in good faith to arrive at mutually acceptable plans and specifications. The Landlord's final determination shall be binding on the Tenant. When the plans and specifications have been approved by Landlord and Tenant, Tenant shall diligently work to obtain all permits required from all municipal authorities for Tenant to complete the Tenant Improvements (collectively, "**Tenant's Building Permit**").

3.3 Intentionally Deleted

3.4 Compliance with Laws. Tenant, with respect to any work that Tenant may perform on the Premises, shall conform to and comply with all federal, state and local laws, ordinances, rules and regulations.

3.5 Assignment of Warranties. To the extent assignable, Landlord agrees to assign to Tenant any and all warranties respecting the Premises or any part or component thereof (if any).

To the extent that any such warranties are not assignable, Landlord agrees at Tenant's expense to enforce such warranties in Tenant's favor and for Tenant's benefit.

3.6 Mechanic's Liens. Tenant agrees to pay for all work of Tenant promptly so that the Premises will at all times remain free from all liens for labor and material. Landlord does not consent to Tenant's placing, or allowing to be placed, any liens of any type or character on the Premises, and Tenant shall indemnify and hold Landlord harmless of all costs, charges, fees (including reasonable attorneys' fees), expenses and damages from any liens placed on the Premises as a result of work ordered by and performed for Tenant. If Tenant in good faith disputes the amount of payment for any such work, Tenant shall be permitted to provide a bond or other security reasonably acceptable to Landlord to protect the Premises from any lien resulting from such dispute.

IV.

COMMENCEMENT, RENEWAL, REVIEW PERIOD AND TERMINATION DATE

4.1 Commencement and Termination. The primary term shall commence on the date that Tenant obtains a Certificate of Occupancy from the City of Boerne, Texas ("**Commencement Date**"). The primary term of this Lease shall terminate on the last day of the twenty fifth (25th) Lease Year of the Term. Within ten (10) days after the Commencement Date, Landlord and Tenant agree to confirm the actual Commencement Date in the Short Form Lease required by Section 2.2 above. It is the parties' expectation that construction to renovate/reconstruct the Building on the Premises will be completed and the Certificate of Occupancy will be obtained within **two hundred seventy (270)** days after the commencement of construction, and Tenant shall use commercially reasonable due diligence to complete construction within that time frame, subject to the force majeure provisions set forth herein.

4.2 Review Period. Tenant may, at Tenant's sole option and expense, at any time during the period commencing on the Effective Date and expiring at 5:00 p.m. Central Standard Time on March 1, 2016, or an earlier date agreed to in a writing signed by both parties (the "**Review Period**"), conduct whatever studies, surveys, tests, and examinations of the Premises that Tenant deems appropriate. Before this Lease was signed, Landlord delivered to Tenant copies of the following, if any, regarding the Premises, redacted as Landlord deemed appropriate ("**Landlord's Reports**"): (a) any environmental reports, surveys, plats, title reports, title policies, flood plain reports or other reports or studies relating to the Premises; and (b) any permits, engineering/structural plans, contracts or agreements relating to the ownership or operation of the Premises. During the Review Period and subject to any requirements or limitations stated below, Tenant shall have the right, at its sole cost, to do any of the following, and may enter on to the Premises to do so: (i) obtain an on-the-ground survey of the Premises, prepared by a registered public surveyor; (ii) obtain a commitment for title insurance covering Tenant's leasehold estate; (iii) conduct soil, engineering, environmental and other tests with regard to the Premises; (iv) investigate the availability of utilities, the applicable governmental requirements relating to signage and construction of improvements on the Premises, the availability of necessary permits and licenses relating to signage and construction of any improvements; (v) obtain all governmental approvals required by all regulatory agencies having jurisdiction over Tenant to authorize Tenant to operate its business on the Premises; (vi) secure a

satisfactory financing commitment for Tenant's Improvements; and (vii) determine generally the desirability and utility of the Premises for Tenant's purposes. Tenant may not enter the Premises for the purpose of any invasive testing, without first notifying Landlord and allowing it the opportunity to be present during that testing. Landlord must be present for any invasive testing performed by Tenant unless written authorization to proceed without the Landlord's presence is obtained. Tenant shall have the right, at any time during the Review Period, to terminate this Lease for any reason, or for no reason at all, by delivery of written notice of termination to Landlord, in which event the parties shall have no further rights or obligations to the other hereunder, except that Tenant promptly shall repair all damage to the Premises by Tenant during the Review Period and indemnify and hold Landlord harmless from and against all losses, claims, costs, damages and liabilities arising out of or in connection with any entry upon the Premises by Tenant and its agents, servants, employees and contractors. If Tenant does not deliver written notice to Landlord of its election to terminate this Lease prior to the expiration of the Review Period, then the conditions of this Section 4.2 shall be deemed to have been fully satisfied, and Tenant may not thereafter terminate this Lease pursuant to this Section 4.2. Landlord and Tenant agree that the costs for any environmental study required by Tenant, and the costs for any Survey of the Premises required by Tenant, shall be divided equally between Landlord and Tenant; provided, however, that Landlord's 50 percent of any such costs shall not exceed \$1,500.00.

4.3 Date of Possession. Tenant will take possession of the Premises thirty-one (31) days after the expiration of the Review Period ("**Possession Date**").

V.

RENT, TAXES, FEES

5.1 Rent. Tenant shall pay the lump sum of Rent to Landlord on the date provided in Section 1.1(d) above. Any other obligation to pay any Rent or other fees or charges during the 25-year primary Term hereof is hereby waived by Landlord in consideration of Tenant's obligation and agreement herein to construct the Tenant's Improvements as herein described.

5.2 Taxes. Landlord represents that it is a Texas home rule municipality that is exempt from federal income taxation, margin taxes, or other taxes, and from any and all ad valorem taxes applicable to the Premises ("collectively "Taxes"). Landlord shall be and remain responsible for any Taxes and/or increased tax burdens imposed on Landlord and/or the Premises, whether or not attributable to Tenant's use of the Premises.

5.3 Landlord Payments to the Tenant. In consideration of the mutual promises and agreements set forth in this Lease, the Landlord agrees to pay Tenant the following maintenance fees:

(a) Maintenance Fees for Lease Years 1 through 5: \$50,000 per year for the first five (5) years of the Term of this Lease, the first payment to be paid on the Commencement Date and subsequent payments on each annual anniversary thereafter until the total sum of \$250,000 is paid to Tenant.

(b) Maintenance Fees for Lease Years 6 through 10: \$25,000 per year for years 6 through 10 of the Term of this Lease, be paid at the beginning of the 6th Lease Year and each annual anniversary thereafter until the total sum of \$125,000 is paid to Tenant.

(c) No Further Payments. After the forgoing payments have been paid by Landlord to Tenant, Landlord shall have no further obligation to pay Tenant any further maintenance fees for the remaining term of this Lease, or any extension thereof.

VI.

USE OF PREMISES/OPERATION OF THE YMCA FACILITY

6.1 Permitted Uses. The Premises may be used and occupied for the purpose or purposes specified in Section 2.5, above.

6.2 Restrictions. Tenant shall not conduct within the Premises any fire, auction, lost lease, quitting business or bankruptcy sale, nor shall any sign or advertisement of such be permitted. Tenant shall not permit any objectionable or unpleasant odors or amplifier or signs or devices emitting flashing lights or odors in the Premises, on the roof of or outside the Demised Premises or on the Entire Premises as above defined, or where the same can be heard, seen or smelled from outside the Building.

6.3 Licenses and Permits. Tenant shall procure, at its expense, any permits and licenses required for Tenant's construction activities, and for the transaction of business on the Premises, and otherwise comply with all applicable laws, ordinances and governmental regulations respecting the improvement or use of the Premises. Tenant shall be responsible for all expenses related to any change to the physical condition of the Premises required by any law, ordinance, regulation, or authority, including, without limitation, changes to conditions existing on the Possession Date or resulting from any work performed by Tenant in or to the YMCA Facility after the Commencement Date of this Lease.

6.4 Hazardous Substances. Tenant hereby covenants that Tenant, its agents, employees or contractors shall not store, place or discard Hazardous Substances in, or transport Hazardous Substances from, the Premises other than cleaning supplies or other materials customarily used by Tenant in the course of its operations which may constitute Hazardous Substances which will at all times be stored, discarded or transported in compliance with any applicable laws. Tenant hereby agrees to indemnify and hold Landlord harmless from and against and to reimburse Landlord with respect (which obligation shall survive the termination or expiration of this Lease) to any and all claims, demands, causes of action, loss, damage, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every character, known or unknown, fixed or contingent, asserted against or incurred by Landlord at any time and from time to time by reason of or arising out of any breach of Tenant's obligations described in this Section 6.4.

6.5 As-Is. By taking possession of the Premises after the Review Period, and subject to the other terms and conditions of this Lease, Tenant acknowledges and agrees that: (a) it and

its representatives have had full opportunity to inspect the Premises; (b) it accepts the Premises “AS IS” and “WITH ALL FAULTS;” and (c) Landlord does not make and Tenant does not rely upon any representation or warranty of any kind, expressed or implied, with respect to the condition of the Premises (including habitability or fitness for particular purpose of the Premises). TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LANDLORD HEREBY DISCLAIMS, AND TENANT WAIVES THE BENEFIT OF, ANY AND ALL IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF HABITABILITY AND FITNESS OR SUITABILITY FOR A PARTICULAR PURPOSE.

6.6 Control. The Tenant will have exclusive control of the day-to-day operations of the YMCA Facility, including the establishment of hours of operation (which may change from time to time at the sole discretion of Tenant), and it shall act as the overseer, coordinator and promotor of recreational, fitness, safety and other programs offered by it at the YMCA Facility (which may be altered or cancelled from time to time by the Tenant in its sole discretion), subject to the right of Landlord to inspect the Premises for maintenance purposes or to ensure that the Tenant is properly carrying out its obligations under this Lease.

6.7 Employees. The Tenant will provide all employees it deems reasonably necessary for the professional, efficient and business-like operation of the YMCA Facility, similar to that of other YMCA facilities operated by Tenant in the San Antonio, Texas area, and shall be fully responsible for the hiring and dismissal of all employees.

6.8 Landlord’s Use Rights. With at least ten (10) days prior written notice from Landlord to Tenant in each instance, and subject to scheduling conflicts that may occur from time to time (which must be resolved to the satisfaction of the Tenant), Landlord shall, at no cost or expense to Landlord, be entitled to reserve and use (i) the main gymnasium floor in the YMCA Facility for meetings required by Landlord for five (5) separate 24 hour periods during each Lease Year; and (ii) one small, a minimum size of 32 feet by 36 feet, meeting room in the YMCA Facility for twenty (20) separate 24 hour periods during each Lease Year. Any other Landlord use of the YMCA Facility shall be subject to availability and any other requirements of the Tenant in its sole discretion. The foregoing use rights are non-cumulative, and any use rights not used by Landlord during any Lease Year shall not carry over to a subsequent Lease Year. Notwithstanding the foregoing, in the event the Tenant is unable or unwilling to construct a gymnasium as part of the YMCA Facility, the Tenant will provide the Landlord with alternate off-Premises space for the Landlord’s use intended under clause (i) immediately above.

6.9 Cross Promotion of Fitness and Wellness Programs. The Landlord and Tenant agree to work together to cross promote fitness and wellness programs being conducted by both Parties, and shall attempt to avoid duplication of programs. The Landlord agrees that it will encourage all of its employees to participate in “Healthy Initiative Programs” conducted from time to time at the YMCA Facility. Accordingly, at least sixty (60) days prior to the Commencement Date, the Parties shall meet to discuss the coordination of a programming schedule applicable to the YMCA Facility and other fitness and/or wellness facilities or programs owned or conducted by the Landlord. Such scheduling shall be agreed upon by the Parties and shall be memorialized in a Programming Agreement. Thereafter, the Parties agree to meet on an annual basis to amend the Programming Agreement in order to cross promote the fitness and wellness programs being conducted by each Party as contemplated in this Section 6.9.

Further as the nearby Northside Community Park is developed or re-developed from time to time by the Landlord, the Parties agree to include such facility as part of the overall Programming Agreement contemplated in this Section 6.9.

VII.

MEMBERSHIP RATES AND SERVICE CHARGES.

7.1 Membership Rates. Membership rates and other service/use charges at the YMCA Facility will be determined by the Tenant, and will initially be set by the Tenant as set forth on Exhibit "D". Membership rates and other service/use charges are subject to change from time to time by the Tenant and are typically reviewed and increased no more than once each year. The rates for residents in the City of Boerne shall initially be as set forth on Exhibit "D", but shall not be increased by more than three percent (3%) annually throughout the Term of this Lease. In no event will the City of Boerne rate increase at a percentage greater than the non-City of Boerne rate or will the non-City of Boerne rate be equal to or less than the City of Boerne rate. The Tenant will notify members at least thirty (30) days before any such rate increase goes into effect.

7.2 Initiation Fee Waiver. Boerne residents and employees will receive a YMCA "City Wide" membership at branch-specific initiation rates. Each Boerne employee will receive a waiver of the YMCA membership initiation fee for the YMCA Facility; provided that this waiver of fee will only be made available to any employee 2 times during any twelve (12) month period.

7.3 Financial Assistance. Tenant agrees that any "open door/sliding scale" financial assistance programs that may be made available by Tenant at the Premises generally (as such programs may change from time to time by Tenant in its sole discretion) shall be offered by Tenant at the Premises on an equal basis to all Boerne residents who are in need of financial aid in order to participate in programs offered at the YMCA Facility.

VIII.

MAINTENANCE REPAIR AND ALTERATIONS

8.1 Tenant's Repair and Maintenance Obligations. Tenant shall maintain and keep in good repair at its sole expense (except for damage caused by (i) casualty or condemnation, or (ii) the negligence or misconduct of Landlord, its employees, agents, licensees or contractors) all of the Premises, which Tenant repair and maintenance obligations include without limitation the following:

- (a) The interior of the Premises, including the walls, floors and ceilings;
- (b) All windows and doors and all plate glass, including glass windows and doors, hinges, hardware, and door closures in connection therewith (even though the same shall constitute a part of an outside wall of a building) located in the Premises;

(c) All water, sewer, gas, telephone and electric facilities and equipment located on the Premises and which serve the Building;

(d) Tenant's signs; and

(e) The heating, ventilating and air-conditioning systems located on the Premises and serving the Building; provided that Landlord will assign warranties, if any, received by it from the manufacturers, distributors, or installers of such systems to Tenant.

Landlord, after giving Tenant sixty (60) days' prior written notice on non-compliance with repair obligations, may make all repairs to the Premises made necessary by Tenant's failure to comply with its obligations. Tenant shall reimburse Landlord for all reasonable repairs that Tenant has failed to make and that Landlord has made. Any such sums not paid by Tenant within thirty (30) days after demand shall accrue interest from the date of demand at the rate of ten percent (10%) per annum.

At the expiration of the Term (or any extension thereof), Tenant shall surrender the Premises to Landlord broom clean and in good condition and repair, normal wear and tear and damage caused by (i) casualty or condemnation or (ii) the negligence or misconduct of the Landlord, its employees, agents, licensees or contractors or, which Landlord is required to repair hereunder, excepted.

8.2 Additions and Alterations by Tenant. Tenant shall be entitled to make any alterations, additions or improvements on the Premises and/or the Building as it may desire from time to time, provided that Tenant shall not make any alterations, additions or improvements to the Premises that would affect the exterior or structural integrity of the Building without the prior written consent of Landlord, which consent will not unreasonably be withheld or delayed. On the termination of this Lease, Tenant may remove any and all movable personal property (but none that is attached to floors, walls, or ceilings) located on the Premises. If Tenant fails to remove such items within sixty (60) days after Lease termination or expiration, then thereafter they shall become the property of Landlord. Tenant shall have no obligation to remove any of the alterations, additions or improvements made by Tenant or to restore the Premises to the condition existing before their installation. Any asphalt tile or other floor coverings of similar character that are cemented or otherwise adhesively affixed to the floor of the Premises shall become the property of the Landlord.

IX.

SIGNS

9.1 Building Exterior Signage. Tenant may install a traditional, individually-illuminated channel-cut-letter store-front sign on a raceway on the Building, so long as Landlord has approved the design and size of that sign, which approval Landlord agrees not to unreasonably withhold. Tenant's signage shall at all times comply with all applicable governmental ordinances and regulations. Subject to Landlord's reasonable approval, Tenant shall have the right to change its sign from time to time if Tenant alters its specifications for its

standard signage, so long as that signage at all times complies with all governmental ordinances and regulations.

In addition to the foregoing, Tenant shall be entitled to display other “storefront” signage, so long as the type, color, size, and other characteristics are approved by Landlord, which approval shall not be unreasonably withheld, and so long as the signage does not contain any lewd, obscene, or otherwise inappropriate images or messages. Tenant may from time to time install temporary banners on the exterior wall of the Building, and in other locations throughout the Premises, advertising special promotions or programs being made available by it to the public. Any banner or paper sign installed by Tenant must be removed within thirty (30) days after the date of installation, unless the Landlord’s prior written consent is obtained for a longer display time.

All signage, whether temporary or permanent, must comply with the City Ordinances current at the time sign is installed.

Pylon Sign. Tenant may, at its option and expense, elect to install a pylon sign on the Premises, subject to the reasonable approval and consent of Landlord. All pylon signage, whether temporary or permanent, must comply with the City Ordinances current at the time pylon sign is installed.

X.

UTILITIES

10.1 Tenant’s Obligation to Pay Utilities. After the Possession Date, Tenant shall pay promptly all usage charges and deposits for electricity, water, gas, telephone service, sewage service and other utilities furnished to the Premises.

XI.

INSURANCE

11.1 Tenant’s Insurance. After the Possession Date, Tenant, at its sole expense, shall obtain and maintain in full force a policy or policies of commercial general liability insurance issued by one or more insurance carriers having a rating with BEST’s Insurance Reports of not less than A-/VIII, insuring against liability for injury to or death of persons and loss of or damage to property occurring in and on the Premises. This liability insurance shall be in an amount of not less than \$1,000,000.00 combined single limit for bodily injury and property damage per occurrence with a general aggregate limit of not less than \$2,000,000.00. All such insurance shall be written on an “occurrence” basis with an insurer admitted to do business in Texas. All such insurance shall be written on a form at least as broad as the 1996 edition of the ISO CGL form (CG 00 01), and all such insurance shall name Landlord as an additional insured with respect to all liability arising out of Tenant’s operations on the Premises. The policies shall be endorsed so that they are primary to any other coverage under which Landlord is an insured, and the amount of any deductibles or retentions of all such policies are subject to Landlord’s reasonable approval. Tenant may comply with the limits of coverage required by this Lease by

combining excess or umbrella liability coverages. All policies shall be endorsed so that any and all rights of subrogation as against Landlord with respect to amounts paid under any such policies are waived. Tenant also shall provide adequate Worker's Compensation insurance covering its employees in the Premises in accordance with all applicable laws, which may be provided by a program of self-insurance or non-insurance which provides similar benefits to a commercial policy.

11.2 Landlord's Property Insurance. Beginning on the last day of the Review Period, and continuing throughout the Term of this Lease, Landlord shall maintain in full force a policy or policies of real property insurance and flood insurance covering the Premises, issued by one or more insurance carriers licensed to do business in Texas and having a rating with BEST's Insurance Reports of not less than [A-/VIII], covering all buildings and real property improvements, but not contents, on the Premises to the extent of their full replacement value (as defined in the Landlord's insurance policy (and exclusive of subsurface foundation and excavation cost). Such insurance coverage shall be based on "Special Form" which provides for coverage for damage to the building and real property improvements, but not contents, as a result of fire, lightning, windstorm or hail, explosion, smoke, vehicles or aircraft, riot, riot attending strike or civil commotion, vandalism and malicious mischief, sprinkler leakage, theft, collapse, and coverage for all risks or losses not specifically excluded. Landlord shall review and increase, as necessary, such insurance coverage on not less than an annual basis.

11.3 Proof of Insurance; Cancellation. Landlord and Tenant shall promptly furnish one another with evidence that all policies to be acquired and maintained by either Party hereunder have been acquired, including complete copies of such policies upon request. All policies shall contain clauses providing that they may not be cancelled without thirty (30) days prior written notice to both Parties hereto. Landlord and Tenant shall also, immediately upon such party's receipt of the same, furnish the other party with copies of all notices of insurance cancellation, non-renewal or material change, together with proof that the responsible party has made satisfactory arrangements for the cure of any default resulting in any non-renewal or cancellation notice. If either Party fails to do either of the foregoing with respect to insurance, the other Party shall be entitled to make independent arrangements for insurance coverage, and the responsible Party shall reimburse the other party upon demand for any sums expended by such party in procuring such insurance coverage.

11.4 Waiver of Subrogation. Landlord and Tenant agree (and this Lease shall bind Landlord and Tenant, as well as their respective property insurers) that if the Premises or its improvements or contents are damaged or destroyed by fire or other casualty for which insurance is maintained, or an employee sustains an injury covered by Worker's Compensation insurance (or such damage or injury is of a type for which insurance was required to be maintained under the terms of this Lease), the rights, if any, of either party against the other with respect to such damage, destruction or injury are waived with respect to both losses covered by insurance that is obtained as required under this Lease and losses not covered due to deductibles, coinsurance penalties, insurance carrier insolvency, disputes with the insurance carrier regarding coverage or under-insurance; and that all property coverage policies, other insurance covering such property or its contents and Worker's Compensation insurance shall contain a clause or endorsement providing in substance that the insurance shall not be prejudiced if the insured has waived right of recovery from any person or persons prior to the date and time of loss or damage, if any. The

failure of the parties to obtain such endorsements, however, shall not negate or otherwise adversely affect the waiver of subrogation herein set forth, which waiver in all instances shall be binding upon the parties and their respective insurers.

11.5 Blanket Coverage. Tenant may comply with its insurance obligations hereunder by endorsement to any blanket policy of insurance carried by Tenant.

XII.

DAMAGE TO PREMISES

12.1 Minor Damage. If any part of the Premises are damaged by the elements, by fire, or by other casualty, but are not rendered untenable for Tenant's normal operation in whole or in part, then Landlord, at its own expense, and using insurance proceeds made available to it, shall cause such damage to be promptly repaired. All necessary repairs shall be completed as soon as reasonably practicable after the event of damage or destruction, and Landlord shall use due diligence and commercially reasonable efforts to cause the commencement of those repairs and thereafter shall proceed without undue interruption to the completion of the repair. The Landlord shall not be responsible for the repair and/or replacement of any contents within the Building or not permanently affixed to the Premises.

12.2 Partial Untenability. If any part of the Premises are damaged by the elements, by fire, or by other casualty, and such part of the Premises are rendered untenable for Tenant's normal business operations, but only in part, then Tenant may continue operations in the undamaged portion of the Premises and Landlord, at its own expense, and using insurance proceeds made available to it, shall make arrangements to cause the damage to be promptly repaired. All necessary repairs shall be completed as soon as reasonably practicable after the event of damage or destruction, and Landlord shall use due diligence and commercially reasonable efforts to cause the commencement of those repairs and thereafter shall proceed without undue interruption to the completion of the repair. The Landlord shall not be responsible for the repair and/or replacement of any contents within the Building or not permanently affixed to the Premises.

12.3 Total Untenability. If the Premises are rendered wholly untenable for Tenant's normal business operations by reason of the elements, by fire, or by other casualty damage, Tenant may cease operations on the Premises, and Landlord, promptly at its own expense to the extent of insurance proceeds made available to it, shall cause the damage to be repaired. All necessary repairs shall be completed as soon as reasonably practicable after the event of damage or destruction, and Landlord shall use due diligence and commercially reasonable efforts to cause the commencement of those repairs and thereafter shall proceed without undue interruption to the completion of the repairs. The Landlord shall not be responsible for the repair and/or replacement of any contents within the Building or not permanently affixed to the Premises.

XIII.

INDEMNITY AND NON-LIABILITY

13.1 Tenant's Indemnity. TO THE EXTENT NOT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF, OR A DEFAULT HEREUNDER BY, LANDLORD (OR LANDLORD'S EMPLOYEES, AGENTS, CONTRACTORS OR REPRESENTATIVES), AND SUBJECT TO THE WAIVER OF SUBROGATION PROVISIONS IN SECTION 11.4 HEREOF, TENANT AGREES TO INDEMNIFY AND HOLD LANDLORD HARMLESS FROM ANY AND ALL LIABILITY BY REASON OF BODILY INJURY, OPERATION OF THE YMCA FACILITY WITHIN THE BUILDING OR ON THE PREMISES OR PROPERTY DAMAGE TO LANDLORD OR TO THIRD PERSON OR PERSONS ON OR ABOUT THE PREMISES. TENANT LIKewise AGREES THAT, TO THE EXTENT NOT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD (OR LANDLORD'S EMPLOYEES, AGENTS, CONTRACTORS OR REPRESENTATIVES), LANDLORD SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY LOSS OR DAMAGE TO THE FIXTURES, EQUIPMENT OR PERSONAL PROPERTY OF TENANT, OR OF ANYONE CLAIMING BY, THROUGH OR UNDER TENANT, WHICH LOSS OR DAMAGE OCCURRED BY REASON OF THE BURSTING, STOPPING OR LEAKING OF WATER, GAS, SEWER OR STEAM PIPES, BY VANDALISM OR THEFT, OR BY REASON OF FIRE, EXPLOSION OR OTHERWISE.

13.2 Tenant's Additional Insurance. Tenant shall not, without Landlord's prior written consent, keep anything within the Premises or use the Premises for any purposes that increases the insurance premium cost or invalidates any insurance policy carried on any part of the Premises. If Landlord consents to any such use and occupancy by Tenant, then Tenant shall pay on demand, as additional rent, the additional insurance premiums resulting from such use and occupancy. Landlord hereby acknowledges and stipulates that Tenant's use of the Premises permitted by the terms of this Lease will not increase Landlord's insurance premium cost or invalidate any insurance policy applicable to the Premises.

13.3 Release of Landlord's Liability. Tenant agrees to use and occupy the Premises, at its own risk; and, to the extent not caused by Landlord's breach of its obligations hereunder or the gross negligence or willful misconduct of Landlord or that of its employees, agents, contractors or representatives, Landlord shall have no responsibility or liability for any loss of or damage affecting Tenant, including to fixtures or other personal property of Tenant.

13.4 Injuries Caused by Third Parties. Tenant agrees that, to the extent not caused by Landlord's breach of its obligations hereunder or the gross negligence or willful misconduct of Landlord or that of its employees, agents, contractors or representatives, Landlord shall not be responsible or liable to Tenant, or those claiming by, through or under Tenant, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying premises adjoining to or connecting with the Premises.

XIV.

EMINENT DOMAIN

14.1 Termination by Tenant. If any part of the Premises should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, Tenant shall have the option to terminate

this Lease, exercised by written notice to Landlord within ninety (90) days after written notice to Tenant of such condemnation, effective on the date physical possession is taken by the condemning authority.

14.2 Entitlement to Condemnation Awards. All compensation awarded for any taking (or the proceeds of private sale in lieu thereof), whether for the whole or a part of the Premises, shall be the property of Landlord (with Tenant having the sole and exclusive right to recover all compensation applicable to the improvements made to the Premises by Tenant as part of the Tenant Improvements contemplated hereunder).

XV.

ASSIGNMENT AND SUBLEASING

15.1 Assignment and Subleasing by Tenant. Except for a sublease of part of the Premises to a primary care medical partner (which is hereby approved by Landlord, and Tenant's right to retain any rent or other sums received from any such subtenant is approved by Landlord), Tenant may not assign its interest in this Lease, or sublet all or any portion of the Premises, without the prior written consent of Landlord, which consent will not be unreasonably withheld. In no event shall any merger, consolidation or other corporate reorganization of Tenant be deemed or construed as constituting an assignment or subletting for the purposes of the prohibition initially set forth in this paragraph. Tenant may collaterally assign this Lease to any mortgagee providing financing to Tenant for the construction of the Tenant Improvements.

Notwithstanding the foregoing, in the event Tenant notifies Landlord of its intention to assign this Lease to a third party, and Landlord fails to provide its written consent to such assignment within fifteen (15) days after such notice from Tenant (which consent shall include a full release of Tenant hereunder effective on the date of assignment), Tenant shall thereafter have the right and option to terminate this Lease in its entirety by giving Landlord notice of its election to terminate, whereupon this Lease shall terminate in its entirety thirty (30) days after such written termination notice from Tenant, and thereafter this Lease, and all obligations of the parties hereunder shall terminate and be of no further force or effect.

15.2 Assignment by Landlord. Landlord may not assign its interest in this Lease without the prior written consent of Tenant, which consent will not be unreasonably withheld.

XVI.

DEFAULT BY TENANT

16.1 Events of Default. If any one or more of the following events (herein sometimes called "Events of Default") shall happen:

- (a) If default shall be made in the payment of any monetary obligation payable under this Lease or any part thereof when and as the same shall become due and payable, and such default shall continue for a period of ten (10) days after written notice from Landlord of such default; or

(b) If default shall be made by Tenant in the performance of or compliance with any of the covenants, agreements, terms or conditions contained in this Lease other than those referred to in the foregoing subparagraph (a), and such default shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant (provided, that if Tenant begins promptly and proceeds with due diligence during such thirty (30) day period to cure such default and is unable to cure the same within the said thirty (30) days, the time to do so shall be extended so long as Tenant diligently pursues the completion of such cure); or

(c) If at any time during the Term there shall be filed by Tenant in any court pursuant to any statute, either of the United States or any State, a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee of all or a portion of Tenant's property, or if Tenant makes an appointment for the benefit of creditors or petitions for or enters into an arrangement and Tenant has failed to pay Rent in accordance with this Lease; or

(d) It at any time during the Term there shall be filed against Tenant in any court pursuant to any statute either of the United States or any State, a petition in bankruptcy or insolvency, or for the reorganization, or for appointment of a receiver or trustee of all or a portion of Tenant's property, and if within ninety (90) days after the commencement of any such proceeding against Tenant the same shall not have been dismissed or discharged and Tenant has failed to pay Rent in accordance with this Lease;

then and in any such event Landlord at any time thereafter may give written notice to Tenant specifying that such Event of Default or Events of Default continue(s) to exist and stating that Tenant's right to possession of the Demised Premises shall terminate on the date specified in such notice (hereinafter referred to as "termination"), which shall be at least thirty (30) days after the giving of such notice, and all rights of the Tenant to occupy the Premises thereafter shall terminate.

16.2 Re-entry by Landlord. Upon or at any time after any such termination of Tenant's occupancy rights under this Lease, Landlord may, without further notice, enter upon and re-enter the Demised Premises and possess and repossess itself thereof, and may dispossess Tenant and remove Tenant and all other persons and property from the Demised Premises.

16.3 Injunctive Relief. In the event of any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions contained in this Lease, Landlord shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this Lease.

XVII.

LANDLORD'S DEFAULT

17.1 Tenant's Rights. If Landlord shall default in the performance of any covenant, condition or other provision of this Lease, and such default remains uncured beyond any applicable cure period expressly provided herein, or if no such cure period is provided then

beyond thirty (30) days from and after the date Landlord receives notice of such default (or such longer period as may be reasonably required to cure such default with the exercise of due diligence and best efforts so long as Landlord promptly commences and diligently pursues such cure without interruption) (except in the case of emergency, in which case Tenant shall not be obligated to give Landlord notice and opportunity to cure), Tenant may, at its option cure such default for Landlord at Landlord's expense. Landlord shall reimburse Tenant upon Tenant's demand all costs and expenses incurred by Tenant in curing Landlord's default. All such sums not reimbursed to Tenant within ten (10) days after demand shall accrue interest at ten percent (10%) per annum, and may be offset by Tenant against any payments due from Tenant to Landlord under this Lease.

17.2 Injunctive Relief. In the event of any breach or threatened breach by Landlord of any of the covenants, agreements, terms or conditions contained in this Lease, Tenant shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise.

XVIII.

ESTOPPEL CERTIFICATES/SUBORDINATION

18.1 Estoppel Certificates. If either party should reasonably so request, then the other party hereto shall deliver to the requesting party, from time to time, a statement in recordable form certifying, if true, that the Lease is unmodified and in full force and effect (or if there have been modifications, a statement identifying the modifications and stating that the Lease is in full force and effect as so modified) and further stating the dates to which rent and other charges payable under the Lease have been paid, that the requesting party is not in default of its obligations under the Lease (or otherwise, as the case may be), and such other information as reasonably may be requested by the requesting party and customarily contained in an estoppel letter.

XIX.

RESTRICTIONS

Section Intentionally Deleted

XX.

NOTICES

20.1 Notices. Unless otherwise expressly provided herein, whenever any notice, election, consent, approval, request, permission, etc., is required or permitted hereunder, such shall be in writing and shall be delivered by United States Postal Service, postage prepaid, registered or certified mail, return receipt requested, (or by private commercial courier, so long as a receipt evidencing delivery to the intended recipient is procured) addressed to the parties

hereto at the respective addresses set forth in Section 1.1 above, or at such other addresses as the parties may have theretofore designated by notice. Notice shall be deemed delivered upon the actual date of delivery or refusal of delivery by the party to whom such notice is delivered.

XXI.

MISCELLANEOUS

21.1 Parties Bound. This agreement and all of the terms, provisions and covenants contained herein, shall apply to, be binding upon and inure to the benefit of the Parties hereto, their respective heirs, assigns, successors, executors and administrators, except as otherwise herein expressly provided.

21.2 Attorney's Fees. If any matter relating to this Lease results in the institution of legal proceedings by either party, then the party prevailing in such suit shall be entitled to recover costs of court and reasonable attorney's fees.

21.3 Force Majeure. Except with respect to Landlord's obligation (i) to deliver the Premises on the Possession Date and with respect to Tenant's and/or Landlord's obligation to pay any monetary obligation, whenever a period of time is herein provided for Landlord or Tenant to do or perform any act or thing, Landlord or Tenant shall not be liable or responsible for, and there shall be excluded from the computation of such periods of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, national emergency, acts of the public enemy, governmental restrictions, laws or regulations, or any other cause or causes, whether similar or dissimilar to those enumerated, beyond Landlord's or Tenant's reasonable control.

21.4 Leasing and Financing of Tenant's Personalty. Notwithstanding any provision in this Lease to the contrary, and notwithstanding any statute purporting to grant Landlord any Landlord's liens or similar security interests in Tenant's property, Landlord shall subordinate any rights, interest or claims it may have against Tenant's equipment, fixtures or other personal property, including, without limitation, any statutory or common law landlord's liens or similar interest that Landlord may have from time to time, as provided in the next sentence. Within ten (10) days after Tenant's submittal of a written request to Landlord, Landlord shall execute such subordination instruments as may reasonably be required by any equipment lessor or any party from whom Tenant is seeking financing to be secured by Tenant's inventory, equipment, fixtures or other personalty.

21.5 Advisory Board Appointment. Tenant agrees that during the Term of this Lease, Landlord shall be entitled to have one (1) Landlord representative on the Advisory Board which assists Tenant in connection with programs and operations of the Premise, such appointee to be subject to the Tenant's reasonable approval.

21.6 Obligation to Refrain from Discrimination. The Tenant covenants by and for itself and any successors in interest that there shall be no discrimination against any person or group of persons on account of age, race, creed, religion, sex, marital status, national origin, political affiliation, physical handicap, or any other legally protected status in the use, occupancy, tenure, or enjoyment of the Premises.

21.7 Venue. This Lease shall be construed in accordance with Texas law. Venue for any legal action arising hereunder shall be in Kendall County, Texas.

21.8 Landlord's Consent. Whenever reference is made in this Lease to any matter requiring the consent or approval of Landlord, unless otherwise expressly provided, may be given or withheld in Landlord's reasonable discretion.

21.10 Disclaimer of Partnership or Joint Undertaking. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any of the acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than that of Landlord and Tenant.

21.11 Holding Over. Any holding over after the expiration of the term hereof, with the consent of the Landlord, shall be construed to be a tenancy from month to month at the same Rent amount as otherwise set forth herein, and shall otherwise be on the terms and conditions herein specified, so far as applicable. Any holdover by Tenant shall not constitute a renewal of this Lease.

21.12 Broker's Fee. Each party warrants to the other that it has had no dealing with any broker or agent in connection with the negotiation or the execution of this Lease. If any broker or agent shall make a claim for any commission or fee, then the party whose acts gave rise to the claim shall be responsible therefor and hereby agrees to indemnify and hold the other harmless from such claim for commission or fees.

21.13 Waivers. Except as otherwise expressly provided in this Lease, the failure of either party to this Lease to respond immediately to the non-performance by the other party of any obligation of such other party under this Lease shall not constitute a waiver of any right or remedy by the party to whom performance was due. With respect to a waiver of a right or remedy by either party to this Lease, one or more waivers of any covenant, term or condition of this Lease shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waiver or render unnecessary consent to or approval of any subsequent similar act.

21.14 Captions; Gender. The captions employed in this Lease are for convenience only and are not intended to in any way limit or amplify the terms and provisions of this Lease. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender wherever the context requires. This Lease shall not be construed against either party by reason of authority or origin of language.

21.15 Entire Agreement. This Lease contains the entire agreement between the parties and no agreement shall be effective to change, modify or terminate this Lease in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought.

21.16 Partial Invalidity. In case one or more of the provisions contained in this Lease are deemed to be invalid, illegal or unenforceable in any respect, that provision shall be deemed null and void and shall not affect any other provision hereunder.

21.17 Cooperation. Landlord agrees to cooperate in good faith with Tenant in facilitating Tenant's completion of the Tenant Improvements.

21.18 Force Majeure. If the performance of any obligation under this Lease is delayed by war; civil commotion; act of God; fire or other casualty; or any other circumstance beyond the control of the Party obligated to perform, each Party so delayed is excused from performance during the delay period.

INDEX TO EXHIBITS

EXHIBIT “A-1” Plot Plan of the Premises

EXHIBIT “A-2” Metes and Bounds of the Premises

EXHIBIT “A-3” Initial Building Configuration

EXHIBIT “B” Short Form (Recordable) Lease

EXHIBIT “C” Tenant Improvements

EXHIBIT “D” Initial Membership Rates

(Signatures Appear on the Following Page)

EXECUTED to be effective as of the Effective Date.

LANDLORD:

CITY OF BOERNE

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER SAN ANTONIO,
a Texas non-profit corporation

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A-1"

Plot Plan-Premises



EXHIBIT "A-2"

Metes and Bounds-Premises

0119978 Vol 527 Pg 374

Field notes for a survey of 4.481 acres of land, more or less, being part of Lot No. 52 in the Cheevers Subdivision of the M.I. Leal Survey No. 180, Abstract No. 298 (recorded in Vol. 2, p. 391, Kendall County Deed Records) in Kendall County, Texas, and also being part of the same tract of land conveyed by Johnny E. Taylor & wife, Diane D. Taylor, and Charles A. Taylor, joined pro forma by his wife, Sue Benson Taylor, to L.S. Reed (recorded in Vol. 141, p. 1020, Kendall County Deed Records); said 4.481 acres of land, more or less, being more particularly described as follows:

BEGINNING at an iron pin at the northeast right-of-way line intersection of Plant Avenue and Adler Street for the southwest corner of this tract and of the above referenced L.S. Reed tract.

Thence along the east right-of-way line of Plant Avenue,
North 00° 22' East, 401.95 feet to an iron pin, and
North 00° 35' East, 77.85 feet to an iron pin for the northwest corner of this tract.

Thence South 89° 55' East, 405.9 feet to an iron pin for the northeast corner of this tract, and
South 00° 13' West, 479.80 feet to an iron pin on the north right-of-way line of Adler Street for the southeast corner of this tract.

Thence North 89° 55' West, along said right-of-way line, 407.45 feet to the PLACE OF BEGINNING.

Survey by Thomas C. Pfeiffer, R.P.S.
May 6, 1982 & February 4, 1983
Job No. E-35

EXHIBIT "A"

RECORDER'S MEMO: LEGIBILITY OF
WRITING, TYPING OR PRINTING
UNSATISFACTORY
IN THIS DOCUMENT WHEN RECEIVED

Initial Building Configuration

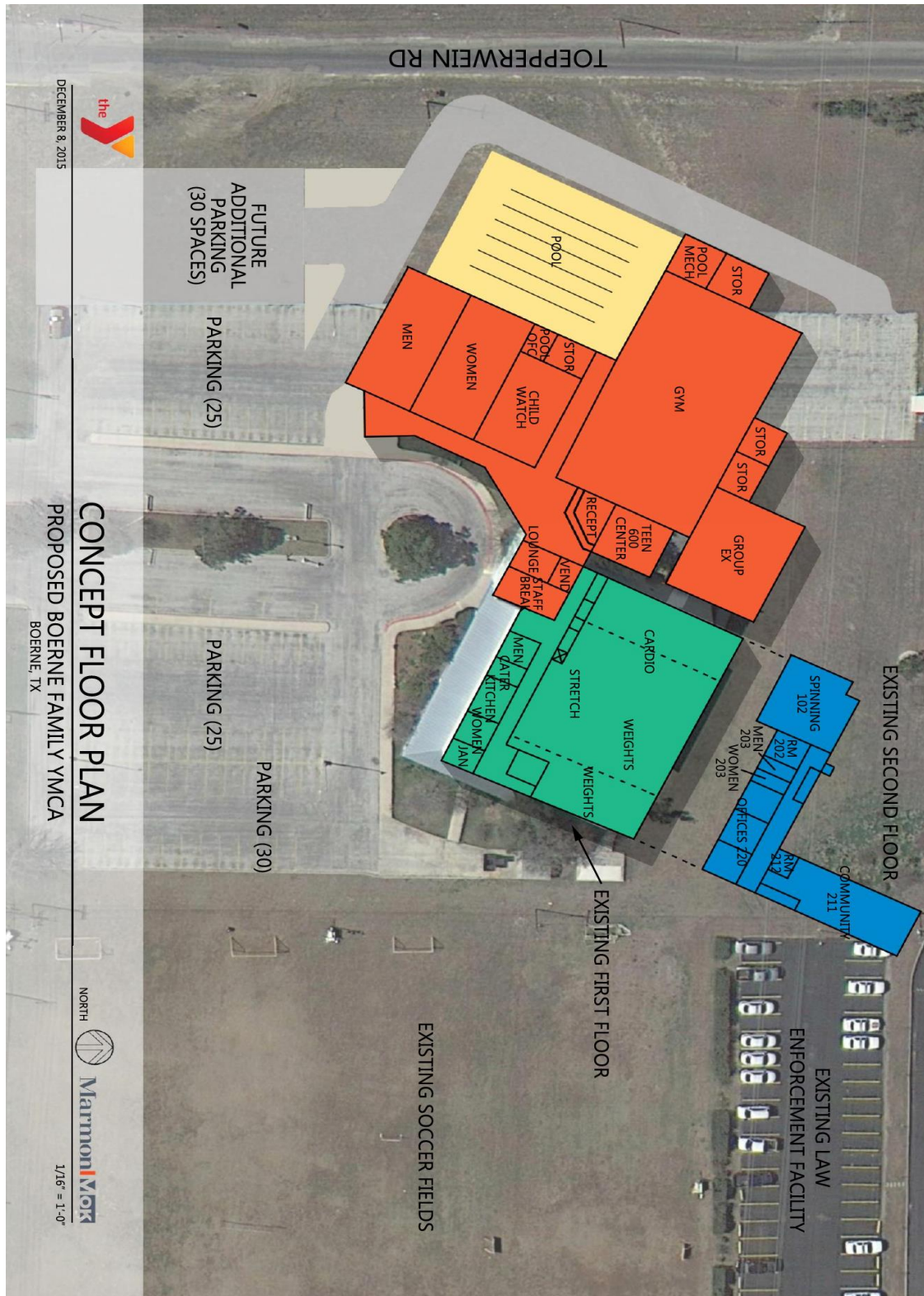


EXHIBIT "B"

MEMORANDUM OF LEASE AGREEMENT

THE STATE OF TEXAS

§

§ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF KENDALL

§

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into on this ____ day of _____, 20____, by and between CITY OF BOERNE, a home rule municipality ("Landlord") and YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER SAN ANTONIO, a Texas non-profit corporation ("Tenant") on the terms and conditions set forth below.

For good and valuable consideration exchanged by Landlord and Tenant, the receipt and sufficiency of which is hereby acknowledged by them, Landlord and Tenant agree as follows:

1. Premises. Landlord demises unto Tenant and Tenant leases from Landlord, on the terms and conditions set forth in this Lease, the following described premises, located at 820 Adler Road, Boerne, Texas 78006 (being more particularly identified by metes and bounds in **Schedule 1** attached hereto), referred to as the "Premises".

2. Term. The term of this Lease shall begin on the Commencement Date, as described in Section 4.1 of the Lease Agreement hereinafter described, and shall end, unless sooner terminated as provided in such Lease Agreement, at midnight on the last day of the twenty fifth (25th) Lease Year of the Term. Tenant shall have the option to extend the term of the Lease as stipulated therein.

3. Conveyance of Premises. Pursuant to the terms and conditions of the Lease, the Landlord may be obligated to convey the Premises to the Tenant at the end of the Term of the Lease pursuant to Special Warranty Deed.

4. Additional Provisions. The entirety of the Lease Agreement referred to in the preceding paragraphs has been incorporated herein by reference, and all of the terms thereof shall apply to and be binding upon Landlord and Tenant in connection with the Lease. To the extent that a conflict may exist between the terms and conditions of this instrument and those contained in the aforesaid Lease Agreement, the terms contained in said Lease Agreement shall govern and control.

EXECUTED as of the date first above written.

LANDLORD:

CITY OF BOERNE

By: _____
Name: _____
Title: _____

TENANT:

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER SAN ANTONIO,
a Texas non-profit corporation

By: _____
Name: _____
Title: _____

THE STATE OF _____ §
COUNTY OF _____ §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and who, being by me first duly sworn, declared that he was the _____ of _____, a _____ corporation, and that he executed said instrument as the act and deed of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, sworn to before me this _____ day of _____, 20__.

NOTARY PUBLIC IN AND FOR
THE STATE OF _____

My Commission Expires:

PRINTED NAME OF NOTARY PUBLIC

THE STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and who, being by me first duly sworn, declared that he was the _____ of _____, a _____ corporation, and that he executed said instrument as the act and deed of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, sworn to before me this _____ day of _____, 20__.

NOTARY PUBLIC IN AND FOR
THE STATE OF _____

My Commission Expires:

PRINTED NAME OF NOTARY PUBLIC

SCHEDULE 1 to Memorandum of Lease Agreement

[Description of Premises]

EXHIBIT “C”

Tenant Improvements

(To Be Attached Prior to the Expiration of the Review Period)

EXHIBIT "D"

Initial Membership Rates

YMCA of Greater San Antonio

2016 Monthly Membership Rates

Category	City of Boerne Residents	City of Boerne Employees	Non-Residents
Adult	\$50	\$50	\$57
Family I	\$78	\$78	\$85
Family II	\$91	\$91	\$98
Senior	\$48	\$48	\$55
Student	\$39	\$39	\$46

Join Fee (Initiation Fee)

City of Boerne Residents	City of Boerne Employees	Non-Residents
\$0*	\$0**	\$59

* The Y will waive the initial join fee 1 time per year for all City of Boerne Residents. Should the member cancel their membership and later return to the Y, the regular joining fee of \$59 would apply.

** Under our corporate/group membership arrangement, the Y will waive the initial join fee without limitation for all City of Boerne Employees.

