August 20, 2021

Paula Owen, President
Southwest School of Art
300 Augusta Street
San Antonio, TX 78205

Re: Letter of Intent (“LOI”) between the University of Texas San Antonio (“UTSA”) and the Southwest School of Art (“SSA”)

Dear Paula:

On behalf of the UTSA administration and faculty, I am extremely pleased to transmit this executed Letter of Intent that expresses our mutual aspirations to expand and ensure the long-term continuity of arts education in San Antonio.

As you know, the vision for this relationship is built upon the strengths of our two institutions of higher education. As a result of this relationship, UTSA and SSA would be partnering and collaborating around shared values, dedicated to expanding opportunities for current and prospective art students, and collectively recognizing the societal need for creative problem solvers with multiple skills who readily adapt to the velocity of change in the 21st century.

Offering an arts curriculum that includes both traditional and contemporary history, methods, materials, and concepts would expand offerings, which could attract undergraduate and graduate students from a broad geographical area to the downtown campus nestled around the historic buildings and gardens of the former Ursuline Convent and Academy and reaching into the surrounding blocks. The transaction envisioned in the LOI is exciting insofar that UTSA will now have the opportunity to build upon the long tradition of community engagement pioneered by SSA, including studio programs for the community that serve 4000 children, teens, adults, and seniors (including many artists) on campus annually and another 5000 primarily low-income children in schools and social service agencies through classes, exhibitions, lectures, special projects, and events for the entire San Antonio community.

Without question, this strategic relationship could benefit students and faculty as well as other stakeholders, the City of San Antonio, the region, and the state of Texas in a variety of ways, most notably by using resources efficiently, by generating cross-disciplinary and cross-cultural exchange, and by positioning a combined school among those schools with acclaimed identities and achievements.

The LOI contemplates our institutions endeavoring to negotiate formal accreditation and future legal agreements that, if approved, could enable UTSA to close a transaction with the Southwest School of Art in July 2022, hypothetically enabling UTSA to commence its academic instruction at the SSA Campus for the Fall 2022 semester.
We sincerely hope that current SSA students will continue their arts education, and if a transaction proceeds smoothly, I would hope to welcome them as new Roadrunners for Fall 2022. UTSA is taking steps now that assume success so that we could facilitate student transfers and increase recruitment for expanded arts degree programs. Similarly, to ensure continuity of operations and instruction at the SSA Campus should a transaction materialize, UTSA will hire the budgeted SSA staff and art faculty members, subject to our assessment of ongoing need, as well as our governing rules and procedures. The terms of any such employment would obviously vary, depending on said rules and procedures.

While SSA would dissolve following a potential transaction, we should not view this as an end, but as a renewed beginning. UTSA understands that continuity of the SSA “brand” in some significant and sustained fashion is important to arts education, philanthropy, and the San Antonio community, broadly. As such, UTSA wishes to utilize SSA’s name and “brand” with respect to its visual fine arts programs in a meaningful way, and would initiate discussions with the Board of Regents of The University of Texas System so that the legacy of SSA could continue for future generations.

We would work with The University of Texas System (the “UT System”), following the applicable UT System policies, to combine UTSA’s Art and Art History Department with SSA programs to create a new school under UTSA’s College of Liberal and Fine Arts utilizing some aspect of SSA branding to expand UTSA’s work and impact in creative arts, design and media writ large.

We hope that the SSA Board of Directors will help us to fully honor the school’s legacy. UTSA recognizes the long-term contributions to arts education made by the SSA Board of Directors, and I hope that the SSA Board members will continue to be engaged through a formal school Advisory Council I would seek to establish next year in support of UTSA arts programs should the transactions envisioned by the LOI come to pass.

This is an exciting opportunity for both institutions to continue and expand arts education and programs for students and the community. You have my personal commitment toward advancing these goals.

I am very appreciative of your commitment and wisdom in exploring this wonderful opportunity with us. I look forward to our collaborative journey to bring this ambitious plan to fruition.

Sincerely,

Taylor Eighmy
President
August 13, 2021

Strictly Private and Confidential

Southwest School of Art
Attn.: Paula Owen, President
300 Augusta Street
San Antonio, Texas 78205

Re: Transaction Proposal

Dear Ms. Owen:

This Letter of Intent (the “Letter”) is by and between (i) The Board of Regents of the University of Texas System (the “Regents”), on behalf of The University of Texas San Antonio, an institution of higher education and an agency of the State of Texas (“UTSA”), located at One UTSA Circle San Antonio, Texas 78249, and (ii) Southwest School of Art, a Texas nonprofit corporation having its principal place of business at 300 Augusta, San Antonio, Texas 78205 (“SSA”). All references to UTSA also refer to Regents unless otherwise specified. UTSA and SSA are collectively referred to herein as the “Parties” and sometimes individually as a “Party.” This Letter shall be effective as of the date that it is acknowledged and agreed to by SSA (the “Effective Date”).

This Letter relates to the proposed (a) acquisition by UTSA (or a direct or indirect affiliate of UTSA) of the SSA Real Property (as defined below), buildings, leases and related infrastructure of the campus located at 300 Augusta, San Antonio, Texas 78205 and all, or substantially all, of SSA’s other assets, including, but not limited to, its equipment, furnishings and other tangible personal property, as well as its curricula, gifts, endowments, trusts, intangible assets, name, logos and other intellectual property (the foregoing, collectively, the “Assets”), all free and clear of encumbrances other than encumbrances (the “Permitted Encumbrances”) agreed to by UTSA and SSA and specified in one or more definitive agreements to be prepared by UTSA that shall be subject to the mutual approval of the SSA and UTSA (the “Definitive Agreement(s),” which will include (but not be limited to) an Asset Purchase Agreement by and between the Parties or affiliates thereof, the “Purchase Agreement”), and (b) assumption by UTSA of certain limited contractual liabilities of SSA as agreed to by UTSA and SSA and specified in the Definitive Agreement(s) (the “Assumed Liabilities”), all for the Purchase Price defined below (the “Proposed Transaction”).

The Real Property shall include, subject in all respects to the Definitive Agreements, all real property owned by SSA including, without limitation, the parcels set forth in Appendix A (collectively, the “Real Property”).

Through the Definitive Agreements, the Parties seek to (A) ensure the long-term continuity and advancement of visual arts education and degree programs in San Antonio by entrusting the Assets to the stewardship of a trusted community member such as UTSA, and (B) allow UTSA to, in its judgment, expand and enlarge its art degree programs, to benefit San Antonio and students, and to expand the university’s engagement with the entire community through arts programs and events. The Proposed
Transaction would also allow for the continuing preservation and maintenance of the former Ursuline Convent and Academy (the “Ursuline Academy”) buildings and grounds in a manner consistent with applicable historic preservation regulations.

The vision for this Proposed Transaction is built upon the fused strengths of two institutions of higher education. Unified around shared values and committed to expanding opportunities for art students, each institution recognizes the societal need for creative problem solvers with multiple skills who readily adapt to the velocity of change in the 21st Century.

Offering an arts curriculum that includes both traditional and contemporary history, methods, materials, and concepts, and building on the strengths of SSA, UTSA hopes, through expanded offerings, to (i) attract undergraduate and graduate students from a broad geographical area to the downtown campus nestled around the historic buildings and gardens of the former Ursuline Academy and reaching into the surrounding blocks, and (ii) serve the community through exhibitions, lectures, classes, and events.

The impact of this Proposed Transaction could benefit students and faculty, as well as other stakeholders, the City of San Antonio, the region, and the State of Texas in a variety of ways, most notably by using resources efficiently, by generating cross-disciplinary and cross-cultural exchange, and by positioning the resulting school among those with acclaimed identities and achievements.

Because San Antonio is the cultural heart of Texas, the Parties hope for the resulting school to be a catalyst, protector, and voice for its unique attributes while engendering creative ideas, projects, collaborations, and energy.

**OFFER TERMS**

UTSA is pleased to submit this non-binding Letter setting forth our proposed general terms regarding the Proposed Transaction.

- UTSA has engaged Valbridge Property Advisors ("Appraiser") to conduct a valuation of the Assets, and Appraiser has produced a final valuation report for UTSA (the "Report").
- The Parties would agree in the Definitive Agreements that, except for Assumed Liabilities, all of SSA’s current liabilities would be paid at the closing of the Proposed Transaction (the “Closing”) and all SSA indebtedness for borrowed money and long-term liabilities as of the Closing would be paid in full as of the Closing using the proceeds from UTSA’s purchase of the Assets.
- Purchase Price: Each Party would acknowledge and agree in the Definitive Agreements that the Purchase Price is derived from an analysis of SSA’s liabilities (as described above) and the fair market value of the Assets, as reflected in the Report. The Purchase Price would be an amount equal to the aggregate amount of SSA’s liabilities (as reflected in the financial statements provided by SSA as of the date of the execution of the Purchase Agreement, with an adjustment to take place at Closing based on SSA furnishing a “Closing Balance Sheet” at such time, all of which financial statements should be prepared in a manner and on a basis consistent with the audited financial statements previously provided to UTSA for SSA for the period ended July 31, 2020), and such amount together with the Assumed Liabilities would, in no event, exceed the fair market value of the Assets.
- UTSA will meet with the SSA representatives following the Effective Date to discuss the strategy for disclosure of the Proposed Transaction to representatives of the existing tenants of leased space on the campus listed in Appendix B (the “Designated Leases”).
• The Definitive Agreement(s) would specify the SSA contracts that shall be assigned to and assumed by UTSA as of the Closing (the “Assumed Contracts”). The Definitive Agreement(s) would include indemnification terms and conditions agreed to by the Parties, it being understood that UTSA’s indemnification obligations shall be subject to the Constitution and laws of the State of Texas, as applicable. The Parties would determine which of the other existing agreements between SSA and UTSA will be terminated effective as of the Closing.

• The Parties would use Chicago Title or another Title Company designated by UTSA (the “Title Company”) as the title company and closing agent to handle the acquisition of the SSA real estate interests covered by the Definitive Agreements. The Parties would each deliver the documents, items and funds required to be delivered by it to the Title Company pursuant to the applicable Definitive Agreement(s). The Parties would cause the Title Company to issue and deliver to UTSA, in accordance with the applicable Definitive Agreement(s), a Texas Form T-1 title policy in favor of the Regents for the use and benefit of UTSA at Closing in an amount satisfactory to UTSA (the “Title Policy”). UTSA would pay the basic premium for the Title Policy as well as all other costs in excess of the basic premium, including all premiums and other charges for any endorsements or amendments to the Title Policy that UTSA may require. At Closing, (i) no leases (other than the Designated Leases) in which SSA has an interest, and (ii) no liens or security interests attached to any interest of SSA, shall affect the Assets, or the real property on which the Assets are located, which real property shall be described in Exhibit A to a Special Warranty Deed to be drafted by UTSA. The Title Policy would be issued by the Title Company in the promulgated form for a Texas Form T-1: Owner’s Policy of Title Insurance. At or prior to Closing, the Title Company would, pursuant to the applicable Definitive Agreement(s), secure and file the lien releases and UCC releases from all lienholders and secured parties for all encumbrances affecting the Assets, all as SSA’s expense. SSA would cooperate with UTSA and the Title Company to execute any needed affidavits related to debts, liens, and parties in possession including, without limitation, the existence of maintenance agreements, the absence of any outstanding amounts owed for materials or labor furnished in coordination with the Assets, leases, use agreements or license agreements that relate to or otherwise affect the Assets. UTSA would abide by requirements of applicable law relating to historical properties and/or districts in which the Real Property may be located.

• At the sole discretion of UTSA, each of SSA’s budgeted academic and administrative employees who meet UTSA’s needs and hiring criteria will be preferentially considered for employment commencing as of the Closing by UTSA in accordance with UTSA’s standard hiring practices, policies and procedures for similarly situated employees.

• SSA manages various gifts in the form of endowments or other gifts subject to donor restrictions. In addition, SSA is the beneficiary of various grants and third-party trusts.
  o Following the Effective Date, as a matter of due diligence, SSA would promptly disclose to UTSA all such endowments, restricted gifts, grants and third-party gifts (“Existing Gifts”). UTSA would specify in the Purchase Agreement those Existing Gifts it would accept under its policies and applicable statutes. After Closing, SSA would terminate and dissolve, as discussed below, adopting a plan of distribution that includes a plan for the endowments and specific gifts that the Regents and UTSA have agreed to accept. After the Closing, UTSA and SSA would consult with the entities making grants to SSA and trustees of third-party trusts benefitting SSA to determine if such grants and trusts can be made available for the benefit of UTSA.
  o Following the Effective Date, as a matter of due diligence, SSA will promptly disclose to UTSA all gift related or honorific namings of facilities and programs as well as any gift agreements applicable to gift related namings. UTSA would specify in the Purchase Agreement those gift related and honorific namings it would accept under its applicable.
policies and applicable statutes. The Parties acknowledge and understand that UTSA may change any namings it accepts if the naming is later determined by the Board of Regents of the University of Texas System to be contrary to the mission of the University of Texas System or UTSA.

- The Purchase Agreement would require, upon approval of the Proposed Transaction by the Regents and subject to applicable law, (i) UTSA to commence taking necessary steps to comply with the “Policy Statement for Substantive Change for SACSCOC Accredited Institutions” promulgated by the Southern Association of Colleges and Schools Commission on Colleges (as it relates to the Proposed Transaction) and (ii) UTSA to seek approval to update its accreditation reflective of inclusion of SSA as an off-campus instructional site (“OCIS”) with all necessary agencies. Additionally, upon approval of the Proposed Transaction, SSA would take action to extend its Certificate of Authority with the Texas Higher Education Coordinating Board (set to expire January 2022, the “Certificate of Authority”) through no earlier than Closing of the Proposed Transaction. The Definitive Agreements would reflect that, in the event the Certificate of Authority is not extended beyond its current expiration date, the Parties would follow the processes set forth within the Teach-Out Agreement between UTSA and SSA, dated July 19, 2021.

- As soon as commercially reasonable and practicable following the Closing, SSA shall be liquidated and dissolved pursuant to the terms of applicable law and the governing documents of SSA and the governing documents of SSA would be amended in connection with the Closing to accommodate any requirements specified in the applicable Definitive Document(s).

- All of the Assets to be transferred pursuant to the Transaction shall be transferred free and clear of all encumbrances and defects in title, other than Permitted Encumbrances.

- The Parties will use reasonable best efforts to execute the Definitive Agreement(s) by December 31, 2021. Such Definitive Agreement(s) shall include, at a minimum, representations, warranties, and covenants typical for a sale of similar assets, including, without limitation, fundamental representations related to sufficiency of assets, solvency, tax matters, title, and authority.

- The Closing would take place as soon as possible after the execution of the Definitive Agreement(s) at the earliest date that all conditions to closing have been satisfied, including, but not limited to, approval of the Regents, execution of employment agreements or offer letters, as applicable, with key personnel, academic certifications from relevant certifying bodies and consent from any regulatory authorities and required third parties.

This Letter reflects the understanding of the Parties regarding the Proposed Transaction and other areas of importance to the Parties but, for the avoidance of doubt, neither this Letter nor its acceptance shall give rise to any legally binding or enforceable obligation on any Party hereto, except with regards to the Binding Provisions (as defined below) included in the “Binding Provisions” section immediately below. No contract or agreement providing for any transaction (including the Proposed Transaction) involving the Assets will be deemed to exist between the Parties and/or any of their respective affiliates unless and until final Definitive Agreements (including but not limited to a Purchase Agreement) has been executed and delivered.
BINDING PROVISIONS

Upon execution of counterparts of this Letter by the Parties, the following numbered and lettered paragraphs (the “Binding Provisions”) will constitute the legally binding and enforceable agreement of the Parties. The Binding Provisions are the only legally binding provisions of this Letter.

1. **Exclusivity.** As an inducement for UTSA to incur expenses and to proceed with arrangements for the Proposed Transaction and as a condition to any further discussions regarding the Proposed Transaction, SSA will, and will cause its members, partners, directors, managers, officers, employees, advisors, financing sources, and agents (collectively, “Representatives”) to, (a) immediately terminate all other discussions and negotiations, direct or indirect and without regard to who initiated such discussions, with any other person or entity (a “Third Party”) or their Representatives regarding any transaction involving any license, lease, sale, acquisition or other transfer, whether by direct license, lease, sale, merger or otherwise, of the Assets, or any sale of all or substantially all of the assets of SSA (a “Competing Transaction”), and (b) for a period commencing on the Effective Date and continuing until the Termination Date (defined below) (the “Exclusivity Period”), not (x) initiate, facilitate, solicit, encourage, or participate in any such discussions or negotiations regarding a Competing Transaction, (y) respond positively to any submissions, proposals, inquiries, or offers from any Third Party relating to or facilitating in any way such discussions or negotiations regarding a Competing Transaction (including, without limitation, by providing information to, or otherwise cooperating in any way with any Third Party), or (z) enter into a Competing Transaction or any agreement or understanding with respect to a Competing Transaction. SSA will, and will cause its Representatives to, negotiate exclusively with UTSA with respect to the Proposed Transaction until the Termination Date. SSA represents and warrants that neither it nor any of its Representatives are restricted by or subject to any other exclusivity agreement. Further, during the Exclusivity Period, SSA will, and will cause its Representatives to, promptly (within 24 hours) notify UTSA if any of them becomes aware of any contact between SSA or its Representatives and any Third Party regarding any offers, proposals, or inquiries related to, or that may be reasonably expected to lead toward, a Competing Transaction.

2. **Confidentiality and Disclosure.** Except for any disclosures to its Representatives on a-need-to-know basis, and to the extent required by law, as such disclosures might be necessitated in a meeting of the Regents or to comply with Section 1 above, neither SSA nor UTSA will, without the prior written consent of such other Party, and each will direct its Representatives not to, disclose or make, directly or indirectly, any public comment, statement, or communication with respect to, or otherwise to disclose or to permit the disclosure of, the existence of discussions regarding, the Proposed Transaction or any of the terms, conditions or other aspects of the Proposed Transaction; provided, however, that the Parties intend a public announcement about the existence and execution of this Letter, the timing and substance of which shall be mutually agreed-upon in good faith and in writing upon the execution hereof. All Confidential Information shared pursuant to this Letter is expressly governed by that certain Mutual Non-Disclosure Agreement between SSA and UTSA entered into as of September 10, 2020 (the “Confidentiality Agreement”).

3. **Conduct of Business.** Unless UTSA otherwise consents, during the period prior to the Termination Date, SSA (a) shall operate its business as currently operated and only in the ordinary course, consistent with past practices, (b) shall not increase the compensation (including bonuses) or benefits of any employee, grant any severance or termination pay or grant any increase of benefits payable under its severance or termination pay policies, and (c) shall use its reasonable best efforts to preserve intact such business and SSA’s relationships with its employees and persons and entities having dealings with it. SSA will obtain
the prior written consent of UTSA in the event that SSA borrows any money, enters into any material contract or amendments of existing agreements or leases, or makes any material capital expenditure other than in the ordinary course of business and consistent with its past practices.

4. **Due Diligence.** From and after the Effective Date, SSA will cooperate with UTSA to enable UTSA and its Representatives to conduct and complete their due diligence review, which will include (but not be limited to) a complete review of the financial, legal, tax, environmental, intellectual property, real property, labor records and agreements of SSA, as well as any other matters as UTSA’s Representatives deem reasonably relevant. Without limitation, SSA shall make every reasonable effort to make available in a secure, electronic data room access to diligence items reasonably requested by UTSA (and/or its Representatives) not more than two (2) days after the date of such request. In addition, from and after the Effective Date and subsequent public announcement of the Proposed Transaction, the Parties will promptly negotiate and execute a “Right of Entry” agreement that permits UTSA and/or its Representatives to conduct, until the Termination Date, physical due diligence of the Assets and SSA’s business operations, books and records. This Right of Entry will also allow UTSA and/or its Representatives and its contractors to enter SSA’s facilities, at reasonable times and with reasonable notice, to conduct due diligence activities. SSA will cause its Representatives to reasonably cooperate with UTSA and its Representatives in connection with such due diligence investigation as well as any other actions related to the Proposed Transaction.

5. **Expenses.** SSA and UTSA will each bear their own expenses in connection with the Proposed Transaction.

6. **Notice.** Until the Termination Date, SSA shall promptly notify UTSA in writing of any material adverse development with respect to SSA or the occurrence of any changes, developments or events that, individually or in the aggregate, (a) have had or could reasonably be expected to have, a material adverse effect on SSA, or (b) have made or could reasonably be expected to make the consummation of the Proposed Transaction impossible or unlikely.

7. **Miscellaneous.**

   a) The Binding Provisions and the Confidentiality Agreement constitute the entire agreement between SSA and UTSA, and supersede all prior oral or written agreements, understandings, representations, and warranties, and courses of conduct and dealing (including, but not limited to, any letters of transmittal or other communications, whether written or oral, delivered contemporaneously with this Letter) between SSA and UTSA regarding the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by SSA and UTSA.

   b) This Letter will be governed by and construed under the laws of the State of Texas without regard to principles of conflicts of law. The Parties hereby irrevocably submit to the exclusive jurisdiction of any federal or state court located within Travis or Bexar Counties in the State of Texas over any dispute arising out of or relating to this Letter or any of the transactions contemplated hereby.

   c) UTSA is an agency of the State of Texas and under the Constitution and laws of the State of Texas possesses certain rights and privileges, is subject to certain limitations and restrictions, and only has such authority as is granted to it under the Constitution and laws
of the State of Texas. Notwithstanding any provision hereof, nothing in this Letter is intended to be, nor will it be construed to be, a waiver of the sovereign immunity of the State of Texas or a prospective waiver or restriction of any of the rights, remedies, claims, and privileges of the State of Texas.

d) This Letter may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Letter, and all of which, when taken together, shall be deemed to constitute one and the same agreement. The exchange of copies of this Letter and of signature pages by electronic transmission shall constitute effective execution and delivery of this Letter as to SSA and UTSA and may be used in lieu of the original Letter for all purposes. Signatures of SSA and UTSA transmitted electronically shall be deemed to be their original signatures for any purpose whatsoever.

e) The terms provided in this Letter reflect the current understanding of SSA and UTSA regarding the matters described herein but do not constitute a complete or definitive statement of, or a legally binding or enforceable agreement or commitment on the part of SSA and UTSA with respect to the matters described herein, nor does or will this Letter impose on SSA and UTSA any duty or obligation to negotiate towards or conclude any such agreement or commitment to consummate the Proposed Transaction. Moreover, no past or future action, course of conduct, or failure to act relating to the Proposed Transaction, or relating to the negotiation of the terms of the Proposed Transaction or any Definitive Agreement for the Proposed Transaction, will give rise to or serve as a basis for any other obligation or other liability on the part of SSA and UTSA.

f) Except as otherwise expressly provided herein, this Letter shall inure to the benefit of and be binding upon the successors and assigns of each of SSA and UTSA whether so expressed or not. No Party may assign this Letter without the prior written consent of the other Party.

g) Following the Effective Date, the Binding Provisions of this Letter shall terminate at the earliest of (i) on December 31, 2021 if the Parties have not executed Definitive Agreements (notwithstanding that execution of the Definitive Agreements and closing of the Proposed Transaction will be contingent upon, inter alia, approval of the Regents) or have not agreed in writing to extend the Termination Date, (ii) at any time by written mutual consent of SSA and UTSA, or (iii) by (x) UTSA upon written notice to SSA at any time, or (y) SSA upon written notice to UTSA at any time after UTSA has breached or violated (in any material respect) any of the Binding Provisions: provided, however, that the termination of the Binding Provisions shall not affect the liability of any Party for breach of any of the Binding Provisions prior to such termination. The date of the termination of the Binding Provisions of this Letter pursuant to this Section 7(g) is referred to herein as the “Termination Date.” Upon termination of the Binding Provisions, the Parties shall have no further obligations hereunder, except as stated in Sections 2, 5, and 7 of the Binding Provisions, which shall survive any such termination. Notwithstanding anything to the contrary in this subsection, it is also understood and agreed that the Binding Provisions shall automatically terminate upon execution of the Definitive Agreements.
Please sign and date this Letter in the spaces provided below to confirm our mutual understandings and agreements as set forth in this Letter and return an executed copy to the undersigned.

Very truly yours,

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
By: [Signature]
Name: Veronica Mendez
Title: Sr. Vice President for Business Affairs

Acknowledged and agreed:

SOUTHWEST SCHOOL OF ART, a Texas Nonprofit corporation
By: [Signature]
Name: Paula Owen
Title: President
Date: 8/18/2021
APPENDIX A

Real Property

Tract 1:

A portion of Lot A-19, NCB 180, in the City of San Antonio, Bexar County, Texas, described as follows:

COMMENCING at the north corner of Lot A-19 also being the intersection of the southeast line of Augusta Street and the southwest line of Navarro Street, as follows: S 47° 59' W, 194.22 ft.; S 33° 27' W, 81.0 ft. to the point of beginning of this tract; THENCE S. 34° 55' 25" E, a distance of 164.11 ft. to an iron pin set for a corner of this tract; THENCE S 0° 19' E, a distance of 21.4 ft. to an iron pin set for a corner of this tract; THENCE S 89° 21' W, a distance of 130.00 ft. to an iron pin set for a corner of this tract; THENCE N 56° 33' W, a distance of 56.8 ft. to an iron pin set at outside edge of concrete wall and the southeast line of Augusta Street for a corner of this tract; THENCE with the southeast line of Augusta Street, N 33° 27' E, a distance of 151.15 ft. to the point of beginning and containing 15,496.32 sq. ft. of land.

Save and Except 2,435.66 square feet of land, more or less, having been conveyed to Carolyn Brown Negley by Deed filed May 29, 1973 and recorded in Volume 7099, Page 649, Deed Records, Bexar County, Texas. Said 2,435.66 square feet of land being a portion of Lot A-19, NCB 180, in the City of San Antonio, Bexar County, Texas, more particularly described by metes and bounds as follows:

Commencing at the north corner of Lot A-19, also being the intersection of the southeast line of Augusta Street and the southwest line of Navarro Street as follows:
S 47° 59' W, 194.22 ft.;
S 33° 27' w, 81.0 ft. to the point of beginning of this tract;

THENCE: S 34° 55' 25" E, a distance of 72.43 ft. to an iron pin set for a corner of this tract;

THENCE: S 89° 21' W, a distance of 81.35 ft. to an "X" set at outside edge of concrete wall and the southeast line of Augusta Street for a corner of this tract;

THENCE: with the southeast line of Augusta Street, N 33° 27' E, a distance of 72.28 ft. to the point of beginning and containing 2,435.66 square feet of land.

Tract 2:

A portion of Lot A-19, NCB 180, in the City of San Antonio, Bexar County, Texas, described as follows:

Commencing at southwest corner of Lot A-19 and the east line of Augusta Street, THENCE with the south line of Lot A-19 and the north line of the San Antonio River as follows:
N 86° 36' E, 34.30 ft.;
S 73° 47' E, 49.74 ft.;
S 82° 55' E, 14.86 ft. to the point of beginning of this tract;

THENCE: N 0° 19' W, a distance of 150.94 ft. to a point for a corner of this tract; THENCE: N 89° 41' E, a distance of 49.0 ft. to a point for a corner of this tract; THENCE: N 0° 19' W, a distance of 81.22 ft. to a point for a corner of this tract; THENCE: N 56° 33' W, a distance of 70.12 ft. to an iron pin set for
a corner of this tract; THENCE: N 89° 21' E, a distance of 130.0 ft. to an iron pin set for a corner of this tract; THENCE: S 0° 19' E, a distance of 62.0 ft. to an iron pin set for a corner of this tract; THENCE: S 89° 41' W, a distance of 18.50 ft. to an iron pin set for a corner of this tract; THENCE: S 0° 19’ E, a distance of 28.0 ft. to an iron pin set for a corner of this tract; THENCE: S 89° 41’ W, a distance of 5.0 ft. to an iron pin set for a corner of this tract; THENCE: S 0° 19’ E, a distance of 170.62 ft. to an iron pin set along the south line of Lot A19 for a corner of this tract; THENCE: with the south line of Lot A19 and the north line of the San Antonio River as follows: S 62° 04’ W, 16.40 ft.; S 80° 16’ W, 49.32 ft.; N 82° 55’ W, 34.29 ft. to the point of beginning and containing 23,211.94 sq. ft. of land.

Tract 3:

The Southwest 37,328.06 square feet, more or less, of Lot A19, N.C.B. 180, situated within the corporate limits of the City of San Antonio, Texas, and more particularly described as follows:

BEGINNING at a point in the Southeast line of Augusta Street which point is S 47° 59’ W 194.22 feet and S 33° 27’ W 232.15 feet from the North corner of Lot A19, N.C.B. 180, at the intersection of the Southeast line of Augusta Street with the Southwest line of Navarro Street; THENCE S 56° 33’ E 126.92 feet; S 0° 19’ E 81.22 feet; S 89° 41’ W 49.00 feet; S 0° 19’ E 150.94 feet to a point on the North line of the San Antonio River and a fence line; THENCE with a woven wire fence in a Westerly direction along the North line of the San Antonio River as follows: N 82° 55’ W 14.86 feet; N 73° 47’ W 49.74 feet; N 86° 36’ W 34.30 feet to a point in the Northeast line of Augusta Street (West face of a concrete wall), being its intersection with the North line of the San Antonio River; THENCE with the East line of Augusta Street (West face of concrete wall) N 25° 00’ W 111.73 feet; N 01° 37’ E 57.31 feet; N 32° 43’ E 116.95 feet, and N 33° 27’ E 38.05 feet to the point of beginning, containing 37,328.06 square feet, more or less.

Tract 4:

A portion of Lot A-19, NCB 180, in the City of San Antonio, Bexar County, Texas, described as follows:

Commencing at the north corner of Lot A-19, also being the intersection of the southeast line of Augusta Street and the southwest line of Navarro Street, as follows: S 47° 59’ W, 194.22 ft.; S 33° 27’ W, 81.0 ft.; THENCE: S 34° 55’ 25” E, a distance of 72.43 ft. to an iron pin set for the point of beginning of this tract; THENCE: S 57° 36’ E, a distance of 81.8 ft. to an iron pin set for a corner of this tract;
THENCE: S 0° 19' E, a distance of 148.10 ft. to a point at the northeast corner of the Cook House for a corner of this tract;

THENCE: S 8° 28' E, along the east outside wall of said Cook House, a distance of 38.0 ft. to a point at the southeast corner of said Cook House for a corner of this tract;

THENCE: S 81° 32' W, along the south outside wall of said Cook House and its extension, a distance of 46.13 ft. to an iron pin set for a corner of this tract;

THENCE: N 0° 19' W, 49.63 ft. to an iron pin found for a corner of this tract; THENCE: N 89° 41' E, 5.0 ft. to an iron pin found for a corner of this tract; THENCE: N 81° 32' E, 18.70 ft. to an iron pin set for a corner of this tract; THENCE: N 0° 19' W, 108.75 ft. to an iron pin set for a corner of this tract;

THENCE: N 34° 55' 25" W, 91.68 ft. to the point of beginning and containing 5,582.96 square ft. of land.

**Tract 5:**

A portion of Lot A19, New City Block 180, in the City of San Antonio, Bexar County, Texas, as recorded in Volume 5419, Page 743, Deed Records of Bexar County, Texas, and being more particularly described as follows, to-wit:

BEGINNING at the north corner of Lot A19, being the intersection of the southeast line of Augusta Street with the southwest line of Navarro Street;

THENCE with the southwest line of Navarro Street, S. 34° 03' E., a distance of 287.06 feet to the point of curvature of a curve to the right with a radius of 115.0 feet;

THENCE with said curve (whose long chord bears S. 13° 40' 12" W., 99.40 feet), a distance of 101.88 feet to the point of tangency of said curve, said point being on the northwest line of North St. Mary's Street;

THENCE with the northwest and west line of North St. Mary's Street as follows:
S. 43° 41' W., 23.02 feet;
S. 41° 01' W., 108.84 feet;
South, 56.53 feet to a point in the west line of North St. Mary's Street and the north line of the San Antonio River;

THENCE along the north line of the San Antonio River as follows:
S. 79° 02' W., 24.48 feet;
S. 37° 21' W., 23.98 feet;
S. 49° 14' W., 130.55 feet;
S. 62° 04' W., 33.27 feet to an iron pin set for a corner of this tract;

THENCE N. 0° 19' W., a distance of 120.99 feet to an iron pin set for a corner of this tract;

THENCE N. 81° 32' E., a distance of 46.13 feet to a point at the south wall of the Cook House for a corner of this tract, said point being the southeast corner of said Cook House;
THENCE N. 8° 28' W., along the outside wall of the east line of said Cook House, a distance of 38.0 feet to a point at the northeast corner of said Cook House for a corner of this tract;

THENCE N. 0° 19' W., a distance of 148.10 feet to an iron pin set for a corner of this tract;

THENCE N. 57° 36' W., a distance of 81.80 feet to an iron pin set for a corner of this tract;

THENCE S. 89° 21' W., 81.35 feet to an "X" set at the outside edge of concrete wall and the southeast line of Augusta Street for a corner of this tract;

THENCE with the southeast line of Augusta Street and said concrete wall as follows:
N. 33° 27' E., 153.28 feet;
N. 47° 59' E., 194.22 feet to the point of beginning and containing 109,164.06 square feet of land.

**Tract 6:**

A portion of Lot A-19, NCB 180, City of San Antonio, Bexar County, Texas, as recorded in Volume 5419, page 743 of the Deed Records of Bexar County, Texas, described as follows:

COMMENCING at the north corner of Lot A-19, also being the intersection of the southeast line of Augusta Street and the southwest line of Navarro Street, as follows:

S 47° 59' W, 194.22 ft.
S 33° 27' W, 81.0 ft.
S 34° 55' 25" E, 164.11 ft.
S 0° 19' E, 83.4 ft. to an iron pin found for the point of beginning of this tract;

Thence S 0° 19' E, 25.35 ft. to an iron pin set for a corner of this tract;

Thence S 81° 32' W, a distance of 18.70 ft. to an iron pin found for a corner of this tract; Thence N 0° 19' W, a distance of 28.0 ft. to an iron pin found for a corner of this tract;

Thence N 89° 41' E, a distance of 18.50 ft. to the point of beginning and containing 493.76 square feet of land.

**Tract 7:**

Lot 5, Block 21, N.C.B. 800, Southwest School of Arts Addition, City of San Antonio, Bexar County, Texas, according to a plat thereof recorded in Volume 9655, Page 214, Deed and Plat Records, Bexar County, Texas.

**Tract 8:**

An 0.3673 acre, or 15,999 square feet more or less tract of land being all of Lot 1 and Lot 2, Block 26, recorded in Volume 8276, Pages 781-785 of the Official Public Records of Real Property of Bexar County, Texas, all in New City Block (N.C.B.) 801 of the City of San Antonio. Said 0.367 acre tract being more fully described as follows, bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone:
BEGINNING: At a set "+" in concrete, being the southwest corner of the herein described tract, said point also being the intersection of the east right-of-way line of Navarro Street and the south line of Augusta Street, a 55.6-foot right-of-way;

THENCE: N 55°55'23" E, along and with said south line of Augusta Street, a distance of 100.00 feet to a set 1/2 inch iron rod with yellow cap marked "Pape-Dawson", being the northeast corner of said tract, the northeast corner of said Lot 2 and the northwest corner of Lot 3, Block 26, recorded in Volume 4325, Pages 46-52 of the Official Public Records of Real Property of Bexar County, Texas;

THENCE: S 34°32'37" E, along and with the west line of said Lot 3 and the east line of said Lot 2, a distance of 160.00 feet to a set 1/2 inch iron rod with yellow cap marked "Pape-Dawson", being the southeast corner of the herein described tract, the southeast corner of said Lot 2, the southwest corner of said Lot 3 and the north line of an Alley;

THENCE: S 55°55'23" W, along and with the north line of said Alley and the south line of said Lot 1 and Lot 2, a distance of 100.00 feet to a point, being the east right-of-way line of Navarro Street, a 55.6-foot right-of-way;

THENCE: N 34°32'37" W, along and with the east right-of-way line of said Navarro Street, a distance of 160.00 feet to the POINT OF BEGINNING and containing 0.3673 of an acre in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape-Dawson Engineers, Inc.

**Tract 9:**

A 0.2590 acre, or 11,281 square feet more or less, tract of land being all of Lot 3 and the remainder of Lot 4, Block 26 as shown on City Engineers Map No. 20, being that called 0.259 acre tract described in conveyance to Kenneth M Gindy, Trustee in Warranty Deed recorded in Volume 2687, Pages 108-111 of the Official Public Records of Real Property of Bexar County, Texas, in New City Block (N.C.B.) 801 in the City of San Antonio, Bexar County, Texas. Said 0.259 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone:

BEGINNING: At a found 1/2" iron rod, at the intersection of the southeast right-of-way line of Augusta Street, a 55.6-foot right-of-way and the southwest right-of-way line of Richmond Avenue, a 55.6-foot right-of-way, for the north corner of the remainder of Lot 4 and Lot 3;

THENCE: S 49°01'14" E, with the southwest right-of-way line of Richmond Avenue, the northeast line of the remainder of Lot 4, a distance of 165.57 feet to a set 1/2" iron rod with a yellow cap marked "Pape-Dawson", at the intersection of northwest line of a 15.8-foot Alley and the southwest right-of-way line of Richmond Avenue, for the east corner of the remainder of Lot 4;

THENCE: S 55°54'20" W, with the northwest line of the 15.8-foot Alley, the southeast line of the remainder of Lot 4, at a distance of 41.4 feet passing the east corner of Lot 3, the south corner of the remainder of Lot 4, continuing with the northwest line of the 15.8-foot Alley, and the southeast line of Lot 3, for a total distance of 91.24 feet to found 1/2" iron rod with a yellow cap marked "Pape-Dawson", for the east corner of Lot 2, Block 26 as shown on City Engineers Map No. 20, and the south corner of Lot 3;
THENCE: N 34°32'50" W, departing the northwest line of the 15.8-foot Alley, with the northeast line of Lot 2, the southwest line of Lot 3, a distance of 159.76 feet to a found 1/2" iron rod with a yellow cap marked "Pape-Dawson", on the southeast right-of-way line of Augusta Street, for the north corner of Lot 2, and the west corner of Lot 3;

THENCE: N 55°38'39" E, with the southeast right-of-way line of Augusta Street, the northwest line of Lot 3, a distance of 49.86 feet to the POINT OF BEGINNING, and containing 0.259 of an acre in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape-Dawson Engineers Inc.

**Tract 10:**

A 0.3849 acre, or 16,767 square feet more or less, tract of land being all of Lots 19-20 and a portion of Lot 21, Block 27 as shown on City Engineers Map No. 20, being that called 0.39 acre tract described in conveyance to Kenneth M Gindy, Trustee in Warranty Deed recorded in Volume 2687, Pages 108-111 of the Official Public Records of Real Property of Bexar County, Texas, in New City Block (N.C.B.) 801 in the City of San Antonio, Bexar County, Texas. Said 0.3849 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone:

BEGINNING: At a found "+" in concrete, at the intersection of the southwest right-of-way line of Richmond Avenue, a 55.6-foot right-of-way and the northwest right-of-way line of St. Mary's Street, a 55.6-foot right-of-way, for the east corner of Lot 19;

THENCE: S 55°54'20" W, with the northwest right-of-way line of St. Mary's Street, the southeast line of Lot 19, at a distance of 46.1 feet passing the east corner of Lot 20, the south corner of Lot 19, continuing with the northwest right-of-way line of St. Mary's Street, and the southeast line of Lot 20, at a distance of 96.1 feet passing the east corner of Lot 21, the south corner of Lot 20, continuing with the northwest right-of-way line of St. Mary's Street, and the southeast line of Lot 21, for a total distance of 104.67 feet to an east corner of a building, and the south corner of the called 0.39 acre tract;

THENCE: N 34°43'40" W, departing the northwest right-of-way line of St. Mary's Street, with the northeast face of the building, the southwest line of the called 0.39 acre tract, across Lot 21, a distance of 160.20 feet to the north corner of the building on the southeast line of a 15.8-foot Alley, the northwest line of Lot 21, and the west corner of the called 0.39 acre tract;

THENCE: N 55°54'20" E, with the southeast line of the 15.8-foot Alley, the common northwest line of the called 0.39 acre tract and Lot 21, at a distance of 8.6 feet passing the west corner of Lot 20, the north corner of Lot 21, continuing with the southeast line of the 15.8-foot Alley, and the northwest line of Lot 20, at a distance of 58.6 feet passing the west corner of Lot 19, the north corner of Lot 20, continuing with the southeast line of the 15.8-foot Alley, and the northwest line of Lot 19, for a total distance of 104.67 feet to a set concrete nail, at the intersection of the southwest right-of-way line of Richmond Avenue and the northwest line of the 15.8-foot Alley, and the north corner of Lot 19, from which a found 1/2" iron rod bears S 24°15'54" W, a distance of 2.35 feet;

THENCE: S 34°43'40" E, with the southwest right-of-way line of Richmond Avenue, the northeast line of Lot 19, a distance of 160.20 feet to the POINT OF BEGINNING, and containing 0.3849 of an acre in the
City of San Antonio, Bexar County, Texas, Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape-Dawson Engineers, Inc.

**Tract 11:**

A 0.339 of an acre, or 14,763 square feet more or less, tract of land being all of Lot 22 and the southwest portion of Lot 21, Block 27 as shown on City Engineers Map No. 20, being that called 0.3379 acre tract of land described in Warranty Deed recorded in Volume 8343, Pages 422-425 of the Official Public Records of Bexar County, Texas, in New City Block (N.C.B.) 801 in the City of San Antonio, Bexar County, Texas. Said 0.339 of an acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone:

COMMENCING: At a found "X" in concrete, at the intersection of the southwest right-of-way line of Richmond Avenue, a 55.6-foot public right-of-way and the northwest right-of-way line of St. Mary's Street, a 55.6-foot public right-of-way, for the east corner of Lot 19, being the east corner of a 0.3349 of an acre tract of land described in Volume 14108, Page 1096 of the Official Public Records of Bexar County, Texas;

THENCE: South 55°54'20" West, with the northwest right-of-way line of St. Mary's Street, the southeast line of said 0.3349 of an acre tract, a distance of 104.67 feet to an east corner of a building, the south corner of said 0.3349 of an acre tract, the east corner of said 0.3389 of an acre tract for the POINT OF BEGINNING;

THENCE: South 55°54'20" West, continuing with the northwest right-of-way line of St. Mary's Street, the southeast face of said building, a distance of 92.16 feet to south most corner of said building at the intersection of the northwest right-of- way line of St. Mary's Street and the northeast right-of-way line of Navarro Street, a 55.6-foot public right-of-way, for the south corner of said Lot 22, the south corner of the herein described tract;

THENCE: North 34°43'40" West, with the northeast right-of-way line of Navarro Street, a distance of 160.20 feet to a set "X" in concrete at the intersection of the northeast right-of-way line of Navarro Street and the southeast line of a 15.8- foot alley, for the west corner of said Lot 22, the west corner of the herein described tract;

THENCE: North 55°54'20" East, with the southeast line of said alley, at a distance of 0.27 feet passing the west corner of said building, continuing with the northwest face of said building for a total distance of 92.16 feet to the north most corner of said building for the north corner of the herein described tract;

THENCE: South 34°43'40" East, with the northeast face of said building, a distance of 160.20 feet to the POINT OF BEGINNING, and containing 0.339 of an acre in the City of San Antonio, Bexar County, Texas. Said tract being described in accordance with a survey made on the ground and a survey description and map prepared under job number 9306-12 by Pape-Dawson Engineers, Inc.
APPENDIX B

Designated Leases

1. The Lease Agreement, dated January 1, 1991, by and between Southwest School of Art (f/k/a Southwest Craft Center), a Texas non-profit corporation, as “Landlord,” and Club Giraud, a Texas non-profit corporation, as “Tenant” for the property located at 707 N. St. Mary’s Street, San Antonio, Texas 78205.

2. The Lease Agreement, dated December 10, 2012, by and between Southwest School of Art, as “Landlord,” and Sage Seis Partners, Inc., as “Tenant,” for the property located at 801 N. St. Mary’s Street, San Antonio, Texas 78205, as amended by that certain First Amendment dated December 5, 2016, Second Amendment dated September 11, 2017, and Third Amendment dated October 17, 2019.

3. The Commercial Lease, dated November 15, 2016, by and between Southwest School of Art, as “Landlord,” and Gemini Ink, as “Tenant,” for the property located at 1111 Navarro St., San Antonio, Texas 78205, as amended by that certain addendum titled “2021 Lease Agreement Between Gemini Ink and Southwest School of Art.”