# COMMERCIAL LEASE

# 1. BASIC LEASE TERMS.

a. <u>Date of Lease</u>: The date on which Landlord executes this Lease following Tenant's execution of this Lease as reflected on the signature page of this Lease.

b. <u>**Tenant**</u>: Brazoria County, a political subdivision, for the benefit of Brazoria County Women, Infants and Children (WIC).

## c. <u>Business Name</u>: Brazoria County WIC

o Address (Premises): 2825 Miller Ranch Road, Suite 233, Pearland, TX 77584

 Address (for Notices):
Cathy Sbrusch, Director, Brazoria County Health Department 434 E. Mulberry Angleton, Texas 77515

AND

Rebecca Reed, WIC Program Manager Brazoria County WIC 434 E. Mulberry Angleton, Texas 77515

- o Phone: (979) 864-1484 or (979) 864-2021
- o Email: <u>CathyS@brazoriacountytx.gov</u> and BeccaB@brazoriacountytx.gov
- o Designated Leasing Agent: No
- d. **Landlord**: PCRIF Silverlake, LLC, a Texas limited liability company
  - o Address (for delivery of notices): c/o Partners,1360 Post Oak Boulevard, Suite 1900, Houston, Texas 77056
  - o Telephone: (713) 629-0500
  - o Landlord's Designated Leasing Agent: Audrey Schulz with PCR Brokerage Houston, LLC, a Texas limited liability company d/b/a Partners

e. <u>Use of Premises</u>: General warehouse and office use and for no other purpose ("<u>Permitted Use</u>").

f. <u>Premises Area</u>: Approximately 1,800 square feet, being the floor area of the premises depicted as Suite 233 on <u>Exhibit C</u> attached hereto.

g. **Project**: The commercial real estate development commonly known as Silverlake Business Park, containing approximately 90,000 square feet of lease space, situated on the land described in <u>Exhibit D</u>.

h. <u>**Tenant's Proportional Share</u>**: 2.000%, based on the estimated floor area measurements for the Premises and Project set forth above. Tenant's Proportional Share is a fraction, equal to the square footage of the Premises divided by the total square footage of all rentable floor space in the Project (subject to adjustment as permitted in this Lease).</u>

i. <u>**Term of Lease**</u>: This Agreement's initial term shall be for eighteen (18) months beginning on the Commencement Date. Tenant shall have those certain options to renew this Lease Agreement in accordance with the terms of <u>Exhibit E</u> attached hereto.

j. <u>Commencement Date</u>: The "Commencement Date" of this Lease shall be the date on which Landlord tenders possession of the Premises to Tenant. Landlord currently estimates that it will tender possession of the Premises to Tenant on April 1, 2024.

k. <u>**Rent**</u>: The Rent payable under this Lease includes Base Rent and Additional Rent.

Base Rent: The Base Rent is an amount based on the annual rate per square foot shown in the following table.

Lease Month(s)	Annual Rate Per Square Foot of Premises Area	Monthly Base Rent	Annual Base Rent
1-12	\$15.96	\$2,394.00	\$28,728.00
13-18	\$16.44	\$2,465.82	\$29,589.84

<u>Additional Rent</u>: The Additional Rent is the amount of Tenant's Proportional Share of all Shared Expenses (as defined in <u>Section 4</u>). The monthly Additional Rent is equal to one-twelfth of the estimated annual Additional Rent (as estimated and adjusted by Landlord from time to time). The initial estimated annual Additional Rent for 2024 is \$8.78 per square foot of Premises Area. Additional Rent is subject to periodic reconciliation based on the actual Shared Expenses for the applicable period. On or before November 15, 2024, Landlord will provide Tenant an estimated annual Additional Rent for calendar year 2025.

- 1. <u>Security Deposit</u>: \$1,800.00, on hand.
- m. **<u>Prepaid Rent</u>**: \$0.00.
- n. <u>Guarantor</u>: NONE.

o. <u>Certificate of Occupancy</u>. To the extent required under applicable law, before Tenant may occupy the Premises to conduct its business therein, Tenant shall, at its expense, obtain and deliver to Landlord a certificate of occupancy (or its equivalent) from the appropriate governmental authority for the Premises.

# p. Instructions for Payment of Rent:

Payments to be made via ACH, please refer to the following information:

Veritex Community Bank PCRIF SILVERLAKE, LLC Routing #113024164 Account# 5501584840

2. **PREMISES**. Landlord leases to Tenant, and Tenant leases from Landlord, the Premises. Landlord and Tenant stipulate that for all purposes of this Lease, unless and until Tenant is notified otherwise by Landlord, the size of the Premises shall be deemed to be the approximate square footage set forth in <u>Section 1(f)</u>, the size of the Project shall be deemed to be the approximate square footage set forth in <u>Section 1(g)</u>, and Tenant's Proportional Share shall be deemed to be the percentage set forth in <u>Section 1(h)</u>. Such figures shall be subject to adjustment by Landlord, from time to time, in the event of: (i) manifest error, (ii) addition or subtraction to the Premises and/or Project, and/or (iii) re-measurement or other circumstance reasonably justifying such adjustment. Furthermore, if any such area measurements are adjusted as provided in this paragraph, any future Rent obligations based, directly or indirectly, on a rate per square foot (such as Base Rent and Additional Rent) shall be adjusted based on the new measurements. From time to time during the Term, if Tenant desires to lease space at the Project that is smaller or larger than the Premises (by either expanding or reducing the size of the Premises or relocating the Premises to different space at the Project), and such space is vacant and not subject to a then-existing interest of another potential tenant, Tenant may give Landlord notice of its request to so expand, reduce and/or relocate the Premises, and Landlord shall make commercially reasonable efforts to accommodate Tenant's request subject to such terms and conditions as Landlord may, in its discretion, designate.

3. **TERM**. This Lease shall be for the Term set forth in <u>Section 1(i)</u>. As used herein, the term "<u>Lease Months</u>" means consecutive, full calendar months with the first Lease Month being the month in which the Commencement Date occurs, if the Commencement Date is the first of the month (and if the Commencement Date does not occur on the first of the month, the period from the Commencement Date to the first day of the next calendar month shall be included in the first Lease Month for purposes of determining the duration of the Term). Rent for any such initial partial calendar month during the Term shall be prorated. If Landlord, for any reason, cannot deliver possession of the Premises to Tenant on the Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting from such delay.

4. **RENT**. Starting on the Commencement Date, Tenant shall pay Landlord monthly Base Rent and Additional Rent in accordance with <u>Section 1(k)</u>, due and payable monthly, in advance on or before the first day of each calendar month. Prepaid Rent shall be applied to Tenant's first payment of Base Rent and Additional Rent. The Base Rent, Additional Rent and any other amounts due from Tenant to Landlord hereunder shall be referred to herein as "<u>Rent</u>". All Rent shall be paid to Landlord, to the account set forth in <u>Section 1(p)</u>, or such other place as Landlord may designate in writing from time to time, in legal tender of the United States of America, without

prior demand or notice and without any deduction or offset whatsoever. Base Rent and Additional Rent shall be payable for any partial month during the Term on a prorated basis, prorated at a daily rate of 1/30th of the applicable monthly amount. If any Rent is not received by the third (3rd) day after the date the same first becomes due, there shall immediately be due and payable an additional sum equal to ten percent (10%) of such overdue payment. Interest shall also accrue on all past-due sums at a rate of twelve percent (12%) per annum. It is the intention of the parties hereto that the obligations of Landlord and Tenant hereunder shall be separate and independent covenants and agreements, that the Rent payable by Tenant hereunder shall continue to be payable in all events, and that the obligations of Tenant hereunder shall continue unaffected.

Tenant shall pay Landlord, as Additional Rent, an amount equal to Tenant's Proportional Share of Shared Expenses. As used herein, "Shared Expenses" means all Taxes, Insurance, Common Area Utility Expenses, and Common Area Maintenance Expenses (as such terms are defined below) with respect to periods partly or wholly within the Term (as allocated by Landlord, in its discretion, for any periods that are only partially within the Term). Periodically, during the Term of this Lease, Landlord will determine the actual Shared Expenses for the relevant prior fiscal period established by Landlord and notify Tenant if the actual amount of Additional Rent for such period. If the actual Additional Rent amount differs from the amount previously paid by Tenant as Additional Rent based on Landlord's estimate, then Tenant shall pay Landlord any deficiency or Landlord shall refund or credit Tenant any excess, in each such case within thirty (30) days of Landlord's notice. "Taxes" shall mean all federal, state, county and local governmental, special district, improvement district, municipal or other subdivision taxes, fees, levies, assessments, charges or other impositions of every kind, whether foreseen or not, general, special, ordinary or extraordinary related to the Project, including, without limitation, real estate property and other ad valorem taxes, general and special assessments, interest on the any special assessments paid in installments, transit taxes, water and sewer taxes, trash removal and landfill taxes, taxes based on the receipt of rent and personal property taxes imposed on any personal property used in connection with the Project which Landlord shall be required to pay from time to time. If the present method of taxation changes so that in lieu of the whole or part of or in addition to any Taxes levied on the Landlord or the Project (or its operations), there is levied on Landlord a capital tax directly on the rent received therefrom, or a franchise tax, margins tax, sales tax, assessment or charge based in whole or in part, upon such rents or income for the Project than all such taxes, assessments or charges or a part thereof so based or in addition thereto shall be deemed to be included with the term "Taxes" for the purposes hereof. In addition, Landlord may include in "Taxes" any actual expenses incurred by it in attempting to protest, reduce or minimize Taxes, including fees for attorneys, consultants, appraisers and other experts in the calendar year such expenses are paid. "Insurance" means all costs incurred by Landlord for any insurance obtained or maintained with respect to the operation, maintenance, repair, ownership or use of the Project as deemed necessary or desirable by Landlord, in Landlord's sole discretion. "Common Area Utility Expenses" mean all costs (including surcharges) incurred by Landlord for any utilities which are either furnished to the Premises (and are not separately metered to the Premises) or are furnished to the Common Areas or for the common benefit of tenants within the Project generally. "Common Area Maintenance Expenses" means all costs incurred by Landlord for Project operation, management and administration and Common Area maintenance, repairs, and/or replacements, all in a manner deemed by Landlord, in its sole discretion, to be in the best interest of Landlord, the tenants within the Project, and the Project.

5. **SECURITY DEPOSIT**. The Security Deposit may be co-mingled with Landlord's other funds. In the event of any breach or default by Tenant under this Lease, Landlord may, from time to time, without prejudice to any other remedy available to Landlord, use the Security Deposit to the extent necessary to make good any arrears of Rent and any other damage, injury, expense, or liability caused to Landlord by such breach or default, and Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. If Tenant is not then in default hereunder, after application of the Security Deposit to all sums owing to Landlord under this Lease, any remaining balance of the Security Deposit shall be returned by Landlord to Tenant following the expiration or earlier termination of this Lease. No holder of a mortgage, deed of trust shall be responsible in connection with the Security Deposit deposited hereunder, by way of credit or payment of any rentals or otherwise, unless such holder actually shall have received the Security Deposit deposited hereunder. Any security given by Tenant to secure performance hereunder may be assigned and transferred by Landlord to such successor in interest, and Landlord shall thereby be discharged of any further obligation relating thereto.

6. **CONDUCT OF TENANT AND GUESTS**. Tenant shall not, nor shall it permit its representatives, agents, contractors or invitees, to violate any governmental law or restrictive covenant in the use of the Premises, commit waste, create a nuisance or otherwise interfere with Landlord or any other tenant. Tenant shall be responsible for all costs required to mitigate any such nuisance or interference. Smoking and vaping are expressly prohibited in the Premises. Landlord shall have the right to impose and subsequently modify, from time to time and at its sole discretion, reasonable rules and regulations for safety, security, care, cleanliness and preservation of good order in and about the Project (the "<u>Rules and Regulations</u>"). Tenant shall comply, and cause its agents, employees, contractors, invitees and licensees to comply, with such Rules and Regulations. The manufacture, storage, distribution, and growing, of any substances which are illegal under local, state, and/or federal law, including marijuana, and any use of the Premises for uses incidental thereto are strictly prohibited and shall constitute a default under this Lease.

7. **USE**. Tenant shall use and occupy the Premises only for the specific Use of Premises set forth in <u>Section 1(e)</u>, and Tenant shall not use or permit the Premises to be used for any other purpose whatsoever (including, without limitation, any overnight, residential which is expressly prohibited). Any illegal activity in the Premises or on the Project grounds is strictly prohibited, and the occurrence of any such activity shall immediately constitute a Tenant default under this Lease.

8. HAZARDOUS SUBSTANCES. The term "Hazardous Substance" as used in this Lease means any product, substance, or waste whose use, manufacture, disposal, transportation, handling or release is regulated or monitored by any governmental authority. Hazardous Substances include, but are not limited to, hydrocarbons, petroleum, gasoline, crude oil and/or chemicals or any products, by-products or fractions thereof. Tenant shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Landlord and timely compliance (at Tenant's expense) with all applicable laws. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filled with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance which requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Tenant may use any ordinary and customary materials reasonably required to be used in the normal course of the specific Use of Premises, so long as such use is in compliance with all laws, and is not a Reportable Use. Any and all oil, solvents, grease or other Hazardous Substance must be disposed of off-site and in accordance with all applicable environmental regulations. Tenant shall immediately notify Landlord in writing of any spill, release, discharge, or disposal of any Hazardous Substance upon, in, or about the Premises. Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Tenant's expense, take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Tenant, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Tenant, or any third party. Tenant shall indemnify, defend and hold Landlord, its agents, employees, mortgagees and ground lessors, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Tenant, its employees, agents, contractors, or invitees. Tenant's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Landlord in writing at the time of such agreement. Tenant has an obligation to maintain both the interior of the Premises and any exterior space utilized by Tenant in the scope of its business, which for the purposes of this provision shall be defined to include the areas in front of the Premises' doors in which Tenant receives or sends shipments, temporarily stores materials, and any exclusive yard space as identified in Tenant's lease. All such spaces shall be kept in a tidy manner, determined in Landlord's discretion, consistent with Landlord's objective to upkeep the Project. In the event that Tenant causes, permits to be caused, or if any of Tenant's guests, invitees, employees, suppliers or providers cause any spills or disposal of substances not rising to the level of Hazardous Substances, but nonetheless which violate this paragraph, it is Tenant's responsibility to promptly clean and restore the Premises and any affected exterior areas to their condition prior to such spill or disposal.

9. SIGNAGE. Tenant, at Tenant's sole cost and expense, will install and maintain its identification signage on the exterior of the Premises, adjacent to entrances to the Premises. Additionally, if a pylon or other multi-tenant community sign for advertising the Project and its tenants (a "Multi-Tenant Sign") exists or is hereafter constructed by Landlord and Landlord determines (in its discretion) that a panel position is available for Tenant's use, Tenant may, upon request, install and maintain its sign panel on the Multi-Tenant Sign for a monthly charge of \$35.00 per month, payable to Landlord as additional Rent. Tenant shall not install any exterior signage (including any signage at Premises or, if applicable, on the Multi-Tenant Sign) without, in each case, obtaining Landlord's prior written approval as to type, size, color, location, copy nature and display qualities. Tenant's signage contractor is also subject to Landlord's prior written approval, which approval will not be unreasonably withheld. Tenant's signage shall be located at the locations that Landlord may designate and, from time to time, relocate in Landlord's sole discretion. Tenant shall at all times install and maintain all of its signs and/or other advertising in good condition and in strict compliance with any and all laws. If at any time Tenant's signs are not in compliance with any law, Landlord shall have the right to remove such signs or otherwise cause such signs to be in compliance. Tenant shall promptly upon demand by Landlord pay Landlord for all of Landlord's costs and expenses incurred in such removal or other action, which such costs and expenses shall constitute additional Rent hereunder. Upon expiration or the termination of this Lease, Tenant, at Landlord's election but at Tenant's expense, will remove any and all signs and restore the exterior of the Premises (or wherever Tenant has installed signs) in a manner satisfactory to Landlord. Tenant shall place no covering (e.g., shades, blinds, curtains, drapes, screens, tinting material, plywood, plastic, cardboard, or window painting), stickers, banners or advertising or display material on or near exterior windows or doors if such materials are visible from the exterior of the Premises, except as noted above, without Landlord's prior written consent. All lettering and graphics on doors or windows shall conform to the building standard prescribed by Landlord from time to time.

10. **PERSONAL PROPERTY TAXES**. Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operations as well as upon all trade fixtures, leasehold improvements, merchandise and other personal property in or about the Premises.

11. **PARKING**. Landlord grants Tenant and Tenant's customers, suppliers, employees and invitees, a non-exclusive license to use the designated parking areas in the Project for parking motor vehicles. Landlord reserves the right to permit others to use such

parking areas, to designate specific spaces for use by particular persons, and to establish and modify, from time to time, parking rules and regulations. The current parking rules and regulations are set forth in <u>Exhibit B</u> attached hereto.

12. **COMMON AREA**. The term "Common Area" means the portion of the Project designated by Landlord from time to time for common use by, or for the benefit of, more than one tenant of the Project, including without limitation, the land and facilities used for: parking areas, access and perimeter roads, driveways, roofs, truck passageways, service corridors and stairways providing access to or from the Premises, landscaped areas, park areas, exterior walkways, ramps, interior corridors, directory equipment and signs, common drinking fountains or restrooms, mailboxes and other public facilities (if any). All Common Areas shall be subject to the exclusive control and management of Landlord or its designee(s). Tenant is granted a non-exclusive license to use the Common Area, subject to the terms of this Lease. All Common Areas shall be kept free of Tenant's garbage, debris, and trash bins, with the exception of the Tenant's bins on the scheduled garbage pick-up day. Absolutely no construction debris or electronic or chemical waste may be disposed of in trash bins. Any such materials must be disposed of off-site. Tenant shall not overburden any trash receptacles.

13. UTILITIES. Tenant shall promptly pay, before delinquency, all charges for electricity, water, gas (if any), telephone, internet, trash collection, and all other utility services furnished to the Premises or otherwise provided to Tenant at the Project. Any and/or all such utility services will, at Landlord's election, be separately metered (or otherwise be separately billable to Tenant). If separate metering or billing is so used, Tenant shall arrange for such service to be provided under an account in Tenant's name and make payments for use of such utility service(s) directly to the utility provider. Tenant shall transfer all separately metered utility services to an account under Tenant's name on or before the Commencement Date, and Tenant's failure to do so may result in Landlord billing back Tenant for its usage plus, in each instance, a \$100.00 administrative fee. If separate metering is not used for any or all utility service, Tenant shall pay Landlord a charge for such service based on Landlord's reasonable allocation of the utility expense to Tenant, including any allocation for usage exceeding usual and customary standard office usage, as determined in Landlord's sole discretion. All interior and exterior hose bibs are locked and none are intended for Tenant's use. In the event that Tenant's usage for the Premises necessitates access to an interior or exterior bib, Tenant should inform Landlord prior to the execution of this Lease. Landlord, in Landlord's sole discretion, may in such circumstances install at Tenant's sole cost, a submeter for such a hose bib (if one is already installed within or immediately outside of the Tenant's rental unit), and Tenant is responsible for the additional costs of water consumption as determined based on Tenant's metered per gallon usage. If a submeter is installed, the cost for this additional water usage will be billed to Tenant on a monthly basis payable to Landlord as additional rent. Under no circumstances may Tenant install a hose bib not already located in the Premises, and any violation of this provision shall be a default under this Lease. At Landlord's option, Landlord may, but is not required to, enter into a contract or contracts or otherwise provide or make arrangement for the provision of trash, recycling, and/or security services, and if Landlord does so, Tenant shall pay Tenant's Proportional Share of the expense of the services. LANDLORD SHALL IN NO EVENT BE LIABLE FOR THE PROVISION OF ANY UTILITIES OR ANY OF THE OTHER SERVICES REFERENCED IN THIS PARAGRAPH, FOR ANY INTERRUPTION OR FAILURE THEREOF, OR FOR ANY LOSS OR DAMAGE SUSTAINED AS A RESULT OF THE PROVISION OF, OR INTERRUPTION OR FAILURE IN, ANY SUCH UTILITIES OR SERVICES. TENANT HEREBY RELEASES LANDLORD FROM ANY CLAIMS OF ANY NATURE WHATSOEVER IN CONNECTION THEREWITH.

14. **CONDITION OF THE PREMISES**. Tenant will accept the Premises in its "AS-IS" condition on the Commencement Date. Tenant acknowledges and agrees that, except as are expressly set forth in this Lease, Landlord and Landlord's agent have made no representations, promises or warranties with respect to the Premises or the making or entry into this Lease and that no claim or liability or cause for termination shall be asserted by Tenant against Landlord for, and Landlord shall not be liable by reason of, the breach of any representations, promises or warranties not expressly stated in this Lease. Landlord's duties and warranties are limited to those set forth in this Lease and shall not include any implied duties or warranties, all of which are hereby disclaimed by Landlord and waived by Tenant. EXCEPT TO THE EXTENT EXPRESSLY SET OUT IN THIS LEASE, TO THE FULLEST EXTENT ALLOWED BY LAW, LANDLORD DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES TO TENANT OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION REPRESENTATIONS AND WARRANTIES AS TO TITLE, HABITABILITY, CONDITION OF THE PREMISES (INCLUDING WITHOUT LIMITATION THE ENVIRONMENTAL CONDITION OF THE PREMISES, ITS SUITABILITY FOR A PARTICULAR PURPOSE OR COMMERCIAL USE, OR THE APPLICABILITY OF ANY ZONING OR OTHER LAND USE LAWS OR OTHER RESTRICTIONS WHICH MAY BE APPLICABLE TO THE PREMISES), AND AVAILABILITY AND/OR PROVISION OF UTILITIES AND/OR OTHER SERVICES.

15. **MAINTENANCE**. Landlord shall maintain only the structural parts of the Premises, which shall include only the foundations, load-bearing walls (excluding all glass, whether interior or exterior), sub-flooring and roof (excluding skylights), the service wire to the electrical distribution center, exterior plumbing and sewerage systems, exterior window frames, gutters and down spouts; provided, however, Landlord shall not be responsible for any maintenance, repairs and/or replacements necessitated by an act or omission of Tenant, its agents, employees, contractors or invitees, all of which shall be Tenant's responsibility. Except for Landlord's express obligations provided for in the preceding sentence, Tenant shall keep and maintain the Premises in good repair and condition, including, without limitation, all upkeep, maintenance, repairs, and replacements of HVAC systems in or serving the Premises (including any window or wall-mounted units); all mechanical, electrical, plumbing, utility, life-safety, and communication systems and/or facilities located in or serving the Premises (including, without limitation, the meter service panel for the Premises, all service wire and conduit

connecting to the sub-panel for the Premises, and all wire and conduit distributions in the Premises including lights, plugs, switches, and appliances); all floors, ceilings, interior doors, exterior doors (including entryway and roll-up/garage doors), interior windows, exterior glass, lighting and fixtures; and any maintenance, repairs and/or replacements necessitated by an act or omission of Tenant, its agents, employees or invitees. Tenant shall, at Tenant's sole expense, conduct semi-annual maintenance of the HVAC unit(s) and provide Landlord a written report of the condition of the HVAC unit(s) upon Landlord's request. Tenant may not access the roof or utility rooms without Landlord's prior written consent, which Landlord may withhold in Landlord's sole discretion. Tenant shall at all times maintain a room temperature of greater than 40 degrees Fahrenheit in the Premises. All of Tenant's obligations for upkeep, maintenance, repairs and replacements shall be (i) performed by licensed contractors with general liability insurance and workman's compensation insurance, (ii) in accordance with all applicable laws (including any required permits), and (iii) subject to Landlord's inspection and approval of the same (including prior approval of any equipment and/or materials to be installed), provided that Landlord approves of County maintenance personnel qualified in the applicable area of the maintenance and/or repair. All repair parts, equipment replacements and materials used must be equal to the size, capacity and quality of the original parts, equipment and materials. All work contracted by Tenant with Landlord will be paid for by Tenant to Landlord upon completion of work cash on delivery.

16. ALTERATIONS. Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, except for the installation of unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Premises. All alterations, additions, improvements and fixtures (other than Tenant's unattached, readily movable furniture and office equipment) which may be made or installed by either party upon the Premises shall immediately become and remain the property of Landlord and shall remain upon and be surrendered with the Premises at the termination of this Lease, unless Landlord requests their removal, in which event Tenant shall remove the same and restore the Premises to their original condition at Tenant's expense. All construction work done by Tenant within the Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and in such manner as to cause a minimum of interference with other construction in progress and with the other business operations in the Project. To the maximum extent permitted by law, Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work. Tenant shall furnish bonds or other security satisfactory to Landlord against any such loss, liability or damage. Tenant shall not place a load upon any floor in the Premises which exceeds the load per square foot that such floor was designed to carry and that is allowed by law. If Tenant intends to install any heavy equipment within the Premises, Tenant shall first provide Landlord with detailed specifications of such equipment, and any such equipment installation shall be subject to Landlord's prior written approval. Landlord will not be responsible for loss of or damage to any such equipment or other property from any cause, and all damage done to the Premises by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant. Landlord shall not be liable for any injury, loss or damage to any of Tenant's alterations not installed by Landlord or contractors hired by Landlord. Before authorizing any contractors to complete any alterations and/or services to the Premises and/or the Project, Tenant shall, in a timely manner, submit evidence of such contractor's insurance meeting the requirements of the laws and regulations relating to the alterations and/or services to be performed, as well as any additional insurance coverage that Landlord may require, in its sole discretion. Tenant shall pay to Landlord upon demand a review fee in the amount of Landlord's actual costs incurred to compensate Landlord for the cost of review and approval of the plans and specifications and for additional administrative costs incurred in monitoring the construction of the alterations. Tenant shall deliver to Landlord a copy of the "as-built" plans and specifications for all alterations or physical additions so made in or to the Premises, and shall reimburse Landlord for the cost incurred by Landlord to update its current architectural plans for the Project.

17. **RIGHT TO RELOCATE**. Tenant, at Landlord's request and in Landlord's sole discretion, shall relocate from the Premises to another premises of equal or greater size within the Project. Landlord shall provide Tenant with at least forty-five (45) days' prior written notice of such relocation and an allowance to reimburse Tenant for all reasonable relocation expenses actually incurred by Tenant not to exceed \$5,000.00. Under no circumstances shall Landlord be liable for loss of revenue, business or income in the event the right to relocate is exercised. Tenant agrees that Landlord's exercise of its right to relocate Tenant shall not terminate this Lease or release Tenant in whole or in part from Tenant's obligation to pay Rent or perform any of its other obligations under this Lease.

18. **RELEASE**. As material consideration to Landlord, Tenant agrees that Landlord or its principals, agents, employees or contractors shall not be liable to tenant for any damages to Tenant or Tenant's property from any cause, **REGARDLESS OF CAUSE OR ORIGIN OF SUCH LOSS OR DAMAGE, INCLUDING, WITHOUT LIMITATION, SOLE, JOINT, OR CONCURRENT NEGLIGENCE OF LANDLORD**, and Tenant waives any and all claims against Landlord for damage to persons or property arising for any reason, except for damage resulting directly from Landlord's gross negligence or willful misconduct.

#### 19. INSURANCE.

a. As used herein, "Landlord Parties" shall mean the Landlord entity set forth in <u>Section 1(d)</u>, any lender whose loan is secured by a lien against the Premises, their respective shareholders, members, partners, joint ventures, affiliates, subsidiaries, successors and assigns, and any directors, officers, employees, managers, attorneys or authorized agents of such persons or entities (the "<u>Landlord Parties</u>"). All insurance required to be provided by Tenant under this Lease shall be issued by insurance companies authorized to do business in the state in which the Premises are located, shall be issued as a primary policy, and shall require at least thirty (30) days' prior written notice to Landlord before cancellation or change in coverage, scope or amount of any policy

("<u>Tenant's Insurance</u>" or "<u>Tenant's Insurance Policy</u>"). Tenant's Insurance shall insure performance by Tenant of the indemnity provisions set forth in this Lease. No deductible or self-insured retention shall exceed \$10,000.00 without prior written approval of Landlord, except as otherwise specified herein. All deductibles and/or retentions shall be paid by, assumed by, for the account of, and at the Tenant's sole risk. Tenant shall not be reimbursed for same. If the forms of policies, endorsements, certificates, or evidence of insurance required by these specifications are superseded or discontinued, Landlord will have the right to require other equivalent forms. If any additional insured requirements are deemed to violate any law, statue or ordinance, the additional insured requirements, including any additional insured policy provision or endorsements procured pursuant to this Lease, shall be reformed to provide the maximum amount of protection to the Landlord Parties as allowed under the law.

b. Tenant's Insurance Policy(ies) must include the following: (i) the insured's name and address, (ii) the name of each insurance company affording each coverage (including policy number, policy dates, all coverage limits and sub-limits if any, by type of coverage), (iii) the signature of the authorized representative signing the certificate on behalf of the insurer, (iv) the amounts of all deductibles and self-insured retentions, (v) certified copies of all required endorsements and policy declaration page(s) reflecting issuance of the endorsements, (vi) a certified copy of notice of cancellation providing that thirty (30) days' notice of cancellation and/or material change (or such other prior notice period for same as may be required by applicable state law if such state law mandates a notice period of greater or less than thirty (30) days) will be sent to the certificate holder, (vii) Landlord as the certificate holder showing Landlord's correct name and address, (viii) upon written notice by Landlord, a certificate addressed to Landlord's lender, (ix) the producer of the certificate with a valid address and phone number listed, and (x) execution by a duly authorized representative of the insurers.

Tenant may self-insure some or all of the risks covered by the insurance that it is otherwise obligated to maintain under this Lease and, accordingly, not to maintain the policies that are otherwise required hereunder. All amounts paid or required to be paid and all losses or damages resulting from risks for which Tenant has elected to self-insure will be subject to the waiver of subrogation provisions of the final paragraph of this Section 19 below.

- c. The minimum scope and limit of Tenant's Insurance shall be at least as broad as follows:
  - i. Commercial General Liability (CGL): Insurance covering CGL on an "occurrence" basis, including products and completed operations, property damage, personal and advertising injury, including, without limitation, damage to the Premises and/or Project or tenant legal liability, bodily injury and personal & advertising injury with limits no less than \$1,000,000.00 per occurrence including Umbrella or Excess coverage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. The Landlord Parties are to be granted additional insureds status on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Tenant including materials, parts, or equipment furnished in connection with such work or operations;
  - ii. Property Insurance: 100% replacement cost on a replacement value basis, and in compliance with all laws, regulations or ordinances affecting such Premises at any time during the Lease, for the Tenant's improvements and betterments, including all equipment and other property used in connection therewith, including Tenant's business personal property, HVAC, trade fixtures and signs from time to time in, adjacent to or upon the Premises, and all alterations, additions, or changes made by Tenant pursuant to the terms of this Lease and shall not be subject to coinsurance.
  - iii. Workers' Compensation: Insurance as required by the state in which the Premises are located, with Statutory Limits, and Employer's Liability with limits of no less than \$500,000.00 per accident for bodily injury or disease (for lessees with employees; not required if Tenant provides written verification it has no employees);
  - iv. Proof of Automobile Liability Insurance: Business and/or Personal Automobile Coverage (as applicable) meeting the applicable financial responsibilities of the state in which the Premises are located covering, Code 1 (any auto), or if Tenant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$500,000.00 per accident for bodily injury and property damage;
  - v. Other: Such other insurance against other insurable liabilities or hazards as Landlord may from time to time reasonably require.

Any insurance or self-insurance maintained by the Landlord Parties shall be in excess of Tenant's Insurance and shall not contribute with it. Tenant agrees to obtain any endorsement that may be necessary for a waiver of subrogation from Tenant's insurer. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: X, unless otherwise approved in writing by Landlord.

Tenant shall furnish Landlord with original certificates and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required herein. Tenant shall deliver a certificate or copy of such policy together with evidence of endorsements and payment of all current premiums upon Landlord's written request. Tenant's failure to provide evidence of such coverage to Landlord within five (5) days of written request may, in Landlord's sole discretion, constitute a default under this Lease. Moreover, if Tenant's insurance policy is about to expire or has expired, Tenant must immediately provide Landlord with evidence of insurance renewal or issuance of a new policy that meets the liability requirements detailed above. Failure to provide Landlord with a copy within three (3) days after the expiration of Tenant's policy shall be deemed a default under this Lease. Landlord reserves the right to modify these requirements at any time, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. Landlord does NOT insure Tenant for any personal injury or property damage, including that caused by the act or omission of any other tenant or third party or by any criminal act or activity, war, riot, insurrection, fire, or act of God.

# 20. FIRE OR CASUALTY; CONDEMNATION

"Major Damage" means damage by fire or other casualty to the Project or the Premises which causes the Premises or a. any substantial portion of the Project to be unusable, or which will cost more than twenty-five percent (25%) of the pre-damage value of the Project to repair. In case of Major Damage, Landlord may elect to terminate this Lease by notice in writing to Tenant within sixty (60) days after such date. If this Lease is not terminated following Major Damage, or if damage occurs which is not Major Damage, Landlord shall, to the extent insurance proceeds are available, promptly restore the Premises to the condition existing just prior to the damage. Tenant shall promptly restore all damage to tenant improvements or alterations installed by Tenant or for any loss of personal property as referenced in Section 17 or pay the cost of such restoration to Landlord if Landlord elects to do the restoration of such improvements. If Landlord restores the Premises, and damage was caused in connection with Tenant's use of the Premises or Tenant is otherwise negligent then Tenant will reimburse all Landlords restoration costs. Provided that the damage was through no fault of Tenant, Base Rent shall be reduced from the date of damage until the date the restoration work being performed by Landlord is substantially complete, with the reduction to be in proportion to the area of the Premises not useable by Tenant as a result of such restoration. Notwithstanding anything contained in this Section 20, in no event shall Landlord be required to expend more to reconstruct, restore and repair the Project than the amount actually received by Landlord from the proceeds of the property insurance carried by Landlord and Landlord shall have no duty to repair or restore any portion of any alterations, additions, installation or improvements in the Premises or the decorations thereto except to the extent that the proceeds of the insurance carried by Tenant are timely received by Landlord. If Tenant desires any other additional repairs or restoration, and if Landlord consents thereto, it shall be done at Tenant's sole cost and expense subject to all of the applicable provisions of this Lease. Tenant acknowledges that Landlord shall be entitled to the full proceeds of any insurance coverage whether carried by Landlord or Tenant, for damage to any alterations, addition, installation, improvements or decorations which would become the Landlord's property upon the termination of this Lease.

b. If all of the Project is taken or condemned, or acquired under threat of condemnation, by or at the direction of any governmental authority (a "Taking" or "Taken", as the context requires), or if so much of the Project is Taken that, in Landlord's opinion, the remainder cannot be restored to an economically viable, quality office/warehouse development, or if the awards payable to Landlord as a result of any Taking are, in Landlord's opinion, inadequate to restore the remainder to an economically viable, quality office/warehouse development, Landlord may, at its election, exercisable by the giving of written notice to Tenant within sixty (60) days after the date of the Taking, terminate this Lease as of the date of the Taking or the date Tenant is deprived of possession of the Premises (whichever is later). If this Lease is not terminated as a result of a Taking, Landlord shall restore the Premises remaining after the Taking. During the period of restoration, Base Rent shall be abated to the extent the Premises are rendered untenantable and, after the period of restoration, Base Rent and Tenant's pro rata share shall be reduced in the proportion that the area of the Premises Taken or otherwise rendered untenantable bears to the area of the Premises just prior to the Taking. If any portion of Base Rent is abated under this Section 20, Landlord may elect to extend the expiration date of the Term for the period of the abatement. All awards, proceeds, compensation or other payments from or with respect to any Taking of the Project or any portion thereof shall belong to Landlord, Tenant hereby assigning to Landlord all of its right, title, interest and claim to same. Tenant shall have the right to assert a claim for and recover from the condemning authority, but not from Landlord, such compensation as may be awarded on account of Tenant's moving and relocation expenses, and depreciation to and loss of Tenant's movable personal property.

21. **ASSIGNMENT OR SUBLEASE**. Tenant shall not assign or in any manner transfer, directly or indirectly, this Lease or any estate or interest therein, by operation of law or otherwise, or sublet the Premises or any part thereof, or grant any license, concession or other right of occupancy of any portion of the Premises, or mortgage, pledge or otherwise encumber its interest in this Lease or in the Premises, in each case without the prior written consent of Landlord which consent may be withheld by Landlord in its sole absolute discretion. Upon any violation of this provision by Tenant, this Lease shall terminate, at Landlord's option. Consent by Landlord to one or more assignments or sublettings shall not operate as a waiver of Landlord's rights as to any subsequent assignments and sublettings. In no event shall any assignment or sublease of the Premises relieve or release Tenant or any guarantor of this Lease from any obligations under this Lease (or under the applicable guaranty). Landlord shall be permitted to enforce the provisions of this Lease

against the Tenant and/or any assignee without demand upon or proceeding in any way against any other person. Notwithstanding any assignment or subletting, Tenant and any guarantor of Tenant's obligations under this Lease shall at all times remain fully responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease (even if future assignments and sublettings occur subsequent to the assignment or subletting by Tenant, and regardless of whether or not Landlord's approval has been obtained for such future assignments and sublettings). Moreover, in the event that the rent (plus any bonus or other consideration) due and payable by an assignee, sublessee, licensee or other transferee exceeds the Rent payable under this Lease, Tenant shall pay Landlord all such excess rental and other excess consideration within ten (10) days following receipt thereof by Tenant. Additionally, Landlord may, at its option, collect all such rents and other consideration directly from such assignee, sublessee, licensee or other transferee, apply such amounts against any Rent due to Landlord from Tenant under this Lease, and retain any excess for Landlord's sole benefit, and no such collection shall be construed to constitute a novation or release of Tenant from the further performance of Tenant's obligations under this Lease. Any assignment or subletting made by Tenant in violation of this <u>Section 21</u> shall be null and void and of no force or effect

22. **ESTOPPEL CERTIFICATE**. Tenant shall, within ten (10) days after notice from Landlord, execute, acknowledge, and deliver to Landlord (and to such assignee, mortgagee, or other party as may be designated by Landlord), any estoppel certificate stating, without limitation, (a) that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications; (ii) the amount of Rent then being paid by Tenant, the dates to which Rent has been paid in advance, if any, and the amount of any Security Deposit or Prepaid Rent; (c) whether or not Landlord is in default in performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which the signer may have knowledge; and (d) such other matters relating to the Lease as requested by Landlord. In the event that Failure to deliver the certificate within the ten (10) days shall be conclusive upon the Tenant for the benefit of the Landlord (and to any successor, assignee, mortgagee, or other party as may be designated by Landlord), that this Lease is in full force and effect and has not been modified, except as may be represented by the Landlord. In the event that there is a guarantor of this Lease, such guarantor agrees to execute any such estoppel certificate affirming its obligations and agreements under any guaranty to this Lease.

23. **DEFAULT**. The occurrence of any of the following shall constitute a default by Tenant. (a) A failure to pay rent or other charge when due; (b) failure to occupy and operate the Premises for ten (10) consecutive days; (c) failure to perform any other provision of this Lease (excepting payment of Rent) within ten (10) days from written notice from Landlord; (d) any other violation of this Lease identified elsewhere herein as a default; and/or (e) the occurrence of any of the following: (i) the appointment of a receiver to take possession of all or substantially all of the assets of Tenant, (ii) an assignment by Tenant for the benefit of creditors, or (iii) any action taken or suffered by Tenant, whether voluntary or involuntary, under any insolvency, bankruptcy or reorganization act.

24. LANDLORD'S REMEDIES. Upon the occurrence of any default by Tenant, Landlord shall have the option to pursue, in addition to and cumulative of all other legal or equitable remedies now or hereafter available, the following remedies:

a. Landlord may elect to terminate this Lease by written notice to Tenant and forthwith repossess the Premises and recover as damages from Tenant a sum of money equal to the total of (i) the cost of recovering the Premises (including attorneys' fees and costs of suit), (ii) the cost of removing and storing any personal property, (iii) the unpaid Rent earned at the time of termination, plus interest thereon at the rate described in <u>Section 4</u>, (iv) the present value (discounted at the rate of three percent (3%) per annum) of the balance of the Rent for the remainder of the Term, and (v) any other sum of money and damages owed by Tenant to Landlord under this Lease.

Landlord may elect to terminate this Tenant's right of possession (without terminating this Lease) and may repossess b. the Premises by forcible detainer suit or otherwise, without thereby releasing Tenant from any liability hereunder and without demand or notice of any kind to Tenant and without terminating this Lease. Landlord may relet the Premises on such terms and conditions as Landlord in its sole discretion may determine (including a term different than the Term, rental concessions, alterations and repair of the Premises); provided, however, Landlord hereby reserves the right (i) to lease any other comparable space available in the Project or in any nearby building or development owned by Landlord (or an affiliate of Landlord) prior to offering the Premises for lease, and (ii) to refuse to lease the Premises to any potential tenant which does not meet Landlord's standards and criteria for leasing other comparable space in the Project. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure or refusal to relet the Premises or collect rent due in respect of such reletting. For the purpose of such reletting Landlord shall have the right to decorate or to make any repairs, changes, alterations or additions in or to the Premises as may be reasonably necessary or desirable. In the event that (i) Landlord shall fail or refuse to relet the Premises, or (ii) the Premises are relet and a sufficient sum shall not be realized from such reletting (after first deducting therefrom, for retention by Landlord, the unpaid Rent due hereunder earned but unpaid at the time of releting plus interest thereon at the rate specified in Section 4, the cost of recovering possession (including attorneys' fees and costs of suit), all of the costs and expenses of such decorations, repairs, changes, alterations and additions, the expense of such reletting and the cost of collection of the rent accruing therefrom) to satisfy the Rent, then Tenant shall pay to Landlord as damages a sum equal to the amount of such deficiency. Any such payments due Landlord shall be made upon demand therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Section 24 from time to time. No delivery to or recovery by Landlord of

any portion due Landlord hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Landlord, nor shall such releting be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention be given to Tenant by Landlord. Notwithstanding any such termination of Tenant's right of possession of the Premises, Landlord may at any time thereafter elect to terminate this Lease. In any proceedings to enforce this Lease under this <u>Section 24</u>, Landlord shall be presumed to have used its reasonable efforts to relet the Premises, and Tenant shall bear the burden of proof to establish that such reasonable efforts were not used.

c. Landlord may elect to alter any and all locks and other security devices at the Premises, and if it does so Landlord shall not be required to provide a new key or other access right to Tenant unless Tenant has cured all events of default; provided, however, that in any such instance, during Landlord's normal business hours and at the convenience of Landlord, and upon the written request of Tenant accompanied by such written waivers and releases as Landlord may require, Landlord will escort Tenant or its authorized personnel to the Premises to retrieve any personal belongings or other property of Tenant not subject to the Landlord's lien or security interest described in <u>Section 34</u>. The provisions of this <u>Section 24.c</u> are intended to override and control any conflicting provisions of the Texas Property Code.

d. If Tenant shall fail to pay any sum of money, other than Base Rent, required to be paid by it hereunder or shall fail to cure any default and such failure shall continue for ten (10) days after notice thereof by Landlord, then Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations, make any such payment or perform any such act on Tenant's part. All sums so paid by Landlord and all costs incurred by Landlord in taking such action shall be deemed additional Rent hereunder and shall be paid to Landlord on demand, and Landlord shall have (in addition to all other rights and remedies of Landlord) the same rights and remedies in the event of the non-payment thereof by Tenant as in the case of default by Tenant in the payment of Rent.

In connection with the exercise by Landlord of its rights and remedies in respect of any default by Tenant, to the extent (but no further) that Landlord is required by applicable Texas law to mitigate damages, or to use efforts to do so, and such requirement cannot be lawfully and effectively waived (it being the intention of Landlord and Tenant that such requirements be and are hereby WAIVED to the maximum extent permitted by applicable law), Tenant agrees in favor of Landlord that Landlord shall not be deemed to have failed to mitigate damages, or to have used the efforts required by law to do so, because: (i) Landlord leases other space in the Project prior to re-letting the Premises; (ii) Landlord refuses to relet the Premises to any affiliate of Tenant, or any principal of Tenant, or any affiliate of such principal (for purposes of this Lease, "affiliate" shall mean and refer to any person or entity controlling, under common control with, or controlled by, the party in question); (iii) Landlord refuses to relet the Premises to any person or entity whose creditworthiness Landlord in good faith deems unacceptable; (iv) Landlord refuses to relet the Premises to any person or entity because the use proposed to be made of the Premises by such prospective tenant is not of a type and nature consistent with that of the other tenants in the Project or the floor where the Premises are situated as of the date Tenant defaults under this Lease, or because such use would, in the good faith opinion of Landlord, impose unreasonable or excessive demands upon the Project; (v) Landlord refuses to relet the Premises to any person or entity, or any affiliate of such person or entity, who has been engaged in litigation with, or who has threatened litigation against, Landlord or any of its affiliates, or whom Landlord in good faith deems to be unreasonably or excessively litigious; (vi) Landlord refuses to relet the Premises because the tenant or the terms and provisions of the proposed lease are not approved by the holders of any liens or security interests in the Project or any part thereof, or would cause Landlord to breach or be in default of, or to be unable to perform any of its covenants under, any agreements between Landlord and any third party; (vii) Landlord refuses to relet the Premises because the proposed tenant is unwilling to execute and deliver Landlord's standard lease form without substantial tenant-oriented modifications or such tenant requires improvements to the Premises to be paid at Landlord's cost and expense; or (viii) Landlord refuses to relet the Premises to a person or entity whose character or reputation, or the nature of whose business, Landlord in good faith deems unacceptable. It is further agreed that each and all of the grounds for refusal set forth in the clauses (i) through (viii) of the preceding sentence are reasonable grounds for Landlord's refusal to relet the Premises, or (as to all other provisions of this Lease) for Landlord's refusal to issue any approval, or take any other action, of any nature whatsoever under this Lease. In the event the waiver set forth in this Section 24.c shall be ineffective, Tenant further agrees in favor of Landlord, to the maximum extent to which it may lawfully and effectively do so, that the following efforts to mitigate damages if made by Landlord (and without obligating Landlord to render such efforts) shall be conclusively deemed reasonable, and that Landlord shall be conclusively deemed to have used the efforts to mitigate damages required by applicable law if: Landlord places the Premises on its inventory of available space in the Project; Landlord makes such inventory available to brokers who request same; and Landlord shows the Premises to prospective tenants (or their brokers) who request to see it.

25. ENTRY ON PREMISES. Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes: (a) to inspect the Premises and whether Tenant is complying with this Lease; (b) maintenance and restoration to the Premises or the Project; (c) to post "for sale", "for rent" or "for lease" signs; (d) to show the Premises to prospective brokers, agents, buyers, lenders, appraisers, tenants, or persons interested in leasing or purchasing the Premises; and/or (e) to repair, maintain or improve the Project and to do any other act or thing necessary for the safety or preservation of the Premises or the Project. Landlord shall not be liable in any manner for any inconvenience, disturbance, and loss of business, nuisance or other damage arising out of Landlord's entry onto the Premises as provided in this <u>Section 25</u>. Tenant shall not be entitled to an abatement

or reduction of Rent if Landlord exercises any rights reserved in this <u>Section 25</u>. Landlord shall conduct his activities on the Premises as provided herein in a manner that will minimize the inconvenience, annoyance or disturbance to Tenant. Landlord shall at all times have and retain a key with which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes. Tenant shall not alter any lock or install a new or additional lock or bolt on any door of the Premises without prior written consent of Landlord, and if Landlord so consents, Tenant shall furnish Landlord with a key for any such lock.

26. **SUBORDINATION**. This Lease, and the rights of Tenant under this Lease, are subject and subordinate in all respects to all present and future underlying leases of the Premises or Project, including all modifications, extensions and replacements thereof ("<u>Superior Leases</u>") and all present and future mortgages on any Superior Lease or on the Premises and/or the Project ("<u>Mortgages</u>"), and all advances under any Mortgage. This Section is self-operative and no further instrument of subordination is required. Tenant shall, within ten (10) days of request, execute and deliver any instrument that Landlord, any landlord under a Superior Lease ("<u>Superior Landlord</u>") or any mortgagee under a Mortgage ("<u>Mortgagee</u>") may request to evidence such subordination. If any Mortgagee or any Superior Landlord or any successor or assignee thereof or any purchaser at a foreclosure sale or by deed in lieu of foreclosure succeeds to the rights of Landlord under this lease, then at the request of same, Tenant shall attorn to such Mortgagee, Superior Landlord, successor, assignee or purchaser as Tenant's landlord under this lease. Tenant shall, within ten (10) days following request by such Mortgagee, Superior Landlord, successor, assignee, or purchaser requests to evidence the attornment. Failure of Tenant to deliver the same within such 10-day period shall be an automatic Tenant default hereunder without any additional notice and cure period.

27. **NOTICE**. Any notice, demand, request, consent, approval or communication desired by either party or required to be given, shall be in writing and served either personally or sent by first-class registered or certified mail, electronic mail, or a nationally recognized express transportation company with written proof of delivery, addressed as set forth in <u>Section 1</u>, or to the address that a party has notified to be that party's address for the purposes of this paragraph. Either party may change its address by notification to the other party. Notice shall be deemed to be communicated forty-eight (48) hours from the time of mailing, or from the time of personal service or on the next business day if transmitted by nationally recognized express transportation company (with confirmation of delivery), and in the case of electronic mail, as and when sent provided the sender does not receive a delivery failure notification message.

28. **NO WAIVERS**. In the event Landlord shall by conduct or otherwise waive any one portion or provision of this Lease, it shall not constitute a waiver of any covenant of this Lease. Failure by Landlord to enforce any term hereof or to exercise any right or remedy available to Landlord shall not be deemed a waiver by Landlord of Landlord's rights to enforce such terms. The acceptance of rent by Landlord with knowledge of a breach by Tenant shall not constitute a waiver of Landlord's right to enforce any term in this Lease.

29. **LEGAL FEES/COST OF SUIT**. In the event of a default by Tenant, Tenant shall be responsible to Landlord for all costs incurred by the Landlord as a result of such default, including reasonable attorney's fees and costs of the suit, whether or not any action to enforce this Lease is filed. If either party retains an attorney to enforce this Lease, the prevailing party shall be entitled to reasonable attorney's fees from the non-prevailing party.

30. **SURRENDER OF PREMISES; HOLDING OVER.** At the expiration or termination of this Lease, Tenant shall surrender the Premises to Landlord in good condition, clean and rent ready, in the condition in which the same were delivered to Tenant (except for alterations which Landlord has not required Tenant to remove), normal wear and tear excepted. Tenant shall have the carpets professionally cleaned, and patch and paint all holes in walls. Tenant shall ensure that all doors are in operable condition. Landlord can elect to retain or dispose of in any manner Tenant's personal property not removed from the Premises by Tenant prior to the expiration or earlier termination of this Lease and/or Tenant's right to possession of the Premises, and/or in the event Tenant abandons the Premises. All such property remaining on the Premises shall be deemed to be abandoned by Tenant and Landlord shall not be required to provide Tenant with any notice as a condition precedent to such abandonment. Tenant hereby waives all claims against Landlord resulting from Landlord's cost for storage, removal or disposal of Tenant's abandoned property. If Tenant remains in possession of the Premises after expiration or termination of the term, Tenant's possession shall be that of a Tenant in sufferance and Tenant shall pay monthly Rent during the holdover period in an amount equal to 150% of the monthly Rent for the last full calendar month during the Term.

31. **LIMITATION OF LIABILITY**. The obligations of Landlord under this Lease do not constitute personal obligations of the individual members, managers, directors, or shareholders of Landlord, and Tenant shall look solely to the real estate that is the subject of this Lease and to no other assets of Landlord for satisfaction of any liability in respect of this Lease and will not seek recourse against the individual members, managers, directors, officers, or shareholders of Landlord or any of their personal assets for such satisfaction or for any deficiency judgment should Tenant be unable to satisfy any liability owed to it. Tenant shall not name or serve any individual members, managers, directors, officers, or shareholders of Landlord in any proceeding arising from this Lease. In no event shall Landlord be liable under this Lease for any consequential, special, or other similar types of damages, including, but not limited to damages from loss of business or business interruption, or punitive damages.

#### 32. RESERVED.

33. LIENS: CONTRACTORS', MECHANICS' & OTHER. Tenant shall not have authority to place any lien upon the Premises or the Project (or any interest therein) or in any way bind Landlord and any attempt to do so shall be null and void and of no effect. Landlord expressly disclaims liability for the cost of labor performed for or materials furnished to Tenant. All costs for construction in the Premises shall be paid promptly by Tenant to prevent the assertion of any liens for labor or materials. If because of any actual or alleged act or omission of Tenant, or its agents, representatives, employees or invitees, including, laborers performing labor or materialmen furnishing materials at or for the Premises, any lien, affidavit, charge or order for the payment of money shall be filed against Landlord, the Premises or any other portion of the Project or interest therein, whether or not such lien, affidavit, charge or otherwise no later than fifteen (15) days after notice to Tenant of the filing thereof, but in all events prior to the foreclosure thereof. Tenant shall, if requested by Landlord, furnish payment and performance bonds or other security satisfactory to Landlord covering any construction or repair (and any such loss or liability associated therewith) performed or to be performed by Tenant.

34. LANDLORD'S LIEN. In consideration of the mutual benefits arising under this Lease, Tenant grants to Landlord a lien and security interest on Tenant's furniture, equipment, goods, inventory, machinery, work in progress, tools, vehicles, furnishings, or any other personal property placed in or on the Premises now or later. That property will be and remain subject to the lien and security interest of Landlord for payment of all rent and other amounts agreed to be paid by Tenant in this Lease. The provisions of this paragraph relating to a lien and security interest will constitute a security agreement under the Texas Uniform Commercial Code so that Landlord will have and may enforce a security interest on Tenant's property. Tenant authorizes Landlord to prepare and file any financing statement or statements that Landlord may now or later require in order that the security interest or interests may be perfected under the Texas Uniform Commercial Code. Landlord may at its election and at any time file a copy of this Lease as a financing statement. Landlord, as secured party, will be entitled to all of the rights and remedies afforded a secured party under the Texas Uniform Commercial Code in addition to and cumulative of the Landlord's liens and rights provided by law or by the other terms and provisions of this Lease. Landlord agrees to execute an agreement subordinating the security interest granted hereunder to that of a lender of Tenant provided that: (a) such lender is not affiliated with Tenant; (b) there is no default in existence at that time, beyond any applicable notice and cure period; and (c) such subordination agreement is on Landlord's form or a form reasonably acceptable to Landlord. In the event Tenant's lender refuses to use Landlord's standard form of subordination agreement, Landlord shall have the right to charge Tenant a subordination fee in an amount equal to One Thousand and No/100 Dollars (\$1,000.00) which shall be due and payable prior to Landlord's execution of such lien subordination. Landlord's subordination shall be expressly conditioned upon the lender agreeing to remove its collateral from the Premises (and repairing any damage to the Premises and indemnifying and holding Landlord harmless from any costs, losses, damages or expenses incurred in connection with such removal) within twenty (20) days of receipt by lender of written notice from Landlord of a default by Tenant under the Lease.

35. **TENANT'S LIABILITY FOR WITHHOLDING LAST MONTH'S RENT**. Pursuant to Texas Property Code 93.010, a tenant may not withhold payment of any portion of the last month's rent on grounds that the Security Deposit is security for unpaid rent. A tenant who violates this is presumed to have acted in bad faith. A tenant who in bad faith violates this paragraph is liable to the Landlord for an amount equal to three times the rent wrongfully withheld and the Landlord's reasonable attorney's fees in a suit to recover the rent.

36. **LIMITATION OF WARRANTIES**. There are no implied warranties of merchantability, of fitness for a particular purpose, or of any other kind, including suitability for any purpose, arising out of this Lease, and there are no warranties that extend beyond those expressly stated in this Lease.

37. **TENANT ENTITY FORMATION/SIGNATORY'S AUTHORITY**. If Tenant is an entity (i.e. a corporation, partnership, LLC, etc.), by executing this Lease, the undersigned individual signing on behalf of Tenant does hereby represent and warrant to Landlord that the Tenant entity is duly formed, in good standing, and registered to conduct business. In the event that the Tenant entity, at any point during the Term, shall cease to be in existence or good standing, or is otherwise unauthorized to lawfully transact business by the state of its formation, the state in which the Premises are located, or any other applicable governmental authority, and Tenant fails to take any and all corrective action to remedy same, and successfully effectuate the remediation of same, within ten (10) days after written notice from Landlord, such failure to cure shall constitute a default under this Lease for which Landlord may exercise any and all remedies set forth herein, at law, or in equity. Further, if Tenant is an entity (i.e. a corporation, partnership, LLC, etc.), each individual executing the Lease on behalf of this entity represents and warrants that he/she is duly authorized to execute and deliver the Lease on behalf of this entity in accordance with the entity's governing documents, and that the Lease and all of its terms and conditions are binding on the Tenant.

#### 38. RESERVED.

39. ACCOMMODATIONS LAW. Tenant shall be wholly responsible for any accommodations or alterations that are required by applicable governmental codes, ordinances, rules, regulations and laws to be made to the Premises to accommodate disabled employees and customers of Tenant, including, without limitation, compliance with the Americans with Disabilities Act (42 U.S.C. §§ 12101 et seq.) and the Texas Architectural Barriers Act (Tex.Rev.Civ.Stat. Art 9201) (collectively, the "Accommodation Laws"). Except to the extent provided below, Landlord shall be responsible for making all accommodations and alterations to the Common Areas of the Project necessary to comply with the Accommodation Laws. Notwithstanding the foregoing, Landlord may perform, at Tenant's sole cost and expense, any accommodations or alterations that are required by the Accommodation Laws to any area outside of the Premises which are triggered by any alterations or additions to Premises and Tenant shall reimburse Landlord for such cost and expense upon demand.

40. **ANTI-TERRORISM**. Tenant represents and warrants to and covenants with Landlord that (i) neither Tenant nor any of its direct or indirect owners or affiliates currently are, or shall be at any time during the Term, in violation of any laws relating to terrorism or money laundering (collectively, the "<u>Anti-Terrorism Laws</u>"); (ii) neither Tenant nor any subtenant of Tenant nor any person or entity that owns any direct or indirect beneficial interest in Tenant or such subtenant is, or is acting directly or indirectly for or on behalf of, any group, entity, or nation, named by any Executive Order of the President of the United States or the United States Treasury Department as a terrorist or other "SDN," or other person, entity, nation or transaction banned or blocked pursuant to any law, order, rule or regulation that is enforced or administered by the United States Office of Foreign Assets Control or any successor entity, agency or department; and (iii) Tenant has taken appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented appropriate procedures to assure its continued compliance with such laws. Tenant hereby agrees to defend, indemnify, and hold harmless the Landlord Parties from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing representations, warranties and covenants. At any time and from time-to-time during the Term, Tenant shall deliver to Landlord within ten (10) days after receipt of a written request therefor, a written certification or such other evidence reasonably acceptable to Landlord evidencing and confirming Tenant's compliance with this <u>Section 40</u>.

41. **INABILITY TO PERFORM**. Whenever a period of time is prescribed for the taking of an action by Landlord, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist attacks (including bio-chemical attacks), civil disturbances and other causes beyond the reasonable control of the Landlord ("Force Majeure").

42. **DTPA WAIVER**. TENANT HEREBY WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTION 17.41 <u>ET SEQ</u>., TEXAS BUSINESS COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF TENANT'S OWN SELECTION, TENANT VOLUNTARILY CONSENTS TO THIS WAIVER.

43. **WAIVER OF TRIAL BY JURY.** LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTERS IN ANY WAY ARISING OUT OF OR CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY APPLICABLE LAW, RULE, STATUTE, ORDER, CODE OR ORDINANCE.

## 44. INTENTIONALLY DELETED.

45. **RIGHTS RESERVED**. Notwithstanding anything herein to the contrary, Landlord hereby expressly reserves the right in its sole discretion to (i) temporarily or permanently change the location of, close, block or otherwise alter any streets, driveways, entrances, corridors, doorways or walkways leading to or providing access to the Project or any part thereof or otherwise restrict the use of same provided such activities do not unreasonably impair Tenant's access to the Premises, (ii) improve, remodel, add additional floors to or otherwise alter the building containing the Premises, (iii) construct, alter, remodel or repair one or more parking facilities (including garages) on the Project, and (iv) convey, transfer or dedicate portions of the Project. In addition, Landlord shall have the right, in its sole discretion, at any time during the Term to attach to any or all of the building windows a glazing, coating or film or to install storm windows for the purpose of improving the building's energy efficiency. Tenant shall not remove, alter or disturb any such glazing, coating or film. The addition of such glazing, coating or film, or the installation of storm windows or the exercise of any of Landlord's rights pursuant to this Section 45, shall in no way reduce Tenant's obligations under this Lease or impose any liability on Landlord and it is agreed that Landlord shall not incur any liability whatsoever to Tenant as a consequence thereof and such activities shall not be deemed to be a breach of any of Landlord's obligations hereunder. Landlord agrees to exercise good faith in notifying Tenant within a reasonable time in advance of any alterations, modifications or other actions of Landlord under this Section 45. Any diminution or shutting off of light, air or view by any structure which is now or may hereafter be effected on lands adjacent to the Project shall in no way affect this Lease or impose any liability on Landlord. Noise, dust or vibration or other incidents caused by or arising out of any work performed pursuant to the exercise of Landlord's rights reserved in this Section 45 or new construction of improvements on lands

adjacent to the Project, whether or not owned by Landlord, shall in no way affect this Lease or impose any liability on Landlord. Tenant agrees to cooperate with Landlord in furtherance of Landlord's exercise of any of the rights specified in this <u>Section 45</u>.

46. **MOLD**. Tenant acknowledges that mildew and mold can grow in most any moist location including within Tenant's Premises. Tenant shall observe good housekeeping and ventilation practices to properly prevent moisture, mildew and mold in the Premises (especially in kitchens, bathrooms, beneath cabinets and around outside walls). By accepting possession of the Premises. Tenant certifies that it has inspected the Premises and Tenant has not observed mold, mildew or moisture within Tenant's Premises. Tenant agrees to immediately notify Landlord if Tenant observes mold, mildew and/or improper moisture conditions (from any source, including leaks), and allow Landlord to evaluate and make recommendations and/or take appropriate corrective action. Tenant hereby releases Landlord from any liability for any personal injury or property damage caused by or associated with moisture or the growth of or occurrence of mold or mildew at the Premises.

## 47. INTENTIONALLY DELETED.

48. **TIME OF ESSENCE**. In all instances where Tenant is required hereunder to pay any sum or do any act at a particular indicated time or within an indicated period, time is of the essence of each provision of this Lease.

49. **SUCCESSORS**. This Lease shall be binding on and inure to the benefit of the parties hereto and their permitted successors and assigns. In the event of a sale or conveyance by Landlord of the Project, the same shall operate to release Landlord from any liability under this Lease, and in such event Landlord's successor in interest shall be solely responsible for all obligations of Landlord under this Lease. Any security given by Tenant to secure performance hereunder may be assigned and transferred by Landlord to such successor in interest, and Landlord shall thereby be discharged of any further obligation relating thereto.

50. LANDLORD'S CONSENT. Any consent required by Landlord under this Lease must be granted in writing and may be withheld by Landlord in its sole and absolute discretion.

51. **COMMISSIONS**. Each party hereto represents that it has not dealt with any real estate broker, finder or other person with respect to this Lease in any manner, except for the Landlord's Designated Leasing Agent and Tenant's Designated Leasing Agent (if any) identified, respectively, in <u>Section 1</u>.

52. JOINT AND SEVERAL RESPONSIBILITY GUARANTEE. It is agreed and understood that each tenant listed on this Lease is individually, personally, jointly, and severally responsible for strict performance of every covenant and condition of this Lease regardless of whether the particular tenant has vacated the premises.

53. **DOCUSIGN**. This Lease (and any amendments hereto and any other instruments relating to the transactions contemplated hereby, other than any instruments to be recorded, witnessed, and/or notarized) may be electronically signed by the parties by the use of DocuSign, which will be treated as an original copy as though ink-signed by duly authorized officers or other representatives of each party.

54. **CONFIDENTIALITY**. Except to the extent as may be required by law (including without limitation, any open records request or any other request under the Freedom of Information Act), Tenant expressly agrees not to disclose any terms, rental information, pricing, or other information regarding this lease with any other tenants in the Project, or any other person having a relationship to any other tenant in the project during the term of this Lease. If Tenant receives a request for disclosure pursuant to any applicable law, Tenant agrees to provide Landlord prompt notice of such request in order for Landlord to contest such disclosure. Tenant shall reasonably cooperate with Landlord, at no cost to Tenant, in connection with any such Landlord contest.

55. **SEVERABILITY**. This Lease shall be construed in accordance with the laws of the State of Texas. If any clause or provision of this Lease is illegal, invalid or unenforceable, under present or future laws effective during the Term hereof, then it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby.

56. **NO SECURITY OBLIGATION**. TENANT SPECIFICALLY ACKNOWLEDGES THAT LANDLORD HAS NO DUTY TO PROVIDE SECURITY FOR ANY PORTION OF THE PREMISES OR PROJECT, AND TENANT HAS ASSUMED SOLE RESPONSIBILITY AND LIABILITY FOR THE SECURITY OF ITSELF, ITS PERMITTEES AND THEIR RESPECTIVE PROPERTY, IN, ON, ABOUT OR WITHIN THE PREMISES AND PROJECT. Tenant assumes all responsibility for securing and protecting its Premises and its contents including keeping doors locked and other means of entry to the Premises closed.

57. ENTIRE AGREEMENT. All prior agreements between Landlord and Tenant are incorporated in this Lease, which together with any exhibits, addenda or amendments, constitutes the entire agreement between the parties. It is intended as a final expression of

the parties' agreement and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. Any changes to this Lease must be in writing and executed by Landlord and Tenant.

58. ADDITIONAL EXHIBITS: Additional exhibits lettered A, B, C, D and E are attached hereto, and are hereby incorporated into and made a part of this Lease.

- Exhibit A \_ **Rules and Regulations** Exhibit B
  - \_ Parking Rules and Regulations
- Exhibit C

Exhibit D

- \_ Premises
  - \_ Legal Description of Project
- Renewal Options Exhibit E \_

The parties hereto have executed this Lease on the dates specified below, to be effective on the Date of Lease set forth below.

## LANDLORD:

### PCRIF SILVERLAKE, LLC,

a Texas limited liability company

- By: PCR Investment Company, LLC, a Texas limited liability company Manager
  - By:
    - Name: Andrew Pappas Title: Manager Date: \_\_\_\_\_\_("Date of Lease")

# TENANT:

# BRAZORIA COUNTY,

a political subdivision of the State of Texas, on behalf of Brazoria County WIC

By:

Name: L. M. "Matt" Sebesta, Jr.\_\_\_\_\_ Title: County Judge\_\_\_\_\_

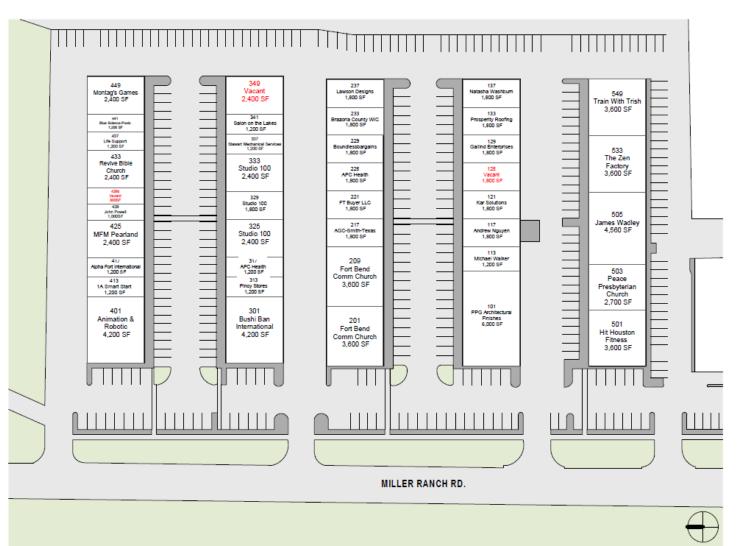
## EXHIBIT A RULES AND REGULATIONS

- 1. If Tenant requires telephone, data, burglar alarm or similar service, the cost of purchasing, installing and maintaining such service shall be borne solely by Tenant. No boring or cutting for wires will be allowed without Landlord's prior written consent.
- 2. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or other device on the roof or exterior walls of the Project and/or Premises without Landlord's prior written consent, which consent shall be in Landlord's sole discretion.
- 3. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork, plaster or drywall (except for pictures and general office uses) or in any way deface the Premises or any part thereof.
- 4. No cooking shall be done or permitted on the Premises, except those Landlord-approved microwave ovens or equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted.
- 5. Tenant shall not use any hand trucks except those equipped with the rubber tires and side guards, and may use such other material handling equipment as Landlord may approve. Forklifts which operate on asphalt areas shall only use such tires that do not damage asphalt.
- 6. Tenant shall not use the name of the Project or any photograph or other likeness of the Project in connection with or in promoting or advertising Tenant's business except that Tenant may include the Project name in Tenant's address. Landlord shall have the right, exercisable without notice and without liability to any tenant, to change the name and address of the Project and/or any premises therein.
- 7. All trash and refuse shall be contained in suitable receptacles at locations approved by Landlord. Tenant shall not place in the trash receptacles any personal trash or material that cannot be disposed of in the ordinary and customary manner of removing such trash without violation of any law or ordinance governing such disposal.
- 8. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governing authority having jurisdiction over the Premises.
- 9. Tenant shall not use any method of heating or air conditioning (other than that supplied by Landlord) without Landlord's prior written consent.
- 10. Tenant shall not permit any animal, other than certified service animals, to be brought or kept in or about the Premises or any common area of the Project without Landlord's prior written permission.
- 11. Tenant shall not permit any motor vehicles to be washed or mechanical work or maintenance of motor vehicles to be performed on any portion of the Premises or parking lot.
- 12. Canvassing, soliciting, distribution of handbills or any other written material in the common area is prohibited and each tenant shall cooperate to prevent the same. No tenant shall solicit business from other tenants or permit the sale of any goods or merchandise in the common area without the prior written consent of Landlord.
- 13. Any equipment belonging to Tenant which may cause objectionable noise or vibration to be transmitted to the structure of the building in which the Premises are located or to any space therein shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate the noise or vibration.
- 14. Access areas (such as driveways, sidewalks, halls, passages, exits, entrances and stairways) shall not be obstructed or used for any purpose other than for ingress to and egress from their respective premises. Access areas are not for the use of the general public and Landlord retains the right to control and prevent access thereto by all persons whose presence, in the judgement of Landlord, shall be prejudicial to the safety, character, reputation and interests of the Project or its tenants.
- 15. During periods of loading and unloading, Tenant shall not unreasonably interfere with traffic flow and loading and unloading areas of other tenants. All products, materials, or goods must be stored within the Tenant's Premises and not in any areas, including, but not limited to, exterior dock platforms, against the exterior of the Project clean and free of nails, wood, pallets, packing materials, barrels and any other debris produced from their operation.

## EXHIBIT B PARKING RULES AND REGULATIONS

- 1. Parking spaces shall be for working, registered passenger vehicles only; no boats, trucks, trailers, recreational vehicles, storage trailers or "PODS", or inoperative vehicles may be parked in the parking areas (except that trucks may be loaded and unloaded in designated loading areas).
- 2. No parking of vehicles is allowed in unauthorized areas, including parking of unauthorized vehicles or by unauthorized persons in areas designated for visitor parking or otherwise reserved for use by specific persons.
- 3. Cars must be parked entirely within painted stall lines. Parking is prohibited (i) in areas not striped for parking; (ii) in aisles; (iii) where "no parking" signs are posted; (iv) on ramps; and (vi) in other such areas as may be designated by Landlord, from time to time. Handicap and visitor stalls shall be used only by handicapped persons or visitors, as applicable. Tenant will from time to time, upon the request of Landlord, supply Landlord with a list of license plate number of vehicles owned or operated by its employees or agents.
- 4. Vehicles parked in violation of these rules and regulations may be towed without notice at the vehicle owner's expense.
- 5. The parking areas shall not be used to provide or perform car wash, oil changes, detailing, automotive repair or other services, unless otherwise approved or furnished by Landlord.
- 6. All directional signs and arrows must be observed. All posted speed limits for the parking areas shall be observed. If no speed limit is posted for an area, the speed limit shall be five (5) miles per hour.
- 7. Every parker is required to park and lock his or her own car. All responsibility for damage to cars or persons is assumed by the parker.
- 8. Tenant's parking may not impede ingress or egress within the Project, interfere with other tenants' use of their leased premises, nor encroach within any fire lanes. Tenant shall not have the right to lease or otherwise re-assign the parking spaces on the Project.
- 9. All parking is solely at Tenant's risk. Tenant hereby agrees to release, indemnify and hold Landlord harmless from any and all liability for damage or loss to the cars or the contents thereof.
- 10. Tenant shall acquaint its employees, agents, visitors or representatives with the Parking Rules and Regulations as set forth herein, as they may be in effect from time to time.

EXHIBIT C PREMISES



# EXHIBIT D LEGAL DESCRIPTION OF PROJECT

6.6299 acres, more or less, (approximately 288,798 square feet) being Tract B of the H.T. & B. Railroad Co. Survey, Abstract Number 304 in Brazoria County, Texas, located at 2809-2825 Miller Ranch Road, Pearland, Brazoria County, Texas 77584.

### <u>EXHIBIT E</u> RENEWAL OPTIONS

Provided no Event of Default exists and Tenant is occupying the entire Premises at the time of such election, Tenant may renew the Lease for three (3) additional successive periods of one (1) year each, by delivering written notice of the exercise thereof to Landlord not earlier than twelve (12) months nor later than three (3) months before the expiration of the Lease Term (or the prior extension term, as applicable). The Base Rent payable for each month during each such extended Lease Term shall be the greater of (a) the prevailing rental rate (the "Prevailing Rental Rate"), at the commencement of such extended Lease Term, for renewals of space in the Building of equivalent quality, size, utility and location, with the length of the extended Lease Term, the "AS IS" nature of the renewal, and the credit standing of Tenant to be taken into account, and (b) the then current Base Rent rate. Within thirty (30) days after receipt of a Tenant's notice to renew, Landlord shall deliver to Tenant written notice of the Prevailing Rental Rate and shall advise Tenant of the required adjustment to Base Rent, if any, and the other terms and conditions offered. Tenant shall, within ten (10) days after receipt of a Landlord's notice, notify Landlord in writing whether Tenant accepts or rejects Landlord's determination of the Prevailing Rental Rate. If Tenant timely notifies Landlord that Tenant accepts Landlord's determination of the Prevailing Rental Rate, then, on or before the commencement date of the applicable extended Lease Term, the parties shall execute an amendment to the Lease extending the Lease Term on the same terms provided in the Lease, except: (a) Base Rent shall be adjusted to the Prevailing Rental Rate (in the event the Prevailing Rental Rate is greater than the then current Base Rent rate), (b) Tenant shall have no further renewal option unless expressly granted by Landlord in writing, and (c) Landlord shall lease to Tenant the Premises in its then-current condition, and Landlord shall not provide to Tenant any allowances or other tenant inducements. Neither party's failure or refusal to execute an amendment to the Lease when contemplated under this Exhibit shall be deemed to invalidate any otherwise binding exercise of the option or determination of Prevailing Rental Rate as contemplated herein. In any circumstance where Tenant has exercised its option hereunder, but the Prevailing Rental Rate has not yet been determined at the time the Lease Term (or applicable extended Lease Term) expires, Tenant shall continue to pay the Base Rent rate then in effect until such time as the Prevailing Rental Rate has been determined hereunder, following which the parties shall reconcile any and all underpayments by Tenant relating back to the first day of the renewal term. If Tenant fails to timely notify Landlord of its acceptance of Landlord's determination of the Prevailing Rental Rate, Tenant shall be deemed to have withdrawn its extension notice and waived all further extensions granted hereunder.

Tenant's rights under this Exhibit shall terminate if (1) the Lease or Tenant's right to possession of the Premises is terminated, (2) Tenant assigns any of its interest in the Lease or sublets any portion of the Premises, (3) Tenant fails to timely exercise its option under this Exhibit, time being of the essence with respect to Tenant's exercise thereof, or (4) Tenant fails to timely notify Landlord in writing that Tenant accepts or rejects Landlord's determination of the Prevailing Rental Rate, time being of the essence with respect thereto.