

ARTICLE 3. RENT

Lessee agrees to and shall pay Lessor as rent for the Leased Premises, the sum of One Dollar (\$1.00) per year payable in advance.

ARTICLE 4. TAXES

Lessee shall pay and discharge all taxes, general and special assessments, and other charges of every description which during the term of this Lease may be levied on or assessed against the Leased Premises and all improvements and other property thereon, whether belonging to Lessor or to Lessee. Lessee shall pay all such taxes, charges, and assessments, if any, to the public officer charged with the collection thereof not less than fifteen (15) days before the same shall become delinquent, and Lessee agrees to indemnify and save Lessor harmless from all such taxes, charges, and assessments.

ARTICLE 5. UTILITIES

Lessee shall pay or cause to be paid all charges for water, heat, gas, electricity, sewers, and any and all other utilities used on the Leased Premises.

ARTICLE 6. USE OF PREMISES

The sole permitted use of the Leased Premises by Lessee shall be for the location and operation of a park and recreational purposes including but not limited to literacy development for persons located in Hidalgo County, Texas.

ARTICLE 7. RENOVATION OF LEASED PREMISES

Improvements by Lessee

7.01. Any and all plans for any improvements of the Leased Premises shall submitted to the Lessor for approval.

Lessor's Ownership of Improvements and Fixtures

7.02. It is expressly understood and agreed that, during the term of this Lease any all buildings, improvements, fixtures, of whatsoever nature at any time constructed or placed on any part of the Leased Premises if not removed by Lessee on or before the date of termination of the Lease shall be the property of Lessor.

Ownership of Improvements and Fixtures Upon Expiration or Termination

7.03. Lessee covenants and agrees that at the expiration of this Lease or upon its

earlier termination as provided herein, if Lessee has not removed any buildings, improvements or fixtures constructed or placed on the Leased Premises prior to the expiration or termination of this Lease, Lessee shall peaceably deliver possession of the Leased Premises and all improvements, including any buildings, improvements and fixtures which the Lessee may have brought, placed or constructed upon the Leased Premises to the Lessor.

ARTICLE 8. ENCUMBRANCE OF LEASEHOLD ESTATE

Lessee shall not encumber the leasehold interest.

ARTICLE 9. REPAIRS

Lessee's Duty to Repair

Except as otherwise provided herein, Lessee, at Lessee's own cost, hereby agrees to keep and maintain, or cause to be kept and maintained, all buildings and improvements located on the Leased Premises in a good state of appearance and repair, reasonable wear and tear excepted.

ARTICLE 10. CONDEMNATION OR CASUALTY

In the event all or any part of the Leased Premises shall be damaged by fire, casualty or other causes, or in the even all or any part of the Leased Premises is taken in any condemnation proceedings, Lessee shall have the right to cancel this Lease, if in the judgement of Lessee such casualty or condemnation proceeding has made the Leased Premises unsatisfactory for use by the Lessee.

ARTICLE 11. INSURANCE

11.01. Lessee agrees to keep in force, at its sole cost, comprehensive general liability insurance applicable to the Leased Premises. Said insurance shall contain minimum limits equal to Lessor's liability as set forth in the Texas Tort Claims Act, Section 101.001, et seq., Tex. Civ. Proc. And Rem. Code Ann., as same may from time to time during the term hereof be amended. Such policy(s) shall include Lessor and Lessee as named insured. Such policy(s) of insurance shall be issued by insurance company(s) acceptable to Lessor, shall provide for written notice to Lessor by the insurance underwriter not less than ten (10) days in advance of the date of any cancellation, and Lessor promptly shall be furnished a duplicate original of such policy.

Indemnification

11.02. Lessee shall indemnify and hold Lessor harmless from and against all claims, actions and demands of any nature whatsoever arising from personal injury or

death to any person or from losses of or damages to any property, which claims, actions and demands allegedly result from any act or omission of Lessee, or of any of its agents, employees, licensees or invitees or occasioned by the failure of Lessee to maintain the Leased Premises in safe condition, or from any act or omission relating to the use and/or storage of any equipment, materials, supplies or other things of any nature whatsoever related to or in connection with the use and operation of the Leased Premises, and/or the performance of this Lease; and Lessee shall reimburse Lessor all expenses or costs incurred by Lessor in connection with any investigation, handling, settlement, defense and/or enforcement of any rights concerning the Leased Premises and/or the performance of this Lease and/or any and all such claims, actions and demands, and shall pay any and all judgments, awards, and/or settlements resulting therefrom, except only any such claim, action or demand which allegedly was caused solely by the negligence of Lessor.

ARTICLE 12. ASSIGNMENT AND SUBLEASE

Assignment and Subletting by Lessee

12.01. Lessee shall have the right, upon obtaining the prior written consent of Lessor, to assign this Lease, and any interest therein, and to sublet in writing all of Lessee's obligations under this Lease.

Assignment by Lessor

12.02. Lessor is expressly given the right to assign any or all of its interest under the terms of this Lease.

ARTICLE 13. DEFAULT AND REMEDIES

Termination on Default

13.01 Should Lessee default in the performance of any covenant, condition, or agreement in this Lease, and such default is not corrected within thirty (30) days after receipt of written notice from Lessor to Lessee, Lessor may declare this Lease, and all rights and interest created by it, to be terminated. Upon Lessor electing to terminate, this Lease shall cease and come to an end as if that were the day originally fixed herein for the expiration of the term hereof.

Other Remedies

13.02. Any termination of this Lease as herein provided shall not relieve Lessee from any claim for damages then or theretofore accruing against Lessee hereunder, and any such termination shall not prevent Lessor from enforcing such claim for damages by any remedy provided for by law, or from recovering damages from Lessee for any default thereunder. No waiver by Lessee of a breach of any of the covenants, conditions, or

restrictions of this Lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition, or restriction herein contained.

ARTICLE 14. WARRANTIES
Lessor's Warranty of Title

14.01. Lessor hereby represents and warrants that it is the owner in fee simple absolute of the Leased Premises subject to covenants, conditions, restrictions, easements, and other matter of record.

Lessor's Warranty of Quiet Enjoyment

14.02. Lessor covenants and agrees that Lessee on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises during the term of this Lease without hindrance or molestation of Lessor or any person claiming under Lessor except such portion of the Leased Premises, if any, as shall be taken under the power of eminent domain.

ARTICLE 15. GENERAL PROTECTIVE PROVISIONS

Right of Entry and Inspection

15.01. Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter on the Leased Premises for the purpose of inspection, to determine whether Lessee is in compliance with the terms of this Lease and for the purposes of maintaining, repairing or altering the Leased Premises.

No Partnership

15.02. The relationship between Lessor and Lessee at all times shall remain solely that of landlord and tenant and not be deemed a partnership or joint venture.

Force Majeure

15.03. It is expressly understood and agreed that the performance of any other covenant, agreement, obligation, or undertaking herein contained is delayed by reason of war, civil commotion, act of God, governmental restrictions, regulations or interferences, fire or other casualty, or any circumstances beyond the control of the party obligated or permitted under the terms hereof to do or perform the same, regardless of whether any such circumstances is similar to any of those enumerated or not, each such party shall be excused from doing or performing the same during such period of delay.

No Waiver

15.04. No waiver by Lessor of any default or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, stipulation hereof.

ARTICLE 16. MISCELLANEOUS

Notices

16.01. All notices provided to be given under this Agreement shall be given by certified mail or registered mail, return receipt requested, addressed to the property party. The date of mailing of any notice under this Agreement shall be deemed to be the date of such notice and shall be effective from such date. The addresses of the parties to this Agreement are as follows:

LESSOR:

**County of Hidalgo
Attn: County Judge
100 E. Cano St.
Edinburg, Texas 78539**

LESSEE:

**ARISE Las Milpas
Attn: Lupita Negrete
125 E. Denny Drive
Pharr, Texas 78577**

Parties Bound

16.02. This Agreement shall be binding upon and inure to the benefits of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Texas Law to Apply

16.03. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas.

Legal Construction

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

Prior Agreements Superseded

16.05. This Agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

Amendments

16.06. No amendment, modification, or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

Rights and Remedies Cumulative

16.07. The rights and remedies provided by this Lease Agreement are cumulative and the use of any right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have law, statute, ordinance, or otherwise.

Attorney's Fees

16.08. In the event Lessor or Lessee breaches any of the terms of this Agreement whereby the party not in default employs attorneys to protect or enforce its rights hereunder any prevails, then the defaulting party agrees to pay the other party reasonable attorney's fees so incurred by such other property.

Time of Essence

16.09. Time is of the essence of this Agreement.

THIS LEASE has been executed by the parties on the date and year first above written.

LESSOR:
COUNTY OF HIDALGO, TEXAS

By: 
Ramon Garcia, County Judge

LESSEE:
ARISE Las Milpas Inc.

By: 

Approved by Commissioners' Court
on 9-19-06 ah

ATTEST:

By: 
Eddy Trevino, County Clerk

APPROVED AS TO FORM:
ATLAS & HALL, LLP

By: 