

BASIC LEASE INFORMATION

"Landlord": Aaron Thomison
Landlord's Address and Phone Number: c/o Aaron Thomison
301 Will Smith Drive
Hutto, Texas 78634
(512) 759-1320

"Tenant": WILLIAMSON COUNTY, a political subdivision of the State of Texas
Tenant's Address: 710 Main Street, Suite 101, Georgetown, Texas 78626

Tenant's Contact Person: Kenny Schnell
Director
Williamson County EMS
P.O. Box 873
Georgetown, TX 78627-0873
(512) 943-1264

"Premises": 3800 CR 123, Round Rock, Texas 78664. The Premises consists of a building, all interior and exterior site improvements, a fence surrounding the entire Premises and the real property described as follows:

Lot 6, Creekview Subdivision, a subdivision situated in Williamson County, Texas, according to the plat or map thereof recorded in Cabinet S, Slide 366, Plat Records of Williamson County, Texas; being 2.10 acres more or less.

The building situated on the Premises contains approximately 4,000 rentable square feet.

"Term": The period beginning on the Commencement Date and ending on the last day of the month that is Twelve (12) months after the Commencement Date. As used herein, "Term" shall include all valid renewals or extensions (whether or not expressly stated) unless the context clearly indicates to the contrary.

"Delivery Date": The date upon which Landlord delivers the Premises to Tenant.

"Lease Year": The first Lease Year shall begin on the Commencement Date and end on the last day of the twelfth (12th) full calendar month thereafter. Each successive Lease Year shall consist of the twelve month period during the Term which immediately follows the preceding Lease Year.

"Base Rent": The Base Rent for the Term of the Lease and all valid renewals or

extensions shall be \$2,400.00 per month.

The "Monthly Payment" (as defined in Paragraph 3(a)) will equal the sum of the following:

Base Rent of \$2,400.00 per month plus any Additional Rent, if any,

The foregoing Basic Lease Information is hereby incorporated into and made a part of the Lease attached hereto.

Each reference in the Lease to any of the information and definitions set forth in the Basic Lease Information shall mean and refer to the information and definitions set forth above and shall be used in conjunction with and limited by all references thereto in the provisions of the Lease. If there is a conflict between any Basic Lease Information and the Lease, the Lease will control. The "Effective Date" will be the date the last party to the Lease signs below.

EXECUTED BY LANDLORD, this 28 day of October, 2009.

By: 

Aaron Thomison

Address: 301 Will Smith Drive
Hutto, Texas 78634

EXECUTED BY TENANT, this 18 day of December, 2009.

WILLIAMSON COUNTY, a political subdivision of the State of Texas

By: 

Name: Judge Dan A. Gattis
Title: Williamson County Judge

LEASE AGREEMENT

Between

AARON THOMISON

as Landlord,

and

**WILLIAMSON COUNTY, A POLITICAL SUBDIVISION
OF THE STATE OF TEXAS**

as Tenant,

Covering the Premises located at

3800 CR 123

Round Rock, Texas 78664.

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made and entered into between the Landlord and Tenant named in the Basic Lease Information.

1. DEFINITIONS AND BASIC PROVISIONS. The definitions and basic provisions set forth in the Basic Lease Information (the "Basic Lease Information") executed by Landlord and Tenant together with this Lease are incorporated herein by reference for all purposes, and shall be used in conjunction with and limited by the reference thereto in the provisions of this Lease.

2. LEASE GRANT. In consideration of the mutual obligations of Landlord and Tenant set forth herein, Landlord leases to Tenant, and Tenant takes from Landlord, the Premises, beginning on the Commencement Date and ending on the last day of the Term, unless otherwise terminated or extended as provided herein. Although the Term does not begin until the Commencement Date, this Lease evidences a binding contract between Landlord and Tenant, effective on the Effective Date. Landlord agrees to deliver possession of the Premises on the first day of the month following the Effective Date, which will be deemed to be the Commencement Date. If Landlord does not deliver the Premises to Tenant on the Effective Date for any reason whatsoever, Tenant's obligation to pay the Monthly Payment shall be abated until which time Landlord delivers possession of the Premises to Tenant. The Term of this lease is for twelve (12) months and the Expiration Date will be on the last day of the twelfth (12th) month following the Commencement Date; provided, however, this Lease shall automatically renew for additional twelve (12) month periods under the same terms set forth herein unless it is otherwise terminated by either party within sixty (60) days prior to the end of the last day of the then current Lease Year.

3. BASE RENT, SECURITY DEPOSIT, ESCROW DEPOSITS AND LATE PAYMENTS.

- a. Base Rent. For each month of the Term and any extended or renewal terms, Tenant shall pay Landlord, in advance, without demand, deduction or set off, the Monthly Payment. Each Monthly Payment is the sum of the Base Rent (as set forth in the Basic Lease Information) and any Additional Rent required to be paid by Tenant hereunder, if any. Except as otherwise set forth herein, the Monthly Payment will be in the amount set forth in the Basic Lease Information and is due and payable on the Commencement Date, which shall be on the first day of the month following the Effective Date. Except as otherwise set forth herein, the second Monthly Payment will be due and payable on or before the first day of the month after the month in which the Commencement Date occurs, and each succeeding Monthly Payment will be due and payable on or before the first day of each succeeding month during the Term. If there is a fractional month during the Term, the Monthly Payment shall be prorated based on one-thirtieth (1/30) of the Monthly Payment for each day of the fractional month which is included in the Term.
- b. Late Charge. If Tenant does not make any payment due hereunder within fifteen (15)

days after the payment is due, to compensate Landlord for the additional time and expense incurred because of the late payment, Tenant shall pay to Landlord on demand a late charge equal to five percent (5%) of the late payment. This late charge is in addition to Landlord's other rights and remedies hereunder or at law, and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner.

- c. Interest on Past Due Amounts. If Tenant does not make any payment due hereunder within thirty (30) days after the payment is due, then Tenant shall pay to Landlord interest, in accordance with Texas Government Code Section 2251.025, on the overdue amount from the date due until paid at an annual rate (the "Past Due Rate"). Pursuant to Texas Government Code Section 2251.025, the Past Due Rate that shall accrue on a late payment is the rate in effect on September 1 of Tenant's fiscal year in which the payment becomes due. The said rate in effect on September 1 shall be equal to the sum of one percent (1%); and (2) the prime rate published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday.

4. PERSONAL PROPERTY TAXES. To the extent required by law, Tenant shall be liable for, and shall pay, all taxes levied or assessed against any personal property or fixtures placed in or on the Premises by or on behalf of Tenant. If any such taxes are levied or assessed against Landlord or the Property, and Landlord pays the same then Tenant shall pay to Landlord, upon demand, the amount of such taxes.

5. LANDLORD'S REPAIRS AND MAINTENANCE.

- a. Structural Repairs. Landlord shall maintain the foundation, roof, and exterior painting and structural soundness of exterior walls of the Premises in good repair, reasonable wear and tear excluded. Upon discovery of any defect or need for repairs, Tenant shall give Landlord written notice of same, after which Landlord shall have thirty (30) days, or such longer period as reasonably may be necessary, to effect such repairs or cure such defect.
- b. Exterior Improvements. Landlord shall maintain the exterior site improvements situated on the Premises in good repair, reasonable wear and tear excluded. Upon discovery of any defect or need for repairs, Tenant shall give Landlord written notice of same, after which Landlord shall have thirty (30) days, or such longer period as reasonably may be necessary, to effect such repairs or cure such defect.
- c. Mechanical Systems. Landlord's obligation to maintain, repair and make replacements to the Premises shall cover the maintenance, repair and replacement of all HVAC, electric, plumbing, sprinkler and other mechanical system. If any repairs required to be made by Landlord hereunder are not made within fifteen (15) days after written notice delivered to Landlord by Tenant, Tenant may, at its option, make such repairs, and Landlord shall pay to Tenant within fifteen (15) days after demand the cost of such repairs plus ten percent (10%) of the amount thereof.
- d. Exclusions. Tenant shall reimburse Landlord for the cost of any repairs described in this

Paragraph 5 which are occasioned by the act or negligence of Tenant, its agents, employees, subtenants, licensees, contractors, or concessionaires, including without limitation, repairs to plumbing facilities which result from deposit of improper materials into the plumbing system. Landlord has no obligation to maintain the Property, Building or Premises except as expressly stated in this Paragraph 5.

6. TENANT'S REPAIRS.

- a. Maintenance of Premises and Appurtenances. Tenant, at its own cost and expense, shall (i) maintain all parts of the Premises which are not expressly Landlord's responsibility under Paragraph 5 and promptly make all necessary repairs and replacements to the Premises (unless Landlord is expressly responsible hereunder for such repairs), and (ii) keep the exterior site improvements on the Premises free of trash and debris from Tenant's use. Tenant's obligation to maintain, repair and make replacements to the Premises shall cover, but not be limited to, pest control, and trash removal. Tenant shall take all steps necessary to transfer to Landlord any and all warranties, if any, applicable to the Premises that are obtained by Tenant during the Term. Subject to Landlord's prior approval as to location, appearance, size and type of receptacle, Tenant may place a trash receptacle upon the Property. Tenant shall take all precautions necessary to keep all plumbing units, pipes and connections within the Premises free from obstruction and protected against ice and freezing. Tenant agrees to perform regularly scheduled preventive maintenance and service for all hot water, heating and air-conditioning systems and equipment within the Premises. This must include replacement of filters on a regular basis and all services suggested by the equipment manufacturer in its operations/maintenance manual. If any repairs required to be made by Tenant hereunder are not made within fifteen (15) days after written notice delivered to Tenant by Landlord, Landlord may, at its option, make such repairs without liability to Tenant for any loss or damage which may result to its stock or business by reason of such repairs, and Tenant shall pay to Landlord within fifteen (15) days after demand as additional rental hereunder the cost of such repairs plus ten percent (10%) of the amount thereof.
- b. Parking. Tenant and its employees may use areas on or around the Premises for parking.

7. ALTERATIONS AND IMPROVEMENTS. Tenant may make any alterations, additions or improvements to the Premises provided that Tenant provides Landlord with a copy of its plans for such alterations, additions or improvements and thereafter obtains Landlord's prior consent, such consent will not be unreasonably withheld. Landlord is not obligated to notify Tenant whether it consents to an alteration, addition or improvement until Landlord (a) has received plans and specifications reflecting same in a format which is sufficiently detailed to describe fully the work to be performed, and (b) has had a reasonable opportunity to review them (which shall not be more than fifteen (15) business days). Landlord's approval of any plans and specifications will not represent that the plans or the work depicted thereon will comply with law or be adequate for any purpose, but shall constitute only Landlord's consent to performance of the

work. Tenant may install shelves, bins, machinery and fixtures so long as such items (1) do not alter the basic character of the Premises or the building; (2) do not overload or damage same; and (3) may be removed without material damage to the Premises. Tenant shall have the option to remove all alterations, additions and improvements installed on the Premises by Tenant provided that Tenant restores the Premises to a commercially tenantable condition. If Tenant chooses not to remove all alterations, additions and improvements installed in the Premises by Tenant, such alterations, additions and improvements shall become Landlord's property and Tenant will have no duty to restore. All shelves, bins, machinery and trade fixtures installed by Tenant must be removed on or before the earlier to occur of the day of termination or expiration of this Lease or the date Tenant vacates the Premises, and upon removal, Tenant shall restore the premises to a commercially tenantable condition, allowing for reasonable wear and tear. All work performed by Tenant in the Premises (including that relating to the installation, repair, replacement, or removal of any item) shall be performed in accordance with all applicable governmental laws, ordinances, regulations, and with Landlord's specifications and requirements, in a good and workmanlike manner, and so as not to damage or alter the building's structure or the Premises. Notwithstanding any other provision of this Paragraph 7, (i) all venting, opening, sealing, waterproofing or any altering of the roof in connection with a Tenant required addition or improvement shall be performed by a roofing contractor that is approved by Landlord and such work shall be performed at Tenant's expense, and (ii) when such work is complete, Tenant shall furnish Landlord a certificate stating that all work has been completed in accordance with the plans and specifications approved by Landlord. In connection with any alteration, addition, or improvement performed by Tenant, Tenant hereby holds Landlord harmless from any damage to the Premises resulting, directly or indirectly from venting, opening, sealing, waterproofing or in any other way altering the roof or otherwise if such work is performed by Tenant or Tenant's contractors.

8. SIGNS. Any sign which Tenant desires at the Premises must be approved by Landlord. Tenant shall repair, paint and/or replace the Building fascia surface to which its signs are attached when Tenant vacates the Premises or removes or alters its signs. Without Landlord's prior consent, Tenant shall not, (i) change the exterior of the Premises (including painting); (ii) install any exterior lights, decorations, balloons, flags, pennants or banners; or (iii) erect or install any signs, windows or door lettering, placards, decorations or advertising media of any type which can be viewed from outside the Premises. All signs, decorations, advertising media, blinds, draperies and other window treatment, bars or other security measures visible from outside the Premises shall conform in all respects to the criteria established by Landlord or shall be otherwise subject to Landlord's prior consent, such consent will not be unreasonably withheld.

9. UTILITIES.

- a. General Utility Service. Landlord shall cause to be provided and maintained to the points on the exterior wall of the Premises or the top surface of the foundation slab where the particular utility enters therein, mains, conduits and other facilities necessary to supply water, electricity, telephone service and sewerage service to the Premises. Tenant shall pay for all water, sewage, light, power, telephone and gas charges used on or at the

Premises, along with any taxes, penalties, surcharges or similar charges pertaining to Tenant's use of the utilities at the Premises, and along with any maintenance charges for such utilities. These payments shall be made directly to the provider of the utility service if the service is separately metered. Landlord shall not be liable for any interruption or failure of utility service on the Premises, and Tenant shall have no rights or claims as a result of any such failure.

- b. Telecommunications. References in this Lease to "telecommunications service" or "telecommunications service facilities" include all communications services or facilities that enable communication at a distance, including without limitation, telephone services, cable services, broadcast services and the Internet. Tenant may contract for the provision of telecommunications service to the Premises, but (i) if any such contract requires the installation of telecommunications service facilities outside the Premises, Tenant must obtain Landlord's prior consent thereto (which consent will not be unreasonably withheld), and (ii) all such contracts must be with telecommunications service providers (each, a "Provider") holding the necessary authorization required by federal, state and local law. Alterations required to install telecommunications service facilities shall comply with Paragraph 7. Landlord may require Tenant to remove all or any telecommunications service facilities, at Tenant's cost, upon termination of this Lease. Landlord may take reasonable precautions or impose reasonable conditions on a Provider in order to protect the safety, security, appearance and condition of the Premises and the safety and convenience of persons in or on it; impose reasonable limitations on the times at which a Provider may have access to the Premises; require the Provider to agree to indemnify Landlord for damage caused in connection with installing, operating or removing a telecommunications service facility; limit the number of Providers that have access to the Premises, if Landlord reasonably determines that space constraints justify the limitation; and charge a reasonable and nondiscriminatory fee to Tenant or to the telecommunications service provider for installation of the telecommunications service facilities. In order for Tenant to install a satellite dish on the roof of the Premises, location, size and method of installation will be subject to Landlord's consent (which consent will not be unreasonably withheld).

10. INSURANCE.

- a. Landlord's Insurance. Landlord shall maintain fire and extended coverage insurance, business interruption insurance and general liability insurance (including excess liability coverages) in amounts determined by Landlord.
- b. Tenant's Insurance. Tenant shall maintain fire and extended coverage insurance covering the replacement cost of (A) all alterations, additions, partitions and improvements installed or placed on the Premises by Tenant or on behalf of Tenant; and (B) all of Tenant's personal property contained within the Premises.
- c. Prohibited Uses. Tenant will not permit the Premises to be used for any purpose or in any manner that would (i) void the insurance thereon, (ii) increase the insurance risk or cost

thereof, or (iii) cause the disallowance of any sprinkler credits; including without limitation, use of the Premises for the receipt, storage or handling of any product, material or merchandise that is explosive or highly inflammable. If any increase in the cost of any insurance on the Premises or the building is caused by Tenant's use of the Premises or because Tenant vacates the Premises, then Tenant shall pay the amount of such increase to Landlord upon demand therefor.

11. FIRE AND CASUALTY DAMAGE.

- a. Total or Substantial Damage and Destruction. If the building on the Premises should be damaged or destroyed by fire or other peril, Tenant shall immediately give notice to Landlord of such damage or destruction. If (i) the building on the Premises should be totally destroyed, or (ii) they should be so damaged that, in Landlord's estimation, rebuilding or repairs cannot be completed within thirty (30) after the date of the damage, then, Tenant may elect to terminate this Lease, in which event the rent shall be abated during the unexpired portion of this Lease, effective upon the date of the occurrence of such damage.
- b. Partial Damage or Destruction. If this Lease is not terminated under Paragraph 11(a), then Landlord shall substantially restore the Premises to its previous condition, except that Landlord shall not be required to rebuild, repair or replace any part of the partitions, fixtures, alterations, additions and other improvements that may have been constructed, erected or installed in or about the Premises by, or for the benefit of, Tenant. Landlord's obligation to rebuild the Premises shall be subject to the availability of insurance proceeds, and notwithstanding anything herein to the contrary, if a Holder of an Encumbrance (as such terms are defined below) requires that the insurance proceeds be applied to such Encumbrance, or if such proceeds otherwise are unavailable for any reason, then Landlord may terminate this Lease by delivering written notice of termination to Tenant within fifteen (15) days after Landlord determines that the proceeds will be unavailable, in which event all rights and obligations hereunder shall cease and terminate.
- c. Waiver of Subrogation. Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease in connection with the Premises, and (b) such party is then covered (or is required under this Lease to be covered) in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance, and waives any right of subrogation which might otherwise exist on account thereof, provided that such release of liability and waiver of the right to subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (provided, that in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay such increased costs, thereupon keeping such release and waiver in full force and effect), Landlord and Tenant shall use their

respective commercially reasonable efforts to obtain such a release and waiver of subrogation from their respective insurance carriers and shall obtain any special endorsement, if required by their insurer, to evidence compliance with the aforementioned waiver. The failure by Tenant to carry property insurance required to be carried by Tenant hereunder shall not be a defense against any claim by Tenant against Landlord for property damage caused by Tenant.

12. LIABILITY. Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority or any similar matter. Landlord shall not be liable to Tenant, or to Tenant's agents, servants, employees, customers or invitees for any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from any injury to person or damage to property caused by any act, omission or neglect of Tenant, Tenant's agents, servants, employees, customers, contractors, or invitees or (b) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. Tenant shall not be liable to Landlord, or to Landlord's agents, servants, employees, customers or invitees for any and all fines, suits, claims, demands, losses, liabilities, actions and costs (including court costs and attorney's fees) arising from (a) any injury to person or damage to property caused by any act, omission or neglect of Landlord, Landlord's agents, servants, employees, contractors or (b) any breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease. Tenant shall notify Landlord promptly of any significant accidents involving injury to persons or property. Tenant shall give Landlord prompt notice of any criminal or suspicious conduct within or about the Premises and/or any personal injury or property damage caused thereby. Landlord may, but is not obligated to, enter into agreements with third parties for the provision, monitoring, maintenance and repair of any courtesy patrols or similar services or fire protective systems and equipment. Landlord shall use reasonable diligence in maintaining the existing lights, if any, in the parking areas in and around the Premises.

Neither party shall be liable to the other hereunder for incidental, special, consequential, or punitive damages.

13. USE. The Premises shall be used only for the Permitted Use specified in the Basic Lease Information, namely an EMS Station. Landlord understands that an EMS Station use often results in noise, vibrations, odors, et cetera, and that the normal and customary activities of the EMS Station will not be considered as a nuisance or the unreasonable interference with the Landlord or the other lessees of Landlord. Landlord hereby represents and agrees that such Permitted Use does not violate any zoning laws, covenants or deed restrictions to which the property may be subject to. Tenant shall comply with all governmental laws, ordinances and regulations applicable to the use of the Premises or any of Tenant's alterations or improvements to the Premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in, upon or connected with the Premises, all at Tenant's sole expense.

14. HAZARDOUS WASTE. The term "Hazardous Substances," as used in this Lease, shall mean pollutants, contaminants, toxic or hazardous wastes, radioactive materials or any other substances, the use and/or the removal of which is required or the use of which is restricted, prohibited or penalized by any "Environmental Law," which term shall mean any federal, state or local statute, ordinance, regulation or other law of a governmental or quasi-governmental authority relating to pollution or protection of the environment or the regulation of the storage or handling of Hazardous Substances. Tenant hereby agrees that: (i) no activity will be conducted on the Premises that will produce any Hazardous Substances, except for activities which are part of the ordinary course of Tenant's business activities, which are conducted in accordance with all Environmental Laws, and which are approved in advance by Landlord (the "Permitted Activities"); provided, however, Tenant shall obtain all required permits and authorizations, shall pay all fees, shall provide all testing required by any governmental agency in connection with the Permitted Activities; (ii) the Premises will not be used in any manner for the storage of any Hazardous Substances, except for the temporary storage of such materials which are used in the ordinary course of Tenant's business (the "Permitted Materials"), properly stored in a manner and location meeting all Environmental Laws, and approved in advance by Landlord, provided, however, that Tenant shall obtain all required permits or authorizations, pay all fees and provide all testing required by an governmental agency in connection with the Permitted Materials; (iii) no portion of the Premises will be used as a landfill or a dump; (iv) Tenant will not install any underground tanks of any type; (v) Tenant will not allow any surface or subsurface conditions to exist or come into existence that constitute, or with the passage of time may constitute, a public or private nuisance; and (vi) Tenant will not permit any Hazardous Substances to be brought onto the Premises, except for the Permitted Materials, and if so brought or found located thereon, the same shall be immediately removed, with proper disposal, and all required clean-up procedures shall be diligently undertaken by Tenant at its sole cost pursuant to all Environmental Laws. Landlord and Landlord's representatives may, but are not obligated to, enter the Premises to inspect the storage, use and disposal of Permitted Materials to ensure compliance with all Environmental Laws. If Landlord determines that any Permitted Materials are being improperly stored, used or disposed of, then Tenant shall immediately take such corrective action as requested by Landlord. Should Tenant fail to take such corrective action within twenty-four (24) hours, Landlord shall have the right to perform such work and Tenant shall reimburse Landlord, on demand, for any and all costs associated with said work. If at any time during or after the Term, the Premises is found to be contaminated with Hazardous Substances, Tenant shall diligently institute proper and thorough clean-up procedures, at Tenant's sole cost. Landlord further may enter upon the Premises from time to time to inspect same and to conduct thereon any environmental audit or assessment or perform any testing to confirm Tenant's compliance with the provisions of this Paragraph, and if any such audit, assessment or test reflects that Tenant is in violation of this Paragraph, in addition to Tenant's other obligations contained herein, Tenant shall reimburse Landlord for the cost of such audit, assessment or test. The foregoing responsibilities of Tenant shall survive the termination or expiration of this Lease.

15. INSPECTION. Landlord may enter upon the Premises during normal business hours for any reasonable purpose, including without limitation, inspecting same, making repairs to the Premises, making repairs, alterations or additions to adjacent premises, or showing the Premises

to prospective purchasers, lessees or lenders. Tenant shall notify Landlord in writing at least thirty (30) days before vacating the Premises and shall arrange to meet with Landlord for a joint inspection of the Premises before vacating.

16. ASSIGNMENT AND SUBLETTING. Tenant shall not have the right to sublet, assign or otherwise transfer or encumber this Lease, or any interest therein, without Landlord's prior consent (which consent will not be unreasonably withheld), which consent may be granted or denied in Landlord's sole and absolute discretion, for uses within the same zoning category. Any attempted assignment, subletting, transfer or encumbrance by Tenant in violation of the terms and covenants of this Paragraph shall be void. Any assignee, sublessee or transferee of Tenant's interest in this Lease (all such assignees, sublessees and transferees being hereinafter referred to as "Transferees"), by assuming Tenant's obligations hereunder, shall assume liability to Landlord for all amounts paid to persons other than Landlord by such Transferees to which Landlord is entitled or is otherwise in contravention of this Paragraph. No assignment, subletting or other transfer, whether or not consented to by Landlord or permitted hereunder, shall relieve Tenant of its liability under this Lease. If an Event of Default occurs while the Premises or any part thereof are assigned or sublet, then Landlord, in addition to any other remedies herein provided or provided by law, may collect directly from such Transferee all rents payable to the Tenant and apply such rent against any sums due Landlord hereunder. No such collection shall be construed to constitute a novation or a release of Tenant from the further performance of Tenant's obligations hereunder. If Landlord consents to any subletting or assignment by Tenant as provided above and any category of rent subsequently received by Tenant under any such sublease is in excess of the same category of rent payable under this Lease, or any additional consideration is paid to Tenant by the assignee under any such assignment, then Landlord may, at its option, declare such excess rents under any sublease or such additional consideration for any assignment to be due and payable by Tenant to Landlord as additional rent hereunder.

17. CONDEMNATION. If all of the Premises is taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain or private purchase in lieu thereof, then this Lease shall terminate and the rent shall be abated during the unexpired portion of this Lease, effective on the date of such taking. If a portion of the Premises is taken, but the Premises reasonably may be used for the Permitted Use (as determined by Tenant in its reasonable discretion), then this Lease shall not terminate, nor shall the rent hereunder abate or be reduced. All compensation awarded in connection with or as a result of any of the foregoing proceedings shall be Landlord's property, and Tenant hereby assigns any interest in any such award to Landlord. Landlord shall have no interest, however, in any award made to Tenant for loss of business or goodwill or for the taking of Tenant's trade fixtures and personal property, if a separate award for such items is made to Tenant.

18. HOLDING OVER. At the termination of this Lease or any renewal or extension, by its expiration or otherwise, Tenant shall immediately deliver possession of the Premises to Landlord with all repairs and maintenance required herein to be performed by Tenant completed. If, for any reason, Tenant retains possession of the Premises after the expiration or termination of this Lease, unless the parties hereto otherwise agree in writing, such possession shall be deemed to be

a tenancy at will only, and all of the other terms and provisions of this Lease shall be applicable during such period. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided. The preceding provisions of this Paragraph shall not be construed as consent for Tenant to retain possession of the Premises in the absence of written consent thereto by Landlord.

19. QUIET ENJOYMENT. Landlord represents that it has the authority to enter into this Lease and that, so long as Tenant pays all amounts due hereunder and performs all other covenants and agreements herein set forth, Tenant shall peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Landlord, subject to the terms and provisions of this Lease.

20. EVENTS OF DEFAULT. The following events (herein individually referred to as an "Event of Default") each shall be deemed to be a default in or breach of Tenant's obligations under this Lease:

- a. Tenant shall fail to pay any installment of the rent herein reserved when due, or any other payment or reimbursement to Landlord required herein when due, and such failure shall continue for a period of fifteen (15) days after the date such payment was due.
- b. Tenant shall fail to discharge any lien placed upon the Premises by reason of Tenant's actions within the time period set forth in Paragraph 24 below.
- c. Tenant shall fail to comply with any term, provision or covenant of this Lease (other than those listed in this Paragraph), and shall not cure such failure within thirty (30) days after written notice thereof to Tenant; provided, however, that if the failure to cure is of such a nature that it cannot reasonably be cured within said thirty-day period, Tenant shall not be deemed in default so long as Tenant commences curing such failure within said thirty-day period, and diligently prosecutes same to completion.

21. REMEDIES. Upon each occurrence of an Event of Default, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand:

- a. Terminate this Lease;
- b. Through judicial proceedings, enter upon and take possession of the Premises without terminating this Lease;
- c. Make such payments and/or take such action and pay and/or perform whatever Tenant is obligated to pay or perform under the terms of this Lease, and Tenant agrees that Landlord shall not be liable for any damages resulting to Tenant from such action.
 - i. Damages Upon Termination. If Landlord elects to terminate this Lease, Tenant shall be liable for and shall pay to Landlord the sum of all rental and other payments owed to Landlord hereunder accrued to the date of such termination.

- ii. Costs of Reletting, Removing, Repairs and Enforcement. Upon an Event of Default, in addition to any sum provided to be paid under this Paragraph, Tenant also shall be liable for and shall pay to Landlord (i) the costs of removing, storing or disposing of Tenant's or any other occupant's property; (ii) the costs of repairing, altering, remodeling or otherwise putting the Premises into condition acceptable to a new tenant or tenants; (iii)) any and all costs and expenses incurred by Landlord in effecting compliance with Tenant's obligations under this Lease; and (iv) all reasonable expenses incurred by Landlord in enforcing or defending Landlord's rights and/or remedies hereunder, including without limitation all reasonable attorneys' fees and all court costs incurred in connection with such enforcement or defense.
- iii. No Implied Acceptances or Waivers. Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance by Landlord of Tenant's surrender of the Premises, it being understood that such surrender can be effected only by the agreement of Landlord. Tenant and Landlord further agree that forbearance by Landlord to enforce any of its rights under this Lease or at law or in equity shall not be a waiver of Landlord's right to enforce any one or more of its rights, including any right previously forborne, in connection with any existing or subsequent default. No re-entry or taking possession of the Premises by Landlord shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention is given to Tenant, and, notwithstanding any such reletting or re-entry or taking possession of the Premises, Landlord may at any time thereafter elect to terminate this Lease for a previous default. Pursuit of any remedies hereunder shall not preclude the pursuit of any other remedy herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages to Landlord by reason of the violation of any of the terms, provisions and covenants contained in this Lease. Landlord's acceptance of any rent following an Event of Default hereunder shall not be construed as Landlord's waiver of such Event of Default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants of this Lease shall be deemed or construed to constitute a waiver of any other violation or default.

22. LANDLORD DEFAULT. If Landlord fails to perform any of its obligations hereunder within thirty (30) days after written notice from Tenant specifying such failure, Tenant may terminate this lease and/or avail itself of any remedies allowed by law or in equity. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. All obligations of Landlord hereunder will be construed as covenants, not conditions; and all such obligations will be binding upon Landlord only during the period of its ownership of the Property and not thereafter. The term "Landlord" shall mean only the owner, for the time being, of the Property and, in the event of the transfer by such owner of its interest in the Property, such owner shall thereupon be released and discharged from all covenants and obligations of the Landlord thereafter accruing, provided that such covenants and

obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

23. MORTGAGES.

- a. Subordination. This Lease and leasehold estate created hereby are and shall be, at the option and upon written declaration of Landlord, subject, subordinate and inferior to any deeds of trust, mortgages or other instruments of security, as well as to any ground leases, master leases or primary leases (collectively, "Encumbrances"), that now or hereafter cover all or any part of the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, extensions and replacements thereof. Landlord hereby expressly reserves the right, at its option and declaration, to place Encumbrances on and against the Premises and/or any interest of Landlord therein, superior in effect to this Lease and the estate created hereby. To further assure the foregoing subordination, Tenant shall, upon Landlord's request, together with the request of any mortgagee or beneficiary under any such deed of trust or mortgage, or of any Lessor under any such ground lease, master lease or primary lease (collectively, a "Holder"), execute any instrument (including without limitation an amendment to this Lease that does not materially and adversely affect Tenant's rights or duties under this Lease) or instruments intended to subordinate this Lease or to evidence the subordination of this Lease to any such Encumbrance.
- b. Attornment. If any Holder enforces its rights under any Encumbrance, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement, attorn to and automatically become the tenant of such successor in interest without change in the terms or other provisions of this Lease, and this Lease shall continue in full force and effect; provided, however, that such successor in interest shall not be bound by (i) any payment of rent or additional rent for more than one month in advance except prepayments in the nature of security for the performance by Tenant of its obligations under this lease or (ii) any amendment or modification of this Lease made without the written consent of the Holder or successor in interest. Upon request by such Holder or successor in interest, Tenant shall execute and deliver an instrument confirming the attornment herein provided for.
- c. No Recordation. Tenant shall not record this Lease or any memorandum thereof without the prior consent of Landlord.

24. MECHANIC'S LIENS. Tenant will not permit any mechanic's lien or liens to be placed upon the Premises or Property, or any portion thereof, caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Tenant. If any such lien is filed, Tenant will immediately pay, obtain the release of, or bond around same (such bond to be in the form and amount prescribed by the Texas Property Code). If any lien is not removed (or bonded around) within thirty (30) days, Landlord may pay the debt secured by same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional rent hereunder due from Tenant to Landlord.

and shall be repaid to Landlord (together with interest at the Past Due Rate from the date paid by Landlord until the date Landlord is reimbursed by Tenant) within fifteen (15) days after Tenant's receipt of a statement from Landlord therefor.

25. NOTICES. Each provision of this instrument or of any applicable governmental laws, ordinances, regulations and other requirements with reference to the sending, mailing or delivering of notice or the making of any payment by Landlord to Tenant or with reference to the sending, mailing or delivering of any notice or the making of any payment by Tenant to Landlord shall be deemed to be complied with when and if the following steps are taken:

- a. All rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to Landlord at Landlord's Address in the Basic Lease Information or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith. Tenant's obligation to pay rent and any other amounts to Landlord under the terms of this Lease shall not be deemed satisfied until such rent and other amounts have been actually received by Landlord.
- b. All payments required to be made by Landlord to Tenant hereunder shall be payable to Tenant at Tenant's Address in the Basic Lease Information, or at such other address within the continental United States as Tenant may specify from time to time by written notice delivered in accordance herewith, except that Landlord in all events may make payments to Tenant at the Premises.
- c. Except as expressly provided herein, any written notice, document or payment required or permitted to be delivered hereunder shall be deemed to be delivered when received or, whether any received or not, when deposited in the United States Mail, postage prepaid, Certified or Registered Mail, addressed to the parties hereto at their respective addresses specified in the Basic Lease Information, or at such other address as they have theretofore specified by written notice delivered in accordance herewith.

26. NON-APPROPRIATION CLAUSE. Regardless of anything contained herein to the contrary, Landlord agrees and understands that the Tenant's obligations hereunder are a commitment of Tenant's current revenues only. It is understood and agreed that Tenant shall have the right to terminate this Lease at the end of any Tenant fiscal year if the governing body of Tenant does not appropriate funds sufficient to make the Lease payments as determined by Tenant's budget for the fiscal year in question. Tenant may effect such termination by giving Landlord a written notice of termination.

27. RIGHT OF FIRST REFUSAL. Landlord agrees that if it or its successors, heirs, devisees, or assigns elect to convey all or any portion of the Premises, Tenant shall have the right of first refusal to purchase the Premises and shall have the right to do so on the terms and conditions stated herein. The Landlord shall give written notice of its decision to convey the Premises to Tenant and Tenant shall have sixty (60) days after receiving such written notice from the Landlord to inform Landlord of its decision to exercise or not exercise its right of first refusal to purchase the Premises. The purchase price of the Premises shall be determined by a real estate

appraiser that is qualified to appraise properties such as the Premises. The parties must mutually agree on the appraiser that is to be selected and the cost of the appraiser shall be split equally between the parties. Landlord hereby agrees that it will not have the right to convey the Premises to a third party and a third party will not have the right to accept the Premises if Landlord fails to send written notice to Tenant or, after receiving Landlord's notice, Tenant sends written notice to the Landlord within sixty days that Tenant wants to buy the Premises. The right of first refusal, as set forth herein, is subject to any conveyance, including, without limitation, gift, deed, buy/sell agreement, or contract of sale. This right of first refusal survives any change of ownership by devise, assignment, inheritance or otherwise and may not be altered by Landlord in bankruptcy. Any attempt to convey the property without giving notice and without the expiration of Tenant's right of first refusal shall not be valid to convey the Premises to anyone or to convey any contractual or other form of right with respect to the Premises. Landlord shall mail the notice, by both first class mail and certified mail return receipt requested, to Tenant at its address set forth in the Basic Lease Information or such other address as Tenant may designate in writing in the future.

28. MISCELLANEOUS.

- a. Interpretation. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.
- b. Binding Effect. Except as otherwise herein expressly provided, the terms, provisions and covenants and conditions in this Lease shall apply to, inure to the benefit of and be binding upon the parties hereto and upon their respective heirs, executors, personal representatives, legal representatives, successors and permitted assigns. Upon fifteen (15) days advance written notice to Tenant, Landlord may transfer and assign, in whole or in part, its rights and obligations in the Premises and this Lease. Any such sale, transfer or assignment shall operate to release Landlord from any and all liabilities arising out of any act, occurrence or omission relating to the Premises or this Lease arising after the date of such sale, assignment or transfer; provided, however, Landlord shall remain liable for any act, occurrence or omission relating to the Premises or this Lease arising before the date of such sale, assignment or transfer.
- c. Evidence of Authority. Tenant agrees to furnish to Landlord, promptly upon demand, a corporate resolution, proof of due authorization by partners, or other appropriate documentation evidencing the due authorization of Tenant to enter into this Lease.
- d. Force Majeure. Whenever a period of time is herein prescribed for action to be taken by a party hereunder, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond such party's reasonable control.

- e. Payments Constitute Rent. Notwithstanding anything in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated as rent, shall constitute rent.
- f. Estoppel Certificates. Tenant agrees, from time to time, within ten (10) days after request of Landlord, to deliver to Landlord, or Landlord's designee, an estoppel certificate stating that this Lease is in full force and effect, the date to which rent has been paid, the unexpired Term, any defaults existing under this Lease (or the absence thereof) and such other factual matters pertaining to this Lease as may be requested by Landlord. It is understood and agreed that Tenant's obligation to furnish such estoppel certificates in a timely fashion is a material inducement for Landlord's execution of this Lease.
- g. Survival of Obligations. All obligations of the parties hereunder not fully performed as of the expiration or earlier termination of the Term shall survive such expiration or earlier termination.
- h. Severability of Terms. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Term, then, in such event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.
- i. Brokers' Commission. Both parties represent and warrant that they have dealt with and will deal with no broker, agent or other person in connection with this transaction or future related transactions and that no broker, agent or other person brought about this transaction.
- j. Ambiguity. Landlord and Tenant hereby agree and acknowledge that this Lease has been fully reviewed and negotiated by both Landlord and Tenant, and that Landlord and Tenant have each had the opportunity to have this Lease reviewed by their respective legal counsel, and, accordingly, in the event of any ambiguity herein, Tenant does hereby waive the rule of construction that such ambiguity shall be resolved against the party who prepared this Lease.
- k. Third Party Rights. Nothing herein expressed or implied is intended, or shall be construed, to confer upon or give to any person or entity, other than the parties hereto, any right or remedy under or by reason of this Lease.
- l. Exhibits and Attachments. All exhibits, attachments, riders and addenda referred to in this Lease, and the exhibits listed herein below and attached hereto, are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out herein. All capitalized terms used in such documents shall, unless otherwise defined therein, have the same meanings as are set forth herein.

- m. Applicable Law. This Lease has been executed in the State of Texas and shall be governed in all respects by the laws of the State of Texas. It is the intent of Landlord and Tenant to conform strictly to all applicable state and federal usury laws. All agreements between Landlord and Tenant, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever shall the amount contracted for, charged or received by Landlord for the use, forbearance or retention of money hereunder or otherwise exceed the maximum amount which Landlord is legally entitled to contract for, charge or collect under the applicable state or federal law. If, from any circumstance whatsoever, fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be automatically reduced to the limit of such validity, and if from any such circumstance Landlord shall ever receive as interest or otherwise an amount in excess of the maximum that can be legally collected, then such amount which would be excessive interest shall be applied to the reduction of rent hereunder, and if such amount which would be excessive interest exceeds such rent, then such additional amount shall be refunded to Tenant.
- n. Jurisdiction and Venues. All causes of action in connection herewith shall be maintained in proceedings filed in Williamson County, Texas.
- o. Entire Agreement; No Landlord Warranties or Representations. This Lease constitutes the entire understanding and agreement of Landlord and Tenant with respect to the subject matter of this Lease, and contains all of the covenants and agreements of Landlord and Tenant with respect thereto. Landlord and Tenant each acknowledge that no representations, inducements, promises or agreements, oral or written, have been made by Landlord or Tenant, or anyone acting on behalf of Landlord or Tenant, which are not contained herein, and any prior agreements, promises, negotiations or representations not expressly set forth in this Lease are of no force or effect. Neither party's agents and employees will have authority to make exceptions, changes or amendments to this Lease, or factual representations not expressly contained in this Lease. Under no circumstances shall Landlord or Tenant be considered an agent of the other. This Lease may not be altered, changed or amended except by an instrument in writing signed by both parties hereto. Neither Landlord nor Landlord's agents have made any representations or promises with respect to the Premises or the Lease except as herein expressly set forth, and no rights, easements or licenses are acquired by Tenant by implication or otherwise by virtue hereof except as expressly set forth in the provisions of this Lease.