

COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT (the "Lease") is made and entered into this the ^{26th} day of March, 2013, by and between 1994 PROPERTIES JOINT VENTURE, a Texas joint venture ("Lessor"), and WEBB COUNTY, a political subdivision of the State of Texas ("Lessee").

RECITALS

A. Lessor is the owner of a certain parcel of real property and improvements situated in Laredo, Webb County, Texas, described as follows:

Lots 9 and 10, Block 62, WESTERN DIVISION, located in the City of San Laredo, Webb, State of Texas, also known as 1119 Houston St., Laredo, Texas 78040 ("Property").

B. Lessor desires to lease the Property to Lessee and Lessee desires to lease the Property from Lessor in order that Lessee may use the same for the purposes of conducting and carrying on its business activities.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants of the parties and upon and subject to all of the terms, provisions, conditions and limitations hereinafter contained, the parties hereto hereby expressly agree as follows:

1. LEASED PREMISES: Lessor does by these presents lease, let and demise unto Lessee and Lessee does hereby lease and take from Lessor the Property together with all improvements located thereon, and all rights and appurtenances thereto, being hereinafter referred to in the aggregate for all purposes as the "leased premises."

2. TERM: The term of this Lease shall be for a period of six (6) months to commence on the 1st day of April, 2013 ("Commencement Date") and terminate effective September 30, 2013.

3. MONTHLY LEASE RENTAL: Lessee agrees to pay to Lessor as the base monthly rental for the use and occupancy of the leased premises the total amount of \$36,000.00, payable in monthly installments of \$6,000.00 each, on or before the 1st day of each month, commencing on April 1, 2013 and terminating on September 30, 2013.

(A) SECURITY DEPOSIT. Contemporaneously with the execution of this Lease, Lessee shall pay to Lessor the sum of \$-0- as a Security Deposit, which shall be held by Lessor to secure Lessee's performance of its obligations under this Lease. The Security Deposit is not an advance payment of rent or a measure or limit of Lessor's damages upon an event of default. Lessor may, from time to time following an event of default and without prejudice to any other remedy, use all or part of the Security Deposit to perform any obligation Lessee fails to perform hereunder. Following any such application of the Security Deposit, Lessee shall pay to Lessor on demand the amount so applied in order to restore the Security Deposit to its original amount. Subject to the requirements of, and conditions imposed by, laws applicable to security deposits under commercial leases, Lessor shall, within the time required by applicable law, return to Lessee the portion of the Security Deposit remaining after deducting all damages, charges and other amounts permitted by applicable law. Lessor and Lessee agree that such deductions shall include, without limitation, all damages and losses that Lessor has suffered or that Lessor reasonably estimates that it will suffer as a result of any breach of this Lease by Lessee. The Security Deposit may be commingled with other funds of Lessor, and no interest shall be paid thereon. If Lessor transfers its interest in the leased premises, Lessor may assign the Security Deposit to the transferee and, upon such transfer and the delivery to Lessee of an acknowledgement of the transferee's responsibility for the Security Deposit as provided by applicable law, Lessor thereafter shall have no further liability for the return of the Security Deposit.

(B) LATE CHARGES: The rental shall be payable without demand in lawful money of the United States of America. Any rental payments not paid by the 10th day of any month will be subject to a late charge equal to five per cent (5%) of the rental due and owing. The mailbox is not the agent for receipt for Lessor. The late charge is a cost associated with the collection of rent and Lessor's acceptance of a late charge does not waive Lessor's rights to exercise any of its remedies under this Lease.

(C) METHOD OF PAYMENT: Lessee must pay all rent timely without demand, deduction, or offset, except as permitted by applicable law or this Lease. LESSEE WAIVES AND RELEASES ANY AND ALL STATUTORY LIENS AND OFFSET RIGHTS. Time is of the essence for the payment of rent. If Lessee fails to timely pay any amounts due under this lease or if any check of Lessee is returned to Lessor by the institution on which it was drawn, Lessor may require Lessee to pay, in addition to any other available remedy, all amounts due under this lease by certified funds by providing written notice to Lessee.

(D) RETURNED CHECKS: Lessee will pay \$30.00 for each check Lessee tenders to Lessor which is returned by the institution on which it is drawn for any reason, plus any late charges until Lessor receives payment.

(E) PLACE OF PAYMENT: Lessee agrees to pay rent to Lessor at 303 Stratford Lane, Laredo, TX 78041, or such other location or locations as Lessor shall from time to time designate by written notice to Lessee.

4. USE OF PREMISES: The leased premises shall be used only for the purpose of Webb County office space. In the event that Lessee desires to use such property for any other purpose, Lessee shall first obtain the prior written consent of the Lessor. Lessee shall not place or permit any radio, television, loudspeaker, or amplifier on the roof or outside the leased premises or where they can be seen or heard from outside the building; nor place any antenna, equipment, awning or other projection on the exterior of the leased premises; nor take any other action which would constitute a nuisance or would unreasonably disturb or endanger adjoining landowners or tenants of the Lessor on adjoining premises or unreasonably interfere with their use of their respective premises; nor permit any unlawful or immoral practice to be carried on or committed on the leased premises; nor do anything which would tend to materially injure the reputation of the building or the project (consisting of the land and the building).

5. CONDITION AND MAINTENANCE OF PREMISES: LESSEE EXPRESSLY ACKNOWLEDGES THAT LESSOR HAS NOT MADE AND MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION, TITLE, HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE LEASED PREMISES OR ANY PORTION THEREOF. LESSEE HAS THOROUGHLY INSPECTED AND EXPRESSLY AGREES TO ACCEPT POSSESSION OF THE LEASED PREMISES IN THEIR PRESENT "AS IS" CONDITION, WITH ANY AND ALL DEFECTS, IF ANY. Lessor does not represent or warrant that the leased premises or Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Lessee's intended use. Lessee must satisfy itself that the leased premises may be used as Lessee intends by independently investigating all matters, including, but not limited to any and all restrictions applicable to the Property by reason of the Property being included in a property owners' association, relating to the use of the leased premises or Property. Lessee agrees that it is not relying on any warranty or representation made by Lessor concerning the use of the leased premises or Property. Lessee shall furnish Lessor with evidence of appropriate worker's compensation and public liability insurance and shall comply with all applicable laws, ordinances, regulations and orders and shall procure all necessary building permits, approvals and certificates in connection therewith as may be required by all governmental agencies having jurisdiction thereof. Lessee shall obtain a "Certificate of Occupancy" issued by the City of Laredo prior to Lessee occupying the leased premises. Thereafter, Lessee shall at its sole risk, cost and expense, keep said leased premises in good repair.

Lessee shall not allow any storage, production, transportation, disposal, treatment, release or threatened release of any solid waste, hazardous waste, environmental pollutant or contaminant or other substance defined or regulated in applicable laws or regulations (collectively "Pollutants") in or on the leased premises, nor allow any underground storage tanks, surface improvements or other sources of Pollutants on the leased premises. Lessee shall at all times comply with all applicable environmental laws, and be responsible for the remediation of all Pollutants on the premises which are attributable to lessee's use or occupancy of the leased premises or which occur during the term of this lease.

At the termination of this Lease, Lessee shall deliver up the leased premises to Lessor in as good condition as at the time such improvements were completed, excepting only natural deterioration and depreciation and damage by fire or casualty as hereinafter provided. Lessor shall, at all times, at Lessor's sole cost and expense keep the roof (excluding any air conditioning equipment located thereon), foundation, and exterior walls of the building situated on the leased premises in reasonably good repair and condition. All other portions of the leased premises, including any air conditioning and heating equipment serving the leased premises, shall be maintained by Lessee in good order and condition. In the event that the building situated upon the leased premises should become in need of repair required to be made by the Lessor hereunder, Lessee may give immediate written notice thereof to Lessor, and Lessor shall proceed to make such repairs within a reasonable period of time. Likewise, in the event that the building situated upon the leased premises should become in need of repair required to be made by the Lessee hereunder, Lessor shall give immediate written notice thereof to Lessee, and Lessee shall proceed to make such repairs within a reasonable period of time. Lessee, at its sole cost and expense, shall also be solely responsible for the repair and maintenance of the electronic gate located on the Property.

6. ALTERATIONS: Except as hereinabove provided, Lessee shall not make alterations, additions or improvements to the leased premises or the buildings or improvements located thereon without the prior written consent of Lessor, which consent shall not be unreasonably withheld by Lessor. After such consent has been given, unless otherwise agreed upon in writing, all such alterations, improvements and additions made by Lessee on the leased premises, although made at the sole cost and expense of Lessee, shall, at the option of Lessor, remain on said leased premises at and beyond the expiration of this Lease, and thereafter, the same shall become the property of Lessor in fee simple without other action or process of law. Before any work is commenced, Lessee shall furnish Lessor with evidence of appropriate worker's compensation and public liability insurance and shall comply with all applicable laws, ordinances, regulations and orders and shall procure all necessary permits, approvals and certificates in connection therewith as may be required by all governmental agencies having jurisdiction

thereof so that the same shall be legally made. Lessee agrees that, under no circumstances, shall lessee create any openings in the roof, exterior walls or foundation of the building located on the leased premises.

7. **TRADE FIXTURES:** All machinery, trade fixtures, and equipment installed upon and attached to or built upon the leased premises by the Lessee shall become the sole property of Lessor upon the termination of this Lease.

8. **APPEARANCE OF LEASED PREMISES:** Lessee shall at its own cost, risk and expense keep said leased premises clean from accumulation of crates, boxes, paper, rags, trash, garbage, bottles, junk, weeds, equipment and other material, property or debris. Lessee shall also maintain the grass area of the leased premises in a clean and groomed condition throughout the term of this Lease, or any extension thereof.

9. **LAWS AND REGULATIONS:** Lessee shall observe and comply with, and shall indemnify and save Lessor free and harmless from, all liability arising from the breach of any and all ordinances, laws and regulations of all state, county, city and other governmental authorities having jurisdiction over said leased premises and/or the business and other related activities of Lessee conducted thereon. Subject to the express rights granted to Lessee under the terms of this, Lessee will not cause, or permit to be caused, any act or practice, by negligence, omission, or otherwise, or do anything, or conduct any business, or permit anything to be done that would violate any of said laws, regulations or guidelines of the Environmental Protection Agency or any other governmental agency charged with protection of the environment. Lessee shall further be responsible for any and all modifications to the leased premises, and the costs thereof, required by the Americans With Disabilities Act, if any.

10. A. **LIABILITY OF LESSEE:** All property of every kind located on said leased premises during the term hereof shall be located thereon at the sole risk, cost and expense of Lessee or those claiming under Lessee, and Lessor shall never be liable to Lessee or to any other person for any injury, loss or damage to any person or property in or upon said leased premises or upon the sidewalks, parking areas and driveways contiguous thereto. Lessee hereby agrees to assume all liability for or on account of the injury, loss or damage above described. Furthermore, Lessor shall never be liable to Lessee or to Lessee's employees, licensees, permittees, guests or patrons for any damage to any person or any property caused by the act or negligence of any other person on said leased premises, or due to the building or other improvements on said leased premises, or any appurtenances thereto, being improperly constructed or being or becoming out of repair, nor for any damages from any defects or want of repair of any part of the leased premises; on the contrary, Lessee herein accepts said leased premises as wholly suitable for the purpose for which same is hereby leased, and Lessee accepts the same and each and every appurtenance thereto and waives all defects therein, and further, Lessee agrees to hold Lessor harmless from all claims for any such damages, as hereinafter provided. It is further expressly understood and agreed that Lessor shall never be liable for any act of god, or failure of water supply, gas supply, sewer service, electric current, or for injury or damage which may be sustained by any person or any property by Lessee or any other person caused by or resulting from steam, electricity, gas, water, rain, ice, snow, or any other liquid or material which may leak or flow into any part of said leased premises or caused by the breakage, leakage, construction or other defect of pipes, wiring, appliances, plate glass, plumbing, or lighting fixtures, or by the condition of said leased premises or any part thereof, or by the street or subsurface, or from any other source, or by any other cause whatsoever.

B. INDEMNITY: TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, LESSEE AGREES TO INDEMNIFY, PROTECT, DEFEND AND HOLD HARMLESS LESSOR, AND ANY SUCCESSORS, ASSIGNS, HEIRS, PERSONAL REPRESENTATIVES, DEVISEES, AGENTS, EMPLOYEES, OR AFFILIATES OF ANY OF THE FOREGOING (COLLECTIVELY "INDEMNITEES" AND INDIVIDUALLY "INDEMNITEE") FOR, FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, LOSSES, CAUSES OF ACTION, LIENS, JUDGMENTS AND EXPENSES (INCLUDING COURT COSTS, ATTORNEY'S FEES, AND COSTS OF INVESTIGATION), OF ANY NATURE, KIND OR DESCRIPTION ARISING OR ALLEGED TO ARISE BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF ANY PROPERTY:

- (1) OCCURRING ON, IN, OR ABOUT THE LEASED PREMISES;
- (2) BY REASON OF ANY OTHER CLAIM WHATSOEVER OF ANY PERSON OR PARTY OCCASIONED OR ALLEGED TO BE OCCASIONED IN WHOLE OR IN PART BY ANY ACT OR OMISSION ON THE PART OF LESSEE OR ANY INVITEE, LICENSEE, EMPLOYEE, DIRECTOR, OFFICER, SERVANT, CONTRACTOR, SUBCONTRACTOR OR TENANT OF LESSEE;
- (3) ARISING FROM LESSEE'S USE OF THE LEASED PREMISES FOR THE CONDUCT OF ITS BUSINESS OR FROM ANY ACTIVITY, WORK OR OTHER THING DONE, PERMITTED OR SUFFERED BY LESSEE ON OR ABOUT THE LEASED PREMISES; OR
- (4) BY ANY BREACH, VIOLATION, OR NON-PERFORMANCE OF ANY COVENANT OF LESSEE UNDER THIS LEASE;

(COLLECTIVELY "LIABILITIES") EVEN IF SUCH LIABILITIES ARISE FROM OR ARE ATTRIBUTED TO THE CONCURRENT OR SOLE NEGLIGENCE OF ANY INDEMNITEE. THE ONLY LIABILITIES WITH RESPECT TO WHICH LESSEE'S OBLIGATION TO INDEMNIFY THE INDEMNITEES DOES NOT APPLY IS WITH RESPECT TO LIABILITIES RESULTING SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNITEE.

If any action or proceeding shall be brought by or against any Indemnitee in connection with any such liability or claim, Lessee, on notice from Lessor, shall defend such action or proceeding, at Lessee's expense, by or through attorneys reasonably satisfactory to Lessor. The provisions of this Paragraph shall apply to all activities of Lessee with respect to the Premises, whether occurring before or after the Commencement Date of the term and before or after the expiration or termination of this Lease. Lessee's obligations under this Paragraph shall not be limited to damages, compensation or benefits payable under insurance policies, workers' compensation acts, disability benefit acts or other employees' benefit acts. No Indemnitee shall be liable in any manner to Lessee or any other party for any injury to or death of persons or for any loss of or damage to property of Lessee, its employees, agents, customers, invitees, or of others, regardless of whether such property is entrusted to employees of the leased premises, or such loss or damage is occasioned by casualty, theft, or any other cause of whatsoever nature, unless caused by the willful misconduct or gross negligence of an Indemnitee. In no event shall any Indemnitee be liable in any manner to Lessee or any other party as the result of the acts or omissions of Lessee, its agents, employees, contractors or any other tenant of the leased premises. All personal property upon the leased premises shall be at the risk of Lessee only, and no Indemnitees shall be liable for any damage thereto or theft thereof, whether or not due in whole or in part to the negligence of any Indemnitee.

11. INSURANCE: Lessee shall during the term hereof, at its sole cost and expense, secure and maintain:

- (a) for the joint benefit of Lessor and Lessee, commercial general liability insurance coverage to include personal injury, bodily injury, broad form property damage, operations hazard, owner's protective coverage and contractual liability with minimum limits for the public liability of \$1,000,000.00 per person and \$2,000,000.00 per occurrence and with minimum property damage insurance as a single limit of no less than \$100,000.00, covering the operation of the entire leased premises;
- (b) Workers' Compensation and Employer's Liability insurance to the extent required by applicable Laws; and
- (c) "all risk" property insurance, including coverage from the perils of fire, vandalism, malicious mischief and all other risks normally covered by fire and extended coverage insurance upon Lessee's equipment and other personal property owned by Lessee and located on the leased premises.

All such insurance shall include policies in such amounts and with responsible insurers that are authorized to transact business in the State of Texas and in form reasonably satisfactory from time to time to Lessor. Lessee agrees that certificates of insurance in form acceptable to Lessor will be delivered to Lessor as soon as practicable after the placing of the required insurance, but not later than ten (10) days prior to Lessee's occupancy of all or any part of the leased premises. Lessee hereby agrees to obtain a waiver of rights of subrogation in all insurance policies obtained by it in connection with this Lease, and the leased premises, and to deliver true and correct copies of all such policies of insurance to Lessor. Lessee shall use its best efforts to see that all policies of insurance contain an undertaking by the insurers to notify Lessor (and, if specifically requested by Lessor, any mortgagee of Lessor) in writing not less than thirty (30) days before any material change affecting the leased premises, reduction in coverage, cancellation, or other termination thereof. In addition, Lessee hereby agrees to immediately to provide its respective insurance carriers written notice of this section and further agrees to use its best efforts to obtain a release and waiver of subrogation from its respective insurance carriers and obtain any special endorsements, if required by its insurer, to evidence compliance with the aforementioned waiver. In the case of policies of insurance carried by Lessee covering all or any portion of the leased premises for the benefit of Lessor, Lessee shall cause all such policies to be endorsed to name Lessor as an "additional insured."

12. LOSS BY FIRE OR OTHER CASUALTY: In case of fire or other casualty, Lessee shall give immediate notice in writing to Lessor. At Lessor's option, said damaged or destroyed building or structure may be repaired or restored with reasonable diligence by Lessor at Lessor's sole cost and expense. Lessor shall have the right to use any insurance proceeds as may be necessary to repair or restore the building or structure. However, should Lessor elect not to repair or restore any damaged portion of the leased premises, then, upon notice in writing, this Lease may, at the option of Lessor, be terminated and Lessor shall have the right to retain all insurance proceeds collected for the damage to the building or other structures. Thereafter, this Lease will be terminated without further liability of either party. If Lessor elects to have Lessee rebuild or restore the damaged or destroyed portion, Lessor shall within thirty (30) days of such damage or destruction, notify Lessee of Lessor's choice to repair and restore or to terminate the Lease Agreement. During any period of reconstruction, restoration or repair of any portion of the leased premises, the rental herein shall be proportionately abated.

13. UTILITIES: Lessee shall contract separately for and secure and maintain at Lessee's sole risk, cost and expense, all gas, water, electric, sewerage, garbage collection, telephone, and other services or utilities of whatever kind or character.

14. TAXES: Lessor shall, during the term of this Lease, pay and discharge all real property taxes and assessments lawfully levied or assessed against the leased premises or the Property, provided, however, Lessor may, at its sole expense, dispute and contest the same and in such case, such disputed item need not be paid until finally adjudged to be valid. Lessee shall pay all taxes levied against personal property, trade fixtures and inventory placed by Lessee in, on or about the leased premises. Lessee shall also pay and be liable for and pay all rental, sales, use or any other similar taxes, if any, levied or imposed by any city, state, county or other governmental body having authority over the leased premises, such payments to be in addition to all other payments required to be paid to Lessor by Lessee under the terms and provisions of this Lease. Any such payment shall be made by Lessee within ten (10) days after receiving notice from Lessor of the assessment of the same.

15. INSPECTION OF PREMISES: Lessor shall have the right of ingress and egress at all reasonable times and hours to and from the leased premises with the purpose of examining and inspecting the same and determining whether or not Lessee has complied with all of the terms, provisions and conditions contained in this Lease Agreement, provided however, Lessor does not unreasonably interfere with Lessee's business.

16. LANDLORD'S LIEN AND SECURITY INTEREST: To secure the payment of all rental and the performance of all other obligations of Lessee hereunder, Lessee grants to Lessor a security interest in, and shall have its Statutory Lien as provided by the Texas Property Code, upon all goods, wares, equipment, fixtures, furniture, and other personal property of Lessee situated on the leased premises, including all proceeds thereof, and such property shall not be removed therefrom without the consent of Lessor until all arrearages in rent if any and all other sums of money then due to Lessor hereunder shall first have been paid and discharged. The provisions of this Section relating to a lien and security interest will constitute a security agreement under the Texas Uniform Commercial Code so that Lessor will have and may enforce a security interest on Lessee's property. Upon the occurrence of any Event of Default by Lessee, Lessor may, in addition to any other remedies provided herein or by law, enter upon the leased premises and take possession of any and all goods, wares, equipment, fixtures, furniture, and other personal property of Lessee situated on the leased premises without liability for trespass or conversion, and Lessor may sell the same at public or private sale with or without having such property at the sale, at which Lessor or its assigns may purchase and apply the proceeds thereof less any and all expenses connected with the possession and sale of the Property, against any sums due by Lessee to Lessor. Any surplus shall be paid to Lessee and Lessee agrees to pay any deficiency forthwith. The Statutory Lien for rent is not hereby waived. Lessor shall have the right, to the extent permitted by law, to file a financing statement evidencing Lessor's security interest in Lessee's personal property. Lessor, 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.

17. DEFAULTS AND REMEDIES: The following events shall be deemed to be "Events of Default" by Lessee under this Lease and Lessee shall be in "Default" as herein provided:

(a) It shall be an Event of Default if Lessee shall fail to pay any installment of Rent or other sum of money payable hereunder when due; and Lessee shall be in Default if such failure shall continue three (3) days after written notice thereof by Lessor to Lessee. If Lessee shall fail to pay any installment of Rent or other sum of money payable hereunder two (2) or more times in any twelve (12) month period, Lessee's subsequent default in its failure to pay Rent or other sum of money shall, at Lessor's option, be deemed a Default without the necessity of notice or the opportunity for cure;

(b) Other than payment of Rent as provided above, it shall be an Event of Default if Lessee shall fail to comply with any term, provision, or covenant of this Lease; and Lessee shall be in Default if it shall not cure such failure within ten (10) days after written notice thereof by Lessor to Lessee. However, if such failure cannot be cured by the exercise of reasonable diligence within such 10-day period, then Lessee shall be provided additional time to cure such default, and a Default shall not be deemed to have occurred, if Lessee commences curative action within such 10-day period and thereafter diligently pursues a course of action that will render Lessee in compliance with this Lease within a period not to exceed thirty (30) days. If Lessee shall fail in the performance of any such covenant or agreement of this Lease necessitating notice by Lessor hereunder three (3) or more times in any twelve (12) month period, Lessee's subsequent default in the performance of any such covenant or agreement of this Lease shall, at Lessor's option, be deemed a Default without the necessity of notice or the opportunity for cure. Notwithstanding the foregoing, if such failure results in a condition hazardous to the Project or any portion thereof or any Lessee therein, Lessee shall commence and complete the cure thereof as promptly as commercially reasonable, and failure to do so shall constitute a Default hereunder.

(c) Lessee shall be in Default if Lessee or any guarantor of Lessee's obligations hereunder (hereinafter called "Guarantor"), shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors, or Lessee or any Guarantor shall admit in writing its inability to pay its debts as they become due;

(d) It shall be an Event of Default if Lessee or any Guarantor shall file a petition under any section or chapter of the U.S. Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof, or Lessee or any Guarantor shall be adjudged bankrupt or insolvent in proceedings filed against Lessee or any Guarantor thereunder; or a petition or answer proposing the adjudication of Lessee or any Guarantor as a bankrupt or its reorganization under any present or future federal or state bankruptcy or similar law shall be filed in any court; and Lessee shall be in Default if any such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof;

(e) It shall be an Event of Default if a receiver or trustee shall be appointed for all or substantially all of the assets of Lessee or any Guarantor or of the leased premises or any of Lessee's property located thereon in any proceedings brought by Lessee or any Guarantor; or any such receiver or trustee shall be appointed in any proceeding brought against Lessee or any Guarantor; and Lessee shall be in Default if the same shall not be discharged within sixty (60) days after such appointment or Lessee shall consent to or acquiesce in such appointment;

(f) Lessee shall be in Default if Lessee does or permits anything to be done which creates a lien upon the leased premises or Lessee's leasehold interest in this Lease, or the leasehold hereunder shall be taken on execution or other process of law in any action against Lessee;

(g) If Lessee is a corporation, limited liability company, or limited partnership, it shall be an Event of Default if Lessee fails to maintain its right to do business in the State of Texas or fails to pay any applicable sales taxes or annual franchise taxes as and when same become finally due and payable, and Lessee shall be in Default if such failure continues for more than ten (10) days after written notice thereof to Lessee.;

(h) If Lessee is a corporation, limited liability company, or general or limited partnership, it shall be an Event of Default and Lessee shall be in Default if Lessee dissolves or liquidates or otherwise fails to maintain its corporate or partnership structure, as applicable;

(i) Lessee shall be in Default if Lessee vacates or abandons the leased premises; or

(j) Lessee shall be in Default upon the occurrence of any other event described in this Lease as constituting an Event of Default and the expiration of any cure period, if available.

In any one or more of such Events of Default, Lessor shall have the right at Lessor's option to compel specific performance in any manner provided by law or may declare this Lease Agreement to have been terminated and institute a suit for damages against Lessee. Upon such default, Lessor, by or through its agent or attorney, shall be entitled without further notice or demand to re-enter the leased premises and take immediate possession thereof, and Lessor shall have the further right without being guilty of any manner of trespass or conversion and without prejudice to any remedies for arrears of rent or breach of covenant, to dispose of any personal property of Lessee as provided herein. Lessee specially covenants and agrees to pay and discharge all reasonable costs, attorney's fees and expenses which may be incurred by Lessor in enforcing the covenants, agreements, conditions, and terms hereof, and all of the same shall be payable to Lessor in Laredo, Webb County, Texas. In addition, Lessor shall be entitled to resort to any and all other remedies granted now or hereafter to Landlords pursuant to Chapter 93 of the Texas Property Code, including, but not limited to, interruption of utilities, removal of property, and exclusion of commercial tenant.

In addition, upon the expiration of this Lease, and there is no Event of Default, Lessee shall remove any personal property or items remaining on the leased premises, and, if Lessee fails to do so, Lessor may remove and dispose of any such items at the expense of Lessee, and Lessee shall reimburse Lessor within ten (10) days after delivery to Lessee of an invoice therefor for any such costs upon demand, and this obligation of Lessee shall survive expiration or earlier termination of this Lease. Notwithstanding the foregoing, if Lessee shall fail to remove any and all such personal property, then at the option of Lessor, in its sole and absolute discretion, the same shall be deemed abandoned by Lessee and may be used or disposed of by Lessor in whatever manner Lessor may determine. The provisions of this section shall survive expiration or earlier termination of this Lease.

Lessee agrees that in the event that there is any obligation imposed by applicable law on the part of the Lessor to "mitigate damages" in the event that Lessee is in default and has either abandoned the leased premises, vacated the leased premises, or its right to possession of the leased premises has been terminated by Lessor, then in such event, Lessee agrees that Lessor shall be deemed to have taken "objectively reasonable efforts" if Lessor has done the following, within thirty (30) days after Lessee no longer occupies the leased premises, (i) places a "For Lease" sign at the leased premises; (ii) places the leased premises on any Lessor's list of available space; (iii) makes Lessor's list available to commercial brokers in Webb County, Texas; (iv) advertises the leased premises for lease in a newspaper of general circulation in Webb County, Texas at least once per month for a period of three (3) months; and (v) shows the leased premises to prospective tenants who request to see them.

18. EMINENT DOMAIN. Should the leased premises be taken or condemned in whole or in part for public purposes during the term hereof, Lessor may elect to terminate this Lease or to continue the same in effect; provided, however, if the leased premises are so affected by any such taking so that the same become unfit for use by Lessee in the ordinary conduct of its business, Lessee shall have the option of terminating this Lease within thirty (30) days after such taking or condemnation. If the Lease be continued, the rental shall be reduced in proportion to the area of the leased premises so taken, and Lessor shall repair any damage to the leased premises resulting from any such taking. All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the leased premises shall be the property of Lessor, and Lessee hereby assigns its interest in any such award to Lessor; provided, however, Lessor shall have no interest in any award made to Lessee for Lessee's moving and relocation expenses or for the loss of Lessee's fixtures and other tangible personal property that Lessee would be permitted to remove at the end of this Lease if a separate award for such items is made to Lessee, as long as such separate award does not reduce the amount of the award that would otherwise be awarded to Lessor.

19. HOLDING OVER: It is agreed and understood that any holding over by the Lessee of the leased premises at the expiration of this Lease, shall operate and be construed as a tenancy from month to month at one and a half times the then current monthly rental, and Lessee shall be liable to Lessor for all loss or damage on account of any holding over against Lessor's will after the termination of this Lease whether or not such loss or damage may be contemplated at this time.

20. MORTGAGES: This Lease shall be subject or subordinate to each and every mortgage or other loan security agreement heretofore or hereafter executed by Lessor covering the real property constituting the leased premises and Lessee agrees to execute any instrument subordinating this Lease as Lessor may request.

21. CURING OF DEFAULTS: In the event of any breach hereunder by Lessee, the Lessor may, on reasonable notice, cure such breach for the account and at the expense of Lessee. If the Lessor at any time, by reason of such breach, is compelled to pay or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense, including reasonable attorney's fees, in instituting, prosecuting and/or defending any action or proceeding to enforce the Lessor's rights hereunder or otherwise, the sum or sums so paid by the Lessor, with all interest, costs and damages, shall be deemed to be additional rent hereunder and shall be due from the Lessee to the Lessor on the first day of the month following the incurring of such respective expenses.

22. MECHANICS' LIENS: The Lessee shall not do or suffer anything to be done whereby the land and buildings of which the leased premises are a part, or any personal property contained therein, may be encumbered by any mechanic's lien and shall, whenever and as often as any mechanic's lien is filed against the said land and buildings purporting to be for labor or material furnished or to be furnished to the Lessee, discharge the same of record within ten (10) days after the date of filing. In the event Lessee disputes said lien, Lessee shall have the right, at Lessee's expense, to contest the same provided Lessee timely causes a bond to be filed to indemnify against the lien as provided for in 53.171, et seq. of the Texas Property Code. If Lessee fails to discharge or bond around said mechanic's lien within the time as provided, then Lessor may terminate this Lease Agreement as herein provided.

23. REMEDIES CUMULATIVE: The rights given to the Lessor herein are in addition to any rights that may be given to the Lessor by any statute or otherwise.

24. WAIVER BY LESSEE: Lessor shall not be required to provide any services or do any act in connection with the leased premises except as specifically provided herein, and the rent and other charges reserved hereunder shall be paid to Lessor without any claims on the part of Lessee for diminution or abatement, except as specifically provided herein, and the fact that Lessee's use and occupancy of the leased premises may be disturbed or prevented from any cause whatsoever, except Lessor's willful actions, shall not in any way suspend, abate, or reduce the rental to be paid hereunder except as otherwise specifically provided in this Lease. Lessor and Lessee are knowledgeable and experienced in commercial transactions and agree that the provisions of this Lease for determining charges and amounts payable from Lessee to Lessor are commercially reasonable and valid even though such methods may not state a precise mathematical formula for determining such charges. ACCORDINGLY, LESSEE VOLUNTARILY AND KNOWINGLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ALL RIGHTS AND BENEFITS OF LESSEE UNDER SECTION 93.012 OF THE TEXAS PROPERTY CODE, AS SUCH SECTION NOW EXISTS OR AS MAY BE HEREAFTER AMENDED OR SUCCEEDED.

25. ADVERTISING DISPLAY AND SIGNS: All signs and advertising displayed in and about the leased premises, shall advertise only the business conducted in the leased premises. Lessee shall not place any signs or objects on the roof or any part of the exterior of the building (except on any plate glass window) nor place any signs, show cases, displays or fences on the sidewalks, parking lots, driveways or exterior of any building on the leased premises except as and where first approved in writing by Lessor. Lessee shall remove all signs at the termination of this Lease. Such installations and removals shall be made in such manner as to avoid any injury or defacement of the building or other improvements.

26. EFFECT OF CONVEYANCE: The term Lessor, as used in this Lease, means only the owner for the time being of the land and buildings constituting the leased premises, so that, in the event of any sale of said land and buildings, the Lessor shall be and is hereby entirely

freed and relieved of all covenants and obligations of the Lessor hereunder, provided, however, any purchaser of the land and buildings constituting the leased premises shall assume and agree to carry out any and all covenants and obligations of the original Lessor hereunder.

27. QUIET ENJOYMENT: 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 by Lessor or any person claiming under Lessor except such portion of the leased premises, if any, shall be taken under the power of eminent domain.

28. NOTICES: Whenever under this Lease a provision is made for notice of any kind, such notice shall be in writing and signed by or on behalf of the party giving or making the same, and it shall be deemed sufficient notice and service thereof if such notice is to Lessee and sent by registered or certified mail, postage prepaid, to the last post office address of Lessee furnished to Lessor for such purpose, or to the leased premises; and if to Lessor, sent by registered or certified mail, postage prepaid to Lessor at the address furnished for such purpose, or to the place then fixed for the payment of rent. If Lessor or Lessee is more than one person, notice need be sent to but one Lessee or Lessor, as the case may be 1119 Houston St., Laredo, Webb County, Texas 78040. Lessor's initial address for notice is 303 Stratford Lane, Laredo, TX 78041.

29. ASSIGNMENT: Lessee shall not assign this Lease Agreement or sublet all or any part of the leased premises without the prior written consent of Lessor.

30. NON-WAIVER: The receipt of rent by the Lessor, with knowledge of any breach of this Lease by the Lessee or of any default on the part of the Lessee in the observance or performance of any of the conditions or covenants of this Lease, shall not be deemed to be an express or implied waiver of any provision of this Lease. If the Lessee makes any payment of any amount less than that due hereunder, the Lessor without notice may accept the same as a payment on account; the Lessor shall not be bound by any notation on any check involving such payment nor any statement in any accompanying letter. No failure on the part of the Lessor to enforce any covenant or provision herein contained nor any waiver of any right thereunder by the Lessor, unless in writing, shall discharge or invalidate such covenant or provision or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt by the Lessor of any rent or any other sum of money or any other consideration hereunder paid by the Lessee after termination, in any manner, of the term herein demised, or after the giving by the Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend the term herein demised or destroyed, or in any manner impair the efficacy of any such notice of termination that may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money for other consideration, unless so agreed to in writing and signed by the Lessor.

31. BINDING EFFECT OF LEASE AND LIABILITY. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Lease. All Lessees are jointly and severally liable for all provisions of this Lease. Any act or notice to, or refund to, or signature of, any one or more of the Lessees regarding any term of this lease, its renewal, or its termination is binding on all Lessees.

32. FORCE MAJEURE: Whenever a period of time is prescribed in this Lease for the taking of any action by Landlord, Landlord will not be liable or responsible for, and there will be excluded from the computation of that 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 act, omission, delay, or neglect of Lessee or any of Lessee's employees or agents, or any other cause beyond Landlord's control. Furthermore, the foregoing will in no manner release, relieve, or affect Lessee's independent obligation to pay rent required by this Lease.

33. INVALID PROVISIONS: If any provision of this Lease is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and the remaining provisions of this Lease shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance.

34. EFFECT OF LANDLORD'S SUBMISSION OF LEASE. Lessor's submission of this instrument for examination or signature by Lessee does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Lessor and Lessee.

35. WAIVER OF CONSUMER RIGHTS. Lessee waives all of its rights under the Texas Deceptive Trade Practices & Consumer Protection Act, Texas Business and Commerce Code Section 17.41 et seq., a law that gives consumers special rights and protections. After consultation with an attorney of Lessee's own selection, Lessee voluntarily adopts this waiver.

36. PROHIBITED PERSONS AND TRANSACTIONS. Intentionally omitted.

37. RECORDATION. Lessee agrees not to record this Lease nor any notice of it in the Real Property Records of Webb County, Texas, and doing so shall constitute a default hereunder by Lessee.

38. OPTION TO EXTEND TERM. Provided that Lessee shall not be in default hereof, Lessor hereby grants to Lessee two (2) options to extend the term of this Lease for a period of six (6) months each, each such extended term to begin upon the expiration of the primary or extended term of this Lease, as applicable, upon the same terms, covenants and provisions as apply to the primary term of this Lease. If Lessee elects to exercise such option, Lessee shall do so by giving Lessor written notice of intention to do so not later than forty-five (45) days prior to the expiration date of the primary or extended term of this Lease, as applicable.

39. WAIVER OF RIGHT TO TRIAL BY JURY. THE PARTIES TO THIS AGREEMENT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES HERETO AGAINST THE OTHER TO ENFORCE THIS AGREEMENT OR WHICH IN ANY OTHER WAY ARISE OUT OF, ARE CONNECTED TO OR ARE RELATED TO THIS AGREEMENT OR THE SUBJECT MATTER OF THIS AGREEMENT. ANY SUCH ACTION SHALL BE TRIED BY THE JUDGE WITHOUT A JURY.

40. FINAL AGREEMENT: THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT MADE BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. IN ADDITION, THIS AGREEMENT MAY NOT BE MODIFIED, CHANGED OR TERMINATED IN WHOLE OR IN PART ORALLY OR IN ANY OTHER MANNER THAN BY AGREEMENT IN WRITING, SIGNED BY ALL OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS OR UNDERSTANDINGS BETWEEN THE PARTIES.

EXECUTED on the day and year first above written.

LESSOR:

1994 PROPERTIES JOINT VENTURE,
a Texas joint venture

By: Cecilia Canseco Keck Trustee
CECILIA CANSECO KECK, TRUSTEE FOR THE
BENEFIT OF (i) THE JOHN HARRISON KECK, JR.
1994 TRUST, (ii) THE KATHERINE RANDAL
KECK 1994 TRUST AND (iii) THE JAMES
ANDREW KECK 1994 TRUST

LESSEE:

WEBB COUNTY,
a political subdivision of the State of Texas

By: [Signature]
Name: Danny Proctor
Title: County Judge

ATTEST:


Margie Ramirez Ibarra

Margie Ramirez Ibarra
Webb County Clerk

APPROVED AS TO FORM:

M. Montemayor

Marco A. Montemayor
Webb County Attorney

***By law, the county attorney's office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).**