

# LEASE AGREEMENT

**ARTICLE ONE: CERTAIN DEFINED TERMS.** The following capitalized and bold faced terms, which have been placed in this Article 1 for convenience, shall have the meaning set forth below:

"**Additional Rent**" shall mean, all charges, costs, expenses and other sums due hereunder other than Base Rent, and whether or not the same are designated as rent in this Lease, including without limitation, Tenant's Proportionate Share of Operating Expenses.

"**Base Rent**" shall mean for each month of the Lease Term, the amounts for the periods set forth in the following table:

Months	Monthly Base Rent	Monthly Rate Per Sq. Ft.
Months 1 – 12	\$9,330.72	\$0.84 NNN
Months 13 – 24	\$9,663.96	\$0.87 NNN

"**Broker**" shall mean Stream Realty Partners – Houston, L.P. for Landlord.

"**Building**" shall mean that certain building located at 8915 Knight Road, Houston, Texas 77054, situated on a portion of the Land, which is part of the Project, more particularly described on Exhibit B attached hereto.

"**Commencement Date**" shall mean the later of the following dates: (i) January 1, 2021; or (ii) the date on which the Tenant Improvements set forth in Article 15.01 hereof are "Substantially Completed" (as such term is defined herein) (or the date on which the Tenant Improvements would have been Substantially Completed but for the occurrence of any delays caused by Tenant). As used herein "**Substantially Completed**" means the Tenant Improvements in the Premises are substantially completed (as reasonably determined by Landlord) which shall be deemed to have occurred even though minor details of construction, decoration and mechanical adjustments remain to be completed by Landlord.

"**Common Area**" means all areas situated on or within the Project and made available by Landlord for the common and joint use of Landlord, Tenant, and any others designated by Landlord. Common Area includes without limitation, any areas designated for parking, and all sidewalks, driveways, landscaped areas, corridors, restrooms, and any other areas and facilities, if any, designated by Landlord from time to time as Common Area.

"**Hazardous Substances**" shall mean any substance, material, waste, pollutant, or contaminant that is or could be regulated under any statute, regulations, ordinance, rule, code, judgment, permit, or other similar requirement of any governmental authority, agency or court or that may adversely affect human health or the environment.

"**Land**" shall mean that certain tract of land more particularly described on Exhibit A attached hereto.

"**Landlord**" shall mean ATLAS HOUSTON INDUSTRIAL, LP, a Texas limited partnership.

"**Landlord Notice Address**" shall mean 12001 N. Central Expressway, Suite 875, Dallas, Texas 75243.

"**Lease**" and "**Lease Agreement**" shall mean this agreement between Landlord and Tenant, and the Exhibits referenced in this Article 1, which are attached to the Lease and incorporated herein for all purposes as if set out in full.

"**Lease Term**" shall mean the period beginning on the Commencement Date and ending on the last day of the calendar month that is twenty-four (24) full calendar months after the Commencement Date, unless this Lease is terminated early or extended to a later date pursuant to the terms hereof.

"**Monthly Expense Estimate**" shall mean an amount designated by Landlord from time to time during the Lease Term, equal to 1/12 of the estimated annual cost of Tenant's Proportionate Share of Operating Expenses, which is approximately \$1,305.19 per month or \$1.41 per square foot per year as of the date hereof.

"**Operating Expenses**" shall have the meaning set forth in Article 4.01 hereof.

"**Permitted Use**" shall mean office/general warehouse.

"**Premises**" shall mean that approximately 11,108 square feet of space known as 8915 Knight Road, Houston, Texas 77054 within the Building, more particularly outlined on Exhibit C attached hereto.

"**Project**" shall mean the Land, the Common Area and all improvements situated on the Land commonly known as Astro Business Park including those certain buildings with a street address of 8825 – 9087 Knight Road, Houston, Texas 77054.

"**Project Rules**" shall mean the rights, rules and regulations governing the use and occupancy of the Project, Building and Premises, which Landlord, in Landlord's sole discretion, may change from time to time during the Lease Term, and which changes become effective upon delivery of a copy to Tenant. Tenant's use of the Premises and the Common Area shall at all times be subject to the Project Rules set forth on Exhibit D.

"**Security Deposit**" shall mean the amount of \$10,969.15.

"**Special Provisions**" shall have the meaning set forth in Article 15 hereof.

"**Tenant**" shall mean HARRIS COUNTY, Texas, a body corporate and political subdivision of the State of Texas.

"**Tenant / Capital Improvements**" Except as otherwise expressly provided in Article 15. Tenant accepts the Premises "as is, where is" without representation or warranty, either express or implied, without any obligation to alter, remodel, improve, repair or decorate any part of the Premises.

"**Tenant Notice Address**" shall mean 8915 Knight Road, Houston, Texas 77054.

"**Tenant's Proportionate Share**" shall mean a fraction having as its numerator the floor area of the Premises and as its denominator the total floor area of the buildings situated within the boundaries of the Project, all as determined by Landlord. As of the date hereof, Tenant's Proportionate Share is 5.40% (i.e., 11,108 divided by 205,812 and rounded to the nearest hundredth).

## ARTICLE TWO: LEASE AND LEASE TERM

**2.01 Lease Grant.** Landlord leases to Tenant, and Tenant leases from Landlord, the Premises and the non-exclusive right to use the Common Areas, subject to all of the terms and conditions of this Lease. Upon the expiration of the Lease Term, Tenant shall immediately surrender the Premises to Landlord.

**2.02 Delay and Early Possession.** If Landlord fails to deliver possession of the Premises to Tenant on the Commencement Date, the Commencement Date shall be delayed until the Premises are delivered to Tenant. Occupancy of the Premises by Tenant prior to the Commencement Date shall not change the Lease Term, but otherwise shall be subject to the terms and conditions of this Lease. Other than as expressly provided in Article 15.03 below, Tenant shall pay Base Rent and Additional Rent prorated for the period of early occupancy.

**2.03 Holding Over.** If Tenant continues to occupy the Premises after expiration of the Lease Term, such occupancy shall be a tenancy at will, subject to all of the terms, conditions, and covenants of this Lease except that (a) Tenant shall have no right to renew, extend or expand, (b) Base Rent shall be equal to one hundred fifty percent (150%) of the Base Rent then in effect, and (c) all payments of Base Rent and Additional Rent shall be prorated to reflect the number of days Tenant continues to occupy the Premises. Tenant shall vacate the Premises to Landlord within thirty (30) days of Tenant's receipt of notice from Landlord to vacate the Premises.

## ARTICLE THREE: RENT, MONTHLY EXPENSE ESTIMATES AND SECURITY DEPOSIT

**3.01 Manner of Payment.** All payments of Base Rent and Additional Rent, which collectively constitute rent for purposes of any law relating to bankruptcy, insolvency, reorganization or relief of debtors, shall be made to the Landlord at the following address, unless such address is changed as provided herein: P.O. Box 650850, Dallas, TX 75265-0850 unless such address is changed as provided herein. Tenant's covenants to pay the Base Rent and the Additional Rent are independent of any other covenant, condition, provision or agreement herein contained. Nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of Landlord. Rent shall be payable without deduction, offset, prior notice or demand, in lawful money of the United States.

**3.02 Time of Payment.** Upon execution hereof, Tenant shall pay the Base Rent and Monthly Expense Estimate for the first month of the Lease Term. On or before the first day of the second month of the Lease Term and of each month thereafter, a like monthly installment shall be due and payable, in advance, without off-set, deduction or prior demand. If the Lease Term commences on other than the first day of a calendar month or ends on other than the last day of a calendar month, the Base Rent and Monthly Expense Estimate for such fractional month shall be prorated to reflect the number of days occurring in such month.

**3.03 Late Charges.** If Landlord does not receive the Base Rent or Additional Rent on the date due or as otherwise set forth in any notice from Landlord to Tenant, Tenant shall pay a late payment charge equal to 5% of such amount. In addition, Tenant shall pay a charge of \$35.00 for any check returned or dishonored. Tenant acknowledges that the additional costs and expenses resulting to Landlord from late payments and returned checks are difficult to ascertain precisely and agrees that the foregoing charges represent a fair, reasonable, good faith estimate of the costs Landlord will incur.

**3.04 Security Deposit.** Upon execution hereof, Tenant shall deliver the Security Deposit to Landlord. Landlord may apply all or part of the Security Deposit to pay any unpaid Base Rent or Additional Rent or to cure any other defaults of Tenant and Tenant shall restore the Security Deposit to its full amount within ten (10) days after Landlord's written request. No interest shall be paid on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit. If Tenant is not in default at the expiration of the Lease Term, Landlord will refund the unused portion of the Security Deposit to Tenant after Tenant vacates the Premises.

#### ARTICLE FOUR: OPERATING EXPENSES

**4.01.a Operating Expenses.** During each month of the Lease Term, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to 1/12 of the annual cost, as estimated by Landlord from time to time, of Tenant's Proportionate Share (defined above) of Operating Expenses for the Project. Payments thereof for any fractional calendar month shall be prorated. The "Operating Expenses" shall mean all expenses and disbursements of every kind that Landlord incurs, pays or becomes obligated to pay in connection with the ownership, operation, security, repair, replacement and maintenance of the Project (collectively, the "Project Operations"), including without limitation (a) wages and salaries of all individuals or entities engaged in Project Operations, including taxes, insurance and benefits relating thereto; (b) management fees; (c) the cost of equipment, supplies and materials used in Project Operations; (d) capital improvements or capital replacements (excluding the roof structure) made to or capital assets acquired for the Building, the Project or the Land that are intended to reduce Operating Expenses, for the continued operation of the Project, or are reasonably necessary for the health and safety of the occupants of the Building or are required under any governmental law or regulation, which capital costs, or an allocable portion thereof, shall be amortized over the period reasonably determined by Landlord, together with interest on the unamortized balance at ten percent (10%); (e) the cost of all utilities that are not paid directly to service provider by Tenant, other than the cost of utilities actually reimbursed to Landlord by Tenant and other occupants of the Project; (f) the cost of the insurance carried by Landlord pursuant to Article 5.01 below; (g) all taxes, assessments and governmental charges of any kind and from any source including, without limitation, all taxes attributable to taxable margin levied pursuant to Chapter 171 of the Texas Property Tax Code or any amendment, adjustment or replacement thereof that are based upon, attributable to, or applicable to, in whole or part, the Project, rents received from the Project, or the operation of the Project; and (h) the cost of attorneys, accountants, and consultants that relate directly to the operation of the Project and benefit all occupants of the Project. Operating Expenses shall not include costs related to the sale, leasing, or financing of the Project or costs payable solely by Landlord pursuant to Article 7.02 hereof. If the Project is not fully leased and occupied during any year of the Lease Term, then Operating Expenses for such period shall be adjusted to the amount that would have been incurred, in Landlord's reasonable estimation, if the Project had been fully leased and occupied for the entire year.

**4.01.b Utilities.** Tenant shall pay any and all utility cost associated with the Building and/or Premises directly to the service provider upon occupancy.

**4.02 Reconciliation.** Landlord makes no guaranty or warranty that the Monthly Expense Estimate will be accurate. Landlord may equitably increase Tenant's Proportionate Share of Operating Expenses for any item of expense or cost reimbursable by Tenant that relates to a commercially reasonable repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with the occupancy of the Project. If the payments of the Monthly Expense Estimates made by Tenant during any year are less than Tenant's Proportionate Share of Operating Expenses for such year, as increased or adjusted, Tenant shall pay the difference to Landlord within 30 days after demand. If the total of such payments for any year are more than Tenant's Proportionate Share of Operating Expenses for such year, Landlord shall retain such excess and credit it against Tenant's Monthly Expense Estimate in the following year. For purposes of calculating Tenant's Proportionate Share of Operating Expenses, a year shall mean a calendar year except the first year, which shall begin on the Commencement Date, and the last year, which shall end on the expiration of the Lease Term.

**4.03 Tenant Taxes.** Prior to delinquency, Tenant shall pay (a) all taxes levied or assessed against any personal property or fixtures placed in the Premises and (b) any rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax measured by or based on the Base Rent, Additional Rent or any services provided pursuant to this Lease. Upon the request of Landlord, Tenant shall deliver to Landlord receipts from the applicable taxing authority to verify payment. If Landlord pays such taxes directly to the applicable taxing authority or the assessed value of the Building or Project is increased by the inclusion of any personal property or fixtures placed in the Premises, then Tenant shall pay Landlord the amount of such taxes paid directly, or the tax attributable to such increased valuation, within fifteen (15) days after written notice from Landlord requesting payment.

#### ARTICLE FIVE: INSURANCE

**5.01 Landlord's Insurance.** During the Lease Term, Landlord shall maintain (a) cause of loss - special form commercial property insurance, on Insurance Service Offices, Inc. ("ISO") Form CP 1030 or (or comparable coverage by whatever name denominated) covering the Building in an amount not less than eighty percent (80%) of the "replacement cost" thereof (excluding foundations, footings, infrastructure and site work), or such other amount necessary to prevent Landlord from suffering a coinsurance penalty, (b) Commercial general liability insurance covering the Project and the Building (but excluding the Premises) on ISO Form CG 0001 or (or comparable coverage by whatever name denominated), insuring against claims for personal or bodily injury or death or property damage (including contractual indemnity and liability coverage without contractual exclusion) occurring upon, in, or about the Project and the Building (but excluding the Premises), affording protection to the limit of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal or advertising injury (as such form is defined in ISO form CG 0001), and \$2,000,000 for general aggregate liability; and (c) such other insurance and such other coverage as Landlord shall deem appropriate. If (1) any operation or activity at the Premises or (2) the storage or use of any materials on the Premises causes an increase in the premiums of any insurance policy carried by Landlord, Tenant shall pay such increased amount to Landlord within fifteen (15) days after written notice from Landlord.

**5.02 Tenant's Insurance.** Tenant's limits of liability to third persons for injury or damage occurring in or on the Premises are established by Title 5, Chapter 101 of the Texas Civil Practice and Remedies Code and Chapter 504 of the Texas Labor Code. Tenant is self-funded and will provide a letter of self-insurance to Landlord upon Landlord's request.

#### ARTICLE SIX: WAIVERS

**6.01 Property Code Waivers.** LANDLORD AND TENANT ARE KNOWLEDGEABLE AND EXPERIENCED IN COMMERCIAL LEASING TRANSACTIONS AND AGREE THAT THE PROVISIONS OF THIS LEASE FOR DETERMINING ALL CHARGES, AMOUNTS, AND ADDITIONAL RENT BY TENANT, ARE COMMERCIALLY REASONABLE AND VALID EVEN THOUGH SUCH METHODS MAY NOT BE STATED IN THIS LEASE. ACCORDINGLY, TENANT VOLUNTARILY AND KNOWINGLY WAIVES ALL RIGHTS AND BENEFITS OF A TENANT UNDER SECTION 93.012, TEXAS PROPERTY CODE, OR ITS SUCCESSOR STATUTE OR CODE PROVISION. NOTHING CONTAINED IN THE FOREGOING WAIVER, HOWEVER, IS INTENDED TO LIMIT OR IMPAIR ANY OTHER REMEDY AVAILABLE TO TENANT UNDER THIS LEASE OR AT LAW OR IN EQUITY FOR LANDLORD'S BREACH OF THIS LEASE (OTHER THAN SECTION 93.012, TEXAS PROPERTY CODE, OR ITS SUCCESSOR STATUTE OR CODE PROVISION). TENANT HEREBY WAIVES ITS STATUTORY LIEN UNDER SECTION 91.004(B) OF THE TEXAS PROPERTY CODE; PROVIDED, HOWEVER, SUCH WAIVER DOES NOT WAIVE TENANT'S RIGHTS TO COLLECT DAMAGES CAUSED BY LANDLORD'S BREACH OF THIS LEASE.

**6.02 Waiver of Implied Warranties and Acceptance of Condition.** TENANT ACKNOWLEDGES THAT (A) IT HAS INSPECTED THE PREMISES AND EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS LEASE (INCLUDING ANY AGREEMENT TO CONSTRUCT IMPROVEMENTS TO THE PREMISES), TENANT ACCEPTS THE PREMISES IN AN "AS IS, WHERE IS" CONDITION, (B) THE PREMISES, THE BUILDING AND ANY IMPROVEMENTS COMPRISING THE SAME ARE SUITABLE FOR THE PURPOSE FOR WHICH THE PREMISES ARE LEASED, (C) NO REPRESENTATIONS AS TO THE REPAIR OF THE PREMISES, NOR PROMISES TO ALTER, REMODEL OR IMPROVE THE PREMISES HAVE BEEN MADE BY LANDLORD (EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS LEASE), AND TENANT HAS NOT RELIED ON ANY SUCH REPRESENTATION IN ENTERING INTO THIS LEASE, AND (D) NEITHER LANDLORD NOR ANY OF THE LANDLORD PARTIES HAS MADE NOR HAS TENANT RELIED ON ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, MERCHANTABILITY, SUITABILITY, QUALITY, CONDITION OR FITNESS FOR ANY PARTICULAR PURPOSE (COLLECTIVELY, THE "DISCLAIMED WARRANTIES") WITH REGARD TO THE PREMISES, THE BUILDING, OR THE PROJECT. TENANT HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, THE DISCLAIMED WARRANTIES WITH REGARD TO THE PREMISES, THE BUILDING AND THE PROJECT AND AGREES THAT ITS OBLIGATIONS HEREUNDER ARE NOT CONDITIONED OR CONTINGENT UPON RECEIPT OF A CERTIFICATE OF OCCUPANCY. TENANT DISCLAIMS RELIANCE ON ANY REPRESENTATION OR WARRANTY DISCLAIMED BY THIS SECTION.

#### ARTICLE SEVEN: MAINTENANCE, USE, REPAIR AND ALTERATIONS

**7.01 Permitted Use.** Tenant may use the Premises only for the Permitted Use. If Tenant pays the Base Rent and Additional Rent, and otherwise complies with all other terms, conditions and covenants of this Lease, Tenant may occupy and enjoy the Premises for the Lease Term. Tenant shall comply with the Project Rules and all deed restrictions, restrictive covenants, governmental laws, ordinances and regulations applicable to the use of the Premises, the conduct of the business operated by Tenant at the Premises, the construction or installation of any improvements to the Premises, and the appearance of the Premises. Tenant shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with the Premises, all at Tenant's sole expense. Tenant shall not permit or cause any party to bring any Hazardous Substances upon the Premises or transport, store, use, generate, manufacture, dispose or release any Hazardous Substances on or from the Premises.

**7.02 Landlord Maintenance, Repair, and Operation Obligations.** Landlord shall maintain, at Landlord's expense (i.e., not as part of Operating Expenses), only the structural soundness of the roof (which does not include roof membrane), structural soundness of the foundation, and structural soundness of the exterior walls of the building of which the Premises are a part in good repair, reasonable wear and tear and casualty losses and damages caused by Tenant excluded (collectively, the "Landlord Repairs"). Landlord shall also, as a part of Operating Expenses, maintain any fire protection sprinkler system. The term "walls" as used in this ARTICLE 7.02 shall not include windows, glass or plate glass, doors or overhead doors, special stock fronts, dock bumpers, dock plates or levelers, or office entries. Furthermore, Landlord, as part of Operating Expenses, shall maintain the Project (other than leased premises and the obligations of other tenants of the Project) in good repair and condition. Tenant shall immediately give Landlord written notice of any repair required by Landlord pursuant to this ARTICLE 7.02. Landlord shall not be obligated to make the Landlord Repairs until a reasonable time after receipt of written notice from Tenant of the need for such repairs. Tenant, at Tenant's sole cost and expense, shall promptly remove Tenant's fixtures, inventory, equipment and other Premises, to the extent reasonably required by Landlord, to enable Landlord to make the Landlord Repairs. Landlord's liability hereunder shall be limited to the cost of such repairs or corrections. THIS IS A NET LEASE AND, EXCEPT AS SET FORTH IN THIS ARTICLE 7.02 BELOW, LANDLORD HAS NO OBLIGATION TO REPAIR OR MAINTAIN THE PREMISES, BUILDING OR PROJECT.

**7.03 Tenant Maintenance, Repair, and Operation Obligations.** Tenant shall pay the initial connection charges for any utilities serving the Premises as well as the ongoing charges for the use of such utilities, including without limitation, gas, water and electricity. Except as set forth in Article 7.02 above, Tenant, at its own cost and expense, shall (a) maintain all parts of the Premises in good condition, ordinary wear and tear excepted, (b) promptly repair, paint, and/or replace any portion of the Premises or the Building that is changed, altered or damaged as a result of any approved or unapproved installation, placement,

application or attachment, (c) promptly make all necessary repairs and replacements to the Premises; the exterior doors; and the Premises' electrical system, plumbing, any heating, ventilation and air conditioning equipment (subject to the limitations set forth below) and any other mechanical systems that exclusively serve the Premises (collectively, the "Premises Systems"), and all other components that are contained in, or provide exclusive service to, the Premises, all in a good and workmanlike manner, and (d) Tenant shall conduct all necessary preventative maintenance and servicing of the Premises Systems utilizing internal Tenant resources to keep and maintain in accordance with like properties occupied by Tenant within Harris County, Texas, which preventative maintenance and servicing of the Premises Systems shall be done at a minimum on a quarterly basis.

**7.04 Alterations and Signs.** Tenant shall not create any openings in the roof or exterior walls of the Building or Premises. Without the prior written consent of Landlord, Tenant shall not (a) install, place, attach or affix to the Premises, the roof or the exterior walls of the Building, any exterior lights, decorations, balloons, flags, pennants, banners, blinds, draperies, window treatments, bars or security installations, painting, signs, or door lettering, decals, stickers, placards, decorations or advertising media of any type that can be viewed from the exterior of the Premises or the Building or (b) make any alterations, additions or improvements to the Premises. Landlord shall not unreasonably withhold consent to the any alterations, additions or improvements to the interior of the Premises or the installation or attachment of shelves, bins, machinery, trade fixtures, air conditioning or heating equipment to the interior of the Premises; provided that Tenant pays all costs incurred or arising in connection therewith and complies with all applicable governmental laws, ordinances and regulations. Tenant shall not permit a mechanic's or materialman's lien to be asserted against the Premises. Upon request by Landlord, Tenant shall deliver to Landlord proof of payment reasonably satisfactory to Landlord of all costs incurred or arising out of any such alterations, additions or improvements.

**7.05 Landlord's Access.** Landlord and any of the Landlord Parties shall have the right, during normal business hours, to enter the Premises (a) to inspect the general condition and state of repair thereof, (b) to make repairs required or permitted under this Lease, (c) to show the property to any prospective tenant or purchaser or (d) for any other reasonable purpose. During the final 150 days of the Lease Term, Landlord and any of the Landlord Parties shall have the right to erect and maintain on or about the Premises customary signs advertising the Premises for lease or sale.

**7.06 Condition at Termination or Vacation.** Upon the earlier to occur of (a) vacation of the Premises by Tenant or (b) expiration of the Lease Term, unless otherwise set forth herein, Tenant shall deliver the Premises to Landlord, broom clean and in the same condition that existed on the Commencement Date, ordinary wear and tear excepted, with the Premises Systems in good operating condition, and at Landlord's option, Tenant shall remove all exterior signs and any or all alterations, improvements, and fixtures installed, attached, erected or constructed after the Commencement Date. Provided that Tenant is not in default under this Lease, Tenant shall have the right to remove any of the remaining items, except that without Landlord's written consent, Tenant shall not remove any of the Premises Systems: any lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; fencing; or security gates. At the time of removal, Tenant shall repair in a good and workmanlike manner any damage caused by the original installation, erection, or construction of such items, and/or the removal thereof. All alterations, additions, improvements, personal property, equipment, furniture, etc. left in the Premises after termination or vacation that is not removed shall be deemed to have been abandoned by Tenant and may be sold, stored, destroyed, or otherwise disposed of by Landlord without notice to Tenant and without any obligation to account for such items.

#### **ARTICLE EIGHT: FIRE AND CASUALTY**

**8.01 Damage.** Tenant immediately shall give prompt written notice to Landlord if the Premises or Building are damaged or destroyed by fire or other casualty. If (a) the Premises or Building should be totally destroyed, (b) the Premises or the Building are so damaged that in Landlord's estimation, rebuilding or repairs cannot be completed within one hundred twenty (120) days after the date Landlord receives written notice from Tenant of such damage, (c) the cost of rebuilding or repairs would exceed twenty five percent (25%) of the replacement value of the Building, (d) damage or destruction to the Premises or the Building occurs within the last eighteen (18) months of the Lease, (e) any Mortgagee (as defined below) requires that insurance proceeds be applied to reduce or retire the indebtedness secured by the Mortgage (hereinafter defined), (f) the casualty is not covered by the insurance required to be carried by Landlord pursuant to this Lease, or (g) Landlord determines that insurance proceeds will be insufficient to restore the Building, then in any such case Landlord may terminate this Lease by delivering written notice to Tenant, in which event the rights and obligations of Landlord and Tenant hereunder shall cease and terminate; provided that any liabilities of Tenant which accrued prior to termination of this Lease shall survive same. In connection with any repair or reconstruction to the Premises arising from or necessitated by fire or the casualty which is covered by the insurance carried by Landlord, Tenant shall pay to Landlord Tenant's Proportionate Share of the amount of any deductible of such insurance upon demand, as Additional Rent.

**8.02 Rebuilding.** If Landlord fails to terminate this Lease in accordance with the foregoing Article 8.01, Landlord will commence to restore the Building and the Premises to substantially the condition that existed prior to the occurrence of such casualty, subject to (a) modifications required by zoning and building codes and other applicable laws, (b) modifications required by any Mortgagee, and (c) provided that access to the Premises or the Building is not materially impaired, any modifications to the parking, landscaping and open areas surrounding the Building deemed desirable by Landlord. Landlord shall not be required to rebuild, repair or replace any part of Tenant's removable partitions, furniture, fixtures, and equipment, or any alterations or improvements made to the Premises after the Commencement Date, and will not be required to spend an amount in excess of the insurance proceeds (plus the deductible amount) actually received by Landlord due to the casualty. Landlord will not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from the casualty or its repair.

#### **ARTICLE NINE: CONDEMNATION**

If, during the term of this Lease or any extension or renewal thereof, all or a substantial part of the Premises should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, this Lease shall terminate and rent shall be abated during the unexpired portion of this Lease, effective from the date of taking of the Premises by the condemning authority. If less than a substantial part of the Premises is taken for public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or is sold to the condemning authority under threat of condemnation, Landlord, at its option, may by written notice terminate this Lease or shall forthwith at its sole expense restore and reconstruct the Premises to the extent possible (other than leasehold improvements made by Tenant or any assignee, subtenant or other occupant of the Premises) to make the same reasonably tenantable and suitable for the Permitted Use. The Base Rent during the unexpired portion of the Lease Term shall be adjusted equitably. Tenant hereby waives any interest in, and assigns to Landlord any compensation awarded in connection with, or as a result of any of the foregoing proceedings, all of which shall be the property of Landlord. Landlord shall have no interest in any award made to Tenant pursuant to a separate claim, and specifically denominated by the condemning authority as compensation to Tenant for relocation expenses, loss of business or goodwill or for the taking of Tenant's fixtures and any improvements constructed on the Premises after the Commencement Date.

#### **ARTICLE TEN: ASSIGNMENT AND SUBLETTING**

Tenant shall not sublet all or part of the Premises or assign, transfer, mortgage, pledge or encumber this Lease or any interest therein, without the prior written consent of Landlord. Any attempt by Tenant to sublease all or part of the Premises or to assign, transfer or encumber this Lease shall (a) be void and (b) not relieve Tenant from the further performance of its obligations hereunder. Tenant hereby assigns, transfers and conveys to Landlord all amounts received by Tenant (whether denominated as rent or otherwise) pursuant to or in connection with, any such actual or attempted assignment or sublease, whether consented to by Landlord or mandated by judicial intervention, including without limitation any amounts in excess of the Base Rent, and Tenant agrees to deliver to Landlord such amounts within ten (10) days after receipt. Landlord may collect any such amounts directly from such assignee, subtenant or transferee and apply the same against the Base Rent and Additional Rent due Landlord hereunder. No such collection shall constitute a novation or a release of Tenant from the further performance of Tenant's obligations hereunder.

#### **ARTICLE ELEVEN: DEFAULT AND REMEDIES**

**11.01 Default.** The occurrence of any one or more of the following events, each of which is deemed to be material, shall constitute a default on the part of Tenant under this Lease ("Default Event"):

(a) Tenant shall fail to (1) pay any installment of the Base Rent or Additional Rent on the date that same is due; provided, however, that no more than two (2) times in any twelve (12) month period, in the event of Force Majeure events outside the control of Tenant, or other reasonable delays for which Tenant provides written notice to Landlord at least five (5) days prior to the due date of any installment of Base Rent or Additional Rent or such event occurring, Tenant shall have fifteen (15) days from the due date of such installment of Base Rent or Additional Rent within which to make such payment with no penalty, forfeiture or loss of Security Deposit accruing to the Tenant, (2) restore the Security Deposit to its full amount as required by Article 3.04 hereof, and/or (3) comply with any term, condition or covenant of this Lease, other than those pertaining to payment of Base Rent or Additional Rent, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant;

(b) Tenant or any guarantor (collectively, the "Obligors") of Tenant's Lease obligations shall be unable to pay its debts as they become due or shall admit in writing its inability to pay its debts, or shall make a general assignment for the benefit of creditors;

(c) The commencement by or against the Obligors of any action, case or proceeding seeking reorganization, adjustment, liquidation, dissolution or the like, of the Obligors' debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for the Obligors or for all or any substantial part of the Obligors' property;

(d) Tenant shall (1) vacate, abandon or commence to vacate or abandon all or a substantial portion of the Premises or (2) fail to continuously operate its business at the Premises for the Permitted Use; or

(e) If Tenant is not an individual, a transfer or series of related transfers of the equity or beneficial ownership interests in Tenant or any direct or indirect owners of Tenant that results in a change, directly or indirectly, in the right or power to direct or cause the direction of the management or policies of Tenant, unless the shares or other instruments evidencing the equity or beneficial ownership of Tenant are listed on a nationally recognized security exchange or over-the-counter market.

**11.02 Remedies.** Upon the occurrence of a Default Event, Landlord, without further notice or demand and using lawful force if necessary or appropriate, shall be entitled to (a) terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Premises; (b) terminate Tenant's right to occupy all or any part of the Premises, without terminating this Lease, and with or without reentering or repossessing the Premises; (c)

change or pick the locks, access codes, or other access control devices, and take any other self-help or judicial action to exclude Tenant and other occupants from the Premises; (d) remove and store any property on the Premises; (e) enter upon the Premises without terminating this Lease or repossessing the Premises and do whatever Tenant is obligated to do under the terms of this Lease; (f) without terminating this Lease, enter upon the Premises to clean, repair, remodel and make such alterations and improvements as may be necessary in order to relet the Premises; (g) withhold or suspend any payment that this Lease would otherwise require Landlord to make; (h) recover Base Rent, Additional Rent; (i) charge interest on any amount not paid when due from the due date through the date of its payment at the Default Rate, which is the lesser of 18% per annum or the highest rate permitted by applicable law; and/or (j) exercise all other remedies available to Landlord at law or in equity, including, without limitation, injunctive and other extraordinary remedies. In the event Landlord elects to exercise the remedy listed in Article 11.02(c) as contained herein, Landlord or its agent shall place a written notice on Tenant's front door stating the name and address or telephone number of the individual from whom a new key may be obtained and that such key may only be obtained during the hours stated. Landlord shall, however, have absolutely no obligation to furnish a new key unless and until Tenant (i) cures all existing defaults; and (ii) delivers to Landlord a sum of money determined by Landlord in its sole discretion which shall be added to and become a part of the Security Deposit of Tenant hereunder. Landlord and Tenant intend that the foregoing remedy expressly supersedes any conflicting provisions contained in Section 93.002 of the Texas Property Code, or any successor statute.

**11.03 Cumulative.** The remedies listed in Article 11.02(a) - Article 11.02(j) are cumulative and not exclusive. Pursuit of any one of the foregoing remedies shall not preclude pursuit of any of the other remedies, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants of this Lease. Actions to collect amounts due by Tenant to Landlord under this subparagraph may be brought from time to time, on one or more occasions, without the necessity of Landlord's waiting until expiration of the Lease Term. Unless Landlord delivers a signed, written notice thereof to Tenant, no act or omission by Landlord or any of the Landlord Parties, including without limitation, (a) accepting keys to the Premises delivered by, or on behalf of, Tenant, (b) accepting payments of any amounts owed under this Lease, (c) entry or re-entry into the Premises, (d) repossession of the Premises, (e) filing a forcible detainer action, or (f) reletting the Premises, will constitute Landlord's acceptance of surrender of the Premises, termination of this Lease, or an actual or constructive eviction of Tenant.

**11.04 Default Waivers.** TO THE FULLEST EXTENT PERMITTED BY LAW, TENANT, AFTER CONSULTATION WITH COUNSEL OF ITS OWN CHOOSING, WAIVES ALL NOTICES AND DEMANDS (INCLUDING, WITHOUT LIMITATION, NOTICE OF BREACH OR DEFAULT, NOTICE OF NON-PAYMENT OR NON-PERFORMANCE, DEMAND FOR PAYMENT OR PERFORMANCE, DEMAND FOR POSSESSION, NOTICE OF ANY CHANGE IN LOCKS OR ACCESS CONTROL DEVICES, REENTRY, OR REPOSSESSION, AND NOTICE TO VACATE), EXCEPT FOR THOSE NOTICES AND DEMANDS EXPRESSLY REQUIRED IN THIS LEASE.

**11.05 Duty to Mitigate.** Landlord and Tenant stipulate and agree that:

(a) Any duty Landlord may have to mitigate damages will be satisfied if beginning no sooner than thirty (30) days after Tenant physically vacates the Premises and continuing until the Premises have been relet, (a) a "For Lease" sign is placed on the Premises, Building and/or at the Project, (b) markets the Premises to commercial real estate brokers, (c) includes the Premises in Landlord's inventory of available space, which is made available to commercial real estate brokers, (d) includes the Premises in Landlord's regularly published advertising, if any, of available space, and (e) shows the Premises to prospective tenants, if requested;

(b) Landlord, without breaching any duty it may have to mitigate damages, may (1) lease other vacant space in Landlord's inventory prior to reletting the Premises, (2) refuse to relet the Premises to any prospective tenant that does not meet Landlord's leasing guidelines and credit requirements, (3) relet all or part of the Premises at the then fair market rental value, which may be equal to or greater than the Base Rent and Additional Rent, (4) relet the Premises on terms different from those in this Lease, including without limitation, the length of the term and any lease concessions comparable to those then being offered for comparable space in light of market conditions, and (5) may but shall not be obligated to make improvements or alterations to the Premises, unless Tenant pays such costs to Landlord in advance;

(c) Unless a court of competent jurisdiction holds in a final judgment that Landlord (1) had a duty to mitigate damages under this Lease and (2) failed to comply with the requirements of this Article 11.05 and such failure caused an avoidable and quantifiable increase in Landlord's damages, Tenant shall remain liable for Base Rent, Additional Rent; and

(d) TO THE FULLEST EXTENT PERMITTED BY LAW, THE EXPRESS OBLIGATIONS SET FORTH IN THIS ARTICLE 11.05 ARE OBJECTIVELY REASONABLE AND SATISFY ANY OBLIGATION LANDLORD MAY HAVE TO MITIGATE ITS DAMAGES.

**11.06 Notice of Landlord Default.** Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease to Landlord and to any ground lessor, mortgagee or beneficiary under any deed of trust encumbering the Premises whose name and address have been furnished to Tenant in writing. Landlord shall not be in default under this Lease unless Landlord (or such ground lessor, mortgagee or beneficiary) fails to cure such non-performance within thirty (30) days after receipt of Tenant's notice. However, if such non-performance reasonably requires more than thirty (30) days to cure, Landlord shall not be in default if such cure is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

**11.07 Limitation of Landlord's Liability.** Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date of transfer, including return of the any remaining portion of the Security Deposit if the same has been delivered to the transferee. In the event of any breach or default by Landlord in any term or provision of this Lease, and, as a consequence, if Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the proceeds received at a judicial sale upon execution and levy against the right, title and interest of Landlord in the Building, and Landlord, its owners, partners or venturers, and the Landlord Parties shall have no personal, partnership, corporate or other liability hereunder.

#### ARTICLE TWELVE: LANDLORD'S LIEN

In addition to the statutory Landlord's lien, Tenant hereby grants to Landlord a security interest to secure payment of all rent and other sums of money becoming due hereunder from Tenant, upon all goods, wares, equipment, fixtures, furniture and other personal property of Tenant situated in or upon the Premises, together with the proceeds from the sale or lease thereof. Such property shall not be removed without the consent of Landlord until all arrearages in Base Rent and Additional Rent due to Landlord hereunder shall have been paid. Upon the occurrence of an event of default, Landlord may, in addition to any other remedies provided herein or by law, enter upon the Premises and take possession of any and all personal property of Tenant situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Unless otherwise required by law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least ten (10) days before the time of the sale. Any public sale made under this Article shall be deemed to have been conducted in a commercially reasonable manner if held on the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Harris County, Texas, for five consecutive days before the date of the sale. Landlord or its assigns may purchase at a public sale and, unless prohibited by law, at a private sale. The proceeds from any disposition dealt with in this Article, less any and all expenses connected with the taking of possession, holding and selling of the property (including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by law; Tenant shall pay and deficiencies forthwith. Upon request by Landlord, Tenant agrees to execute and deliver to Landlord a financing statement in form sufficient to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Uniform Commercial Code in force in the State of Texas. The statutory lien for rent is expressly reserved; the security interest herein granted is in addition and supplementary thereto.

#### ARTICLE THIRTEEN: PROTECTION OF LENDERS

**13.01 Subordination.** This Lease shall be and hereby is declared to be subject to and subordinate to any mortgages and/or deeds of trust ("Mortgage") now or at any time hereafter constituting a lien or charge upon the Premises, the improvements situated thereon, the Building or the Land, and to any and all increases, renewals, modifications, consolidations, replacements and extensions of thereof. Tenant agrees to attorn to the Landlord's current or future mortgagees ("Mortgagee") or to any transferee, purchaser, lessor or beneficiary ("Landlord Successor") following any foreclosure, sale or transfer in lieu thereof. The provisions of this Article 13.01 shall be self-operative, and no further instrument shall be required to effect such subordination of this Lease. Within ten (10) days after request, however, Tenant shall execute and deliver to any Mortgagee or Landlord Successor, a Subordination, Non-Disturbance and Attornment Agreement ("SNDA") confirming the subordination of the Lease and containing other terms and conditions satisfactory to such Mortgagee or Landlord Successor; provided, that the SNDA (a) provides that Tenant's use or possession of the Premises shall not be disturbed so long as Tenant is not in default under this Lease beyond any applicable periods for notice and cure, and (b) does not materially increase Tenant's obligations hereunder. Notwithstanding any foreclosure or sale under any mortgage or deed of trust (or transfer by deed in lieu thereof), so long as Tenant is not in default beyond any applicable periods for notice and cure, this Lease shall remain in full force and effect. In the event that Tenant requests an SNDA, Landlord will use reasonable efforts to deliver its current Mortgagee's form to Tenant provided that Tenant shall be responsible for the payment of Mortgagee's attorneys' fees.

**13.02 Certificates.** Tenant agrees, from time to time, within ten (10) days after the written request of Landlord, to deliver to Landlord, or Landlord's designee, (a) a written statement certifying that this Lease is in full force and effect, the date to which rent has been paid, the unexpired term of this Lease and such other factual matters pertaining to this Lease as may be requested by Landlord, (b) a Certificate of Occupancy for the Premises, and/or (c) current financial statements of any Obligor in such reasonable detail as Landlord may require to verify the net worth and financial condition of such Obligor, which financial statements Tenant represents and warrants will be a true and accurate statement of the matters contained therein as of the date thereof.

#### ARTICLE FOURTEEN: MISCELLANEOUS

**14.01 OFAC.** Neither Tenant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

**14.02 Force Majeure.** In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by any cause not within the control of Landlord, such as an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, or flood, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or hindered.

**14.03 Interpretation.** The captions of the Articles or Sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" shall include the Tenant Parties. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that 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. This Lease is the only agreement between the parties pertaining to the lease of the Premises and no other agreements are effective. All amendments to this Lease shall be in writing and signed by all parties. Any other attempted amendment shall be void.

**14.04 Relocation.** Landlord may at any time during the Term, at Landlord's sole cost and expense, relocate Tenant to other space in the Building or another building owned or managed by Landlord in the vicinity of the Building (the "New Premises"), which is approximately the same dimensions and size and is improved in such a manner so that the New Premises shall be comparable in its interior design and decoration to the Premises; however, if Landlord exercises Landlord's election to relocate Tenant to the New Premises, then Tenant shall not be required to pay a higher Base Rent for the New Premises. Nothing herein contained shall relieve Tenant, or imply that Tenant is relieved, of the liability for or obligation to pay any Additional Rent due by reason of any of the other provisions of this Lease, which provisions shall be applied to the New Premises. Landlord's election to relocate Tenant shall not terminate this Lease or release Tenant, in whole or in part, from Tenant's obligation to perform its obligations hereunder for the full Term. If any such relocation occurs, this Lease shall continue in full force with no change in the terms or conditions hereof other than (1) the substitution of the New Premises for the Premises specified in Section 1, and (2) if the size of the New Premises differs from the Premises, the Proportionate Share shall be adjusted. Upon request from Landlord, Tenant shall execute an amendment to this Lease reflecting such changes.

**14.05 Waivers.** All waivers must be in writing and signed by the waiving party. Landlord's failure to enforce any provisions of this Lease or its acceptance of Base Rent or Additional Rent shall not be a waiver and shall not prevent Landlord from enforcing that provision or any other provision of this Lease in the future. No statement on a payment check from Tenant or in a letter accompanying a payment check shall be binding on Landlord. Landlord may, with or without notice to Tenant, negotiate such check without being bound to the conditions of such statement.

**14.06 Notices.** All notices required or permitted under this Lease shall be in writing and shall be personally delivered or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage pre-paid, registered or certified mail, return receipt requested, addressed as stated herein. Notices to Tenant shall be delivered to the Tenant Notice Address, except that upon Tenant's taking possession of the Premises, the Premises shall thereafter be deemed to be the Tenant Notice Address for notice purposes. Notices to any other party hereto shall be delivered to the address specified in Article One as the address for such party. Any party hereto may change its notice address upon written notice to the other parties.

**14.07 Governing Law; Venue.** The laws of the State of Texas shall govern this Lease. All obligations hereunder, shall be performable and payable in Harris County, Texas.

**14.08 Survival.** All obligations of any party hereto not fulfilled at the expiration the Lease Term shall survive such expiration as continuing obligations of such party.

**14.09 Binding Effect.** This Lease shall inure to the benefit of, and be binding upon each of the parties hereto and their heirs, representatives, successors and assigns; provided, however, Landlord shall have no obligation to Tenant's successors or assigns unless the rights or interests of such successors or assigns are acquired in accordance with the terms of this Lease.

**14.10 Acknowledgement of Rules.** Tenant acknowledges receipt of a copy of the existing Project Rules, attached hereto at Exhibit D.

**14.11 Brokers.** Tenant represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction, other than the broker, if any, set forth on the first page of this Lease.

#### ARTICLE FIFTEEN: SPECIAL PROVISIONS

**15.01 Tenant Improvements.** Landlord, at its sole cost and expense, shall turnkey those certain improvements detailed and depicted on Exhibit E (collectively, the "Tenant Improvements"), using building-standard materials and colors.

**15.02 Parking.** Tenant shall have the non-exclusive right along with the other tenants of the Project free of charge to use the parking facilities on an unreserved, first-come, first-served basis, with a parking ratio based upon Tenant's prorata share of the Project. In no event will Tenant, its employees, agents, invitees or guests use any parking spaces beyond the amount allocated herein, and Tenant shall be responsible to ensure the compliance of this restriction.

**15.03 Tenant's Early Access.** Upon full execution of this Lease, and following prior written notice to Landlord and without payment of Base Rent and Additional Rent, Tenant shall be allowed early occupancy of the Premises two (2) weeks prior to the Commencement Date for the installation of Tenant's furniture, fixtures, equipment and other personal property, provided that Tenant's early access does not cause delay in the construction of the Tenant Improvements or interfere in any manner with the construction of the Tenant Improvements, and further provided that: (i) Tenant has furnished to Landlord certificates of insurance evidencing the issuance of insurance as required by Tenant under this Lease; and (ii) Tenant has delivered to Landlord a signed copy of this Lease, Tenant's prepaid rental for the first (1<sup>st</sup>) month of the Lease Term and the Security Deposit.

**15.04 Limit of Appropriation.** Landlord understands and agrees, said understanding and agreement being of the absolute essence of this Lease, that the total maximum compensation that Tenant shall become liable to pay to Landlord under this Lease, shall not under any conditions, circumstances, or interpretations thereof exceed the sum of Three Hundred Eighty Thousand and No/Dollars (\$380,000.00). Notwithstanding anything to the contrary, or that may be construed to the contrary, Tenant's liability under the terms and provisions of this Lease is limited to said sum; and when all the funds so certified are expended Landlord's sole and exclusive remedy shall be to terminate this Lease. Notwithstanding any language to the contrary, the funding and exclusive remedy provisions of this Lease are contained within this Article 15.04. Therefore, any references in this Lease to imply additional monies owed of any kind including, but not limited to, charges, fees, early termination payments, or interest, are hereby deleted.

**15.05 Extension Options.** Subject to the terms of this Article 15.05, Tenant shall have the right to extend the Lease Term of this Lease for two (2) additional periods of three (3) months each. The extension options may only be exercised by Tenant providing written notice thereof to Landlord no later than six (6) months prior to the expiration of the then current Lease Term of this Lease. If Tenant exercises either of the Renewal Options, the extended Lease Term shall be upon, and subject to, all of the terms, covenants and conditions provided in this Lease except that the Monthly Base Rent shall be revised to be equal to one hundred twenty-five percent (125%) of the Base Rent then in effect.

**15.06 Premises Systems.** Landlord shall warrant that the Premises Systems shall be in good working order for the 60-day period following the Commencement Date.

[SIGNATURES ON FOLLOWING PAGE]

LANDLORD:

**ATLAS HOUSTON INDUSTRIAL, LP,**  
a Texas limited partnership

By: Atlas Claywall GP, LLC,  
a Texas limited liability company,  
its general partner

By:   
Printed Name: David Spachner  
Title: Manager

Date of Execution by Landlord: November 11, 2021

TENANT:

**HARRIS COUNTY, TEXAS,**  
a body corporate and political subdivision of the State of Texas

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date of Execution by Tenant: November \_\_\_\_\_, 2021

APPROVED AS TO FORM:

CHRISTIAN MENESEE

COUNTY ATTORNEY

By: 

Kevin L. Mason

Assistant County Attorney

CAO File No.: 21RPD0208

**Exhibit A - Land**

SITE 1 Astro Business Center:

**TRACT I:**

All that certain 9.9160 acres of land out of the John Walters Survey, A-874 and the B.H. Freeling Survey, A-270 Houston, Harris County, Texas and being all that certain called 9.9161 acre tract of land described in a deed dated 10-17-2002 from PHL-OPCO, L.P. to Cobalt Industrial Partnership, L.P. filed in the Official Public Records of Real Property of Harris County, Texas at Clerk File No. W159142, Film Code No. 557-97-2220 and being more particularly described by metes and bounds as follows:

BEGINNING at a point in the east right of way of Knight Road (80' wide) marking the northwest corner of said tract;

THENCE N 87° 14' 46" E - 306.78', with the south line of a called 4.2452 acre tract of land described in a deed dated 03-27-1985 from Darryl B. Edelman, et al to Kagan-Edelman Venture #1 filed in the Official Public Records of Real Property of Harris County, Texas at Clerk File No. J956143, Film Code No. 010-76-2372 to a found 5/8" iron rod for corner;

THENCE S 3° 12' 19" E - 333.75' with the west line of a called 34.215 acre tract of land described in a deed dated 11-12-1985 from Shlenker Venture #1, et al to Astro Business Center Venture #2 to a found 5/8" iron rod with cap for corner;

THENCE S 20° 29' 56" E - 72.74', continuing with said west line to a found 5/8" iron rod with cap for angle point;

THENCE S 1° 52' 14" E - 437.32', with the west line of a called 4.0708 acre tract of land described in a deed dated 01-30-1981 from Alan R. Taylor, et al to Darryl B. Edelman filed in the Official Public Records of Real Property of Harris County, Texas at Clerk File No. G851757, Film Code No. 177-86-2129 to a found 5/8" iron rod with cap for corner;

THENCE S 87° 14' 46" W - 17.23', with the north line of a tract of land described in a deed dated 01-29-1993 from Leonard Rauch, Trustee to Hill Country Capital, L.C. filed in the Official Public Records of Real Property of Harris County, Texas at Clerk File No. P087795, Film Code No. 119-49-0917 to a found PK nail in asphalt for corner;

THENCE S 1° 52' 14" E - 152.41', with the west line of said tract to a found "X" in concrete for corner;

THENCE N 87° 14' 46" E - 215.00', with the south line of said tract to a found 5/8" iron rod for corner;

THENCE S 20° 29' 56" E - 240.11', with the aforementioned west line of a called 34.215 acre tract to a found 5/8" iron rod for corner;

THENCE with the north line of a called 3.590 acre tract of land described in a deed dated 11-30-2000 from Hill Country Capital, L.C. to A-K Hill Country Capital, L.P. filed in the Official Public Records of Real Property of Harris County, Texas at Clerk File No. U759940, Film Code No. 536-06-0146 for the following four courses and distances:

S 87° 14' 46" W - 376.92' to a found "X" in concrete for corner;  
N 1° 52' 14" W - 30.00' to a found "X" in concrete for corner;  
N 47° 18' 43" W - 28.07' to a found 5/8" iron rod with cap for corner;  
S 87° 14' 46" W - 197.29' to a found 5/8" iron rod for corner;

THENCE N 2° 45' 13" W - 1171.37', with the aforementioned east right-of-way line of Knight Road to the POINT OF BEGINNING containing 9.9160 acres (431,941 square feet) of land more or less.

**TRACT II:**

Access Easement created by Easement Agreement by and between Darryl B. Edelman, Morris Kagan and Lawrence M. Kagan, dated April 23, 1979 and filed for record under Harris County Clerk's File No. G059141 and being more particularly described by metes and bounds as follows:

Being a 0.3519 acre (15,329 square feet) tract of land, out of the John Walters Survey, Abstract No. 874, Houston, Harris County, Texas and being more particularly described as follows:

COMMENCING at a 5/8 inch iron rod marking the intersection of the south right-of-way line of Mansard Road (60 feet wide) the east right-of-way line of Knight Road (60 feet wide);

Thence S 02° 45' 14" E, along the said east line of Knight Road, a distance of 558.00 feet to the POINT OF BEGINNING;

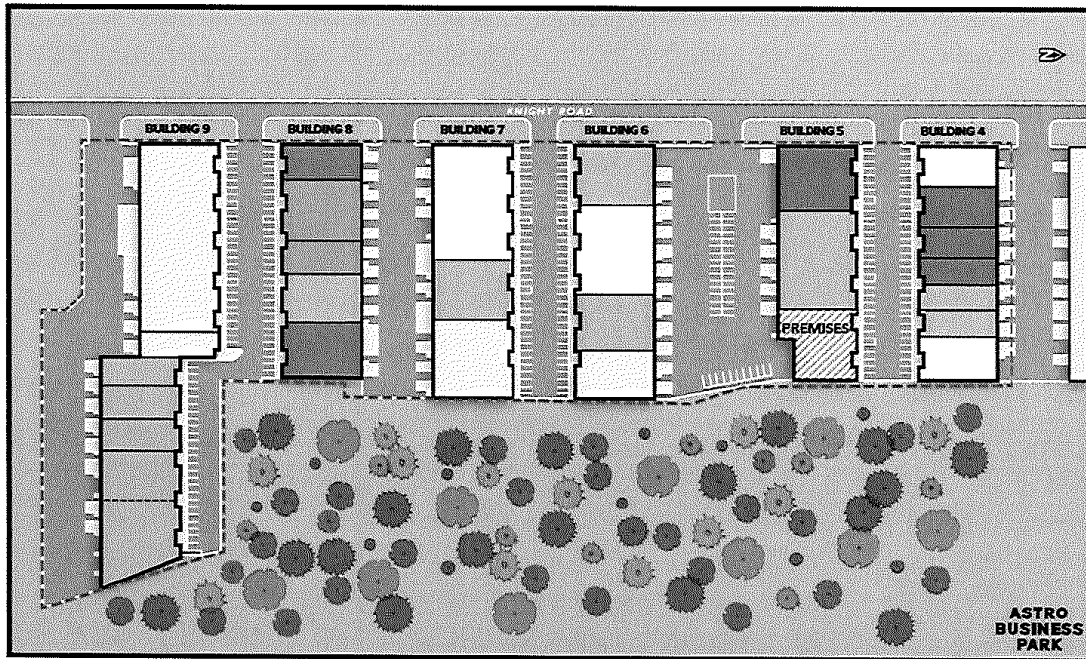
THENCE N 87° 14' 46" E, leaving said east line of Knight Road, a distance of 306.39 feet to a point;

THENCE S 03° 12' 19" E, a distance of 50.00 feet to a 5/8 inch iron rod;

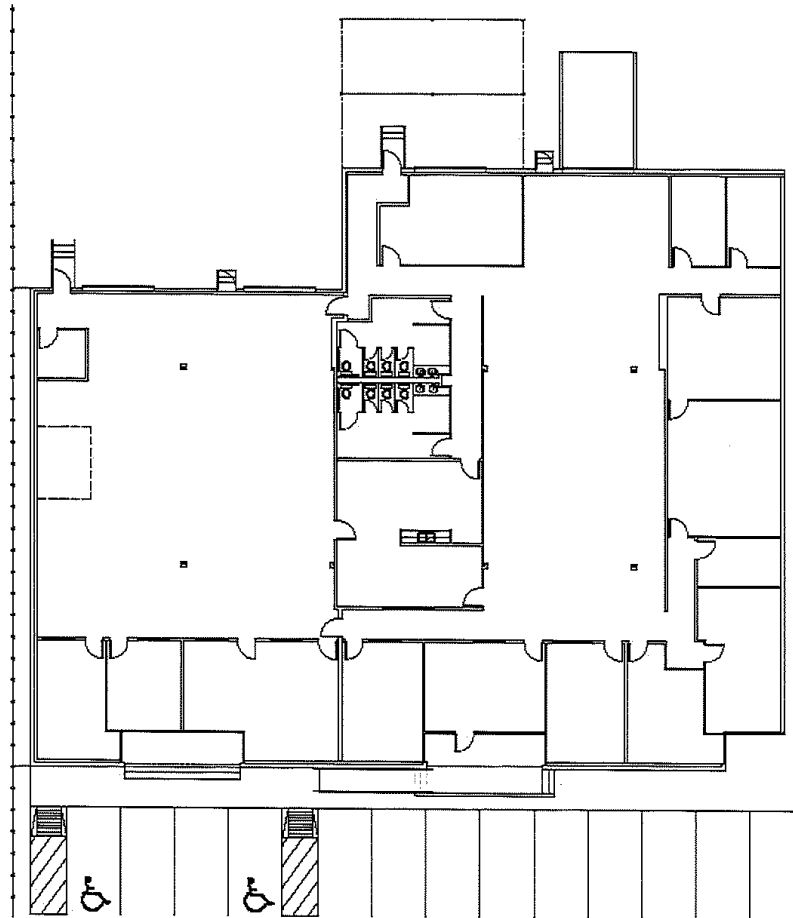
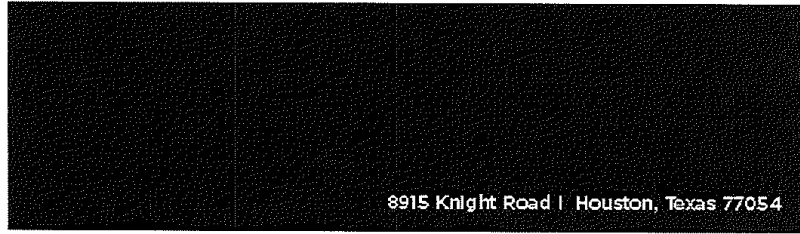
THENCE S 87° 14' 46" W, a distance of 306.78 feet to a 5/8 inch iron rod lying on the east line of Knight Road;

THENCE N 02° 45' 14" W, along the said east line of Knight Road, a distance of 50.00 feet to the POINT OF BEGINNING, and containing 0.3519 acres (15,329 square feet) of land, more or less.









#### Exhibit D – Rules and Regulations

1. No sign, placard, picture, advertisement, name or notice (collectively referred to as "Signs") shall be installed or displayed on any part of the outside of the Building without the prior written consent of the Landlord which consent shall be in Landlord's sole discretion. All approved Signs shall be printed, painted, affixed or inscribed at Tenant's expense by a person or vendor approved by Landlord and shall be removed by Tenant at Tenant's expense upon vacating the Premises. Landlord shall have the right to remove any Sign installed or displayed in violation of this rule at Tenant's expense and without notice.
2. If Landlord objects in writing to any curtains, blinds, shades or screens attached to or hung in or used in connection with any window or door of the Premises or Building, Tenant shall immediately discontinue such use. No awning shall be permitted on any part of the Premises. Tenant shall not place anything or allow anything to be placed against or near any glass partitions or doors or windows which may appear unsightly, in the opinion of Landlord, from outside the Premises.
3. Tenant shall not alter any lock or other access device or install a new or additional lock or access device or bolt on any door of its Premises without the prior written consent of Landlord. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys or other means of access to all doors.
4. If Tenant requires telephone, data, burglar alarm or similar service, the cost of purchasing, installing and maintaining such service shall be borne solely by Tenant. No boring or cutting for wires will be allowed without the prior written consent of Landlord. Landlord shall direct electricians as to where and how telephone, data, and electrical wires are to be introduced or installed. The location of burglar alarms, telephones, call boxes or other office equipment affixed to the Premises shall be subject to the prior written approval of Landlord.
5. Tenant shall not place a load upon any floor of its Premises, including mezzanine area, if any, which exceeds the load per square foot that such floor was designed to carry and that is allowed by law. Heavy objects shall stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.
6. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or other device on the roof or exterior walls of the Building without Landlord's prior written consent which consent shall be in Landlord's sole discretion.
7. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork, plaster or drywall (except for pictures and general office uses) or in any way deface the Premises or any part thereof. Tenant shall not affix any floor covering to the floor of the Premises or paint or seal any floors in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.
8. No cooking shall be done or permitted on the Premises, except that Underwriters' Laboratory approved microwave ovens or equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted, provided that such equipment and use is in accordance with all applicable Regulations.
9. Tenant shall not use any hand trucks except those equipped with the rubber tires and side guards, and may use such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into the Building. Forklifts which operate on asphalt areas shall only use tires that do not damage the asphalt.
10. Tenant shall not use the name of the Building or any photograph or other likeness of the Building in connection with or in promoting or advertising Tenant's business except that Tenant may include the Building name in Tenant's address. Landlord shall have the right, exercisable without notice and without liability to any tenant, to change the name and address of the Building.
11. All trash and refuse shall be contained in suitable receptacles at locations approved by Landlord. Tenant shall not place in the trash receptacles any personal trash or material that cannot be disposed of in the ordinary and customary manner of removing such trash without violation of any law or ordinance governing such disposal.
12. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governing authority.
13. Tenant assumes all responsibility for securing and protecting its Premises and its contents including keeping doors locked and other means of entry to the Premises closed.
14. Tenant shall not use any method of heating or air conditioning other than that supplied by Landlord without Landlord's prior written consent.
15. No person shall go on the roof without Landlord's permission.
16. Tenant shall not permit any animals, other than seeing-eye dogs, to be brought or kept in or about the Premises or any common area of the property.
17. Tenant shall not permit any motor vehicles to be washed or mechanical work or maintenance of motor vehicles to be performed on any portion of the Premises or parking lot.
18. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of any premises in the Building. Landlord may waive any one or more of these Rules and Regulations for the benefit of any tenant or tenants, and any such waiver by Landlord shall not be construed as a waiver of such Rules and Regulations for any or all tenants.
19. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order in and about the Building. Tenant agrees to abide by all such rules and regulations herein stated and any additional rules and regulations which are adopted. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.
20. Any toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown into them. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
21. Tenant shall not permit smoking or carrying of lighted cigarettes or cigars in areas reasonably designated by Landlord or any applicable governmental agencies as non-smoking areas.
22. Any directory of the Building or project of which the Building is a part ("Project Area"), if provided, will be exclusively for the display of the name and location of tenants only and Landlord reserves the right to charge for the use thereof and to exclude any other names.
23. Canvassing, soliciting, distribution of handbills or any other written material in the Building or Project Area is prohibited and each tenant shall cooperate to prevent the same. No tenant shall solicit business from other tenants or permit the sale of any goods or merchandise in the Building or Project Area without the written consent of Landlord.
24. Any equipment belonging to Tenant which causes noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to Landlord or to any tenants in the Building shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate the noise or vibration.
25. Driveways, sidewalks, halls, passages, exits, entrances and stairways ("Access Areas") shall not be obstructed by tenants or used by tenants for any purpose other than for ingress to and egress from their respective premises. Access areas are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the Building or its tenants.
26. Landlord reserves the right to designate the use of parking areas and spaces. Tenant shall not park in visitor, reserved, or unauthorized parking areas. Tenant and Tenant's guests shall park between designated parking lines only and shall not park motor vehicles in those areas designated by Landlord for loading and unloading. Vehicles in violation of the above shall be subject to being towed at the vehicle owner's expense. Vehicles parked overnight without prior written consent of the Landlord shall be deemed abandoned and shall be subject to being towed at vehicle owner's expense. Tenant will from time to time, upon the request of Landlord, supply Landlord with a list of license plate numbers of vehicles owned or operated by its employees or agents.

27. No trucks, tractors or similar vehicles can be parked anywhere other than in Tenant's own truck dock area. Tractor-trailers which must be unhooked or parked with dolly wheels beyond the concrete loading areas must use steel plates or wood blocks under the dolly wheels to prevent damage to the asphalt paving surfaces. No parking or storing of such trailers will be permitted in the parking areas or on streets adjacent thereto. No overnight parking or storing of trucks, trailers or other similar vehicles shall be permitted without Landlord's prior written consent.

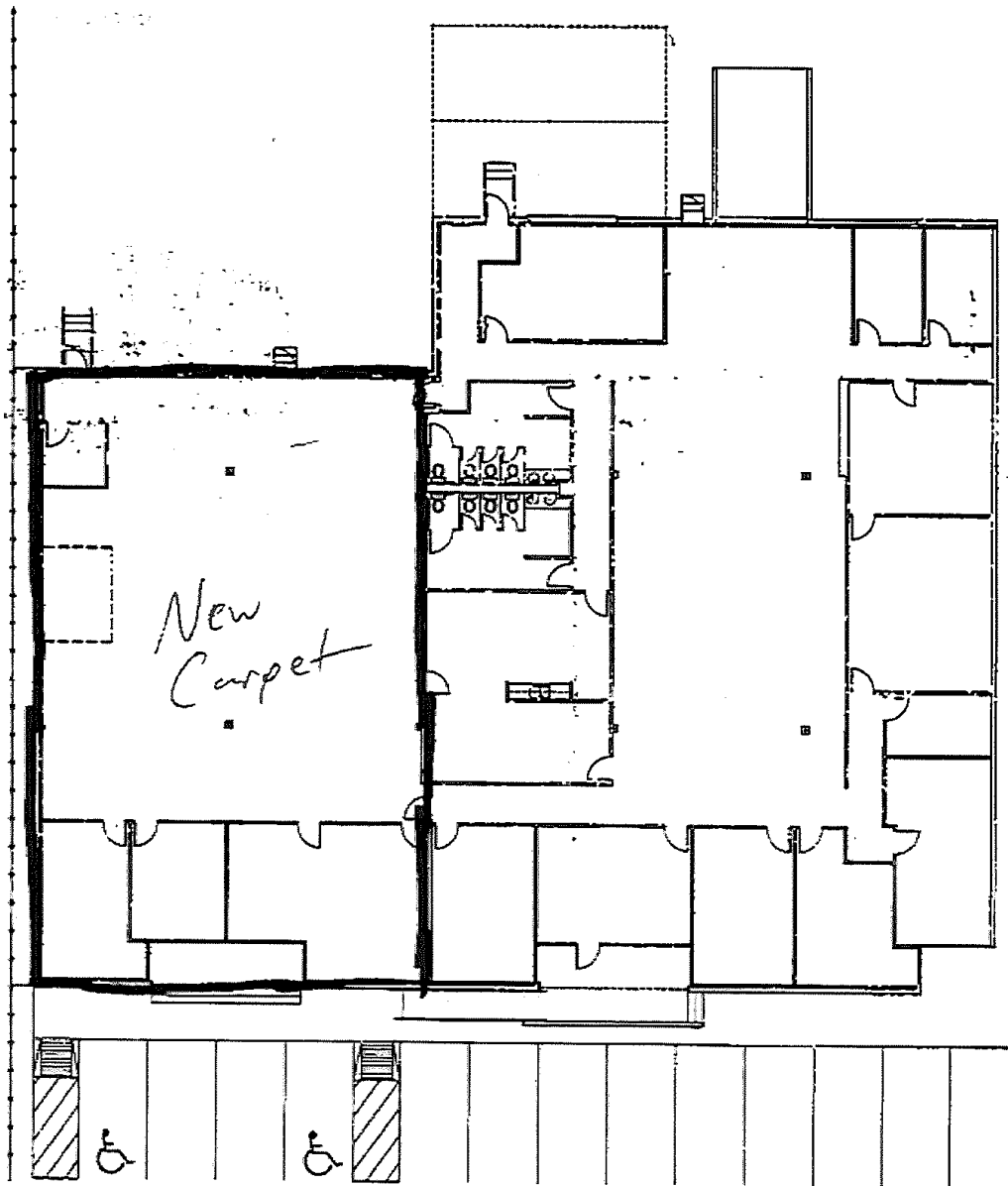
28. During periods of loading and unloading, Tenant shall not unreasonably interfere with traffic flow and loading and unloading areas of other tenants. All products, materials or goods must be stored within the Tenant's Premises and not in any exterior areas, including, but not limited to, exterior dock platforms, against the exterior of the Building, parking areas and driveway areas and within trailers parked on the property. Tenant agrees to keep the exterior of the Premises clean and free of nails, wood, pallets, packing materials, barrels and any other debris produced from their operation.

29. Tenant shall keep all stock in warehouse within a 3-foot radius of all suspended gas heaters and an 18" minimum clearance from sprinklers.

30. Tenant shall make every effort to remove pallets from inside the premises. Any pallets that are stored inside space should be stacked no higher than six feet and each pallet pile of no more than four stacks should be separated from other pallet piles by at least eight feet of clear space or twenty-five feet of commodity. At no time are pallets to be stored inside racking without written permission of the Landlord.

Exhibit E – Tenant Improvements (turnkey)

- Replace damaged/stained ceiling tiles and repair grid where necessary.
- Paint interior office throughout
- Replace damaged/stained light covers and put lighting in good working order
- Replace carpet in the area identified on the floor plan below
- Steam clean the carpet where not replaced
- Make sure fire, life, safety items are up to code



**Certificate Of Completion**

Envelope Id: 1D4D1550BA1F46A1932AB09D898B720B

Status: Completed

Subject: Please DocuSign: Harris County-ATCAP - LL Executed Lease 11.11.2021 .pdf

Source Envelope:

Document Pages: 12

Signatures: 1

Envelope Originator:

Certificate Pages: 2

Initials: 0

Kevin Mason

AutoNav: Disabled

1019 Congress Street, 15th Floor

Envelopeld Stamping: Disabled

Houston, TX 77002

Time Zone: (UTC-06:00) Central Time (US &amp; Canada)

kevin.mason@cao.hctx.net

IP Address: 174.202.237.139

**Record Tracking**

Status: Original

Holder: Kevin Mason

Location: DocuSign

11/12/2021 5:17:23 PM

kevin.mason@cao.hctx.net

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: Harris County Attorney

Location: DocuSign

**Signer Events**

Kevin Mason

kevin.mason@cao.hctx.net

Security Level: Email, Account Authentication  
(None)**Signature**

DocuSigned by:

*Kevin Mason*

4A145AF8B7DF449...

Signature Adoption: Pre-selected Style

Using IP Address: 174.202.237.139

**Timestamp**

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Viewed: 11/12/2021 5:18:05 PM

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Freeform Signing

**Electronic Record and Signature Disclosure:**

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**In Person Signer Events****Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

kevin mason

kevin.mason@cao.hctx.net

Security Level: Email, Account Authentication  
(None)**COPIED**

Sent: 11/12/2021 5:21:31 PM

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Security Checked

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Payment Events	Status	Timestamps
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