

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE NORTH EAST TEXAS
REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 16-89

WHEREAS, the North East Texas Regional Mobility Authority ("NET RMA") was created pursuant to the request of Gregg and Smith Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the NET RMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, subsequent to the initial formation of the NET RMA the Counties of Cherokee, Rusk, Harrison, Upshur, Bowie, Panola, Titus, Van Zandt, Wood, and Kaufman joined the Authority and are represented on the Board of Directors; and

WHEREAS, the NET RMA requires new office space to accommodate the agency's growing staff and operational needs; and

WHEREAS, in Resolution 16-52, dated June 14, 2016, the NET RMA Board of Directors approved the Interim Executive Director's recommendation to utilize the services of a real estate broker (the "Broker") to assist the Authority in identifying appropriate office space to meet the needs of the NET RMA; and

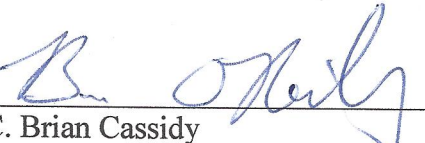
WHEREAS, the Broker has located appropriate office space and, with the assistance of NET RMA consultants, negotiated a proposed lease (the "Lease") with the landlord, Woodgate Centre, LLC ("Woodgate"); and

WHEREAS, the NET RMA Facilities Committee has reviewed the Lease and recommends its approval, in the form attached hereto as Attachment "A".


NOW THEREFORE, BE IT RESOLVED, that the NET RMA Board of Directors hereby authorizes the Executive Director to execute the Lease with Woodgate, in the same or substantially similar form as is attached hereto as Attachment "A".

Adopted by the Board of Directors of the North East Texas Regional Mobility Authority on the 11th day of October, 2016.

Submitted and reviewed by:


C. Brian Cassidy
General Counsel for the North East
Texas Regional Mobility Authority

Approved:


Linda Ryan Thomas
Chair, Board of Directors
Date Passed 10/11/16

ATTACHMENT "A"
RESOLUTION 16-89

SUMMARY OF TERMS OF OFFICE BUILDING LEASE AGREEMENT

I. Parties to the Agreement

- A. **Tenant:** North East Texas Regional Mobility Authority
- B. **Landlord:** Woodgate Centre, LLC

II. Property

- A. **Location:** Woodgate Centre Office Building, 1001 ESE Loop 323, Suite 420, Tyler, Texas 75701
- B. **Square Footage:** Approximately 3,702 rentable square feet

III. Key Terms of Agreement

- A. **Leasehold Improvements:** Landlord agrees to install at Landlord's expense certain leasehold improvements. Landlord agrees to pay the sum of \$60,724.00 against the costs and expenses incurred in connection with such improvements.
- B. **Commencement Date:** Commencing on the earlier of: (i) 45 days after receipt of the building permit from the City of Tyler for the Leasehold Improvements, or (ii) the date of substantial completion of the Leasehold Improvements.
- C. **Lease Term:** Sixty (60) full calendar months after the Commencement Date.
- D. **Basic Rental:** Years 1-3: \$5,090.25 per month; Years 4-5: \$5,167.38 per month.
- E. **Security Deposit:** \$5,125.00 payable on full lease execution.
- F. **Right of First Refusal:** Tenant has Right of First Refusal on the 2,257 rentable square feet that is contiguous to the Premises, as it is vacant and available.
- G. **Parking:** Three reserved covered parking spaces in the parking garage.

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Exhibit A	Legal Description of Land
Exhibit B	Floor Plan(s) Showing Premises
Exhibit C	Leasehold Improvements
Exhibit D	Building Rules and Regulations
Exhibit E	Right of First Refusal Space

4. **Landlord's Obligations.**

(a) Subject to the limitations hereinafter set forth, Landlord agrees to furnish Tenant while occupying the Premises and while Tenant is not in default under this Lease facilities to provide, (i) water (hot, cold and refrigerated) at those points of supply provided for general use of tenants of the Building; (ii) heated and refrigerated air conditioning in season, at such times as Landlord normally furnishes these services to all tenants of the Building, and at such temperatures and in such amounts as are reasonably considered by Landlord to be standard, such service at night and on Saturday, Sunday and holidays to be furnished only at the written request of Tenant, who shall bear the entire cost thereof; (iii) janitorial service to the Premises on weekdays other than holidays for Building standard installations (it being understood that Landlord reserves the right to bill Tenant separately for extra janitorial service required by reason of non-standard installations) and such interior window washing as may from time to time in the Landlord's judgment be reasonably required; (iv) if Premises are located on a floor other than the ground floor, operatorless passenger elevators for ingress and egress to the floor on which the Premises are located, in common with other tenants, provided that Landlord may reasonably limit the number of elevators to be in operation at times other than during customary business hours for the Building and on holidays; (v) replacement of Building standard light bulbs and fluorescent tubes, provided that Landlord's standard charge for such bulbs and tubes shall be paid by Tenant. In addition, Landlord agrees at its cost and expense to maintain the public and common areas of the Building, such as lobbies, stairs, corridors and restrooms, in reasonably good order and condition, except for damage occasioned by Tenant, or its employees, agents or invitees. If Tenant shall desire any of the services specified in this Paragraph 4 at any time other than times herein designated, such service or services shall be supplied to Tenant only at the written request of Tenant delivered to Landlord before 3:00 p.m. on the business day preceding such extra usage, and Tenant shall pay to Landlord as additional rent the cost of such service or services immediately upon receipt of a bill therefor.

(b) Landlord, subject to payment by Tenant as set forth below, shall make available to Tenant facilities to provide all standard electrical current required for use and occupancy of the Premises and further shall make available electric lighting and current for the common areas of the Building in the manner and to the extent deemed by Landlord to be standard. Landlord may, at its option, (i) install a separate meter or other appropriate measuring device for any utility service supplied or to be supplied to the Premises for Tenant, or (ii) cause an independent consultant to estimate Tenant's usage of any utility service supplied to the Premises for Tenant. In the event Tenant's use of any utility service supplied to the Premises exceeds such amounts considered by Landlord to be standard, for a premises of similar size situated in a comparable building, or in the event Tenant's use of electrical current (i) exceeds 110 volt power, or (ii) exceeds that required for routine lighting and operation of general office machines (such as typewriters, personal computers, dictating equipment, desk model adding machines and the like) which use 110 volt electrical power, then Tenant shall also pay as additional rent hereunder the cost of any such excess based on the measurement of such meter or other measuring device or independent consultant's estimate of Tenant's usage of such utility service. Without Landlord's prior written consent, Tenant shall not install any data processing or computer equipment in the Premises or any other equipment which shall require for its use other than the normal electrical current or other utility service. Whenever heat generating machines or equipment (other than general office machines as described hereinbefore) are used in the Premises by Tenant which affect the temperature otherwise maintained by the air conditioning system or otherwise overload any utility, Landlord shall have the right to install supplemental air conditioning units or other supplemental equipment in the Premises, and the cost thereof, including the cost of installation, operation, use and maintenance, shall be paid by Tenant to Landlord on demand. The rate charged by Landlord shall not exceed the rate prevailing for Tenant as a user as established by the applicable rate classification published from time to time by the local electric power company or other utility supplier. The obligation of the Landlord hereunder to make available such utilities shall be subject to the rules and regulations of the supplier of such utilities and of any municipal or other governmental authority regulating the business of providing such utility service. Tenant will be billed monthly for such utility service and all such charges shall be considered due upon delivery of such bill and be deemed as so much additional rent due from Tenant to Landlord. Landlord shall not in any way be liable or responsible to Tenant for any loss or damage or expense which Tenant may sustain or incur if either the quantity or character of any utility service is changed or is no longer available or is no longer suitable for Tenant's requirements. Tenant covenants and agrees that at all times its use of electric current shall never exceed the capacity of existing feeders to the Building or the risers or wiring installations. Any riser or risers or wiring to meet Tenant's excess electrical requirements will be installed by Landlord at the sole cost and expense of Tenant (if, in Landlord's sole judgment, the same are necessary and will not cause permanent damage or injury to the Building or the Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, repairs, or expense or interfere with or disturb other tenants or occupants). At any time when Landlord is making such utility service available to the Premises pursuant to this paragraph, Landlord may, at its option, upon not less than thirty (30) days prior written notice to Tenant, discontinue the availability of such utility service. If Landlord gives any such notice of discontinuance, Landlord shall make all the necessary arrangements with the public utility supplying the utilities to the neighborhood with respect to obtaining such utility service to the Premises, but Tenant will contract directly with such public utility for the supplying of such utility service to the Premises. In the event Landlord deems it necessary to make available separately metered service to the Premises, Landlord may require that separate sub-meters be installed in the Premises at Landlord's expense, and Tenant will be billed monthly from such sub-meter in the manner provided hereinbefore, provided that no such submetering shall relieve Tenant from its obligation to pay Tenant's proportionate share of other utility charges under this paragraph.

(c) Failure to any extent to make available, or any slow-down, stoppage or interruption of, these defined services resulting from any cause, (including, but not limited to, Landlord's compliance with (i) any voluntary or similar governmental or business guidelines now or hereafter published or (ii) any requirements now or hereafter established by any governmental agency, board or bureau having jurisdiction over the operation and maintenance of the Building) shall not render Landlord liable in any respect for damages to either person, property or

thirty (30) days after Landlord furnished to Tenant a statement of actual Basic Cost for the previous year per subparagraph (c) below, or beginning with January 1 of the first full calendar year following the Commencement Date, and as of each January 1 thereafter, Landlord shall also have the option to make a good faith estimate of the Excess for each upcoming calendar year and upon written notice to Tenant may require the monthly payment (with each payment of Base Rental) of such additional rent equal to 1/12 of such estimate. Any amounts paid based on such an estimate shall be subject to adjustment pursuant to subparagraph (c) when actual Basic Cost is available for the calendar year in question. For the purposes of calculating the additional rental payment hereunder with respect to any fractional calendar year during the Lease Term, Landlord may either (i) estimate Basic Cost for the portion of the Lease Term during such partial year, or (ii) estimate Basic Cost for the entire calendar year and reduce the same to an amount bearing the same proportion to the full amount of estimated Basic Cost for such year as the number of days in such fractional calendar year bears to the total number of days in such full calendar year.

(c) By April 1 of each calendar year during the Lease Term, or as soon thereafter as practical, Landlord shall furnish to tenant a statement of Landlord's actual Basic Cost for the previous year adjusted as provided in subparagraph (d). If for any calendar year additional rent collected for the prior year as a result of Landlord's estimate of Basic Cost is in excess of the additional rent actually due during such prior year, then Landlord shall refund to Tenant any overpayment. Likewise, Tenant shall pay to Landlord, on demand, any underpayment with respect to the prior year.

(d) With respect to any calendar year or partial calendar year during the Lease Term in which the Building is not occupied to the extent of ninety-five percent (95%) of the rentable area thereof, the Basic Cost for such period shall, for the purposes hereof, be increased to an amount which in Landlord's reasonable estimation would have been incurred had the Building been occupied to the extent of ninety-five percent (95%) of the rentable area thereof.

6. **Leasehold Improvements.** Landlord agrees to install at Landlord's cost and expense the leasehold improvements described in Exhibit "C" attached hereto (collectively, the "Leasehold Improvements") in accordance with the provisions of Exhibit "C". All other or additional improvements to the Premises shall be installed at the cost and expense of Tenant (which shall be payable to Landlord on demand by Landlord), but only in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord, such work to be performed by Landlord or by contractors and subcontractors approved in writing by Landlord.

7. **Use.** Tenant shall use the premises only for the Permitted Use (as defined in the Basic Lease Information). Tenant will not occupy or use the Premises, or permit any portion of the Premises to be occupied or used, for any business or purpose other than the Permitted Use or for any use or purpose which is unlawful in part or in whole or deemed to be disreputable in any manner or extra hazardous on account of fire, nor permit anything to be done which will in any way increase the rate of insurance on the Building or contents, and in the event that, by reason of acts of Tenant, there shall be any increase in the rate of insurance on the Building or contents created by Tenant's acts or conduct of business, then such acts of Tenant shall be deemed to be an Event of Default hereunder and Tenant hereby agrees to pay to Landlord the amount of such increase on demand and acceptance of such payment shall not constitute a waiver of any of Landlord's other rights provided herein. Tenant will conduct its business and control its agents, employees and invitees in such a manner as not to create any nuisance, nor interfere with, annoy or disturb other tenants or Landlord in the management of the Building. Tenant will maintain the Premises in a clean, healthful and safe condition and will comply with all laws, ordinances, orders, rules and regulations (state, federal, municipal and other agencies or bodies having any jurisdiction thereof) with reference to the use, condition or occupancy of the Premises, including, without limitation, the Americans with Disabilities Act of 1990. Tenant will not, without the prior written consent of Landlord, paint, install lighting or decorations, or install any signs, window or door lettering or advertising media of any type on or about the Premises or any part thereof.

8. **Tenant's Repairs and Alterations.** Tenant will not in any manner deface or injure the Building, and will pay the cost of repairing any damage or injury done to the Building or any part thereof by Tenant or Tenant's agents, employees or invitees. Tenant shall throughout the Lease Term take good care of the Premises and keep them free from waste and nuisance of any kind. Tenant agrees to keep the Premises, including all fixtures installed by Tenant and any plate glass and special store fronts, in good condition and make all necessary non-structural repairs except those caused by fire, casualty or acts of God covered by Landlord's fire insurance policy covering the Building. The performance by Tenant of its obligations to maintain and make repairs shall be conducted only by contractors and subcontractors approved in writing by Landlord, it being understood that Tenant shall procure and maintain and shall cause such contractors and subcontractors engaged by or on behalf of Tenant to procure and maintain insurance coverage against such risks, in such amounts and with such companies as Landlord may require in connection with any such maintenance and repair. If Tenant fails to immediately commence or diligently pursue the completion of such repairs on demand from Landlord, Landlord may at its option make such repairs, and Tenant shall, upon demand therefor, pay Landlord for the cost thereof. At the end or other termination of this Lease, Tenant shall deliver up the Premises with all improvements located thereon (except as otherwise herein provided) in good repair and condition, reasonable wear and tear excepted, and shall deliver to Landlord all keys to the Premises. Tenant will not make or allow to be made any alterations or physical additions in or to the Premises without the prior written consent of Landlord, which may be granted or withheld at the sole discretion of Landlord. All alterations, additions or improvements (whether temporary or permanent in character) made in or upon the Premises, either by Landlord or Tenant, shall be Landlord's property on termination of this Lease and shall remain on the Premises without compensation to Tenant. All furniture, movable trade fixtures and equipment installed by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, (and provided no

11. **Subordination.** This Lease and all rights of Tenant hereunder are subject and subordinate to any deeds of trust, mortgages or other instruments of security, as well as to any ground leases or primary leases, that now or hereafter cover all or any part of the Building, the land situated beneath the Building or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, consolidations, replacements and extensions of any of such deeds of trust, mortgages, instruments of security or leases. This provision is hereby declared by Landlord and Tenant to be self-operative and no further instrument shall be required to effect such subordination of this Lease. Tenant shall, however, upon demand at any time or times execute, acknowledge and deliver to Landlord any and all instruments and certificates that in the judgment of Landlord may be necessary or proper to confirm or evidence such subordination. Notwithstanding the generality of the foregoing provisions of this paragraph 11, Tenant agrees that any such mortgagee shall have the right at any time to subordinate (in whole or in part) any such deeds of trust, mortgages or other instruments of security to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Tenant further covenants and agrees upon demand by Landlord's mortgagee at any time, before or after the institution of any proceedings for the foreclosure of any such deeds of trust, mortgages or other instruments of security, or sale of the Building pursuant to any such deeds of trust, mortgages or other instruments of security, to attorn to such purchaser upon any such sale and to recognize such purchaser as Landlord under this Lease. The agreement of Tenant to attorn upon demand of Landlord's mortgagee contained in the immediately preceding sentence, shall survive any such foreclosure sale or trustee's sale. Tenant shall upon demand at any time or times, before or after any such foreclosure sale or trustee's sale execute, acknowledge and deliver to Landlord's mortgagee any and all instruments, and certificates that in the judgment of Landlord's mortgagee may be necessary or proper to confirm or evidence such attornment and Tenant hereby irrevocably authorizes Landlord's mortgagee to execute, acknowledge and deliver any such instruments and certificates on Tenant's behalf.
12. **Rules and Regulations.** Tenant and Tenant's agents, employees and invitees will comply fully with all requirements of the rules and regulations of the Building and related facilities which are attached hereto as Exhibit "D", and made a part hereof as though fully set out herein. Landlord shall at all times have the right to change such rules and regulations or to promulgate other rules and regulations in such manner as may be deemed advisable for safety, care or cleanliness of the Building and related facilities or premises, and for preservation of good order therein, all of which rules and regulations, changes and amendments will be forwarded to Tenant in writing and shall be carried out and observed by Tenant. Tenant shall further be responsible for the compliance with such rules and regulations by the employees, servants, agents, visitors and invitees of Tenant.
13. **Inspection.** Landlord and its officers, agents and representatives shall have the right to enter into and upon any and all parts of Premises at all reasonable hours (or, in any emergency, at any hour) to (a) inspect same or clean or make repairs or alterations or additions as Landlord may deem necessary (but without any obligation to do so, except as expressly provided for herein) or (b) show the Premises to prospective tenants, during the last six (6) months of the term), purchasers or lenders; and Tenant shall not be entitled to any abatement or reduction of rent by reason thereof, nor shall such be deemed to be an actual or constructive eviction.
14. **Condemnation.** If the Premises, or any part thereof, or if the Building or any portion of the Building shall be taken or condemned in whole or in part for public purposes, or sold in lieu of condemnation, leaving the remainder of the Building unsuitable (in Landlord's judgment) for use as an office building comparable to its use on the Commencement Date of this Lease, then the Lease shall, at the sole option of the Landlord, forthwith cease and terminate, all compensation awarded for any taking (or sale proceeds in lieu thereof) shall be the property of Landlord and Tenant shall have no claim thereto, the same being hereby expressly waived by Tenant. In any event if the building or the premises shall be taken or condemned in whole for public purposes then this Lease shall terminate.
15. **Fire and Other Casualty.** In the event that the Building should be totally destroyed by fire, tornado or other casualty or in the event the Premises or the Building should be so damaged that rebuilding or repairs cannot be completed within sixty (60) days after the date of such damage, Landlord or Tenant may at its option terminate this Lease, in which event the rent shall be abated during the unexpired portion of this Lease effective with the date of such damage. In the event the Building or the Premises should be damaged by fire, tornado or other casualty covered by Landlord's insurance, but only to such extent that rebuilding or repairs can be completed within sixty (60) days after the date of such damage, or if the damage should be more serious but neither Landlord nor Tenant elects to terminate this Lease, in either such event Landlord shall within thirty (30) days after the date of such damage commence to rebuild or repair the Building and/or the Premises and shall proceed with reasonable diligence to restore the Building and/or the Premises to substantially the same condition in which they were immediately prior to the happening of the casualty, except that Landlord shall not be required to rebuild, repair or replace any part of the furniture, equipment, fixtures and other improvements which may have been placed by Tenant or other tenants within the Building or the Premises. Landlord shall allow Tenant a fair diminution of rent during the time the Premises are unfit for occupancy. In the event any mortgagee under a deed of trust, security agreement or mortgage on the Building should require that the insurance proceeds be used to retire the mortgage debt, Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. Except as otherwise expressly provided herein, any insurance which may be carried by Landlord against loss or damage to the Building or to the Premises, shall be for the sole benefit of Landlord and shall be under its sole control. Except as otherwise provided in paragraph 24 of this Lease, Tenant shall not carry any insurance against loss or damage to the Building, or to the Premises, except with Landlord's prior written consent. Notwithstanding the foregoing, Landlord shall have no obligation to repair the Building, the Premises or any other property and if Landlord elects not to repair any such property, Landlord may terminate this Lease by delivering written notice thereof to Tenant.
16. **Holding Over.** Should Tenant, or any of its successors in interest, hold over the Premises, or any part thereof, after the expiration of the Lease Term, unless otherwise agreed in writing by Landlord, such holding

Landlord may recover from Tenant all damages Landlord may incur by reason of such default, including the cost of recovering the Premises and the loss of rental for the remainder of the Lease Term, and any costs and expenses incurred by Landlord in releasing the Premises (or portions thereof), including, without limitation, rental concessions (including without limitation, free rent) granted to a new Tenant.

20. **Surrender of Premises.** No act or thing done by Landlord or its agents during the Lease Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless the same be made in writing and signed by Landlord.

21. **Attorney's Fees.** In the event of any litigation related to this Lease, whether to enforce its terms, recover for default, or otherwise, if either party receives a judgment, settlement, or award in its favor (the "Receiving Party") against the other party (the "Paying Party") in such litigation, the Paying Party shall pay upon demand all of the Receiving Party's costs, charges and expenses (including reasonable attorney's fees, court costs, and expert witness fees) arising out of such litigation (including the cost of any appeal related thereto).

22. **Landlord's Lien.** In addition to the statutory landlord's lien, Landlord shall have, at all times, and Tenant hereby grants to Landlord, a valid security interest and contractual landlord's lien to secure payment of all rentals and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages or loss which Landlord may suffer by reason of the breach by Tenant of any covenant, agreement or condition contained herein, upon all goods, wares, equipment, fixtures, furniture, improvements and other personal property of Tenant presently or which may hereafter be situated on the Premises, and all proceeds therefrom, and such property shall not be removed therefrom without the written consent of Landlord until all arrearages in rent as well as any and all other sums of money then due to Landlord hereunder shall first have been paid and discharged and all the covenants, agreements and conditions hereof have been fully complied with and performed by Tenant. Upon the occurrence of an Event of Default by Tenant, Landlord may, in addition to any other remedies provided herein, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture, improvements and other 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 public sale or of the time after which any private sale is to be made, at which sale Landlord or its assigns may purchase unless otherwise prohibited by law. Unless otherwise provided by law, and without intending to exclude any other manner of giving Tenant reasonable notice, the requirement of reasonable notice shall be met if such notice is given in the manner prescribed in paragraph 27 of this Lease at least five (5) days before the date of sale. The proceeds from any such disposition, less any and all expenses connected with the taking of possession, holding and selling of the property (including reasonable attorney's fees and other expenses), shall be applied as a credit against the indebtedness secured by the security interest granted in this paragraph 22. Any surplus shall be paid to Tenant or as otherwise required by law; and Tenant shall pay any deficiencies forthwith. Upon request by Landlord, Tenant agrees to deliver to Landlord financing statements 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 not hereby waived, the security interest herein granted being in addition and supplementary thereto.

23. **Mechanic's Liens.** Tenant will not permit any mechanic's lien or liens to be placed upon the Premises or the Building or improvements thereon during the Lease Term caused by or resulting from any work performed, materials furnished or obligation incurred by or at the request of Tenant, and in the case of the filing of any such lien Tenant will promptly pay same or bond off such lien. If default in payment thereof shall continue for twenty (20) days after written notice thereof from Landlord to Tenant, Landlord shall have the right and privilege at Landlord's option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional indebtedness hereunder due from Tenant to Landlord and shall be repaid by Tenant to Landlord immediately on rendition of a bill therefor.

24. **No Subrogation - Liability Insurance.**

(a) Each party hereto waives any cause of action it might have against the other party on account of any loss or damage that is insured against under any insurance policy (to the extent that such loss or damage is recoverable under such insurance policy) that covers the Building, the Premises, Landlord's or Tenant's fixtures, personal property, leasehold improvements or business and which names Landlord or Tenant, as the case may be, as a party insured, it being understood and agreed that this provision is cumulative of paragraph 10 hereof. Each party hereto agrees that it will request its insurance carrier to endorse all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

(b) Tenant shall procure and maintain throughout the Lease Term a policy or policies of insurance at its sole cost and expense and in amounts of not less than a combined single limit of \$1,000,000 or such other amounts as Landlord may from time to time require, insuring Tenant and Landlord against any and all liability to the extent obtainable for injury to or death of a person or persons or damage to property occasioned by or arising out of or in connection with the use, operation and occupancy of the Premises. Tenant shall furnish a certificate of insurance and such other evidence satisfactory to Landlord of the maintenance of all insurance coverages required hereunder, and Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days prior to cancellation or material change of any such insurance.

(c) Tenant shall, during the Lease Term, keep in full force and effect a policy or policies of insurance against damage (by fire, theft, vandalism, malicious mischief, all risks normally insured against by extended coverage and (if the Building is sprinklered) the added perils of sprinkler leakage and earthquake sprinkler

35. **Certain Rights Reserved by Landlord.** Landlord shall have the following rights, exercisable without notice and without liability to Tenant for damage or injury to property, persons or business and without effecting an eviction, constructive or actual, or disturbance of Tenant's use or possession or giving rise to any claim for setoff or abatement of rent:

(a) To decorate and to make repairs, alterations, additions, changes or improvements, whether structural or otherwise, in and about the Building, or any part thereof, and for such purposes to enter upon the Premises and, during the continuance of any such work, to temporarily close doors, entryways, public space and corridors in the Building and related property, to interrupt or temporarily suspend Building services and facilities and to change the arrangement and location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets, or other public parts of the Building and related property, all without abatement of rent or affecting any of Tenant's obligations hereunder, so long as the Premises are reasonably accessible.

(b) To have and retain a paramount title to the Premises free and clear of any act of Tenant purporting to burden or encumber them.

(c) To grant to anyone the exclusive right to conduct any business or render any service in or to the Building, provided such exclusive right shall not operate to exclude Tenant from the use expressly permitted herein.

(d) To prohibit the placing of vending or dispensing machines of any kind in or about the Premises without the prior written permission of Landlord.

(e) To have access for Landlord and other tenants of the Building to any mail chutes located on the Premises according to the rules of the United States Postal Service.

(f) To take all such reasonable measures as Landlord may deem advisable for the security of the Building and its occupants, including without limitation, the search of all persons entering or leaving the Building, the evacuation of the Building for cause, suspected cause, or for drill purposes, the temporary denial of access to the Building, and the closing of the Building after normal business hours and on Saturdays, Sundays and holidays, subject however, to Tenant's right to admittance when the Building is closed after normal business hours under such reasonable regulations as Landlord may prescribe from time to time which may include by way of example but not of limitation, that persons entering or leaving the Building, whether or not during normal business hours, identify themselves to a security officer by registration or otherwise and that such persons establish their right to enter or leave the Building.

36. **Notice to Lender.** If the Premises or the Building or any part thereof are at any time subject to a first mortgage or a first deed of trust or other similar instrument and this Lease or the rentals are assigned to such mortgagee, trustee or beneficiary and the Tenant is given written notice thereof, including the post office address of such assignee, then the Tenant shall not terminate this Lease or abate rentals for any default on the part of the Landlord without first giving written notice by certified or registered mail, return receipt requested, to such assignee, specifying the default in reasonable detail, and affording such assignee a reasonable opportunity (for not less than thirty (30) days after the receipt of such notice by such assignee) to make performance, at its election, for and on behalf of the Landlord.

37. **Captions.** The captions contained in this Lease are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Lease.

38. **Miscellaneous.**

(a) Any approval by Landlord or Landlord's agents of any of Tenant's drawings, plans and specifications which are prepared in connection with any construction of improvements in the Premises shall not in any way be construed or operate to bind Landlord or to constitute a representation or warranty of Landlord as to the adequacy or sufficiency of such drawings, plans and specifications, or the improvements to which they relate, for any use, purpose or condition, but such approval shall merely be the consent of Landlord as may be required hereunder in connection with Tenant's construction of improvements in the Premises in accordance with such drawings, plans and specifications.

(b) Each and every covenant and agreement contained in this Lease is, and shall be construed to be a separate and independent covenant and agreement.

(c) There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the leasehold premises or any interest in such fee estate.

(d) Neither Landlord nor Landlord's agents or brokers have made any representations or promises with respect to the Premises, the Building or the land except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease.

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

Being all that certain tract of land in Smith County, Texas, and being part of Lot 2 New City Block 1311, City of Tyler, Texas, and recorded in Volume 8, Page 175 of the Plat Records of Smith County, Texas, known as Woodgate Office Park and being more particularly described as follows:

BEGINNING at the southwest corner of said Woodgate Office Park, also being on the east right-of-way line of Copeland Road;

THENCE North 01 degree 20 minutes East, along east right-of-way line of Copeland Road, a distance of 223.65 feet;

THENCE North 10 degrees 46 minutes 30 seconds East a distance of 100.40 feet;

THENCE North 02 degrees 20 minutes 30 seconds East, a distance of 150.80 feet;

THENCE North 39 degrees 20 minutes East, a distance of 122.18 feet to a point for corner, said point being on the South line of Loop 323;

THENCE along said south line on a curve to the left having a central angle of 8 degrees 51 minutes 05 seconds, a radius of 1,696.60 feet, a chord length of 261.84 feet and a chord bearing of North 80 degrees 22 minutes 21 seconds East, to the end of said curve; a distance of 262.10 feet;

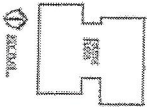
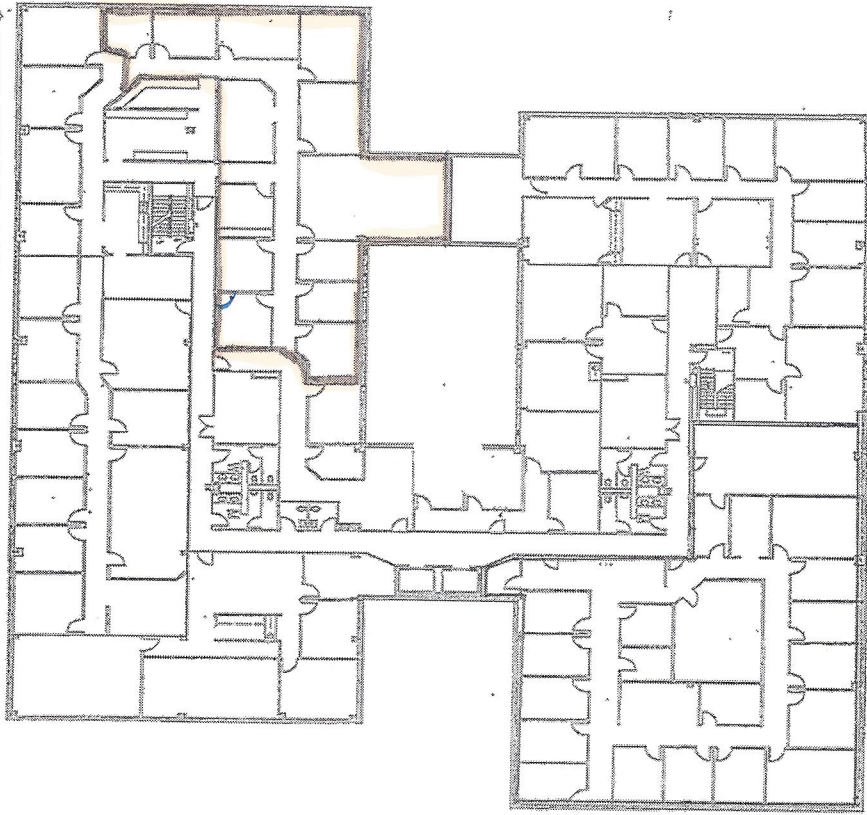
THENCE South 00 degrees 49 minutes West a distance of 471.54 feet to a point for corner;

THENCE South 70 degrees 35 minutes 52 seconds West a distance of 46.52 feet to a point for corner;

THENCE South 57 degrees 10 minutes 13 seconds West a distance of 229.07 feet to a point for corner, said point being on the south line of said Woodgate Office Park;

THENCE South 89 degrees 58 minutes 34 seconds West a distance of 122.65 feet to the place of beginning, containing 179,400 square feet or 4.1185 acres of land.

EXISTING FLOOR PLAN - FOURTH FLOOR



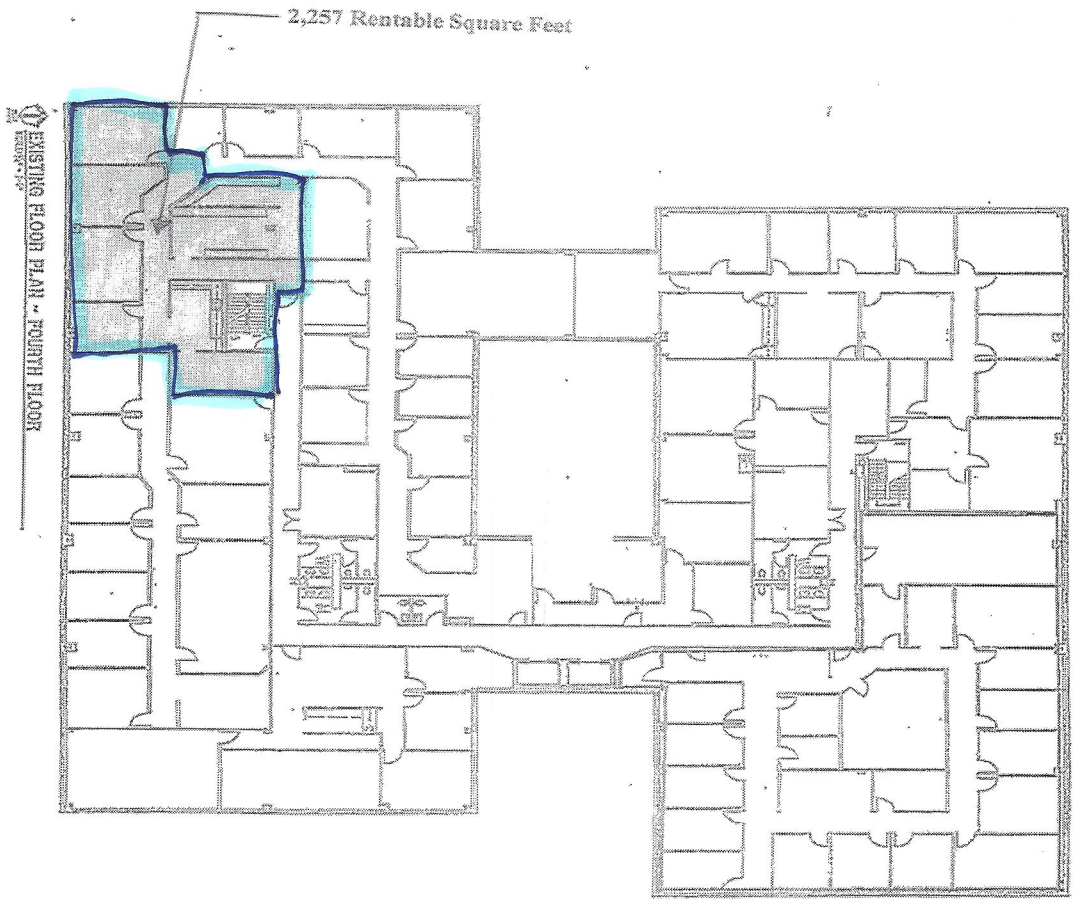
<p>A4</p>	<p>DATE: 10/1/88 BY: [Signature] CHECKED: [Signature] APPROVED: [Signature]</p>	<p>EXISTING FOURTH FLOOR WOODGATE CENTRE TYLER, TEXAS SMITH COUNTY</p>	<p>PAYNE AND ASSOCIATES ARCHITECTS • INTERIORS • CONSTRUCTION MANAGEMENT P.O. BOX 100 • TYLER, TEXAS 75702 • (409) 291-4241 • FAX (409) 291-4242</p>	<p> </p>
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coverage, which names Landlord and Landlord's agent as additional insured and (b) Workmen's Compensation Insurance in statutory form and amount covering the operation of contractor and subcontractors.

9. Tenant shall be solely responsible for the operation and maintenance of the Tenant Work.

10. By taking possession of the Premises, Tenant shall be deemed to have approved the construction of the Tenant Improvements, save and except for normal punch list items.

8. Landlord shall have the power to prescribe the weight and position of safes and other heavy equipment or items, which shall in all cases, to distribute weight, stand on supporting devices approved by Landlord. All damages done to the Building by the installation or removal of any property of a tenant, or done by a tenant's property while in the Building, shall be repaired at the expense of such tenant.
9. A tenant shall notify the Building manager when safes or other heavy equipment are to be taken in or out of the Building, and the moving shall be done under the supervision of the Building manager, after written permission from Landlord. Persons employed to move such property must be acceptable to Landlord.
10. Corridor doors, when not in use, shall be kept closed.
11. Each tenant shall cooperate with Landlord's employees in keeping its leased premises neat and clean. Tenants shall not employ any persons for the purpose of such cleaning other than the Building's cleaning and maintenance personnel without Landlord's prior written approval.
12. Landlord shall be in no way responsible to the tenants, their agents, employees, or invitees for any loss or theft of property from the leased premises of such tenants or public areas or any other part of the Building, regardless of whether such loss occurs when the area is locked against entry or not, or for any damages to any property thereon from any cause whatsoever.
13. To insure orderly operation of the Building, in multi level office buildings, no ice, mineral or other water, towels, newspapers, etc. shall be delivered to any leased area except by persons appointed or approved by Landlord in writing.
14. Should a tenant require telegraphic, telephonic, annunciator or other communication service, Landlord will direct the electrician where and how wires are to be introduced and placed and none shall be introduced or placed except as Landlord shall direct. Electric current shall not be used for power or heating without Landlord's prior written permission.
15. Tenant shall not make or permit any improper, objectionable or unpleasant noises or odors in the Building or otherwise interfere in any way with other tenants or persons having business with them.
16. Smoking is not permitted in the building.
17. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways. No birds or animals shall be brought into or kept in, on or about any tenant's leased premises or any other part of the Building.
18. No machinery of any kind shall be operated by any tenant in or on its leased premises without the prior written consent of Landlord, nor shall any tenant use or keep in the Building any inflammable or explosive fluid or substance.
19. No portion of any tenant's leased premises shall at any time be used or occupied as sleeping or lodging quarters.
20. Landlord reserves the right to rescind any of these rules and regulations and to make such other and further rules and regulations as in its judgment shall from time to time be needful for the safety, protection, care and cleanliness of the Building, the operation thereof, the preservation of good order therein and the protection and comfort of the tenants and their agents, employees and invitees, which rules and regulations, when made and written notice thereof is given to a tenant, shall be binding upon it in like manner as if originally herein prescribed.



A4 <small>100' x 100' = 10,000 S.F.</small> <small>1" = 10'-0"</small>	EXISTING FOURTH FLOOR WOODGATE CENTRE <small>TULSA, OKLAHOMA</small>	PAYNE AND ASSOCIATES <small>ARCHITECTS • INTERIORS • CONSTRUCTION MANAGEMENT</small> <small>P.O. BOX 1000 • TULSA, OKLAHOMA 74101 • (918) 486-1000</small>		