LB
2/12/15
Item No. 18

AN ORDINANCE 2015-02-12-0091

AUTHORIZING THE EXECUTION OF A NINE-MONTH SUBLEASE WITH POWERS BROWN ARCHITECTURE OF TEXAS, LLC FOR 897 SQUARE FEET OF OFFICE SPACE LOCATED AT 321 ALAMO PLAZA, IN COUNCIL DISTRICT 1, FOR A MONTHLY RENT OF $1,420.25 FOR THE FIRST TWO MONTHS AND INCREASING TO $1,457.63 FOR THE FINAL SEVEN MONTHS OF THE TERM.

* * * * *

WHEREAS, the Convention and Visitors Bureau maintains the Visitor Information Center on Alamo Plaza as a resource for visitors seeking information on sights and attractions within the City and for anyone seeking San Antonio memorabilia and merchandise; and

WHEREAS, the Visitor Information Center administrative offices are in need of renovation and the City is set to begin construction in February 2015; and

WHEREAS, the sublease proposed by this Ordinance would allow for the relocation of certain staff and administrative offices while construction takes place; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The terms and conditions of the nine-month sublease with Powers Brown Architecture of Texas, LLC ("Powers Brown") for 897 square feet of office space located at 321 Alamo Plaza are authorized and approved. The City Manager, or her designee, is authorized to execute the sublease, a copy of which, previously executed by Powers Brown, is attached to this Ordinance as **Exhibit I**.

SECTION 2. Funding in the amount of $11,586.28 for this Ordinance is available for Fund 29006000, Cost Center 4302020001 and General Ledger 5202025, as part of the Fiscal Year 2015 Budget.

SECTION 3. Additional funding in the amount of $1,457.63 for this Ordinance is contingent upon City Council approval of Fiscal Year 2016's Budget.

SECTION 4. Payment not to exceed the budgeted amount is authorized to Powers Brown Architecture of Texas, LLC and should be encumbered with a purchase order.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall take effect immediately upon the receipt of eight affirmative votes; otherwise it shall be effective ten days after its passage.

PASSED AND APPROVED this 12th day of February, 2015.

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:

Martha G. Sepeda
Acting City Attorney

Agenda Item:	**18 (in consent vote: 7, 8, 9, 10, 11, 12, 13, 14, 15, 17A, 17B, 18, 19B, 20A, 20B, 21, 22, 23, 24, 26, 27, 28, 29, 30, 31, 33)**
Date:	02/12/2015
Time:	09:48:46 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing the execution of a nine month sublease, while the City's Information Center offices undergo renovations, to use 897 square feet of office space located at 321 Alamo Plaza, with Powers Brown Architecture of Texas, LLC in Council District 1, for a monthly rent of $1,420.25 in the first two months of the term increasing to $1,457.63 during the final seven months of the term. [Peter Zanoni, Deputy City Manager; Mike Etienne, Director, EastPoint & Real Estate Services Office]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Trevino	District 1		x				
Alan Warrick	District 2		x				x
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x			x	
Michael Gallagher	District 10		x				

Exhibit I

SUBLEASE

THIS SUBLEASE ("Sublease") is made as of the 20th day of March, 2015, by and between Powers Brown Architecture of Texas, LLC ("Sublessor") and City of San Antonio, a Texas municipal corporation, as sublessee ("Sublessee").

RECITALS

A. Pursuant to a certain lease agreement and amendments thereto by and between Sublessor, as tenant, and SERVICE LIFE & CASUALTY INSURANCE CO., INC., as Lessor ("Lessor"), dated as of December 12, 2012 (the "Prime Lease"), Sublessor leased from Lessor certain premises, including, without limitation, 321 Alamo Plaza, San Antonio, TX 78205, Suite 204, (the "Prime Premises"), of that certain building commonly known as The Crockett Building (the "Building") more particularly described in the Prime Lease and Amendment thereto. A true and complete copy of the Prime Lease and amendments is attached hereto and made a part hereof as Exhibit "A".

B. Sublessor desires to sublet to Sublessee and Sublessee desires to sublease from Sublessor the Prime Premises, which is comprised of approximately 897 rentable square feet of the Prime Premises included in the Prime Lease, subject to and in accordance with the terms and conditions hereof.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

1. Premises, Term and Early Termination. Sublessor hereby subleases to Sublessee and Sublessee hereby subleases and takes from Sublessor the Prime Premises, which is comprised of approximately 897, as more particularly reflected on the floor plan attached hereto as Exhibit "B" and all existing leasehold improvements thereto (the "Sublease Premises"). The term of this Sublease ("Term") shall commence on the later of i) March 15, 2015 or ii) the date that Lessor shall grant its consent to the Sublease (the "Commencement Date") and shall terminate on October 31, 2015, (the Termination Date), unless earlier terminated pursuant to the terms of this Sublease or the Prime Lease. Furthermore, Sublessee shall have the right to terminate this sublease at or anytime after June 30, 2015 upon providing Sublessor with not less than 30 days written notice. Furthermore, prior to the Commencement Date, Sublessee shall have the right to access the Prime Premises for the purpose of installing phone lines and telecommunications equipment to support its use of the Sublease Premises.

2. Incorporation of Prime Lease. Except as otherwise provided herein, all of the terms and conditions of the Prime Lease with respect to the Sublease Premises are hereby incorporated by reference into this Sublease and shall be binding upon the parties hereto. Notwithstanding anything contained in the Prime Lease, Sublessee is not granted hereby an option to extend the term of this Sublease, a right of notice of availability of additional space, parking and signage rights (other than as expressly stated herein), any health club memberships, and/ or an option to terminate this Sublease. Any conflict between this Sublease and the Prime Lease shall be resolved in favor of this Sublease. The following paragraphs of the Prime Lease shall not apply to this Sublease: 12.1(c), 12.2, 12.3, 13.2, 19.1 (c), 19.1(d), 19.1(f), 19.1(g), 20.1(a), 20.1(b), waiver of jury trial in 21.1, sixth sentence in paragraph 25.1, 30.1, 34.1, and the fifth sentence of paragraph 1 of Exhibit F-2.

3. Base Rent. Commencing on the Commencement Date, Sublessee shall pay monthly rent to Lessor pursuant to the following schedule:

Commencement Date thru March 31, 2015 - $1,420.25

April 1, 2015 thru October 31, 2015 - $1,457.63 per month

All payments, except for the March payment shall be in advance, without demand, set off or deduction, on the first day of each and every calendar month during the Term hereof. Rental payments for partial months, if any, shall be prorated on a daily basis.

Sublessee agrees to pay to Lessor, at the same time and in the same manner as Base Rent and other charges due hereunder, all sales and use taxes and excise taxes imposed or levied upon all payments to be made by Sublessee hereunder by the State of Texas, if any, or any other governmental authority having jurisdiction, and any and all taxes assessed upon all of the equipment, furniture, fixtures and personal property located in the Sublease Premises.

Sublessee shall pay to Sublessor, as additional Base Rent, any increase in Taxes and Operating Costs (as defined in the Prime Lease) at the same times and in the same manner as Sublessor is obligated to make such payments to Lessor pursuant to the Prime Lease in an amount equal to Sublessee's Proportionate Share (as hereinafter defined) of the amount of Tenant's Share (as defined in the Prime Lease) of any increase in estimated Common Area Maintenance Charge, Taxes and Operating Costs for each calendar year of the Term hereof over the amount as shown in Exhibit A. "Sublessee's Proportionate Share" shall mean a fraction, the numerator of which is the net rentable square feet contained in the Sublease Premises, and the denominator of which is the total net rentable square feet being leased by Sublessor pursuant to the Prime Lease.

All payments of Base Rent and other amounts due hereunder from Sublessee to Lessor, on behalf of Sublessor shall be made to Lessor at the address designated by Lessor, as Lessor shall designate from time to time by written notice to Sublessee. Sublessor acknowledges that rent for March 2015 will not be timely paid, Commencing with the April 2015 payment and for every monthly payment thereafter, any Base Rent or other amounts owing by Sublessee to Sublessor and not paid within five (5) days of the date due shall bear interest from the sixth date until the date paid at the rate of five percent (5%) per annum.

4. Services. In the event that any additional utilities and/or services are provided by Lessor to Sublessee beyond the times and amounts normally provided by Lessor, such services and/or utilities shall be payable by Sublessee at Lessor's actual cost and any other amounts charged by Lessor. Sublessor shall not be obligated to provide any services to Sublessee. Sublessee's sole source of all services is Lessor, pursuant to the Prime Lease. Sublessor makes no representation about the availability and adequacy of such services. As of the date of this Sublease, Sublessor has no agreement with Lessor for after-hours air conditioning. Sublessor shall use commercially reasonable efforts to assist Sublessee in obtaining the services required by the Prime Lease from Lessor. Sublessee shall not set up furniture or solicit any business at main entrance to Building, or in main hallway into building. In order to maintain the building entrance is secure during evening hours, Sublessee's business hours shall not extend any longer than the business hours of Sublessor.

5. Security Deposit. Intentionally Omitted.

6. Provisions of Prime Lease. Sublessee covenants that, with respect to the Sublease Premises, Sublessee will: (a) at its own cost and expense, promptly perform and observe all of the duties and obligations of the tenant under the Prime Lease that accrue with respect to the Term of the Sublease (other than the amount of rent) as fully as if Sublessee were said tenant; (b) comply with all restrictions and requirements of the Prime Lease applicable to the tenant thereunder; and (c) not do, cause or omit to do any act or thing whereby an event of default will occur under the Prime Lease or which would, after notice or lapse of time, constitute an event of default under the Prime Lease. Notwithstanding the facts enumerated above, Sublessee shall not be bound by any provisions of the Prime Lease specifically excluded pursuant to Section 2 of this Sublease.

7. Sublessee's Use of the Sublease Premises. Sublessee shall use and occupy the Sublease Premises only for general office purposes and for no other use or purpose whatsoever and Sublessee shall not use or permit the Sublease Premises to be used in any way that would violate the terms of the Prime Lease.

8. Insurance. Subleassee, at Sublessee's expense, agrees to maintain in force during the Term of the Sublease, with respect to the Subleased Premises, self insurance in amounts adequate to cover the insurance requirements specified in the Prime Lease. Notwithstanding this fact, Sublessor agrees to keep in full force and affect all insurance required to be maintained in the Prime Lease

9. No Warranties. Except as otherwise expressly provided herein, Sublessor does not make any representations or warranties of Lessor under the Prime Lease and does not undertake to perform or observe any of the terms, covenants and conditions on the part of Lessor to be performed or observed. Sublessee is fully familiar with the physical condition of the Sublease Premises, accepts possession of the Sublease Premises in its "as is" condition and agrees that Sublessor shall have no obligation to prepare the same for Sublessee's occupancy. Except as otherwise provided herein, Sublessor has made no representations of whatever nature in connection with the condition of the Sublease Premises, and Sublessor shall not be liable for any latent or patent defects therein or for any action or inaction by Lessor with respect to the condition of the Sublease Premises or the Building.

10. Americans With Disabilities Act. Sublessor makes no representations with respect to whether the Sublease Premises are in compliance with the Americans with Disabilities Act ("ADA"). Sublessor hereby disclaims any and all liability associated with ADA compliance in connection with the Sublease Premises.

11. Alterations. Sublessee shall not make any alterations, improvements, additions, installations or decorations in or to the Sublease Premises, except as expressly permitted by the Prime Lease. In the event that Sublessee shall make any alterations, improvements, additions, installations or decorations which, pursuant to the terms of the Prime Lease or pursuant to any consent of or agreement with Lessor are required to be removed upon the expiration of the Term hereof or of the Prime Lease, Sublessee shall remove the same at its own cost.

12. Fire and Casualty. In the event the Sublease Premises shall be destroyed or damaged by fire or other casualty, the following shall be applicable: (a) Lessor, and not Sublessor, shall be responsible for reconstruction if and to the extent required by the Prime Lease; (b) if the Prime Lease is terminated by Lessor or Sublessor as a result of such casualty, this Sublease shall also be terminated as of the same date; and (c) if this Sublease is terminated, Sublessee shall be responsible for all rental and other obligations up to the date of such damage or destruction and all such obligations incurred after the date of such termination shall cease.

13. Sublessor's Performance. The performance by Lessor of its obligations under the Prime Lease shall, for all purposes of this Sublease, be deemed to satisfy all corresponding obligations of Sublessor under this Sublease, and Sublessor's obligations hereunder with respect to the obligations of Lessor shall be limited to the extent to which Lessor performs its obligations under the Prime Lease.

14. Time for Required Action. Whenever any provision of the Prime Lease, which has been incorporated herein by reference, requires the tenant thereunder to take any action within a certain period of time after notice from the Lessor thereunder, then, upon notice from Sublessor to Sublessee, Sublessee shall take such action before the expiration of the period of time set forth in said notice under the Prime Lease; provided however, that in the event of a non-monetary default under the Prime Lease, Sublessee shall cure said default within the earlier of fifteen (15) days from the date of said notice under the Prime Lease or ten (10) days before the expiration of the period of time set forth in said notice.

15. Default. Sublessee shall be in default hereunder if (a) Sublessee fails to pay when due any rent or other sum to be paid by Sublessee hereunder; or (b) Sublessee fails to observe and perform any of the other terms, covenants, conditions, and/or rules and regulations of this Sublease or the Prime Lease and such failure continues for ten (10) days after notice (provided, however, if such default is incapable of being cured within ten (10) days, Sublessee shall not be in default if Sublessee has commenced curative action within such ten (10) day period, continues diligently to complete the cure, and actually completes the cure within the period required by the Prime Lease or if no such period is specified in the Prime Lease, then within a reasonable time; or (c) Sublessee abandons or deserts the Sublease Premises without notice to Sublessor and the continued payment of rent; or (d) if Sublessee assigns this Sublease or sub-sublets any portion of the Sublease Premises without the prior written consent of Lessor and Sublessor; or (e) if any petitions shall be filed by or against Sublessee to declare Sublessee bankrupt or to delay, reduce, or modify Sublessee's debts or obligations or if any petition shall be filed or other action taken to reorganize or modify Sublessee's capital structure; or (f) if Sublessee admits in writing its inability to pay its debts, or if a receiver, trustee, or other court appointee is appointed for all or a substantial part of Sublessee's property; or (g) if the leasehold interest of Sublessee is levied upon or attached by process of law; or (h) if Sublessee makes an assignment for the benefit of creditors or takes the benefit of any insolvency act, or if any proceedings are filed by or against Sublessee to declare Sublessee insolvent or unable to meet its debts; or (i) if a receiver or similar type of appointment or court appointee or nominee of any name or character is made for Sublessee or its property.

In the event of any default by Sublessee, Sublessor may have any one or more of the remedies described in the Prime Lease, in addition to all other rights and remedies available at law or in equity.

16. Removal of Sublessee's Personal Property. Upon the Termination Date of the Sublease Term, Sublessee shall remove from the Sublease Premises all of its personal property and shall peaceably surrender such Sublease Premises and the keys thereto to Sublessor in as good order and condition as when delivered to Sublessee, excepting ordinary wear and tear, repairs required to be made by the Sublessor or Lessor, damage by fire and other unavoidable casualty and damage due to Sublessor or Lessor. Sublessee shall have the right to remove trade fixtures installed and paid for by the Sublessee provided these items can be removed without material damage to the Building or Sublease Premises and provided that any holes or other damage to the Building or Sublease Premises caused by the removal of such items shall be restored or repaired by Sublessee promptly. If Sublessor or Lessor re-enters or retakes possession of the Sublease Premises prior to the normal expiration of this Sublease, Sublessor or Lessor shall have the right, but not the obligation, to remove from the Sublease Premises all personal property located therein belonging to Sublessee, and either party may place the property in storage in a public warehouse at the expense and risk of Sublessee.

17. Holding Over. In no event shall Sublessee remain in possession of the Sublease Premises after the Termination Date of the Sublease. In the event that Sublessee remains in possession of the Sublease Premises after the Termination Date, Sublessee shall be subject to hold over charges equal to 125% of the Base Rent, as well as any damages incurred by Sublessor levied by Lessor, under the Prime Lease, applicable to such holdover. In the event Sublessee creates a Hold Over situation for the entire Premises leased by Sublessor, provided Sublessor has vacated its space in accordance with the terms and conditions of the Prime Lease, Sublessee shall be subject to hold over charges at a rate of one hundred and twenty five percent of the rent stated in the Prime Lease, for the entire Premises leased by Sublessor, for the Hold Over period. In no event shall there be any renewal of this Sublease by operation of law.

18. Assignment of Sublease. Sublessee shall not assign this Sublease, or any part hereof, or further sublet all or any part of the Sublease Premises without obtaining the prior written consent of Sublessor and of Lessor. Notwithstanding any such sublease or assignment, Sublessee shall remain fully liable on this Sublease and shall not be released from performing any of the terms, covenants and conditions hereof. Any attempt by Sublessee to assign or sublease all or any part of the Sublease Premises without obtaining such prior written consent or without Sublessee remaining fully liable on this Sublease shall be null and void and shall confer no rights on any third person.

19. Conflict or Inconsistency. In case of any conflict or inconsistency between the provisions of the Prime Lease and those of this Sublease, the provisions hereof shall, as between the Sublessor and Sublessee, control.

20. Non-Waiver. Failure of Sublessor to declare any default or delay in taking any action in connection herewith shall not waive such default. No receipt of moneys by Sublessor from Sublessee after the termination in any way of the Term of this Sublease or of Sublessee's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term of this Sublease or affect any notice given to Sublessee or any suit commenced or judgment entered prior to receipt of such moneys.

21. Cumulative Rights and Remedies. All rights and remedies of available to the parties under this Sublease shall be cumulative and none shall exclude any other rights or remedies allowed by law.

22. Brokerage. Sublessee and Sublessor represent and warrant to each other that they each have not dealt or consulted with any real estate broker or agent in connection with this Sublease.

23. Attorneys' Fees. In connection with any litigation arising out of this Sublease, the prevailing party shall be entitled to recover all costs incurred, including reasonable attorneys' fees, which include, without limitation, those reasonable attorneys' fees incurred by such prevailing party for the services of its attorneys through all trial and appellate levels and post-judgment proceedings.

24. Notices. All notices, demands, approvals, consents, requests for approval or consents or other writings required in this Sublease or in the Prime Lease to be given, made or sent by either party hereto to the other ("Notice") shall be in writing and shall be deemed to have been fully given, made or sent when made by personal service or deposited in the United States Mail, certified or registered, and postage prepaid and properly addressed as follows:

To Sublessor: Powers Brown
1314 Texas Avenue, 2nd Floor
Houston, TX 77002

To Sublessee: City of San Antonio Leasing Division
114 West Commerce Street, Room 210
San Antonio, TX 78205

With a copy to:
City of San Antonio City Clerk
P.O. Box 839966
San Antonio, TX 78283-3966

The address to which any Notice should be given, made or sent to either party may be changed by written notice given by such party as above provided.

25. Entire Agreement. This Sublease and the Consent and Exhibits, attached hereto and forming a part hereof, set forth all of the covenants, promises, agreements, conditions and understandings between Sublessor and Sublessee concerning the Sublease Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Sublease shall be binding upon Sublessor or Sublessee unless reduced to writing and signed by each of them.

26. Warranty. The individual signing this lease on behalf of Sublessee warrants and represents that he has the authority to so execute on behalf of Sublessee and that this Sublease is a valid and binding obligation of Sublessee.

27. Prohibited Interest in Contracts.

(a) The Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale:

(i) a City officer or employee;

(ii) his parent, child or spouse;

(iii) a business entity in which the officer or employee, or his parent, child or spouse owns (i) 10% or more of the voting stock or shares of the business entity, or (ii) 10% or more of the fair market value of the business entity;

(iv) a business entity in which any individual or entity above listed is a (i) subcontractor on a City contract, (ii) a partner, or (iii) a parent or subsidiary business entity.

(b) Sublessor warrants and certifies as follows:

(i) Sublessor and its officers, employees and agents are neither officers nor employees of the City.

(ii) Sublessor has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

(c) Sublessor acknowledges that City's reliance on the above warranties and certifications is reasonable.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be duly executed and delivered as of the day and year first above written.

SUBLESSOR:	SUBLESSEE:
Powers Brown Architecture of Texas, LLC	City of San Antonio, a Texas municipal corporation
Signature:	Signature:
By: Joe Powers	By: Mike Etienne
Its: Manager	Its: Director, East Point & Real Estate Services

Approved to Form:

By: _____ for
City Attorney

Attest:

_____
City Clerk

LESSOR'S CONSENT

The undersigned, Service Life & Casualty Insurance Company, Inc., as Lessor under the Prime Lease **Powers Brown Architecture of Texas, LLC**, as tenant ("Sublessor"), dated December 12, 2012, a copy of which is attached hereto as Exhibit A, hereby agrees and consents to the foregoing Sublease by and between Sublessor, as sublessor, and City of San Antonio, as sublessee, dated as of 3.20.15, subleasing all demised by the aforementioned Prime Lease and Amendments thereto, subject to the terms and conditions set forth in this Sublease. Nothing contained in this consent shall be construed as amending or modifying Sublessor's obligations to Lessor under the Prime Lease.

LESSOR:

Service Life & Casualty Insurance Company, Inc.

Signature: _____

By: J. Kelly Gray

Its: President/CEO

Date: 3/26/15

Exhibit A

(Insert "Prime Lease")

BASIC LEASE INFORMATION

The following Basic Information is incorporated into and made a part of this lease Each reference in this lease to any of the Basic Lease Information shall mean the respective information set forth below and shall be construed to incorporate all of the terms provided under the particular lease paragraph(s) pertaining to such information. In the event of a conflict between any Basic Lease Information and the lease, the lease shall control

IDENTIFICATION DATE OF LEASE: December 12, 2012 X New ____Renewal ____Expansion ____Other

1. **Name of Building:** Crockett Building **Address:** 321 Alamo Plaza, San Antonio, TX 78205

2. **Owner/Lessor:** Service Life & Casualty Ins. Co., Inc. **Address:** PO Box 26800; Austin, TX 78755-0800

3. **Suite Number:** 204

4. **Usable SF:** 780 **Add On Factor:** 15.0% **Rentable SF:** 897

5. **Lessee Name:** Powers Brown Architecture of Texas, LLC

   a) Lessee is ____an individual(s), ____ a general partnership, ____ a limited partnership, X a limited liability corporation, ____ a joint venture, ____ a professional corporation, ____ a professional association.

   b) Lessee Address for Notice: 1314 Texas Ave.,2nd Floor, Houston, Texas 77002

   c) Lessee Contact Person: Joe Powers Phone: (713) 224-0456 Fax: (713) 224-0457

   d) Lessee Taxpayer ID#: 20-8142817 ~~20-1428~~ SS#: 453980847 DL#/State: 06304686

6. **Lease Term:** 38 full calendar months
   Commencement Date: 2-1-2013 Expiration Date: 3-31-2016
   Rent and Pass-Thru Commencement Date: 2-1-2013 Expiration Date: 3-31-2016

7. **Base Rent:**

Term	Monthly Rent	Annual Rent	Annual Rent psf of NRA
Months 1 - 2	$ 0.00	$ 0.00	$ 0.00
Months 3 - 14	$1,382.88	$16,594.56	$18.50
Months 15 - 26	$1,420.25	$17,043.00	$19.00
Months 27 - 38	$1,457.63	$17,491.56	$19.50

Late Charge: 3 % of monthly base rent. Date assessed: Five (5) days after due date.

8. **Expense Stop:** $ N/A /square foot/year

   a) Estimated Operating Expenses Per Budget $ N/A /sq.ft./year
   b) Less Expense Stop $ N/A /sq.ft./year
   c) Estimated Initial Pass-Thru $ N/A /sq.ft./year
   d) Estimated Monthly Pass-Thru (actual)* $ N/A /month

   (Subject to annual adjustment for actual expenses)

* 2013 Base Year Expense Stop

9. **Parking:** Number of Spaces: N/A (reserved) N/A (unreserved)
   Rate Per Space $ N/A / month reserved Rate Per Space $ N/A / month unreserved

10. **Security Deposit:** a) Amount: $1,382.88
    b) Paid by Cash: X Yes ____ No

11. **Tenant Finish Out Provisions:**
    a) X As Is. In addition, LESSOR shall construct Tenant Improvements, turnkey, and as defined in Exhibit A.
    b) $____/usable sq. ft. allowance
    c) $____allowance (actual amount)
    d) Amount of overage owed by Tenant $____ Payment Schedule:____
    e) Notes: **See Exhibit E.**

Lessor
Lessee
Guarantor

OFFICE LEASE

CROCKETT BUILDING

This is a Lease Agreement made and entered into between *Service Life & Casualty Insurance Co.,Inc.,* as "Lessor", and *Powers Brown Architecture of Texas, LLC* as "Lessee", whether one or more.

1.1. THE LEASED PREMISES. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the "Leased Premises" which consists of "Lessee's Office Space" and "Common Areas" as defined below.

(a) LESSEE'S OFFICE SPACE. "Lessee's Office Space", to which Lessee shall have exclusive use rights, consists of suite(s) *204*, representing the office space outlined and shaded on the floor plan contained in Exhibit A. Such space is located in the building on a tract of land, legally described by lot and block or metes and bounds in Exhibit B. The street address of the building is *331 Alamo Plaza San Antonio, TX 78205*.

(b) COMMON AREAS. The "common area", to which Lessee shall have non-exclusive use rights, consists of (1) the interior common area located in the above described building, i.e., areas normally accessible to tenants such as the hallways, stairwells, elevators, lobby, restrooms, and snack bar areas, and (2) the exterior common area located outside the building on the above described land, i.e., loading areas, sidewalks, driveways, parking garage, parking areas, and other open areas (if any), subject to paragraph 9.2 on parking.

1.2. USE. Lessee's office space may be used only for general office purposes. The name of Lessee's business is *Powers Brown Architecture of Texas, LLC.*

1.3. USABLE AREA. Lessee's approximate"usable area" is *780*. It is the office space outlined and shaded in Exhibit A. Such area is measured from the interior of the exterior walls and the exterior glass lines of the building to the middle of the remaining perimeter walls of the office space. This is in accordance with the BOMA International Standard of Floor Measurement.

1.4. RENTABLE AREA. Lessee's approximate "rentable area" is *897*. It consists of Lessee's "usable area" as defined above, plus Lessee's prorata share of the building common areas as set forth *15.0%*. Building common areas are defined as all corridors, restrooms, snack bars, building equipment rooms, telephone closets, janitor closets, enclosed lobby, entrance areas, and other public areas in the building, excluding elevator shafts, stairwells, vertical chases, and enclosed parking areas. This is in accordance with the BOMA International Standard of Floor Measurement.

2.1. BASE RENT AND ADDITIONAL RENTS WITH EXPENSE STOP. Lessee shall pay to Lessor a "base rent" *Specified in Basic Lease Information #7* per calendar year, which amounts to the sum(s) *Specified in Basic Lease Information #7* per calendar month. Such base rent is equivalent to the sums *Specified in Basic Lease Information #7* per square foot per year for Lessee's rentable area. The base rent is subject to adjustment as provided in paragraph 32.1. Additional rent (representing Lessee's prorata share of building operating expenses over the expense stop *Specified in Basic Lease Information #8* shall be paid in accordance with paragraph 32.1. Building operating expenses up to such expense stop amount shall be paid by Lessor.

3.1. DATE AND PLACE OF PAYMENT. The monthly rent and one-twelfth of Lessee's share of estimated building operating expenses under paragraph 32.1 (i.e., expenses in excess of the expense stop) shall be due on the sixteenth (16th) day of each calendar month without demand. Partial months shall be prorated. All rent and other sums are due in the county where the building is located at the address designated by Lessor from time to time. All sums due by Lessee are without right of setoff or deduction. Monies mailed are considered timely paid only if *received* by Lessor by the due date; however rents postmarked one or more days before due date and received after the due date shall be considered as timely received by Lessor. Rent and late payment charges shall be paid without notice or demand. All other sums shall be due upon delivery of written notice in accordance with paragraph 29.1.

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12. **Special Conditions (Exhibit J)**
    a) Current Financials received: _X_ Yes ____ No
    Credit Report received: ____ Yes ____ No
    OT HVAC charge: ____ Yes ____ No; $_____/hour
    b) Other/ Notes:

13. **Guaranty Information**
    This lease ____ is _X_ is not (check one) guaranteed by others. The name and title of each guarantor is shown below a and on the signature page(s) at the end of this lease.

14. **Lessee Signature Requirements**
    Lessee is ( ) an individual, ( ) several individuals, ( ) a general partnership, ( ) a limited partnership, ( ) a joint venture, ( ) an unincorporated association, (X) a professional corporation, ( ) a professional association, or (X) a limited liability corporation (check one).

    Such partnership, joint venture, unincorporated association, or corporation is organized or chartered under the laws of the State of ____Texas_____.

    Lessee's name stated at the beginning of this lease ( ) is or (X) is not an assumed name. If so, has an assumed name certificate name been received? ____ Yes ____ No

15. **Broker Information:**
    a) Listing Broker: Matthew G. Coale, CCIM/Trinity Mesa Estate Services, LLC
    b) Leasing Co-Broker and Company: _____
    c) Tenant Rep letter attached: ____ Yes ____ No
    d) Written agreement for renewal commission: ____ Yes ____ No ____ %

16. **Signatures:**

LESSOR

Service Life & Casualty Insurance Co., Inc.
Printed name of company or firm

J. Kelly Gray
Printed name of person signing

Authorized Person's Signature

President/CEO
Title of person signing

1/7/13
Date signed (must be filled in)

LESSEE

Powers Brown Architecture of Texas, LLC
Printed name of company or firm

Joe Powers
Printed name of person signing

Authorized Person's Signature

Manager
Title of person signing

01/04/2013
Date signed (must be filled in)

GUARANTOR

Printed name of company or firm

Printed name of person signing

Authorized Person's Signature

Title of person signing

Date signed (must be filled in)

LESSEE

Printed name of company or firm

Printed name of person signing

Authorized Person's Signature

Title of person signing

Date signed (must be filled in)

INDEX TO OFFICE LEASE
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POWERS BROWN ARCHITECTURE OF TEXAS, LLC (Lessee)

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3.2. LATE PAYMENTS. If any rent payment or other sum due by Lessee to Lessor is received and accepted by Lessor later than five (5) days after its due date, Lessee shall pay a late charge of 5% of such rent payment or other sum plus 1% thereof for each day thereafter (for up to 15 days) until such rent or other sum is paid. Late charges shall be considered liquidated damages for Lessor's time inconvenience and overhead (except for attorneys fees and litigation costs) in collecting late rent. Lessor's acceptance of late rent or other sum shall not constitute permission for Lessee to pay the rent or other sum late thereafter and shall not constitute a waiver of Lessor's remedies for subsequent late payments. Late payment charges are due immediately upon notice or demand. All payments shall be by check or money order on a local bank, not cash. For each returned check, Lessee shall pay all applicable bank charges incurred by Lessor plus $50.00. Payments of any kind received by Lessor on behalf of Lessee may be applied at Lessor's option to nonrent items first, then to rent. Payment of rent by Lessee shall be an independent covenant. If Lessee has not timely paid rentals and other sums due on two or more occasions, or if a check from Lessee is returned for insufficient funds or no account, Lessor may for the next 12 months require that all rent and other sums due be paid by cashier's check, certified check, or money order, without prior notice.

3.3. SECURITY DEPOSIT. At the time of execution of this lease, Lessee shall deposit with Lessor cash in the sum ***Specified in Basic Lease Information #10*** to secure performance of Lessee's obligations under this lease. Lessor shall have a lien on the security deposit for that purpose. If Lessee fails to pay rent or other sums when due under this lease, Lessor may apply any cash security deposit toward amounts due and unpaid by Lessee. In lieu of a cash security deposit, Lessee may furnish Lessor at time of execution of this lease an irrevocable letter of credit in the sum ***Specified in Basic Lease Information #10-c*** on a financial institution in Austin, Texas, expiring no sooner than the lease expiration date. Lessor may draw against such letter of credit by affidavit stating the amount due and unpaid by Lessee and the nature of Lessee's default under this lease. If the letter of credit is not renewed or extended 30 days before its expiration date, Lessor may by affidavit draw down the entire amount to serve as a cash security deposit. Lessee shall immediately restore the security deposit to its original amount after any portion of it is applied to amounts due and unpaid by Lessee.

4.1. TERM, POSSESSION, AND ANNIVERSARY. The initial lease term shall be for the number of full calendar months from commencement date, plus the remainder of the last month. The commencement date of this lease shall be the earlier of (a) the date ***Specified in Basic Lease Information #6-b***, (b) the date Lessee opens for business in Lessee's office space, or (c) **5 days** days after Lessor delivers possession of Lessor's office space to Lessee and gives Lessee written notice that Lessor's work (as described in Exhibit E) is substantially complete. Lessor's anticipated delivery date of possession is **February 1, 2012**. If Lessor delays in delivering possession of Lessee's office space as shown on Exhibit A, the commencement and anniversary dates shall be delayed in accordance with Exhibit D.

4.2. ACKNOWLEDGMENT OF LEASE. Upon commencement of this lease, Lessor and Lessee shall execute a recordable acknowledgment of this lease which is attached as Exhibit D and which will confirm the commencement date, ending date, annual anniversary date of the lease, and approximate square footage in Lessee's office space.

4.3. DELIVERY OF POSSESSION. Lessor shall deliver keys and/or access cards or codes and possession of Lessee's office space to Lessee on the lease commencement date stated in paragraph 4.1 unless otherwise agreed in writing by the parties. Lessee shall not be liable for rent until Lessor delivers possession of the leased premises to Lessee. If there is a delay in delivery of possession, rent shall be abated until Lessee's office space is ready for occupancy; and neither Lessor nor Lessor's agents shall otherwise be liable for any damages; and the lease shall not terminate. Internal construction shall, to the extent "readily achievable", comply with state and federal architectural barrier standards.

5.1. TENANT FINISH-OUT. (Check one):

X (a) In addition, LESSOR shall construct Tenant Improvements, turnkey, and as defined in Exhibit A.
__ (b) Lessor shall perform any special construction described in Exhibit E. Costs of tenant finish-out or special construction shall be paid for pursuant to such exhibit.

6.1. QUIET POSSESSION. If Lessee is current and in compliance with all of Lessee's obligations under this lease, Lessee shall be entitled to peaceful and quiet possession and enjoyment of Lessee's office space, subject to the terms and conditions of this lease. Lessee shall have access to the building parking garage, if applicable and common parking areas

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at all times, subject to parking fees and the rules referred to in paragraphs 9.2 and 23.1. Lessor shall make diligent efforts to have all other tenants in the building comply with building rules. Otherwise, failure of other tenants to comply with such rules shall not be considered a default by Lessor. Construction noise or vibrations shall not be considered a default by Lessor.

7.1. UTILITIES AND SERVICES BY LESSOR. Except where otherwise stated in this lease, Lessor shall pay for and furnish in a timely and diligent manner to Lessee the following utilities (subject to Lessee being required to pay for same directly to the utility provider) and services and no others, subject to paragraph 32.1 regarding Lessee's payment of Lessee's prorata share of building operating expenses.

(a) air conditioning and heating as reasonably required for comfortable use and occupancy under normal office conditions from 7:00 a.m. to 10:00 p.m. on Monday through Friday, and from 8:00 a.m. to 10:00 p.m. on Saturday upon request, but not on Sunday, New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving or Christmas and after 6:00 p.m. on Christmas Eve and New Year's Eve so long as these times and dates comply with present and future governmental laws or guidelines, including utilities such as electricity, gas, and water necessary for operation of same;
(b) water and wastewater services for common areas;
(c) janitorial and cleaning services for the building five days a week;
(d) electricity for standard office equipment and lighting;
(e) trash collection services (dumpster or garbage cans);
(f) pest control services as needed in the reasonable judgment of Lessor;
(g) landscaping and parking lot maintenance services;
(h) repair and maintenance services pursuant to paragraph 8.1;
(i) replacement of fluorescent light bulbs and ballasts in building standard lighting fixtures (but not incandescent light bulbs for nonstandard fixtures or for Lessee's lamps); and
(j) elevator service, if there is an elevator in the building.

7.2. UTILITIES AND SERVICES BY LESSEE. If applicable, Lessee shall pay for all utilities and services not expressly furnished by Lessor under paragraph 7.1. Lessee shall pay for all electricity consumed through any individual electrical meter(s) or submeter(s) serving Lessee's office space. Costs of such utilities are not considered building operating expenses to be allocated among all tenants under paragraph 32.1. Service through individual electrical meters which exclusively serve Lessee's office space shall be in the name of Lessee. Lessor reserves the right to submeter electricity and/or water. Any electricity or water submetering shall be billed to and paid by Lessee at Lessor's average cost per KWH or gallon, and no more. If the water bill from the utility company includes wastewater charges, Lessee's liability for water submetering shall include corresponding wastewater costs (if any).

7.3. INTERRUPTION OF UTILITIES OR SERVICES. Temporary interruption or malfunction of utilities, services, and/or telephones shall not render Lessor liable for damages, rent abatements, or release of any Lessee obligation. Lessor shall use diligent efforts to have such utilities and services restored as soon as reasonably possible.

7.4. EXTRA ELECTRICITY. There shall be no extra electricity charges for typewriters, facsimile machines, word processors, dictating equipment, adding machines, desk top calculators, lamps, or other standard 110 volt office equipment. However, Lessee shall pay Lessor monthly, as billed, for charges which are separately metered or which Lessor may reasonably compute for electricity utilized by Lessee for the following purposes: x-ray machines, hotplates, electric heaters, 220 volt equipment, computers (other than desktop or word processor computers), or other electrical service not standard for the building.

7.5. EXTRA HEATING OR AIR CONDITIONING. If Lessee requests air conditioning or heating after the hours as set forth in paragraph 7.1(a), Lessor may charge Lessee the same extra hourly fee charged by Lessor for after-hour air conditioning or heating to other tenants in the building.

Lessor
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8.1. MAINTENANCE AND REPAIRS BY LESSOR. Lessor shall repair and/or replace, as needed, the following items as a building expense under paragraph 32.1, so long as they are building standard items: light bulbs, ballasts, and fixtures; plumbing; hardware; appliances; doors; and wall and window coverings. Lessor shall use diligence to provide for the reasonable cleaning, maintenance, repair, reconnection of interrupted utilities or services, and landscaping of common areas, subject to any reimbursement obligations of Lessee under paragraph 8.2. Lessor may rekey at any time. Lessor may temporarily close any part of the common facilities if reasonably necessary for repairs or construction. Repairs and maintenance shall be in accordance with applicable governmental requirements.

8.2. MAINTENANCE AND REPAIRS BY LESSEE. Lessee shall promptly reimburse Lessor for the cost of repairing or replacing non-building standard items and the cost of repairing or replacing damage which is caused inside Lessee's office space by Lessee, Lessee's agents, employees, family, or licensees, invitees, visitors, or customers or outside Lessee's office space by Lessee or Lessee's employee's, agents, or contractors. Cost of repair shall include 5% for supervision fee. Lessor may require advance payment therefor prior to repair or replacement. Lessor shall have right of approval of all repairmen or maintenance personnel. Lessee shall not damage or allow other persons listed above to damage any portion of the leased premises. Lessee shall pay for replacement of all non-building standard light bulbs and for unstopping any drains or water closets in Lessee's office space. If Lessee or Lessee's workmen or contractors are permitted to repair, alter, or modify Lessee's office space, Lessee shall warrant that no mechanic or materialman's lien shall be filed against the leased premises and that all such contractors shall provide evidence of liability insurance as required by Lessor. All such work shall be in accordance with applicable governmental requirements.

8.3. TELECOMMUNICATIONS EQUIPMENT. All telecommunications equipment necessary to serve Lessee shall be located in Lessee's office space and paid for by Lessee, or, at Lessor's option and at Lessee's expense, in a lockable enclosure in a common area location designated by Lessor.

9.1. ACCESS, KEYS, LOCKS, AND SECURITY. (a) *Access.* Lessee shall have access to Lessee's office space at all times. Lessor shall have access to Lessee's office space at reasonable times for reasonable business purposes upon prior notice to Lessee except notice shall not be necessary in the event of an emergency threatening life or property or the lawful exercise of Lessor's remedies in case of default by Lessee. Lessor may show Lessee's office space ninety (90) days before the lease expiration date or the date Lessee gives notice to vacate, whichever is earlier.

(b) *Keys.* Lessor shall furnish Lessee up to five (5) keys or access codes or cards for Lessee's office space, up to five (5) keys or access codes or cards for the main exterior entry doors of the building if such door is locked after hours, and two (2) keys or access codes or cards to Lessee's mailbox in the building. An initial deposit of $10.00 shall be charged for each mailbox key and office key, or access card. Additional or replacement keys or access codes or cards shall be furnished at the same deposit charged to all other tenants in the building at the time of Lessee's request. Lessor shall not be liable for risk of loss resulting from Lessee's keys, access codes, or cards being stolen, lost or used by unauthorized persons. Lessor reserves the right to rekey or change locks for security reasons if new keys are timely furnished to Lessee.

(c) *Locks.* Lessee may not add locks, change locks, or rekey locks without written permission of Lessor. Locks may be changed at Lessee's request and expense. If locks to the office space are changed, Lessor may specify kind and brand of locks, placement, installation, master key compatibility, etc. If Lessee or any of Lessee's employees lock themselves out of Lessee's suite, said person must call a fellow-employee to gain access. **Neither Lessor nor the management company personnel are authorized to unlock a door after hours except for emergency or cleaning purposes.**

(d) *Security.* Lessor shall have no duty to provide any security services of any kind unless expressly provided in this lease. Lessor shall not be liable to Lessee or Lessee's employees, family, customers, invitees, contractors, or agents for injury, damage, or loss to person or property caused by criminal conduct of other persons, including theft, burglary, assault, vandalism or other crimes. Lessee shall lock its office space doors when the last person leaves such office space for the day.

~~9.2. PARKING (a) Lessor shall have sole control over parking. Parking rules, if applicable, are contained in attached Exhibit F-1. If vehicles are parked in violation of Lessor parking rules or in violation of state statutes, Lessor may exercise vehicle removal remedies under Article 6701g-2 of the Texas Civil Statutes upon compliance with statutory notice. There shall be no reserved parking spaces unless agreed in writing by Lessor. If applicable, Lessee and Lessee's~~

Lessor
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~~employees and customers shall have exclusive right to park in Lessee's assigned parking spaces which are shown on the map contained in Exhibit A.~~

~~(b) Lessee shall have the right to rent from Lessor, on a month to month basis at rates in effect from time to time, one vehicle parking space in the building's parking garage (if applicable) for each _____ square feet of Lessee's rentable area as set forth in paragraph 1.4. Such parking spaces shall not be specified permanent spaces unless otherwise agreed in writing by Lessor. Lessor shall have sole control over the parking of all vehicles (including but not limited to cars, trucks, recreational vehicles, trailers, bicycles, and motorcycles) and shall designate parking areas and building service areas. Parking rules are contained in attached Exhibit F-1.~~

10.1. OCCUPANCY, NUISANCE, AND HAZARDS. Lessee's office space shall be occupied only by Lessee or Lessee's employees and shall not be left entirely vacant or used exclusively for storage. Lessee and Lessee's agents, employees, family, licensees, invitees, visitors, and contractors shall comply with all federal, state, and local laws relating to occupancy or to criminal conduct while such persons are on the leased premises. Lessee and the persons listed above shall not (1) use, occupy, or permit the use or occupancy of the leased premises for any purpose which is directly or indirectly forbidden by such laws or which may be dangerous to life or property, (2) permit any public or private nuisance, (3) disturb the quiet enjoyment of other tenants, (4) do anything which might emit offensive odors or fumes, (5) make undue noise or vibrations, (6) permit anything which would cancel insurance coverage or increase the insurance rate on the building or contents, or (7) otherwise damage the leased premises.

11.1. TAXES. Lessor shall be responsible for payment of all taxes and assessments against the building subject to Lessee's obligation to pay Lessor for Lessee's share thereof, on a prorata square foot basis, as additional rent pursuant to paragraph 32.1. Lessee shall timely pay all taxes assessed against Lessee's furniture, equipment, fixtures, or other personal property in Lessee's office space.

12.1. INSURANCE. Lessor and Lessee shall comply with the respective insurance obligations as set forth below:

(a) *Lessor.* Lessor shall maintain (1) fire and extended coverage insurance, including vandalism and malicious mischief, on the office building, and (2) comprehensive general liability insurance. The amounts shall be as required by Lessor's mortgagee or as Lessor may deem reasonably appropriate, whichever is greater. Lessor shall have no responsibility to maintain fire and extended coverage insurance on Lessee's contents. The portion of Lessor's insurance premiums reasonably due to Lessee's acts or omissions or Lessee's special use, improvements, or tenant finish-out (over and above Lessee's normal use as contemplated in paragraph 1.1(a)) shall be paid for by Lessee in accordance with Exhibit J.

(b) *Lessee.* Lessee shall provide Lessee's own public liability insurance for its operations on the leased premises in an amount equal to the minimum "primary coverage" amount required by Lessee's insurance carrier as a condition for purchasing umbrella liability insurance by Lessee. In no event shall such coverage be less than $1,000,000. Upon written notice by Lessor to Lessee, such dollar amount of Lessee's liability policy shall be increased by the amount of any increase required by Lessee's carrier for "primary coverage" under an umbrella liability policy. Lessee is encouraged to maintain fire and extended coverage insurance (including theft, vandalism and malicious mischief) on the contents in Lessee's office space, including fixtures, furniture, equipment, supplies, inventory, and other personal property. Such property is not covered by Lessor's insurance.

(c) *Insurance certificates.* Lessee shall provide Lessor with a certificate of Lessee's insurance or a copy thereof as required above within 7 days after Lessee initially occupies Lessee's office space or any portion thereof. Lessor and Lessor's managing agent (if any) shall be named as additional insureds on Lessee's liability insurance policy. Upon written request by Lessor, changes in the name of Lessor or Lessor's managing agent shall be reflected on such certificate.

(d) *Notice from Lessee's Insurance Carrier.* All policies of insurance to be provided by Lessee shall contain a provision (to the extent legally permitted) that the insurance company shall give Lessor 10 days' written notice to Lessor, in advance of (1) any cancellation or non-renewal of the policy, (2) any reduction in the policy amount, and (3) any deletion of additional insureds.

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12.2. WAIVER OF SUBROGATION. If waiver of subrogation is not contained in the form language of the insurance policy, Lessor and Lessee may require that the other party's fire, casualty, or liability insurance policy contain a waiver of subrogation clause. For purposes of waiver of subrogation, Lessor and Lessee release each other and their respective officers. directors, employees, and agents from any claims for loss, damage, or injury insured against under insurance policies carried by Lessor and Lessee. the foregoing shall not apply to losses, damages, or injuries that are in excess of policy limits or that are not covered due to a deductible cause in the policy.

12.3. HOLD HARMLESS. Lessee shall indemnify Lessor for and shall hold Lessor harmless from all fines, claims, liabilities, and suits (including costs and expenses of defending against same) resulting from any breach or nonperformance of the lease by Lessee or Lessee's agents, employees, family, licensees, or invitees. Lessor shall indemnify Lessee for and shall hold Lessee harmless from all fines, claims, liabilities, and suits (including costs and expenses of defending against same) resulting from any breach or nonperformance of the lease by Lessor or Lessor's agents, employees, family, licensees, or invitees. Lessor and Lessee shall not be liable to the other or the other's agents, employees, or family for any damage to personal property resulting from any act, omission, or negligence of any other tenant, visitor, or occupant of the office building.

13.1. ALTERATIONS BY LESSEE. Lessee may not make any alterations, improvements, doorlock changes, or other modifications of any kind to the leased premises without Lessor's written consent. Consent for governmentally required changes may not be unreasonably withheld. "Alterations" include but are not limited to improvements glued, screwed, nailed, or otherwise permanently attached to the building, structural changes, roof and wall penetrations, and all plumbing, electrical, and HVAC changes. Requests for Lessor's approval shall be in writing and shall be detailed to Lessor's reasonable satisfaction. The foregoing shall be done only by Lessor's contractors or employees or by third parties approved by Lessor in writing. Lessee shall pay in advance for any requested alterations, improvements, lock changes, or other modifications which are approved and performed by Lessor. If same are performed by Lessee with Lessor's permission, Lessee shall not allow any liens to be placed against the buildings as a result of such additions or alterations. Alterations, improvements, and modifications done at Lessee's request shall comply with all applicable laws. Changes in Lessee's alterations or improvements in Lessee's space which may be later required by governmental action shall also be paid for by Lessee.

13.2. AMERICANS WITH DISABILITIES ACT. Lessor shall be responsible for any requirements under the Americans with Disabilities Act or similar state or local laws as relate to any common area entrance and exit doorways and elevators and any doors into Lessee's office space and to structural building items that Lessor is required to maintain under the terms of this lease. Lessor agrees to indemnify Lessee for any liability Lessee shall incur as a result of Lessor's failure to comply with the provisions of this paragraph. Lessee agrees to cooperate fully with Lessor to enable Lessor to timely comply with the provisions of this paragraph and to immediately forward to Lessor any notice Lessee receives regarding complaints, injuries, or claims by anyone claiming that those items which are the responsibility of Lessor do not comply with the provisions of the Americans with Disabilities Act. Lessee shall be responsible for any requirements under such architectural barrier laws as they relate to Lessee's use of Lessee's office space, including, but not limited to, the positioning of Lessee's furnishings within the office space. Lessee agrees to indemnify Lessor for any liability Lessor shall incur as a result of Lessee's failure to comply with the provisions of this paragraph.

14.1. REMOVAL OF PROPERTY BY LESSEE. Lessee may remove its trade fixtures, furniture, and equipment only if (1) such removal is made prior to the end of the lease term, (2) Lessee is not in default under this lease at time of removal, and (3) such removal is not in anticipation of an early moveout prior to the end of the lease term. Lessee shall pay all costs of removal. Lessee shall have no rights to property remaining on the leased premises after moveout. Lessee may not remove any alterations as defined in paragraph 13.1 or improvements such as wall-to-wall carpeting, book shelves, window coverings, drapes, cabinets, paneling, counters, kitchen or breakroom built-ins, shelving, wall covering, and anything else attached to the floor, walls, or ceilings. If Lessor requests in writing, Lessee shall, immediately prior to moving out, remove any alterations, fixtures, equipment, and other property installed by Lessee. Lessee shall pay for cleaning or repairing damage caused by Lessee's removal of any property.

15.1. SUBLETTING AND ASSIGNMENT. Lessee may not sublet, assign, pledge, or mortgage this lease and may not grant licenses, commissions, or other rights of occupancy to all or any part of the leased premises without Lessor's prior

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Lessee
Guarantor

written approval which shall not be unreasonably withheld. Sublessee's financial strength, reputation, personnel, and length of sublease or assignment shall be important factors in Lessor's approval. Sale, transfer, or merger of the majority of the voting shares or voting partnership interests in Lessee (if a corporation or partnership) shall be considered an assignment; likewise for issuance of treasury stock or admission of a new general partner. Lessor shall not be obligated to approve any sublease or assignment. However, if Lessor gives such approval, Lessor shall be entitled to (1) 50% of any excess between Lessee's rental per square foot under the lease and the rental per square foot under the sublease or assignment, and (2) 50% of any other consideration flowing directly or indirectly from the sublessee or assignee to Lessee or Lessee's agents. The foregoing is in consideration of additional management performed or to be performed by Lessor under such sublease or assignment. In addition to the foregoing, Lessor may charge Lessee a one-time fee equal to one month's lease rental for such additional administrative, investigative, and management services. Violation of this lease by sublessees or assignees shall be deemed a violation by Lessee. Approval by Lessor of any sublease or assignment shall not release Lessee from any obligation under this lease and shall not constitute approval for subsequent subletting or assignment. Sublessees or assignees shall be liable for all of Lessee's obligations under this lease unless otherwise specified in writing. Upon default by Lessee, any Sublessee shall pay all sublease rentals and other sums due Lessor, direct to Lessor, to be credited against sums owed to Lessor by Lessee under this lease. Unless otherwise agreed in writing, no sublease or assignment shall be valid unless (1) a copy of this lease is attached thereto, (2) the sublessee or assignee agrees in writing to be liable for all of Lessee's obligations under this lease, and (3) Lessor's written approval is attached to the sublease or assignment. At any time, Lessor may, at Lessor's option, release Lessee from further liability for all or any portion of Lessee's office space that has been subleased or assigned to a third party; and Lessor may terminate the lease to the extent that it applies to such space.

16.1. DESTRUCTION BY FIRE OR OTHER CASUALTY. (a) *Total destruction, rent abatement, and restoration.* If Lessee's office space is totally damaged by fire or other casualty so that it cannot reasonably be used by Lessee and if this lease is not terminated as provided in subparagraph (d) below, there shall be a total abatement of Lessee's rent and Lessee's obligation to pay office building operating expenses until Lessee's office space is restored by Lessor and Lessee.

(b) *Partial destruction, rent abatement, and restoration.* If Lessee's office space is partially destroyed or damaged by fire or other hazard so that it can be only partially used by Lessee for the purposes allowed in this lease and if this lease is not terminated as provided in subparagraph (d) below, there shall be a partial abatement of Lessee's rent and Lessee's obligation to pay office building operating expenses which fairly and reasonably corresponds to the time and extent to which Lessee's office space cannot reasonably be used by Lessee.

(c) *Restoration.* Lessor's obligation to restore shall be limited to the condition of the leased premises existing prior to the casualty. Lessor shall proceed with diligence to restore. During restoration, Lessee shall continue business to the extent practical in Lessee's reasonable judgment.

(d) *Lease termination.* If Lessee's office space or the office center is so badly damaged that restoration and repairs cannot be completed within 6 months after the fire or casualty, then this lease may be terminated as of the date of the destruction by either Lessor or Lessee by serving written notice upon the other. Termination notice must be delivered within 30 days after the casualty.

17.1. CONDEMNATION. If the leased premises or any material portion thereof, including any portion of the parking lot is taken by condemnation and if the leased premises is thereby reasonably rendered unusable for Lessee's business use and activities, this lease shall automatically terminate as of the date title vests in the condemning authority pursuant to such taking or acquisition; and Lessor and Lessee shall be relieved of all further obligations under this lease. Lessor shall be entitled to recover from the condemning authority the full amount of Lessor's interest in this lease and in the property which is taken in condemnation; provided, however, if Lessee is not in default hereunder on the day of taking or acquisition by the condemning authority, Lessee shall be allowed to recover from the condemning authority, at Lessee's own expense, the value of Lessee's remaining leasehold interest and Lessee's trade fixtures, if any, which are taken in condemnation; but not otherwise. Lessee shall be responsible for Lessee's own attorney's fees and for proving its own damages.

18.1. DEFAULT BY LESSOR. Lessee shall be entitled to recover actual damages and terminate this lease if (1) Lessor fails to pay any sum due and owing to Lessee within 7 days after written demand from Lessee, or (2) Lessor remains in default on any other obligation for 7 days after Lessee's written demand for performance. However, Lessor shall not be in

Lessor _____
Lessee _____
Guarantor _____

default if Lessor promptly commences to cure such noncompliance and diligently proceeds in good faith to cure same after receiving written notice of such default. If taxes and utilities are not timely paid, Lessee may pay same to the extent that it is necessary to avert foreclosure or cutoff. If Lessor fails to perform any covenant, term or condition of this lease that Lessor is obligated to perform and, as a consequence of such nonperformance, Lessee shall recover a money judgment against Lessor, such judgment shall be satisfied only out of Lessor's equity in the property. Lessor shall have no liability whatsoever for any deficiency, and no other property or assets of Lessor shall be subject to levy, execution or other enforcement procedures as a result of such judgment.

19.1. DEFAULT BY LESSEE. If Lessee defaults, Lessor shall have any or all remedies set forth below.

(a) *Definition of default.* The occurrence of any of the following shall constitute a default by Lessee: (1) failure to pay rent or any other sum due by Lessee under this lease within 7 days after written demand therefor by Lessor; (2) failure to vacate on or before the last day of the lease term, renewal term, or extension period; (3) failure to pay rent in advance on a daily basis in the event of unlawful holdover by Lessee; (4) unauthorized early move-out or notice of same as set forth below; (5) acquisition of Lessee's interest in the lease by a third party by judicial or non-judicial process; or (6) failure to comply with any other provision of the lease (including rules) if such failure to comply is not cured as soon as possible after delivery of written notice by Lessor to Lessee. However, Lessee shall not be in default under subclause (6) above if Lessee promptly commences to cure such noncompliance and diligently proceeds in good faith to cure same after receiving written notice of such default.

(b) *Utilities and services.* If Lessee is in default for nonpayment of rent or other sums due and if Lessee fails to pay same in full within 7 days after Lessor hand delivers to Lessee or to Lessee's representative written notice of Lessor's intent to terminate utilities or services which are furnished by Lessor, then Lessor may terminate such utilities or services after such 3-day notice period, without further notice. Lessor's right to terminate such utilities or services shall occur automatically and without notice if Lessee's rent is accelerated under subparagraph (d) below, relating to unlawful early move-out.

(c) *Acceleration after notice of rental delinquency.* If Lessee is in default for nonpayment of rent or other sums due and if Lessee fails to pay same in full within 7 days after Lessor delivers to Lessee or to Lessee's office space a written notice of Lessor's intent to accelerate, then all rent for the remainder of the lease term shall be accelerated, due, and delinquent at the end of such 3-day notice period without further demand or notice. Such acceleration rights are in consideration of the rentals for the entire term being payable in monthly installments rather than in one lump sum at the beginning of the lease term. If Lessee has already vacated the leased premises, notice of acceleration may be delivered to Lessee pursuant to paragraph 29.1. Liability for additional rents accruing in the future (over and above any base rents) shall not be waived by such acceleration.

(d) *Acceleration upon early move-out.* If Lessee is lawfully evicted, or if Lessee moves out or gives verbal or written notice (in person or by an authorized employee or agent) of intent to move-out prior to the end of the lease term without the rent being paid in full for the entire remainder of the lease term or renewal or extension period or without prior written consent of Lessor, all remaining rents for the remainder of the lease term shall be accelerated immediately and automatically, without demand or notice. Such accelerated rents shall be due and delinquent without notice before or after such acceleration. Such acceleration shall occur even if the rent for the current month has been paid in full.

(e) *Termination of possession.* If Lessee is in default as defined in subparagraph (a) above and if Lessee remains in default for 7 days after Lessor gives notice of such default to Lessee, or if Lessee abandons the leased premises, Lessor may (with or without demand for performance) terminate Lessee's right of possession by giving one day's written notice to vacate; and Lessor shall be entitled to immediate possession without termination of Lessee's obligations under the lease. Lessor's repossession shall not be considered an election to terminate this lease unless written notice of such intention to terminate is given to Lessee by Lessor. Repossession may be by voluntary agreement or by eviction lawsuit. Commencement of an eviction lawsuit shall not preclude other Lessor remedies under this lease or other laws.

(f) *Reletting costs.* If Lessee is in default under this lease and if Lessor terminates Lessee's right of possession without terminating this lease and Lessee's space is released, Lessee shall pay upon Lessor's demand the following: (1) all costs of reletting (which in no event shall be less than one month's rent), including leasing commissions, rent concessions (whether in the form of assuming or buying out lease remainders elsewhere, free rent for a period of time, or reduced rental rates), utilities during the vacancy, advertising costs, administrative overhead, and all costs of repair, remodeling, or redecorating for replacement tenants in Lessee's office space, (2) all rent and other indebtedness due from Lessee to Lessor through the

date of termination of Lessee's right of possession, and (3) all rent and other sums required to be paid by Lessee during the remainder of the entire lease term, subject to the acceleration paragraphs above.

(g) *Mitigation by Lessor.* Upon eviction or voluntary vacation of the leased premises by Lessee without the lease being terminated by Lessor, Lessor shall make reasonable efforts to relet the leased premises. After deduction of reasonable expenses incurred by Lessor, Lessee shall receive credit for any rentals received by Lessor through reletting the leased premises during the remainder of the lease term or renewal or extension period. Such deductible expenses may include real estate commissions, attorney's fees, and all other expenses in connection with reletting. Lawsuit to collect amounts due by Lessee under this lease may be brought from time to time on one or more occasions without the necessity of Lessor's waiting until the expiration of the lease term. If judgment for accelerated rents is recovered, Lessor shall give credit against such judgment for subsequent payments made by Lessee and subsequent rentals received by Lessor from other tenants of Lessee's office space, less lawful deductions and expenses of reletting.

(h) *Termination of lease.* Lessor may terminate this lease (as contrasted to termination of possession rights only) upon default by Lessee or at any time after Lessor's lawful re-entry or repossession following default by Lessee. Lessor's agents have authority to terminate the lease only by written notice given pursuant to paragraph 29.1.

(i) *Damages.* In addition to other remedies, Lessor may recover actual damages incurred.

20.1. LIEN FOR RENT. (a) Notwithstanding anything to the contrary in this lease, Lessor's landlord lien shall be subordinate to any existing security interest and any future purchase money security interests on Lessee's personal property if such security interest is properly perfected and timely recorded as required by the Texas Business Code. Lessor shall cooperate in signing lien subordinations in accordance with the foregoing. Any lien subordination shall be on forms reasonably acceptable to Lessor.

(b) Subject to the limitations of subparagraph (a) above, Lessee gives to Lessor a contractual lien on all of Lessee's property which may be found on the leased premises to secure payment of all monies and damages owed by Lessee under the lease. Such lien also covers all insurance proceeds on such property. Lessee shall not remove such property while rent or other sums remain due and unpaid to Lessor and such property shall not be removed until all Lessee's obligations under the lease have been complied with. This lien is in addition to Lessor's statutory lien under Section 54.021 of the Texas Property Code. If Lessee is in default for nonpayment of rent or any other sums due by Lessee, Lessor's representatives may peacefully enter the leased premises and remove and store all property. If Lessor removes any property under this lien, Lessor shall leave the following information in a conspicuous place inside Lessee's office space: (1) written notice of exercise of lien, (2) a list of items removed, (3) the name of Lessor's representative who removed such items, and (4) the date of such removal. Lessor shall be entitled to reasonable charges for packing, removing, or storing abandoned or seized property, and may sell same at public or private sale (subject to any properly recorded chattel mortgage or recorded financing statement) after 30 days' written notice of time and place of sale is given to Lessee by certified mail, return receipt requested. Upon request by Lessor, Lessee shall acknowledge the above lien rights by executing a UCC-1 form or similar form reflecting same.

21.1. ATTORNEY'S FEES, INTEREST, AND OTHER EXPENSES. If Lessee or Lessor is in default and if the nondefaulting party places the lease in the hands of an attorney in order to enforce lease rights or remedies, the nondefaulting party may recover reasonable attorney's fees from the defaulting party even if suit has not been filed. In any lawsuit enforcing lease rights, the prevailing party shall be entitled to recover reasonable attorney's fees from the nonprevailing party, plus all out-of-pocket expenses. Trial shall be to court only; and all parties waive jury trial. All delinquent sums due by Lessor or Lessee shall bear interest at the maximum lawful rate of interest, compounded annually, from date of default until paid, plus any late payment fees. Late payment fees as set forth in paragraph 3.2 shall be considered reasonable liquidated damages for the time, trouble, inconvenience, and administrative overhead expense incurred by Lessor in collecting late rentals, such elements of damages being uncertain and difficult to ascertain. Late payment fees shall not be liquidated damages for attorney's fees or for Lessor's loss of use of such funds during the time of delinquency.

22.1. NONWAIVER. The acceptance of monies past due or the failure to complain of any action, nonaction, delayed payment, or default, whether singular or repetitive, shall not constitute a waiver of rights or obligations under the lease. Lessor's or Lessee's waiver of any right or any default shall not constitute waiver of other rights, violations, defaults, or

subsequent rights, violations, or defaults under this lease. No act or omission by Lessor or Lessor's agents shall be deemed an acceptance or surrender of the leased premises, and no agreement by Lessor to accept a surrender of the leased premises shall be valid unless it is in writing and signed by a duly authorized agent of Lessor.

23.1. BUILDING RULES. Lessor's rules for the office building are attached as Exhibit F-2 and are subject to reasonable change if the changes are applicable to all tenants of the office building. Separate parking rules are contained in paragraph F-1. Lessee agrees to provide a copy of the Office Building Rules (Exhibit F-2) to each of Lessee's employees.

24.1. TRANSFER OF OWNERSHIP BY LESSOR. If Lessor transfers ownership of the office building (other than as security for a mortgage) and if Lessor has delivered to the transferee all of Lessee's security deposits and any prepaid rents, Lessor shall be released from all liability under the lease; and such transferee shall become liable as Lessor. Such right to be released of liability shall accrue to subsequent owners only if such transfer is in good faith and for consideration.

25.1. MORTGAGES: Unless otherwise provided in this lease, Lessee shall subordinate and attorn to mortgage liens now or hereafter on the office building. Lessee agrees to execute, from time to time, documentation therefor which is necessary in the reasonable judgment of Lessor. Other than the provisions already set forth in this lease, there are no special lease provisions which are required by lienholders of the office building. This lease shall be subordinate to all existing and future mortgages. However, such mortgagees may at any time subordinate their lien to this lease by filing a subordination notice in the county real property records without necessity of notice to Lessee. Lessee waives and holds any mortgagee or holder of a security interest harmless from all claims of Lessee against Lessor arising prior to such mortgagee succeeding to the Lessor's ownership interest in the property. Since a Mortgagee Nondisturbance Agreement is contemplated, any foreclosure of such mortgagee's lien shall not terminate this lease even if such lien is superior to the lease.

26.1. SURRENDER OF PREMISES. When Lessee moves out, Lessee shall surrender Lessee's office space in the same condition as on the date of lease commencement by Lessee (as changed or improved from time to time in accordance with this lease), less ordinary wear. Removal of property from the leased premises is subject to paragraph 14.1. Upon surrender, Lessee shall provide Lessor with all of Lessee's keys, access codes and cards to the Leased Premises and the combination to all safes and vaults, if any in the Leased Premises.

27.1. HOLDING OVER. If Lessee remains in possession of the leased premises after the expiration or mutually-agreed termination date of the lease, without the execution by Lessor and Lessee of a new lease or a renewal or extension of the lease, then (1) Lessee shall be deemed to be occupying the leased premises as a tenant-at-sufferance on a daily basis, subject to all obligations of the lease, (2) Lessee shall pay rent for the entire holdover period at the rate of 125% of the then-current rental rate, (3) Lessee shall be subject to all other remedies of Lessor as provided in paragraph 19.1, (4) Lessee shall indemnify Lessor and/or prospective tenants for damages, including lost rentals, storage expenses, and attorney's fees, and (5) at Lessor's sole option, Lessee may extend the lease term for a period of one month at the then current rental rates for the office building, as reasonably determined by Lessor, by hand delivering written notice to Lessee or to Lessee's office space while Lessee is holding over. Holdover rents shall be immediately due on a daily basis and delinquent without notice or demand; and the prior written notice and waiting period requirements of this lease shall not be necessary in order for Lessor to exercise remedies thereunder.

28.1. SIGNS AND BUILDING NAME. Except for standard suite signage and building directory listings, there shall be no signs, symbols, or identifying marks on or in the building, halls, elevators, staircases, entrances, parking areas, landscape areas, doors, walls, or windows without prior written approval of Lessor. If the lease term is less than twelve (12) months, the cost of initial suite signage for Lessee's space and initial directory strips shall be at Lessee's expense. All signs or lettering shall conform to the sign and lettering criteria established by Lessor. Unless otherwise stated in the rules, suite signage and building directory changes shall be done exclusively by Lessor and at Lessee's expense. Lessor may remove all unapproved signs without prior notice to Lessee and at Lessee's expense. Lessor may change the name of the building upon six months' written notice to Lessee.

Lessor _____
Lessee _____
Guarantor _____

28.2. RELOCATION OF LESSEE. Upon at least 60 days' notice to Lessee, Lessor shall have the right to relocate Lessee within the building in lease space which is the same size or larger and usable for Lessee's intended use. Such relocation shall be made at Lessor's sole expense, including necessary reprinting of Lessee's stationary, envelopes, business cards, door signs, etc. Rent shall not be increased if the relocation office space is larger or better quality. Relocation date shall be contained in the relocation notice referred to above. Lessor shall not be liable to Lessee in connection with such relocation except for undue delay or property damages caused by Lessor or Lessor's employees, agents, or contractors.

29.1. NOTICES. Whenever written notice is required or permitted under this lease, such notice shall be in writing and shall be either (a) hand delivered personally to the party being notified, (b) hand delivered to or inside such party's mailing address, or (c) delivered at such party's mailing address by certified mail, return receipt requested, postage prepaid. The mailing address of Lessor shall be the address to which Lessee normally mails or delivers the monthly rent unless Lessor notifies Lessee of a different address in writing. The mailing address of Lessee shall be Lessee's office space under this lease. However, if Lessee moves out, it shall be Lessee's last address known by Lessor. Hand delivered notice is required only when expressly required in the lease. Notice by noncertified mail or email is sufficient if actually received by the addressee or an employee or agent of addressee. The term "notice" shall be inclusive of notices, billings, requests, and demands.

30.1. ESTOPPEL CERTIFICATES. From time to time, upon 7 days' prior written request from Lessor, Lessee shall execute and deliver to Lessor the estoppel certificate attached as Exhibit G. The form in Exhibit G may be changed as reasonably required by a prospective purchaser or lender. If any statement in the estoppel certificate form is contrary to the facts existing at the time of execution of such form, Lessee may correct same before signing. Reasonable modifications in the form may be made as requested by a prospective lienholder or purchaser. The estoppel certificate may be conclusively relied upon by Lessor and by any prospective lienholder or purchaser of the leased premises. If Lessee fails to comply with the foregoing by the end of such 7-day period, it shall be conclusively presumed that (1) this lease is in full force and effect without any subleases or assignments and is unamended or modified except for amendments verified by affidavit of Lessor to the prospective lienholder or purchaser, (2) no rents, security deposits, or other charges have been prepaid, (3) the statements contained in the estoppel certificate form (Exhibit G) are correct, (4) there are no uncured defaults by Lessor, (5) Lessee has no right of offset or rescission, and (6) any prospective purchaser or lienholder may conclusively rely on such silence or noncompliance by Lessee and may conclusively assume no Lessor defaults within the 120 days following Lessee's receipt of Lessor's request for an estoppel certificate.

31.1. SUCCESSORS. This lease shall bind and inure to the benefit of the parties, any guarantors of this lease, and their respective successors and assigns.

31.2. LEASING AGENT COMMISSIONS. No leasing commission shall be due by Lessor to any leasing agent unless in writing. Commission agreements executed by Lessor shall be binding on subsequent building owners if the tenant of the lease in question is in possession at the time of transfer of building ownership.

32.1. BUILDING OPERATING EXPENSE. In addition to the monthly base rent in paragraph 2.1, Lessee shall pay additional rent on a monthly basis, equivalent to Lessee's prorata share of actual building operating expenses as per Exhibit C. Lessee's responsibility for payment of building operating costs shall be subject to the expense stop referred to in *Basic Lease Information #8.*

33.1. REPRESENTATIONS AND WARRANTIES BY LESSOR. Lessor warrants that Lessor is the sole owner of the land and improvements comprising the office building and that Lessor has full right to enter into this lease. Lessor's duties and warranties are limited to those expressly stated in this lease and shall not include any implied duties or implied warranties, now or in the future. No representations or warranties have been made by Lessor other than those expressly contained in this lease.

34.1. REPRESENTATIONS AND WARRANTIES BY LESSEE. Lessee warrants to Lessor that (1) the financial statements of Lessee heretofore furnished to Lessor are true and correct to the best of Lessee's knowledge, (2) there has

Lessor
Lessee
Guarantor

been no significant adverse change in Lessee's financial condition since the date of the financial statements, (3) the financial statements fairly represent the financial condition of Lessee upon those dates and at the time of execution hereof, (4) there are no delinquent taxes due and unpaid by Lessee, and (5) Lessee and none of the officers or partners of Lessee (if Lessee is a corporation or partnership) have ever declared bankruptcy. Lessee warrants that Lessee has disclosed in writing to Lessor all lawsuits pending or threatened against Lessee, and Lessee has made no material misrepresentation or material omission of facts regarding Lessee's financial condition or business operations. All financial statements must be dated and signed by Lessee. Lessee acknowledges that Lessor has relied on the above information furnished by Lessee to Lessor and that Lessor would not have entered into this lease otherwise.

35.1. PLACE OF PERFORMANCE. Unless otherwise expressly stated in this lease, all obligations under this lease, including payment of rent and other sums due, shall be performed in the county where the office building is located, at the address designated from time to time by Lessor.

36.1. MISCELLANEOUS. This lease contains the entire agreement of the parties. **NO OTHER WRITTEN OR ORAL PROMISES OR REPRESENTATIONS HAVE BEEN MADE, AND NONE SHALL BE BINDING.** This lease supersedes and replaces any previous lease between the parties on Lessee's office space, including any renewals or extensions thereunder. Except for reasonable changes in written rules, this lease shall not be amended or changed except by written instrument, signed by both Lessor and Lessee. **LESSOR'S AGENTS DO NOT AND WILL NOT HAVE AUTHORITY TO (1) MAKE EXCEPTIONS, CHANGES OR AMENDMENTS TO THIS LEASE, OR FACTUAL REPRESENTATIONS NOT EXPRESSLY CONTAINED IN THIS LEASE, (2) WAIVE ANY RIGHT, REQUIREMENT, OR PROVISION OF THIS LEASE, OR (3) RELEASE LESSEE FROM ALL OR PART OF THIS LEASE, UNLESS SUCH ACTION IS IN WRITING AND SIGNED BY BOTH PARTIES TO THIS LEASE.** Multiple lessees shall be jointly and severally liable under this lease. Notices, requests, or agreements to, from, or with one of multiple lessees shall be deemed to be to, from, or with all such Lessees. Under no circumstances shall Lessor or Lessee be considered an agent of the other. Nonsubstantial errors in space footage calculations shall entitle the parties to correct the rental figures in the lease and adjust rentals previously paid to present Owner accordingly, but not to terminate the lease. The lease shall not be construed against either party more or less favorably by reason of who drafted the lease or changes in the lease. Texas law applies. If any date of performance or exercise of a right ends on a Saturday, Sunday, or state holiday, such date shall be automatically extended through the next business day. Time is of the essence; and all performance dates, time schedules, and conditions precedent to exercising a right shall be strictly adhered to without delay except where otherwise expressly provided. If any provision of this lease is invalid under present or future laws, the remainder of this lease shall not be affected.

37.1. SPECIAL CONDITIONS. Additional provisions of this lease are set forth in Exhibit J.

38.1. EXHIBIT LIST. The exhibits attached to this lease are listed below. All exhibits are a part of this lease except for those which have been lined out or which have been shown below as omitted.

Exhibit A	Floor Plan of Lessee's Office Space (paragraph 1.1)
Exhibit B	Legal Description of Office Building (paragraph 1.1)
Exhibit C	Building Operating Expense Passthrough Calculations (paragraphs 2.1 and 32.1)
Exhibit D	Acknowledgment of Lease (paragraph 4.2)
Exhibit E	Construction by Lessor (paragraph 5.1)
~~Exhibit F-1~~	~~Parking Rules (paragraphs 9.2 and 23.1)~~
Exhibit F-2	Building Rules (paragraph 23.1)
Exhibit G	Estoppel Certificate (paragraph 30.1)
~~Exhibit H~~	~~Lease Guaranty (paragraph 37.1)~~
Exhibit I	Corporate Resolution Authorizing Lease or Guaranty (paragraphs 37.1 and 39.1)
Exhibit J	Special Conditions (paragraph 37.2)
Exhibit J-1	Right of First Refusal Floor Plan
Exhibit K	Hazardous Materials Statement
Exhibit L	Acknowledgement of Receipt of Agency Disclosure

Lessor
Lessee
Guarantor

39.1. LEASE DATES AND AUTHORITY TO SIGN. The "identification" date of this lease is the **12th** day of **December, 2012** (the same date as at the top of Basic Lease Information). The "effective date" on which this lease becomes binding is the date on which the lease has been signed by Lessor, Lessee, and any guarantors. The names and signatures of all parties are shown below; and all persons signing have been duly authorized to sign. IF LESSEE IS A CORPORATION, A CORPORATE RESOLUTION AUTHORIZING LESSEE TO EXECUTE THIS LEASE IS ATTACHED AS EXHIBIT I. Corporate seals are unnecessary under Texas law.

LESSOR

Service Life & Casualty Insurance Co., Inc.
Printed name of company or firm (if applicable)

J. Kelly Gray
Printed name of person signing

Signature

President/CEO
Title of person signing (if applicable)

1/7/13
Date signed (Please initial all pages and exhibits)

LESSEE

Powers Brown Architecture of Texas, LLC
Printed name of company or firm (if applicable)

Joe Powers
Printed name of person signing

Signature

Manager
Title of person signing (if applicable)

01 / 04 / 2013
Date signed (Please initial all pages and exhibits)

GUARANTOR

Printed name of guarantor (not Lessee's name)

Printed name of person signing

Signature

Title of person signing (if applicable)

Date signed (please initial all pages and exhibits)

LESSEE

Printed name of company or firm (if applicable)

Printed name of person signing

Signature

Title of person signing (if applicable)

Date signed (please initial all pages and exhibits)

LEASING AGENT

Printed name of company or firm (if applicable)

Printed name of person signing

Signature

Title of person signing (if applicable)

Lessor
Lessee
Guarantor

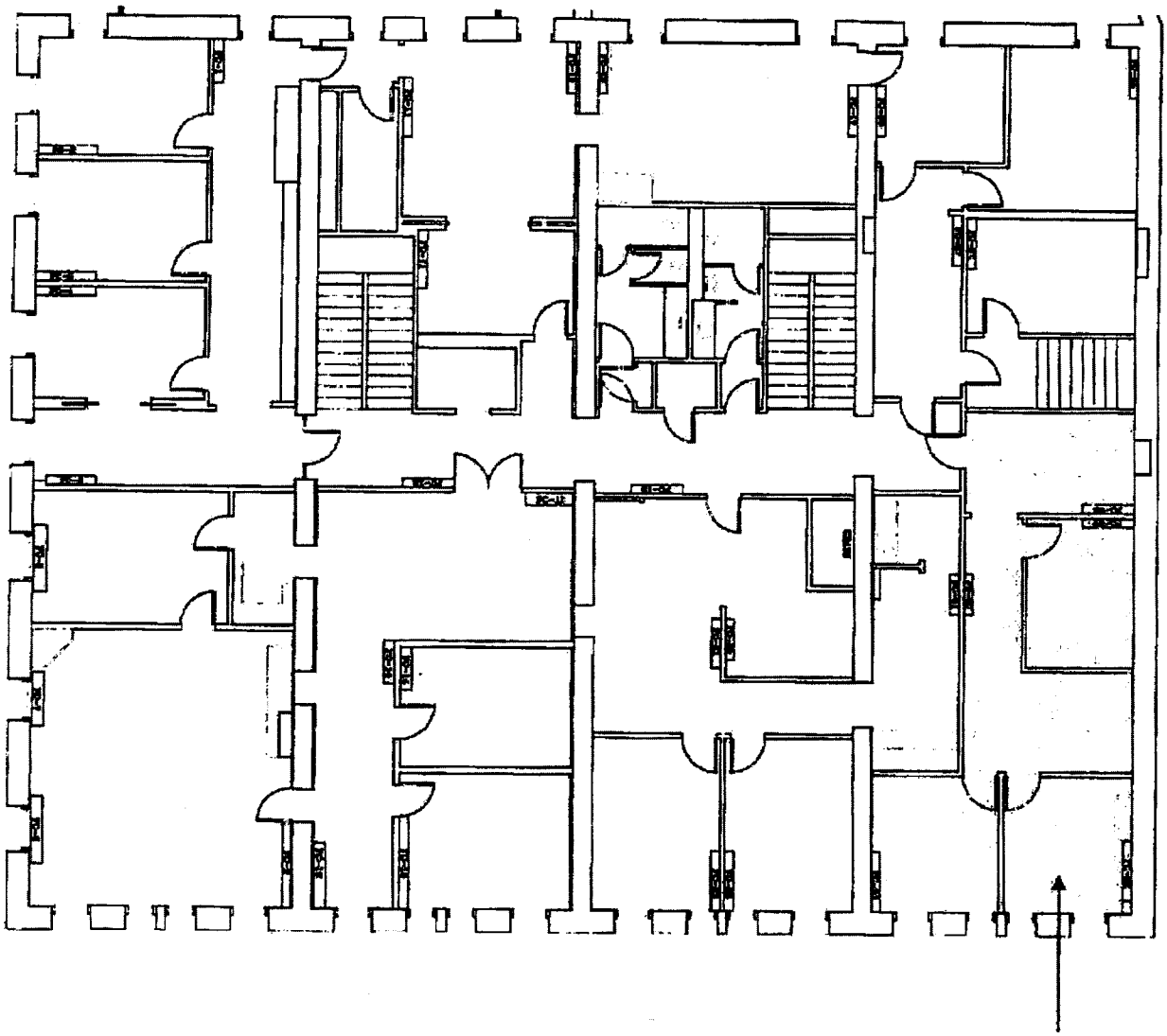
EXHIBIT A

FLOOR PLAN OF LESSEE'S OFFICE SPACE
(see paragraph 1.1 of lease)

The parties agree that the floor plan below is a true and correct diagram of Lessee's office space referred to in paragraph 1.1.

CROCKETT BUILDING

Suite 204
780 usf / 897 rsf



Subject Space

Lessor
Lessee
Guarantor

EXHIBIT B

LEGAL DESCRIPTION OF OFFICE BUILDING
by lot, block, subdivision, and county or
by metes and bounds description
(see paragraph 1.1 of lease)

Lot Three (3), New City Block 11873, CROCKETT BUILDING Subdivision, in the City of San Antonio, Bexar County, Texas, according to the Plat thereof recorded in Volume 6900, Page 145, Deed and Plat Records of Bexar County, Texas.

Lessor _____
Lessee _____
Guarantor _____

BUILDING OPERATING EXPENSE PASSTHROUGH CALCULATIONS
(see paragraphs 2.1 and 32.1 of lease)

(a) "ESTIMATED" PRORATA BUILDING OPERATING EXPENSES. On or before the beginning of each calendar year, Lessor shall calculate the estimated building operating expenses for that calendar year, according to the criteria in subparagraph (c) below. One-twelfth of Lessee's prorata share of estimated building operating expenses which are in excess of any expense stop shall be due on the first of each month as additional rent.

(b) YEAR-END ADJUSTMENT FOR OVERPAYMENT OR UNDERPAYMENT BY LESSEE BECAUSE OF DIFFERENCES BETWEEN "ESTIMATED" AND "ACTUAL" BUILDING OPERATING EXPENSES. After each calendar year of the lease term and renewal or extension periods, Lessor shall determine the actual building operating expenses for that calendar year. If it is then determined that actual building operating expenses were less than estimated expenses and that Lessee's monthly payments of estimated expenses over Lessee's expense stop figure were too much, Lessor shall promptly credit to Lessee the excess amount paid by Lessee. If it is determined that actual building operating expenses were more than estimated expenses and that Lessee's monthly payments of estimated expenses over Lessee's expense stop figure were insufficient, Lessor shall invoice Lessee for the amount of Lessee's underpayment. Payment thereof shall be due upon delivery of invoice to Lessee. Payment may be made prior to or with the next scheduled rental payment, but not later. The foregoing calculations and adjustments may also be made one or more times during the calendar year, at Lessor's option.

(c) DEFINITION OF BUILDING OPERATING EXPENSES. Building operating expenses for each calendar year shall include: all ad valorem taxes, assessments and related government charges becoming due on the office space and on-site personal property used in operation of the office space in such period; utilities; insurance premiums for fire, extended coverage, vandalism, and liability on the building and personal property used in building management; landscape expenses; janitorial expenses; window cleaning; supplies; painting, roof repairs, window replacement, and other maintenance expenses; licenses; permits; advertising; maintenance salaries and bonuses; payroll taxes; management office overhead and management fees; and all other managerial, administrative and operating expenses which are reasonably related to the operation of the building and utilities serving same. No such category shall include more than 12 months' worth of expenses. Building operating expenses shall also include the following improvements if amortized over the useful life of such improvements for IRS purposes together with interest at 12% per annum on the unamortized cost: (i) improvements to reduce operating expenses, (ii) improvements required by governmental agencies following completion of the building, and (iii) carpeting, floor covering, draperies, and wall coverings for the common areas of the building. Building operating expenses shall be calculated on an accrual basis in accordance with generally accepted accounting principles, consistently applied. The word "building" as referred to above shall include the building, parking areas, parking garage (if any), and common areas.

Building operating expenses shall not include: principal and interest payments on mortgages; depreciation or improvements which IRS requires to be depreciated (except as provided above); expenses of repairing damage of the type normally covered by fire, vandalism, flood, and EC insurance; any expense paid or reimbursed from insurance proceeds; costs of repairing damage for which Lessor is entitled to reimbursement from others; remodeling costs for new or existing tenants; common area improvements or personal property required by other tenants to be made, purchased, or furnished to such tenants; utility and air conditioning or heating costs or other expenses which are separately billed to specific tenants; franchise and income taxes of Lessor; leasing commissions; expenses of marketing vacant space in the building; legal fees; structural repairs to roof, foundation, and walls; asbestos removal; and installation of sprinklers, fire alarms, and smoke detector systems..

If utilities and taxes included in "Building Operating Expense" are not payable, billed or otherwise due so as to allow an accurate calculation of said factors annually, then Lessor, in its reasonable discretion, may estimate and prorate said expenses on an annual basis, and said factors shall be properly adjusted by Lessor when they actually become due and payable. Otherwise, expenses must be supported by invoices and actually paid.

(d) DEFINITION OF PRORATA SHARE. Lessee's prorata share of estimated and actual building operating expenses is the percentage result of dividing "Lessee's rentable area" (which is set forth in *Basic Lease Information #4*) by the total rentable area in the entire building.

Lessor
Lessee
Guarantor

(e) DELAY IN IMPLEMENTATION. At Lessor's option, adjustments may be delayed. Lessor's delay in implementing such adjustments shall not waive Lessor's right thereto, and the most recent monthly rental figures shall continue to be paid during such delay. If Lessor delays in timely calculating adjustments, such adjustments shall be retroactive to the respective date on which Lessor had a right to make such adjustment; and such delayed rent adjustments shall become due upon written notice to Lessee.

(f) EXAMINATION OF RECORDS. Upon reasonable notice to Lessor in writing, Lessee may examine or audit Lessor's accounting records for building operating expenses for the year immediately preceding and other data used in calculating additional rents or rent adjustments. Examination or audit of building operating expenses for a particular year may be conducted no later than 120 days after Lessee's receipt of a reconciliation notice or statement of building operating expenses for that year. If not examined or audited within the 120 day period, such reconciliation shall be deemed as accepted and agreed to by all parties.

Lessor
Lessee
Guarantor

ACKNOWLEDGMENT OF LEASE

(TO BE SIGNED AT MOVE-IN)

The undersigned parties acknowledge that the lease described below is in full force and effect and that Lessee has taken possession of the space.

Date of lease:	December 12, 2012
Lessor:	Service Life & Casualty Insurance Co.
Lessee:	Powers Brown Architecture of Texas, LLC
Guarantor, if any (not Lessee's name):	
Building name:	CROCKETT BUILDING
Suite No.:	204
Building address:	321 Alamo Plaza
City/County/State/Zip:	San Antonio / Bexar / Texas / 78205
Legal description of property:	See Exhibit B of Lease

The commencement date, annual anniversary date, and ending date of the initial lease term as defined in paragraph 4.1 of above lease are as follows:

Commencement date (month, day, year):	February 1, 2013
Annual Anniversary date (month, day):	February 1
Ending date (month, day, year):	March 31, 2016

The parties acknowledge that the lease has not been amended or modified and that this acknowledgment may be filed of record with the Texas Secretary of State or the county where the building is located in order to record (1) Lessee's possession rights to the leased premises, and (2) Lessor's contractual landlord lien rights over all personal property therein and any security deposit posted by Lessee. The entire lease is hereby affirmed and incorporated herein. The lease will cease to be an encumbrance to Lessor's title if Lessor files an affidavit of record, stating that Lessee no longer occupies the premises and that Lessee's right of possession has been lawfully terminated.

LESSOR (To be signed at move-in)	LESSEE (To be signed at move-in)
Service Life & Casualty Insurance Company Printed name of company or firm (if applicable)	Powers Brown Architecture of Texas, LLC Printed name of company or firm (if applicable)
J. Kelly Gray Printed name of person signing	Joe Powers Printed name of person signing
Signature	Signature
President/CEO Title of person signing (if applicable)	Manager Title of person signing (if applicable)
Date signed	01/04/2013 Date signed

Lessor
Lessee
Guarantor

STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on _____ by _____ on behalf of the above stated LESSOR and in the above stated capacity.

_____
Notary Public for the State of Texas
Printed name of notary _____
My commission expires _____

STATE OF TEXAS
COUNTY OF Harris

This instrument was acknowledged before me on 04 January 2013 by Joe Powers on behalf of the above stated LESSEE and in the above stated capacity

Linda R. Elkin
Notary Public for the State of Texas
Printed name of notary LINDA R. ELKIN
My commission expires 06 February 2013

LINDA R. ELKIN
Notary Public, State of Texas
My Commission Expires
February 06, 2013

Lessor _____
Lessee _____
Guarantor _____

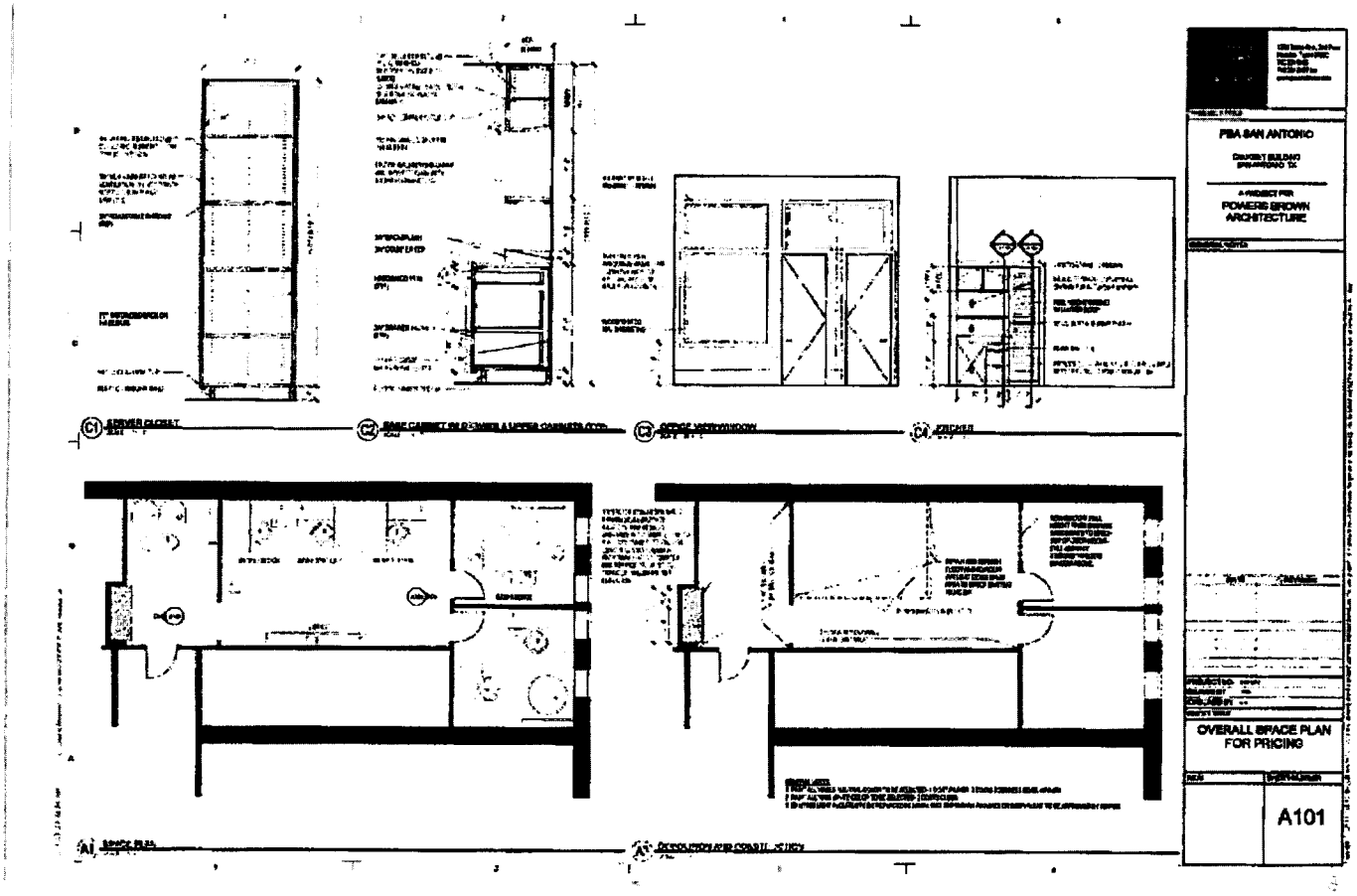
EXHIBIT E

CONSTRUCTION BY LESSOR
(see paragraph 5.1 of lease)

Lessor	Service Life & Casualty Insurance Co.
Lessee	Powers Brown Architecture of Texas, LLC
Date of lease	December 12, 2012
Office space	Suite 204
Building name / address	CROCKETT BUILDING / 321 Alamo Plaza / San Antonio, Texas 78205

Lessor shall provide Lessee's office space "as is". In addition, Lessor shall, at Lessor's sole cost and expense, perform turnkey, the interior finishes appearing below, of building standard quality to Lessee's Office Space, below the finished ceiling, provided that Lessor and Lessee have mutually agreed in writing upon the final plans, specifications, working drawings, finishes, materials, etc., including, but not limited to, the pricing of the "Final Plan" to be used in connection with such improvements to Lessee's Office Space.

It is expressly understood and Lessee agrees that Lessee shall be solely responsible for all cost and expenses which are in excess of the interior finishes appearing below and Lessor shall have no responsibilities or obligations with respect to any such excess costs.



POWERS BROWN ARCHITECTURE OF TEXAS, LLC
CROCKETT BUILDING

Lessor
Lessee
Guarantor

~~EXHIBIT F-1~~

~~OFFICE BUILDING~~
~~PARKING RULES~~
~~(see paragraph 9.2 of lease)~~

~~It is the desire of Lessor to maintain and operate the parking garage and parking areas in an orderly manner. The following rules and regulations apply to all tenants in the building and their agents, employees, family, licensees, invitees, visitors, and contractors unless otherwise stated. Lessor reserves the right to rescind these rules, make reasonable changes, or make other reasonable rules and regulations for the safety, care, and cleanliness of the parking garage, if applicable, and parking areas and for the preservation of good order.~~

~~1. TRAFFIC SIGNS. All persons parking in the parking areas and parking garage shall observe posted signs and markings regarding speed, stop signs, traffic lanes, reserved parking, no parking, parking stripes, etc.~~

~~2. LESSEE EMPLOYEE AND CUSTOMER PARKING. Lessees and their employees and customers ___X___ may OR _____ may not park without charge. Lessor reserves the right to utilize any reasonable system by which building tenants may pay for parking of their guests or customers.~~

~~3. TRASH. All persons parking in the parking garage or parking areas shall refrain from throwing trash, ashtray contents, or other debris on the garage floor or parking areas.~~

~~4. FLAT TIRES. All vehicle owners and all persons parking in the parking garage or parking areas shall be responsible for promptly repairing flat tires or other conditions of the vehicle which cause unsightliness in the reasonable judgment of Lessor.~~

~~5. REMOVAL OF UNAUTHORIZED VEHICLES. If vehicles are blocking driveways or passageways or parked in violation of these rules and regulations or state statutes, Lessor may exercise vehicle removal remedies under Article 6701g-1 and 6701g-2 upon compliance with statutory notice.~~

~~6. SECURITY. Lessor shall use reasonable diligence in the maintenance of existing lighting in the parking garage or parking areas. Lessor shall have no duty for additional lighting or any security measures in the parking areas, including the parking garage.~~

~~7. PARKING OF EMPLOYEE VEHICLES. Lessor may from time to time designate specific areas in which vehicles owned by Lessee and Lessee's employees, sublessees, assignees, licensees, and concessionaires shall be parked. Lessee shall use best efforts to see that such vehicles are parked in such areas. Upon request by Lessor, Lessee shall furnish Lessor a complete list of license numbers of all vehicles operated by Lessee and the above listed persons. Lessor may charge reasonable parking fees for such vehicles not parked in the designated areas.~~

~~8. PARKING OF TRUCKS AND DELIVERY VEHICLES. Without Lessor's prior written approval, no trailers or large trucks may be parked in the parking areas except for temporary loading or unloading. Service and delivery vehicles may be parked in loading zones only when necessary.~~

~~9. TIMELY PAYMENT OF PARKING RENT. If applicable, Lessee shall be entitled to monthly parking rights in the parking garage only upon timely payment of the then current monthly parking rent, in advance. Lessee may rent less than the allowed number of spaces. Lessee may rent more than the allowed number of spaces if available in the reasonable judgment of Lessor.~~

~~10. CONTROL DEVICES. Lessor reserves the right to install or utilize any reasonable system of entry and exit control devices in marked loading areas.~~

Lessor _____
Lessee _____
Guarantor _____

OFFICE BUILDING RULES
(see paragraphs 9.2 and 23.1 of lease)

LESSEE AGREES TO PROVIDE A COPY OF THESE RULES TO EVERY EMPLOYEE

It is the desire of Lessor to maintain in the building the highest standard of dignity and good taste consistent with comfort and convenience for all tenants. Any action or condition not meeting this high standard should be reported directly to the building manager. Cooperation by all tenants will be sincerely appreciated. The following rules and regulations apply to all tenants in the building and their agents, employees, family, licensees, invitees, visitors, and contractors unless otherwise stated. Pursuant to paragraph 23.1 of the lease, Lessor reserves the right to rescind these rules, make reasonable modification thereto, and make other reasonable rules and regulations for the safety, care, and cleanliness of the building and for the preservation of good order.

1. DELIVERIES AND MOVEMENT OF FURNITURE. Movement into or out of the building of furniture, equipment shall be restricted to hours, stairways, and elevators designated by Lessor. Unless Lessor notifies Lessee otherwise, only the freight elevator may be used for such purposes, and such elevator may be used only during regular business hours without prior approval of Lessor. All such movement and delivery shall be under the supervision of the building manager and carried out in a manner agreed between Lessee and the building manager, by prearrangement. Prearrangement shall include time, method, routing, and any limitations imposed for reasons of safety or nondisturbance of others. The hold harmless and indemnification provisions of paragraph 12.2 shall apply to the foregoing. Lessor may require that movement of furniture or equipment which interferes with normal building traffic shall be made at hours other than normal business hours.

2. OBSTRUCTION OF PASSAGEWAYS. None of the passageways, outside entries, exterior doors, elevators, hallways, or stairways shall be locked or obstructed. No rubbish, trash, litter, or materials of any nature may be emptied or thrown into these areas. These areas may be used only for ingress and egress.

3. DOORS AND DOORLOCKS. When Lessee's corridor doors are not in use, Lessee shall use its best efforts to keep them closed on all floors where Lessee is a partial tenant on the floor. No additional locks shall be placed on any doors in Lessee's office space without written consent of Lessor. Lessee shall not change, alter, or replace locks provided by Lessor on doors in the building, except with written permission of the building manager. All necessary keys shall be furnished by Lessor, and Lessor shall be entitled to have a key for every door in Lessee's office space. Lessee shall surrender all keys upon termination of Lessee's right of occupancy; and at such time, Lessee shall give Lessor the combination to all vaults or combination locks remaining in Lessee's office space after surrender by Lessee.

4. SAFES. Safes and other heavy articles shall be carried onto the leased premises only at such times and in such manner as prescribed by Lessor. Lessor shall have the right to specify weight limitations and positioning of safes or other heavy articles. Any damage done to the building by installation, presence, or removal of a safe or other article owned or controlled by Lessee on the leased premises, shall be paid for by Lessee.

5. REMOVAL OF FURNITURE. Removal of furniture or equipment from Lessee's office space shall require presentation of written authorization by an authorized representative of Lessor. Security guards, watchmen, janitors, and other building employees will have the right to challenge all persons leaving the building with such items.

6. INSTALLATION AND REPAIR WORK. Lessee shall refer all contractors, contractors' representatives, and installation technicians who render any service on or to Lessee's office space, to the building manager for approval and supervision before performance of any service. This provision shall apply to all work performed in the building, including installation of telephones, electrical lines, and other electrical devices where such installation affects the floors, walls, woodwork, trim, windows, ceilings, mechanical equipment, or any other part of the building. If Lessee desires telephone or other electronic connections, Lessee shall notify Lessor; and Lessor shall then direct installation servicemen as to where and how wires may be introduced. Without such directions, no such installations shall be permitted.

7. HAZARDOUS MATERIALS. Lessee shall not place or install, on the leased premises or any part of the building, any explosive, gasoline, kerosene, oil, acids, caustics, or any other inflammable, explosive, or hazardous materials without written consent of the building manager. Lessee shall not operate electric space heaters, stoves, engines, or other equipment not typical of an office building without written consent of the building manager.

Lessor
Lessee
Guarantor

8. ENTRY BY LESSOR. Lessor shall have the right to enter for the purposes set forth in paragraph 9.1 of the lease at all times.

9. PLUMBING. Plumbing fixtures and appliances shall be used only for the purposes for which they were constructed. No sweeping, rubbish, rags, or other unsuitable materials may be thrown or placed in plumbing fixtures or appliances. The cost of any stoppage or damage resulting from negligence or improper use of these fixtures and appliances by Lessee or Lessee's agents, employees, family, invitees, licensees, or visitors shall be paid for by the Lessee.

10 WINDOWS Lessee shall be allowed to have windows within Lessee's office space opened at any time, except in emergencies. Nothing shall be thrown out of the windows of the building or down the stairwells or other passages. Lessor reserves the right to cause any or all windows of the building to be locked, sealed, closed, or otherwise made inoperable, or to install permanent or temporary screens thereon, and to include the cost thereof with the operating expenses of the building.

11. THEFT AND DAMAGES. Lessor shall not be responsible for lost or stolen personal property, equipment, money, or jewelry from Lessee's office space or from the public areas of the building, regardless of whether such loss occurs when the area is locked against entry. Lessor will not be liable to Lessee, or Lessee's employees, customers, or invitees for any damages or losses to persons or property caused by other Lessees in the building or for damages or losses caused by theft, burglary, assault, vandalism, or other crimes. Owner shall not be liable for personal injury or loss of Lessee's property from fire, flood, water leaks, rain, hail, ice, snow, smoke, lightning, wind, explosions, or interruption of utilities unless such injury or damage is caused by negligence of Lessor. **LESSOR STRONGLY RECOMMENDS THAT LESSEE SECURE LESSEE'S OWN INSURANCE TO PROTECT AGAINST THE ABOVE OCCURRENCES.**

12. ANIMALS. No birds, fowl, or animals (except guide dogs for handicapped persons) shall be brought into or kept in or about the building or common areas.

13. BICYCLES AND OTHER VEHICLES. No bicycles, motorcycles, or similar vehicles shall be allowed in the building. No trailers or large trucks may be parked in the building parking areas except for temporary loading or unloading.

14. RESIDENTIAL USE. No sleeping, cooking, clothes cleaning, or laundering is permitted on the leased premises without written consent of Lessor.

15. INTOXICATION. Lessor reserves the right to exclude or expel from the building any person who in the reasonable judgment of Lessor, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any rules of the building

16. DISTURBANCES. Lessee shall not obstruct, disturb, or interfere with the rights of other Lessees or occupants or in any way injure or annoy them. Lessee shall not make any noises by any means which, in the reasonable judgment of Lessor, are likely to disturb other Lessees or occupants of the building.

17. COMPLIANCE WITH SAFETY AND SANITATION LAWS. Lessee shall comply with all laws relating to fire, safety, and sanitation, and shall comply with any requirements of Lessor's insurance company with respect to fire prevention, safety standards, and sanitation.

18. CLEANING. Lessee shall not employ any person or persons without written consent of Lessor, for the purpose of cleaning or maintaining of the leased premises. Lessee shall cooperate with Lessor's employees, agents, and cleaning personnel in keeping Lessee's premises neat and clean. Any special cleaning requested by Lessee and performed by Lessor or Lessor's employees, agents, or contractors shall be paid for by Lessee.

19. SOLICITING. Canvassing, soliciting, or peddling in the building is prohibited without written permission of Lessor, and Lessee shall cooperate to prevent same.

20. SIGNS. No signs, fixtures, or notices of any kind may be displayed except by written consent of Lessor. All signs shall conform to the requirements of paragraph 28.1 of the lease.

Lessor
Lessee
Guarantor

21. NOTICE OF PERSONAL INJURIES OR UTILITY OR MECHANICAL PROBLEMS. Lessee shall give prompt notice to the building manager, to the best of Lessee's knowledge, of any significant accidents involving injury to persons or property, including plumbing, electrical, heating, air conditioning, stairwell, corridor, and elevator problems and/or personal injury and property damage caused thereby.

22. REQUESTS BY LESSEE. Except in emergencies, requests by Lessee shall be attended to only after written request by Lessee to the building management. Lessor's employees are not allowed to perform or do anything outside their regular duties unless pursuant to special orders from Lessor. Lessee may not contract with Lessor's employees for the performance of paid or free services to Lessee. If, at the request of Lessee, Lessor or Lessor's agents furnish services, goods, labor, or material to Lessee which are not required to be furnished by Lessor under this lease, Lessee shall pay for same upon delivery of a written statement therefor to Lessee.

23. BUILDING ACCESS. Anyone who does not reasonably satisfy a building security guard (if any) that he has a right to enter the building may be excluded by the guard. Lessor shall not be liable for damages for any good faith error with regard to admission or exclusion from the building of any person. In case of fire, destruction, invasion, mob, riot, or other commotion, Lessor reserves the right to prevent access to the building by closing the doors or otherwise.

24. REQUEST FOR EXTRA AIR CONDITIONING. Requests for heating or air conditioning before or after the hours of operation stated in paragraph 7.1 of the lease must be received at the management office at least 24 hours in advance.

25. LEASE PROVISIONS REGARDING LESSEE'S CONDUCT. Lessee shall comply with all the provisions of paragraph 9.2 regarding parking and paragraph 10.1 regarding occupancy, nuisance, and hazards.

26. ELEVATORS. Lessor shall not be liable for damages from stoppage of elevators for repair, service, or improvements. Nor shall Lessor be liable for delays of any duration in connection with elevator repair, service, or improvements.

27. SMOKING. This is a non-smoking building; smoking is not permitted anywhere inside the building.

28. ICE, SLEET, SNOW, OR WATER. Lessor shall have no duty to remove, in whole or in part, ice, sleet, snow, or water from parking lots, walkways, sidewalks, or stairs, regardless whether they are covered, uncovered, inside, or outside of buildings. At Lessor's option, Lessor may remove such ice, sleet, snow, or water at any time, in whole or in part, with or without notice to anyone.

Lessor _____
Lessee _____
Guarantor _____

This form is not to be executed at time of lease execution.

ESTOPPEL CERTIFICATE
(see paragraph 30.1 of lease)

The purpose of this certificate is to confirm the current status of matters relating to the lease described below. It is for the benefit of the owner or prospective purchaser or mortgagee of the building in which the leased premises are located.

1. The undersigned is the Lessee under a lease between _____, as Lessor, and _____, as Lessee, dated _____ on leased premises locally known as the _____ building and located at _____, in _____, Texas. A copy of the fully executed lease and any amendments or modifications thereto are attached. There are no other modifications or amendments to the above described lease. The dates of any amendments or modifications are: (put "none" if inapplicable) _____.

2. There are no unfulfilled written or verbal promises, representations, or warranties by Lessor.

3. There are no subleases of the leased premises or any portions thereof.

4. The lease (together with any amendments or modifications referred to above) is in good standing and in full force and effect. Lessor is not in default. Lessee agrees to give notice of any Lessor default to any purchaser or lender making written requests to Lessee for same.

5. Except for rents (if any) which may be due under the lease for the current month, there are no rents or other charges which have been prepaid by the undersigned Lessee to Lessor under the lease other than the following:

_____
_____
_____

6. The amount of security deposit currently posted by Lessee with Lessor is $ _____ in the form of ( ) cash or ( ) an irrevocable, unconditional letter of credit issued by _____ in favor of Lessor which is still valid.

7. Lessee acknowledges that the space being leased consists of _____ rentable square feet according to the lease, that the improvements to be constructed by Lessor have been satisfactorily completed, that the lease space has been accepted by Lessee, that Lessee now occupies the lease space, and that the commencement date for the lease term was _____.

8. There are no rentals which are due and unpaid. Rentals are fully paid (if required by the lease) through the last day of the month in which this estoppel certificate has been executed.

9. There are no known offsets or credits against rentals except as expressly provided by the terms of the lease. There is no known right of rescission and no known defense to Lessee's future obligations to pay the specified rentals at the times and in accordance with the lease terms. Lessee has not received any concession (rental or otherwise) or similar compensation not expressed in the lease which is presently in effect.

10. Lessee has no options or rights of refusal regarding the leased premises or additional rental space other than as set out in the lease.

11. Lessee has not: (a) made a general assignment for the benefit of creditors; and (b) commenced any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors; or (c) had any involuntary case, proceeding, or other action commenced against it which seeks to have an order for relief entered against it, as debtor, or seeks reorganization, arrangement, adjustment, liquidation, dissolution, or composition of it or its debts under any law relating to

Lessor _____
Lessee _____
Guarantor _____

bankruptcy, insolvency, reorganization, or relief of debtors; or (d) concealed, removed, or permitted to be concealed or removed, any part of its property, with intent to hinder, delay, or defraud its creditors or any of them, or made or suffered a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance, or similar law; or made any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; or (e) had a trustee, receiver, custodian or other similar official appointed for or take possession of all or any part of its property or had any court take jurisdiction of any other of its property.

12. Lessee agrees to furnish Lessor with estoppel letters on this form within 10 days (stating the then-current facts) after written request by Lessor or subsequent owners of the building.

13. Lessee acknowledges that, upon 10 days' prior written request of Lessor's mortgagee at any time after foreclosure proceedings or a deed in lieu of foreclosure, Lessee shall attorn to the mortgage or foreclosure purchaser by recognizing such new owner as Lessor under the lease provided that such purchaser shall recognize the rights of tenant under the lease as long as tenant is not in default. The agreement of Lessee to attorn shall survive any foreclosure sale or deed in lieu of foreclosure. Lessee shall, upon 10 days' written notice from Lessor's mortgagee anytime before or after foreclosure sale, execute, acknowledge, and deliver to Lessor's mortgagee all instruments and certificates that in the reasonable judgment of Lessor's mortgagee may be necessary or proper to confirm such attornment.

14. Lessee acknowledges that this estoppel certificate and the statements therein may be conclusively relied upon by Lessor and by any prospective purchaser or lien holder of the leased premises.

15. The form of this estoppel certificate may vary, depending on lender or purchaser requirements. It is agreed that this certificate may be modified to conform to reasonable requests by lenders or purchasers.

16. This agreement shall be binding upon and shall inure to the benefit of the Lessor, any present or future mortgagee, any prospective buyer or master Lessee of the property, and their successors and assigns.

Dated this _____ day of _____, 20_ _.

LESSEE _____

By _____

Printed name of signatory _____

Title _____

Lessor _____
Lessee _____
Guarantor _____

~~OFFICE LEASE GUARANTY~~
~~(see paragraph 37.1 of lease)~~

~~1. GUARANTY. This lease guaranty is executed by the undersigned Guarantor (whether one or more). In consideration of the execution by Lessor of the lease described below, Guarantor covenants with the Lessor that if default shall at any time be made by the Lessee in payment of rent or in the performance of any other obligations of the Lessee contained in such lease, Guarantor will pay to the Lessor or Lessor's successors or assigns any delinquent rent and any damages or other sums that may arise or be due to Lessor under such lease in consequence of any default by the Lessee, on receipt of written notice of such default from Lessor or Lessor's successors or assigns. Lessor's failure to recognize or Lessor's waiver of any default by Lessee under the lease shall not affect this guaranty. Subleasing or assignment of this lease by Lessee with or without Guarantor's approval shall not affect Guarantor's liability under this guaranty agreement. Modifications or amendments to the lease or extensions of the lease term shall not affect Guarantor's liability under this guaranty agreement. Guarantor shall be liable for such modifications, amendments, or extensions even if guarantor has not given consent to such modifications, amendments, or extensions.~~

~~Date of lease:~~	~~December 12, 2012~~
~~Lessor:~~	~~Service Life & Casualty Insurance Co., Inc.~~
~~Lessee:~~	~~Powers Brown Architecture of Texas, LLC~~
~~Guarantor, if any (not Lessee's name):~~	
~~Building name:~~	~~CROCKETT BUILDING~~
~~Suite No.:~~	~~204~~
~~Building address:~~	~~321 Alamo Plaza~~
~~City/County/State/Zip:~~	~~San Antonio / Bexar / Texas / 78205~~

~~2. NOTICE TO GUARANTOR. This guaranty shall be a continuing and irrevocable guaranty. Guarantor waives notice of Guarantor's acceptance of this demand, notice of default, protest or notice of protest of every kind, notice of any and all proceedings in connection with the lease (including notice of Tenant's default under the lease), diligence in collecting any sums due under the lease or enforcing any of the obligations under the lease, bringing of suit and diligence in taking any action with reference to the lease or in handling or pursuing any of Lessor's rights under the lease and, to the fullest extent allowed by law, all rights under state statutes, regulations, and rules of procedure.~~

~~3. DEATH OF GUARANTOR. In the event of the death of an individual Guarantor, the obligation of such Guarantor under this guaranty shall continue in full force and effect against Guarantor's estate as to all indebtedness and other obligations of Lessee under said lease.~~

~~4. ENFORCEMENT. Lessor shall not be required to pursue any other remedies before invoking the benefits of this guaranty. In particular, Lessor shall not be required to exhaust Lessor's remedies against Lessee or other guarantors or other collateral for the lease. This guaranty shall inure to the benefit of the transferee or subsequent owner of the leased property. This guaranty shall be binding upon the Guarantor and Guarantor's personal representatives, notwithstanding any change in status or organization of the Lessor or Lessee or any subletting by Lessee. Suit may be brought against any single Guarantor or against all Guarantors without impairing the rights of Lessor, its successors or assigns, against other Guarantors. Lessor may from time to time at Lessor's discretion and with or without valuable consideration, release Lessee from all or part of Lessee's obligations without affecting this guaranty. If Lessee is in default under the above lease and if it becomes necessary for Lessor to place this guaranty in the hands of an attorney to enforce the rights and remedies of Lessor, Lessor may recover reasonable attorney's fees from Guarantor, even if suit has not been filed. In any lawsuit to enforce the provisions of this guaranty, the prevailing party shall be entitled to recover reasonable attorney's fees from the nonprevailing party, including all out-of-pocket costs of litigation as set forth in such lease.~~

~~5. MISCELLANEOUS. Guarantor acknowledges that but for the execution of and delivery of this guaranty, Lessor would not have entered into the above described lease. The obligations of this guaranty shall be performed in the same county or counties where the Lessee's obligations are to be performed under the lease. Guarantor acknowledges that Lessor has relied on all written information furnished by Guarantor or Guarantor's agents to Lessor in connection with this lease. No verbal agreements or representations have been made in connection with this guaranty. The obligations under this guaranty are absolute and unconditional.~~

Lessor
Lessee
Guarantor

~~6. NATURE OF GUARANTOR. Guarantor is ____ an individual ____ or individuals; or Guarantor is a ____ general partnership, ____ limited partnership, ____ joint venture, ____ unincorporated association, ____ professional corporation, ____ professional association, or ____ corporation. (Check one). Such partnership, joint venture, unincorporated association, or corporation is organized or chartered under the laws of the State of ____. (Fill in appropriate blank). Guarantor's names stated below are not assumed names unless otherwise stated below.~~

~~If Guarantor is a corporation or if one of the general partners or joint venturers of Guarantor is a corporation, a corporate resolution from Guarantor ____ is or ____ is not required to be attached to this Guaranty. If Guarantor is a joint venture, all joint venturers must sign. If Guarantor is an unincorporated association, an authorized officer must sign. If Guarantor is a general or limited partnership, at least one general partner must sign. The names of all general partners in any general partnership or limited partnership which is a Guarantor or the names of all joint venturers in any joint venture which is a Guarantor are as follows:~~

~~GUARANTOR~~	~~GUARANTOR~~
~~Printed name of guarantor (not Lessee's name)~~	~~Printed name of guarantor (not Lessee's name)~~
~~Printed name of person signing~~	~~Printed name of person signing~~
~~Signature~~	~~Signature~~
~~Title of person signing (if applicable)~~	~~Title of person signing (if applicable)~~
~~Date signed (please initial all pages and exhibits~~ ~~(Please initial all pages and exhibits)~~	~~Date signed (please initial all pages and exhibits)~~ ~~(Please initial all pages and exhibits)~~

Lessor ____
Lessee ____
Guarantor ____

EXHIBIT I

CERTIFICATE OF CORPORATE RESOLUTION
AUTHORIZING LEASE OR GUARANTY
(see paragraphs 37.1 and 39.1 of lease)

The undersigned, as secretary of the corporation named below, certifies that at a special meeting of the board of directors of the corporation, duly called and held on the _____ day of _____, 20____, at which a quorum of the directors were present and acting throughout, the following resolutions were unanimously adopted and are still in force and effect:

RESOLVED that the president or the vice president of the corporation shall be authorized to execute a lease for office space on behalf of the corporation and/or to guarantee performance of a lease for office space, described below:

Date of lease	December 12, 2012
Lessor	Service Life & Casualty Insurance Co., Inc.
Lessee	Powers Brown Architecture of Texas, LLC
Guarantor, if any (not Lessee's name)	
Building name	CROCKETT BUILDING
Suite No.	204
Building address	321 alamo Plaza
City/County/State/Zip	San Antonio / Bexar / Texas / 78205

RESOLVED FURTHER, that the president or vice president is authorized on behalf of the Corporation to execute and deliver to the Lessor all instruments reasonably necessary for the lease. Lessor is entitled to rely upon the above resolutions until the board of directors of the corporation revokes or alters same in written form, certified by the secretary of the corporation, and delivers same, certified mail, return receipt requested, to the Lessor. The corporation is duly organized and is in good standing under the laws of the State of _____, and there are no proceedings pending to forfeit the corporation's charter or right to do business in Texas. The undersigned further certifies that on the meeting date referred to above, the names and respective titles of the officers of the corporation were as follows:

Joe Powers	President
Jeffrey Brown	Vice President
Jeffrey Brown	Secretary
Jeffrey Brown	Treasurer

WITNESS MY HAND this 4th day of January, 2013

Powers Brown Architecture of Texas, LLC
Typed name of corporation

Signature of secretary of corporation

JEFFREY BROWN
Printed name of secretary

STATE OF TEXAS
COUNTY OF Harris

This instrument was acknowledged before me on 04 January 2013 by JEFFREY BROWN on behalf of the above corporation and in the above stated capacity.

Linda R. Elkin
Notary Public for the State of Texas
Printed name of notary LINDA R. ELKIN
My commission expires 06 Feb 2013

LINDA R. ELKIN
Notary Public, State of Texas
My Commission Expires
February 06, 2013

Lessor
Lessee
Guarantor

EXHIBIT J

SPECIAL CONDITIONS
(see special conditions paragraph 37.2 of lease)

The following special conditions shall apply to this lease and shall prevail on any other provisions to the contrary.

FINANCIAL STATEMENTS. Prior to execution of this lease and thereafter from time to time, Lessee shall, upon written request, furnish to Lessor a financial statement of Lessee's condition in a reasonably satisfactory form. All financial statements shall be originally signed and dated by Lessee or Lessee's agent and be current within 90 days.

RENEWAL OPTION. As long as Lessee is not in default on the Lease, Lessee shall have the option to renew the Lease for an additional three (3) year period at the then current market rate. Lessee shall notify Lessor in writing of its intent to exercise such renewal option, not less than 120 days prior to the expiration date of the current lease term.

OTHER:

1.) LESSEE to pay Lessor the following dollar amounts, at Lease execution:

One Month's Rent (Month 3):	**$1,382.88**
Security Deposit:	**$1,382.88**
TOTAL:	**$2,765.76**

2.) Reference your suite number on rent checks and make checks payable to:

Service Life & Casualty Ins. Co.
Attn: Property Management
P.O. Box 26800
Austin, TX 78755-0800

Lessor
Lessee
Guarantor

EXHIBIT K

HAZARDOUS MATERIALS STATEMENT

Various materials utilized in the construction of any improvements to the property or in the use thereof, past or present, may contain materials that have been or may in the future be determined to be hazardous. For example, some electrical transformers and other electrical components can contain PCBs, and asbestos may have been used in a wide variety of building components such as fire-proofing, air duct insulation, acoustical tiles, spray-on acoustical materials, linoleum, floor tiles and plaster. Such substances may be present on or in soils, underground water, building components or other portions of the leased premises in areas that may or may not be accessible or noticeable.

Current federal, state and local laws and regulations may require the clean-up of such hazardous or undesirable materials.

Lessor, real estate brokers, and leasing agents in this transaction have no expertise with respect to hazardous materials and have not made, nor will any of their statements constitute representations, either express or implied, regarding the existence or nonexistence of hazardous materials in or on the leased premises.

Lessor
Lessee
Guarantor

EXHIBIT L

ACKNOWLEDGEMENT OF RECEIPT OF AGENCY DISCLOSURE

By the initialing of this page by Lessee, Lessee acknowledges that Agent has presented him with the form shown below.

INFORMATION ON BROKERAGE RELATIONSHIPS

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A Broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER: The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of sub-agency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER: The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know, because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY: A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

(1) shall treat all parties honestly;
(2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
(3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
(4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

TEXAS LAW REQUIRES THAT ALL REAL ESTATE LICENSEE'S PRESENT THIS INFORMATION TO PROSPECTIVE SELLERS, LANDLORDS, BUYERS OR TENANTS.

ACKNOWLEDGEMENT: Please acknowledge your receipt of this information for Broker's records:

SELLER/LANDLORD: Service Life & Casualty Ins. Co., Inc. **BUYER/TENANT:** Powers Brown Architecture of Texas, LLC

By: _____ **By:** _____

Dated: 1/7/13 **Dated:** 01/04/2013

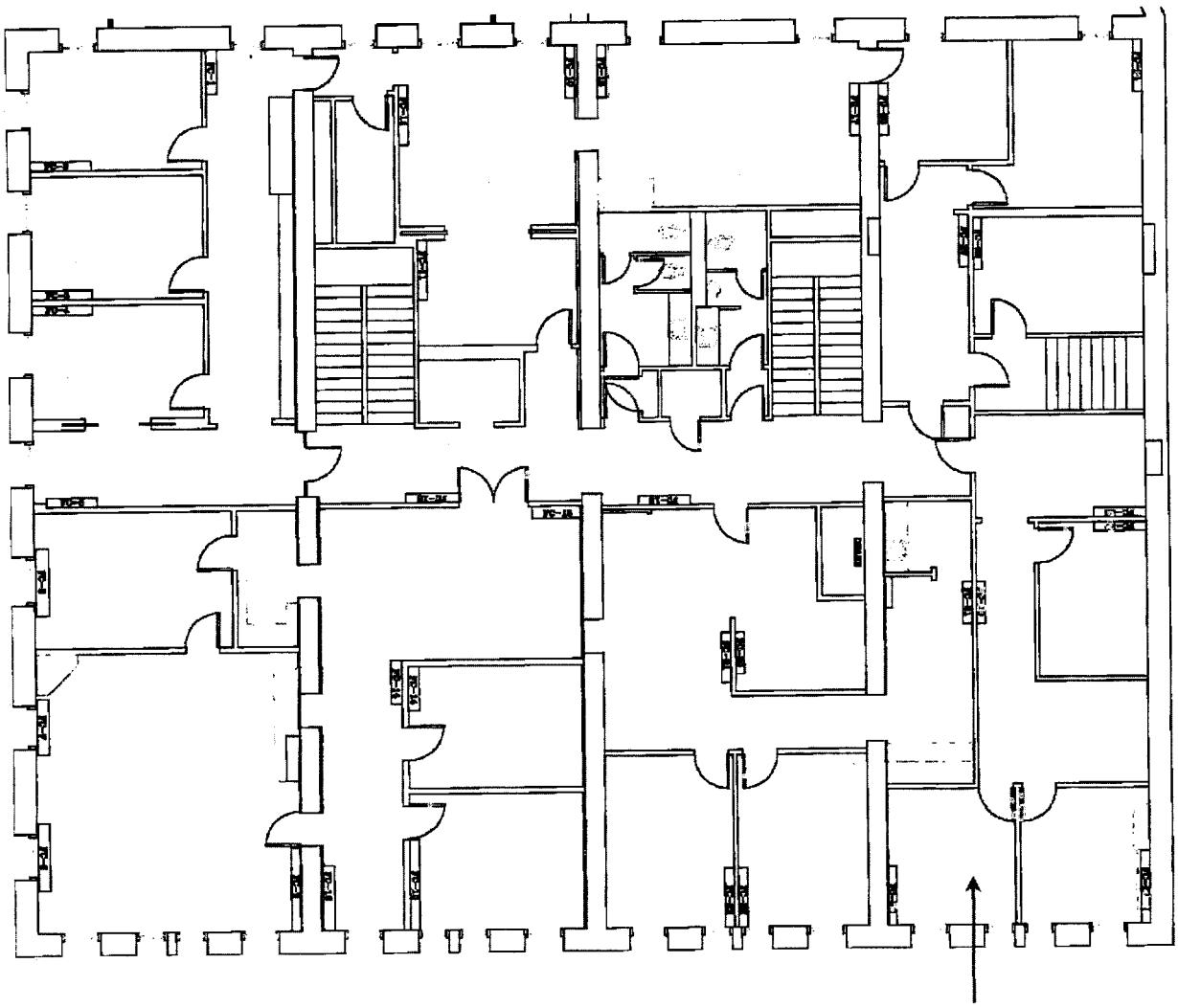
POWERS BROWN ARCHITECTURE OF TEXAS, LLC
CROCKETT BUILDING

Lessor _____
Lessee _____
Guarantor _____

Exhibit B

Sublessee's Office Space

Suite 204 (897 rsf)



Sublessee
Suite 204
897 RSF