



Texas Department of Public Safety Purchase Order

Blanket Order Number

405-16-P006793

SHOW THIS NUMBER ON ALL
PACKAGES, INVOICES AND
SHIPPING DOCUMENTS.

V
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Vendor Number: 00028710
Rio Vista Development

231. N. FM 3167
Rio Grande City, TX 78582-6207

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Texas Department of Public Safety
Administration Division
5805 North Lamar Blvd
Austin, TX 78752-4431
US
Email: eprocurementshipping@dps.texas.gov
Phone: (512) 424-2000

State Sales Tax Exemption Certificate: The undersigned claims an exemption from taxes under Chapter 20, Title 122A, Revised Civil Statutes of Texas, for purchase of tangible personal property described in this numbered order, purchased from contractor and/or shipper listed above, as this property is being secured for the exclusive use of the State of Texas.

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Texas Department of Public Safety
Finance - Accounts Payable - MSC 0130
PO Box 4087
Austin, TX 78773-0130
US
Email: apinvoices@dps.texas.gov
Phone: (512) 424-2060

Solicitation (Bid) No.:	Payment Terms: State of Texas Prompt Pay
	Shipping Terms:
	Delivery Calendar Day(s) A.R.O.: 0

Item # 1

This PO incorporates the lease agreement between TFC and Rio Vista Development executed on 2/19/2016.

This PO is setup for Payment Purposes Only.

Vendor Contact:
Lynda Davila
Phone: 956-488-8339
Fax: 956-488-2340
Email: edavila67@hotmail.com

Facilities Contact:
Ron Lunsford
Phone: 512-438-6548
Email: Ronald.Lunsford@dps.texas.gov

TXDPS Contract Administrator Contact:
Debbie Goree
Phone: 512-462-6136
Email: deborah.goree@dps.texas.gov

Item # 2
Class-Item 971-45

Building Lease 20534 - Rio Grande City - FY16 - Funding Term: 3/1/2016 - 8/31/2016. Term of the Agreement is 03/01/2016 through 02/28/2021.

Quantity	Unit Price	UOM	Discount %	Total Discount Amt.	Tax Rate	Tax Amount	Freight	Total Cost
6.00	\$ 3,600.00	MO	0.00 %	\$ 0.00		\$ 0.00	\$ 0.00	\$ 21,600.00

Item # 3
Class-Item 971-45

Building Lease 20534 - Rio Grande City - FY17 - Funding Term: 9/1/2016 - 8/31/2017.

Term of the Agreement is 03/01/2016 through 02/28/2021.

Quantity	Unit Price	UOM	Discount %	Total Discount Amt.	Tax Rate	Tax Amount	Freight	Total Cost
12.00	\$ 3,600.00		0.00 %	\$ 0.00		\$ 0.00	\$ 0.00	\$ 43,200.00

Item # 4
Class-Item 971-45

Building Lease 20534 - Rio Grande City - FY18 - Funding Term: 9/1/2017 - 8/31/2018.

Term of the Agreement is 03/01/2016 through 02/28/2021.

Quantity	Unit Price	UOM	Discount %	Total Discount Amt.	Tax Rate	Tax Amount	Freight	Total Cost
12.00	\$ 3,600.00	EA	0.00 %	\$ 0.00		\$ 0.00	\$ 0.00	\$ 43,200.00

Item # 5
Class-Item 971-45

Building Lease 20534 - Rio Grande City - FY19 - Funding Term: 9/1/2018 - 8/31/2019.

Term of the Agreement is 03/01/2016 through 02/28/2021.

Quantity	Unit Price	UOM	Discount %	Total Discount Amt.	Tax Rate	Tax Amount	Freight	Total Cost
12.00	\$ 3,600.00	EA	0.00 %	\$ 0.00		\$ 0.00	\$ 0.00	\$ 43,200.00

Item # 6
Class-Item 971-45

Building Lease 20534 - Rio Grande City - FY20 - Funding Term: 9/1/2019 - 8/31/2020.

Term of the Agreement is 03/01/2016 through 02/28/2021.

Quantity	Unit Price	UOM	Discount %	Total Discount Amt.	Tax Rate	Tax Amount	Freight	Total Cost
12.00	\$ 3,600.00	EA	0.00 %	\$ 0.00		\$ 0.00	\$ 0.00	\$ 43,200.00

Item # 7
Class-Item 971-45

Building Lease 20534 - Rio Grande City - FY21 - Funding Term: 9/1/2020 - 2/28/2021.

Term of the Agreement is 03/01/2016 through 02/28/2021.

Quantity	Unit Price	UOM	Discount %	Total Discount Amt.	Tax Rate	Tax Amount	Freight	Total Cost
6.00	\$ 3,600.00	EA	0.00 %	\$ 0.00		\$ 0.00	\$ 0.00	\$ 21,600.00

Item # 8

By mutual agreement between Lessee and Lessor, this lease may be renewed up to 2 times for a period of up to 60 months each. Lessee shall give Lessor written notice of intention to exercise this option at least 180 days prior to expiration of this lease.

TAX: \$ 0.00
FREIGHT: \$ 0.00
TOTAL: \$ 216,000.00

APPROVED

By: Deborah Goree, CTCM, CTPM, PMP

Phone#: (512) 462-6136

BUYER



**STATE LEASE
20534 – Rio Grande City**

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

1. PARTIES

This Lease is made and entered into between LESSOR, **RIO VISTA DEVELOPMENT**, and LESSEE, STATE OF TEXAS, acting by and through the Texas Facilities Commission (TFC). The date of this Lease is the date that it is signed by Lessee's duly authorized representative; however, this Lease is not effective until approved as set out in Section 3 hereafter.

2. PROPERTY LEASED PREMISES

2,784 Total Square Feet, occupied by the
Department of Public Safety located in the
Rio Vista Development Office at
253 N. FM 3167 in
Rio Grande City 78582 in
Starr County, Texas

Lessor promises, in return for the consideration described herein to be paid by the Lessee and the covenants set out herein to be kept by Lessee, to hereby lease, unto the Lessee, the Property and Premises described herein.

Lessor also promises to furnish any and all requirements related to such Property and Premises as set out in this Lease, all of which are incorporated herein by reference and made a part hereof for all purposes.

3. TERMS OF LEASE

This Lease shall be for a period of **60** months commencing on the **1st** day of **March, 2016** (the Commencement Date), and ending on the **28th** day of **February, 2021** (the Termination Date), unless sooner terminated as hereinafter provided. **This Lease is contingent upon the majority approval by a quorum of the Commission members of the Texas Facilities Commission. If the Commission does not approve the Lease, it may be terminated by the State of Texas without liability upon 30 day notice to the Lessor.**

4. MONTHLY RENTAL

The Lessee agrees to pay Lessor a base Monthly Rent during the term of this Lease in accordance with the Rent Schedule as detailed in Exhibit A. The rental payments provided for herein shall be due and payable by Lessee in advance on the first day of the month for which said rentals are due.

This Lease is made and entered into in accordance with and subject to the provisions of the Texas Constitution and the Texas Government Code, Title 10, Subtitle D, and is made contingent upon the continuation of the availability of money appropriated by the legislature to pay for the Lease. In the event the Legislature or the Executive Branch of the State of Texas cease to fund the Lease, or the agency ceases to exist as a result of the Legislative sunset review process, then the Texas Facilities Commission, hereinafter referred to as Commission, may assign another state agency to the space, or a part thereof, covered by this Lease. Should the Commission be unable to find another State agency or agencies to fill, or partially fill the space, the Commission, upon written notice to the Lessor, either may terminate this Lease, or sublet in whole or in part to a private third party.

5. RENEWAL OPTION

By mutual agreement between Lessee and Lessor, this Lease may be renewed up to 2 times for a period up to 60 months each. Lessee shall give Lessor written notice of intention to exercise this option at least 180 days prior to expiration of this Lease.

6. CPI ESCALATION CLAUSE

- (a) On each anniversary date of the Lease commencement, the total monthly rent of the Lease may be adjusted by changes in the Consumer Price Index (CPI) reflecting percentage increases.
- (b) To receive the CPI adjustment, the Lessor must submit a request in writing **by certified mail, return receipt requested**, and received by the Texas Facilities Commission (TFC) no later than thirty (30) days after the anniversary date for that year. In determining whether to grant Lessor's request for a CPI increase, in whole or in part, TFC may review and consider Lessor's performance under this Lease and whether any issues with the Leased Premises remain unresolved, as provided in Section 7(k) below.
- (c) The percent escalation allowable will be based on the percent change in the CPI for Urban Wage Earners and Clerical Workers, Current Series (CPI-W, U.S. City Average, All Items) published by the United States Department of Labor, Bureau of Labor Statistics. The index may be obtained from the U.S. Bureau of Labor Statistics web site at www.bls.gov.

The index month three (3) months prior the anniversary month for the current year and the previous year shall be used to determine the percent increase.

- (d) A Base Factor of 50%, 40%, 35% or 25% of the monthly rent will be used in the calculation for the escalation, depending on the apportionment of the Lessor's and Tenant's obligation for payment of utilities and janitorial service, in accordance with the following schedule:

Base Factor Percent	Paying Utilities	Paying Janitorial
50%	Lessor	Lessor
40%	Lessor	Tenant
35%	Tenant	Lessor
25%	Tenant	Tenant

(e) **EXAMPLE (Calculation formula with a 50% Base Factor):**

$$\text{Part 1. } \frac{\text{CPI Current Year}}{(\text{Mar 04}) 182.9} - \frac{\text{CPI Previous Year}}{(\text{Mar 03}) 180.3} = \frac{\text{Difference}}{2.6} \div \frac{\text{Divided by Previous Year}}{180.3} = \frac{\% \text{ Change}}{1.4}$$

$$\text{Part 2. } \frac{\text{Current Monthly Rent}}{\$2,500.00} \times \frac{\% \text{ Base Factor}}{50\%} = \$1,250.00 \times \frac{\% \text{ Change}}{1.4} = \frac{\text{Rent Increase}}{\$17.50}$$

$$\text{Part 3. } \frac{\text{Current Monthly Rent}}{\$2,500.00} + \frac{\text{CPI Increase}}{\$17.50} = \frac{\text{New Monthly Rent}}{\$2,517.50}$$

- (f) The first eligible CPI rent adjustment for this Lease will be **March 1, 2017**, based upon the percent change in the CPI from **December 2015** and **December 2016** using a Base Factor of **25%**. Each succeeding year, the same procedure as outlined above will be used.

7. GENERAL TERMS AND CONDITIONS

- (a) Lessor covenants and agrees to pay all taxes of whatever nature, levied and assessed and to be levied or assessed, on or against the Leased Property and improvements during the term of the Lease; and to keep the Leased Premises, Property and buildings in good repair and condition during the continuance of the term of this Lease, said maintenance is to include, but is not limited to, the following services: repair and patch wall, ceiling and floor surfaces; painting as needed; replacement of broken window glass; repair of window shades, blinds and/or drapes, fasteners and sash cord or chains; roof and ceiling leaks; building exterior, interior; plumbing, heating, air conditioning and ventilating equipment and filters; fire protection equipment; miscellaneous valves; woodwork, locks, floor surfaces and coverings; lighting fixtures, and the replacement of all defective or burned-out light bulbs, fluorescent tubes, ballasts and starters. If the occupying agency, or its agents, cause damage to said Property that goes beyond "normal wear and tear", the occupying agency is responsible to pay for those repairs.
- (b) Lessor hereby covenants and agrees that hereafter and during the term of this Lease, it will not rent, lease or otherwise furnish space in this or any adjacent buildings under its control to any enterprise which, in the usual exercise of its business, could be expected to create noise or odors injurious or disruptive to the occupying agency's normal governmental activity. Lessor covenants and agrees it will not lease space that would locate or collocate any regulated parties which have an interest in the occupying agency/ies or whose occupation of these Premises would cause the occupying agency to be in violation of State statute.
- (c) Lessor warrants that the demised Premises is not in violation of any city, state or local ordinance or statute or any restriction imposed against the demised Premises and that said Lessor will indemnify said Lessee for any direct or indirect loss sustained by Lessee as a result of the existence of such restriction, ordinance or statute.
- (d) Lessor hereby covenants and agrees that the Lessee may bring on the Leased Premises any and all furniture, fixtures and equipment reasonably necessary for the efficient exercise of Lessee's governmental responsibilities and the parties agree that all such Property shall remain the Property of the Lessee.
- (e) Any signs necessary to indicate Lessee's name, location and governmental purpose shall be prepared and installed consistent with signage for other lessees in the Property and in keeping with building decor. Any special requirements of Lessee contrary to the above must be stated in writing and made a part of this Lease. Any cost of compliance with this paragraph in excess of the amount that would be required for Lessor's standard signage shall be borne by Lessee.

- (f) On termination of this Lease, by lapse of time or otherwise, Lessee may, within a reasonable time thereafter, at its option and expense, remove from said Premises any and all improvements, equipment, appliances or other Property placed or owned by it thereon. Lessee shall deliver the Premises and Property to Lessor in good order and condition, provided however, the reasonable use and ordinary wear and tear are expected.
- (g) If during the term of this Lease, said Premises, or any portion thereof, shall be condemned for any public purpose, Lessee hereto shall have the option of terminating and canceling this Lease upon thirty (30) days notice to the Lessor of its election to do so.
- (h) It is mutually agreed between the Lessor and the Lessee that if said building and Premises shall, during the term of this Lease, be damaged by flood, fire or any other cause or causes, the same shall be promptly repaired by the Lessor. During the time of such repair, if the space cannot be fully utilized by Lessee, lease payments due hereunder shall be either reduced or withheld in accord with the degree of non-use. But, if said building and Premises be so damaged as to render said Premises unfit for occupancy, then, and from the date of such damage, this Lease shall cease and be void; and rent and other obligations hereunder shall be due and payable only to the date of such damage. The determination as to whether the building and Premises are damaged so as to render them unfit for occupancy shall be made by Lessee. If the Lessor has available under his control space which will meet Lessee's needs and offers same to Lessee, the Lessee may at its option, occupy that space under the same terms and conditions as this Lease. Lessor will be responsible for any relocation costs that may be incurred, included but not limited to, cost of the space, moving, communications equipment and computer expenses.
- (i) Lessee is not obligated to pay rent and other sums under this Lease until the Premises are available to Lessee for full occupancy and are suitable for use as office space for a state agency. If Lessor is unable to give Lessee full possession of the Premises on Commencement Date for any reason, Lessor shall give Lessee immediate written notice of the cause for the delay and the date the Premises will be ready for occupancy, Lessee may terminate this Lease without liability to the State of Texas and seek other leased space.

Except as provided in Paragraphs 3 and 4, Lessee may not terminate the Lease if the delay of occupancy is caused by Lessee, or by conditions beyond Lessor's control, such as strikes, fire, unavoidable casualties or other unusual circumstances that constitutes a justifiable delay.

If the Lessee so elects, the Lessee may continue to treat this Lease as if in full force and effect for a period of no more than 120 days after the Lease Commencement Date. During this time, or for as long as possession does not commence, the rent shall not be paid. In the event Lessee either terminates the Lease under this paragraph or is unable to occupy the Premises on the Commencement Date due to reasons other than a justifiable delay as determined by Lessee using reasonable discretion, Lessor will be liable in damages for any rents Lessee pays for other leased space substantially equal to the Premises or for any holdover charges associated with a delay in occupying the Premises and for any other related losses sustained by Lessee. Payment hereunder shall not begin until possession of the Premises is given or the Premises are available for full occupancy by the Lessee. Based upon the possession date of the Premises, the Lease shall be amended to reflect the new Lease term.

- (j) Lessee reserves the right to assign any agency of State government to occupy all or any part of the space described herein or to assign or sublet all or any part of the Leased Premises to any private entities (persons or corporations).
- (k) In the event Lessor shall breach or be in default in the strict performance of any of the covenants or obligations imposed upon Lessor by this Lease, and shall remain in default for a period of thirty (30) days after written notice of such default, Lessee shall have the right and

privilege of terminating this Lease and declaring the same at an end, and shall have the remedies now or hereafter provided by law for recovery of damages occasioned by such default. In lieu of a formal declaration of default and resulting termination as provided above, Lessee may withhold payment of rent from Lessor, until such time as the violations have been corrected or the Lessee may correct all or any part of the violations and deduct the cost from rentals due the Lessor.

- (l) If Lessee fails to pay rentals or other charges hereunder or otherwise fails to perform its obligations hereunder and this failure is not cured within 30 days after written notice from Lessor to Lessee of such failure, then Lessee is in default, and Lessor may terminate this Lease and may enter and take possession of Premises, and will have the remedies now or hereafter provided by law for recovery of rent, repossession of Premises and damages occasioned by Lessee's default. No provision, covenant or agreement contained in this Lease shall be deemed a waiver of sovereign immunity of the State of Texas from tort or other liability.
- (m) The failure of the Lessee or Lessor to insist in any one or more instances on a strict performance of any of the covenants of this Lease shall not be construed as a waiver or relinquishment of such covenants in future instances, but the same shall continue and remain in full force and effect.
- (n) This agreement and each and all of its covenants, obligations and conditions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of Lessor, and the successor in office of Lessee.
- (o) This agreement shall be governed by Texas law.
- (p) Lessor understands that acceptance of funds under this contract acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit or investigation in connection with those funds. Lessor further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. Lessor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Lessor and the requirement to cooperate is included in any subcontract it awards.
- (q) Lessor warrants and represents that any use, storage, treatment, or transportation of Hazardous Substances that has occurred in or on the Premises prior to Commencement Date of this Lease has been in compliance with all applicable federal, state, and local laws, regulations, and ordinances. Lessor additionally warrants and represents that no release, leak, discharge, spill, disposal, or emission of Hazardous Substances has occurred in, on, or under the Premises, and that the Premises are free of Hazardous Substances as of Commencement Date.

Lessor shall indemnify Lessee from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, any and all sums paid for settlement of claims and for fees of attorneys, consultants, and experts) arising during or after the lease term from or in connection with the presence or suspected presence of Hazardous Substances in or on the Premises, unless the Hazardous Substances are present solely as a result of negligence, willful misconduct, or other acts of Lessee or Lessee's agents, employees, contractors, or invitees. Without limitation of the foregoing, this indemnification of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision, unless the Hazardous Substances are present solely as a result of negligence, willful misconduct, or other acts of Lessee, Lessee's agents, employees, contractors, or invitees. This indemnification shall specifically include any and all costs due to Hazardous Substances that flow, diffuse, migrate, or percolate into, onto, or under the Premises after the lease term commences.

As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by any local government, the State of Texas, or the United States Government. "Hazardous Substance" includes any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" pursuant to state, federal, or local governmental law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls ("PCBs"), solvents, pesticides, and petroleum.

- (r) At all times during the lease term, Lessor must maintain a policy of all-risk property insurance, issued by and bonded upon an insurance company licensed in the State of Texas, covering the Leased Premises and leasehold improvements (exclusive of contents), in an amount equal to not less than 80% percent of the replacement cost thereof. Lessee shall have no interest in the policy or policy proceeds and Lessor shall not be obligated to insure any furnishings, equipment, trade fixtures, or other personal property that Lessee may place or cause to be placed upon the Leased Premises. Lessor must also maintain a policy or policies of comprehensive general liability insurance insuring Lessor against loss of life, bodily injury and/or property damage with respect to Common Areas, operation of the Building, parking lots and other improvements associated with the land upon which the Leased Premises are located, and any other losses caused by or related to the duties and obligations of Lessor under this Lease.

Lessor acknowledges that, because Lessee is an agency of the State of Texas, liability for the tortious conduct of the agents and employees of Lessee (other than medical liability of medical staff physicians) or for injuries caused by conditions of tangible state property is provided for solely by the provisions of the Texas Tort Claims Act (*Texas Civil Practice and Remedies Code*, Chapters 1010 and 104), and that Workers' Compensation Insurance coverage for employees of Lessee is provided by Lessee as mandated by the provisions of *Texas Labor Code*, Chapter 503. Lessor further acknowledges that, as an agency of the State of Texas, Lessee has only such authority as is granted to Lessee by state law or as may be reasonably implied from such law, and that Lessee shall have the right, at its option, to (a) obtain liability insurance protecting Lessee and its employees and property insurance protecting Lessee's buildings and the contents, to the extent authorized by Section 51.966 of the *Texas Education Code* or other law; or (b) self-insure against any risk that may be incurred by Lessee as a result of its operations under this Lease. Any obligation by Lessee under this Lease to obtain insurance is expressly made subject to the Lessee's authority under state law to obtain such insurance. No insurance carrier of either party shall have a right of subrogation against the other party to this Lease.

8. LEASE REQUIREMENTS

Lessor and Lessee shall comply with all provisions of Exhibit B entitled Lease Requirements which is incorporated herein for all purposes.

9. OTHER TERMS AND CONDITIONS

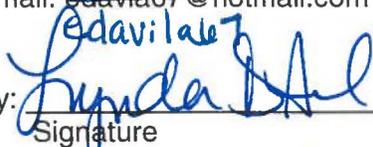
- (a) This Lease shall be effective as of the date that all parties execute this Lease. All proposals, negotiations, notices, and representations with reference to matters covered by this lease are merged in this instrument and no amendment or modification thereof shall be valid unless evidenced in writing and signed by all parties as identified below.
- (b) Any statement or representation of Lessee in any Estoppel Certificate delivered pursuant to this Lease which would modify the rights, privileges or duties of Lessor or Lessee hereunder shall be of no force and effect and may not be relied on by any person.
- (c) Should Lessor require Lessee to provide an Estoppel Certificate at any time during the term of this Lease, Lessor will give Lessee thirty (30) days prior written notice whereupon TFC will deliver to Lessor a completed signed original of same utilizing its standard Estoppel Certificate form.

10. SPECIAL PROVISIONS:

N/A

LESSOR:

Rio Vista Development
Attn: Lynda Davila
Director of Operations & Sales
231 N. FM 3167
Rio Grande City, Texas 78582
Tel. : (956) 488-8339
Fax: (956) 488-2340
Email: edavila67@hotmail.com

By: 
Signature

Lynda Davila
Printed Name

Date: 2-11-16

LESSEE:

STATE OF TEXAS,
Acting by and through the
TEXAS FACILITIES COMMISSION
P. O. Box 13047
Austin, TX 78711
Tel.: (512) 475-2438
Fax: (512) 236-6187
Email: gayla.davis@tfc.state.tx.us

By: 
Peter Maass, Deputy Executive
Director of Planning and Real Estate
Management Division

Date: 2-19-16

cc: James "Eddie" King, Department of Public Safety
Ginna Harris, Texas Department of Licensing and Regulation
Regina Roberson, Texas Department of insurance – Fire Safety Inspections, State Fire
Marshal's Office

- EXHIBIT A RENT SCHEDULE
- EXHIBIT B LEASE REQUIREMENTS
- EXHIBIT B1 FLOORPLAN
- EXHIBIT C GENERAL CONSTRUCTION NOTES
- EXHIBIT C1 NEW CONSTRUCTION NOTES

EXHIBIT A

RENT SCHEDULE

<u>OCCUPYING AGENCY</u>	<u>USABLE SQ. FT.</u>	<u>ANNUAL BASE RATE / SF</u>	<u>ANNUAL BASE RENT</u>	<u>MONTHLY BASE RENT</u>
DPS	2,784	\$15.52	\$43,200.00	\$3,600.00

EXHIBIT B

LEASE REQUIREMENTS

- (a) In signing this Lease, the Lessor certifies that the Leased Premises to be occupied shall comply with all applicable federal, state and local laws, statutes, ordinances, codes, rules and regulations, which include compliance with all applicable handicapped accessibility requirements. Acceptance of the space does not exonerate the Lessor from meeting all the requirements. No requirement may be waived by the Lessee or the occupying agency.
- (b) Lessor specifically covenants and warrants that the space will at all times comply with the Texas Accessibility Standards (TAS) requirements for persons with disabilities administered by the Texas Department of Licensing and Regulations.
- (c) Lessor attests that it has sufficient and appropriate title to said Premises and attests that it has the financial capability to fully execute obligations in this Lease. Lessor further covenants that it has the power and authority to execute this Lease and to place Lessee in possession of the Premises in full satisfaction of and compliance with the terms and conditions herein.
- (d) Lessor also agrees that it will not attempt to impose upon Lessee any requirements of other legal instruments related to these Premises not referred to herein or made a part hereof. Lessor warrants to Lessee the Leasehold interest created hereunder and agrees to defend Lessee against the claims of all persons to the Leasehold interests of the Lessee. Any person or entity executing this Lease as agent for the Lessor shall attach to this lease sufficient evidence of authority to act in the capacity shown.
- (e) ~~SITE PLAN & CONCEPT FLOOR PLAN DRAWINGS shall be provided by Lessor to Lessee <15/30/45/90 (this choice should be the same below – use 30 days for OAG)> days from execution of the Lease; Lessor shall provide lessee dimensioned Auto Cad drawing files of the floor plans of the Leased Premises. Site plan shall show the building footprint and parking lot(s).~~
- (f) ~~COMPLETED CONSTRUCTION PLANS shall be provided by Lessor to Lessee <15/30/45/90 (this choice should be the same below – use 90 days for OAG)> days from execution of the Lease or earlier, for Lessee approval prior to commencement of construction. Lessor shall also provide Lessee a construction schedule showing all critical dates of construction or substantial renovation <15/30/45/90 (this choice should be the same above – use 90 days for OAG)> days from execution of the Lease and prior to the commencement of construction of the Premises covered by this Lease.~~
- (g) **ALL CONSTRUCTION, REPAIRS AND ALTERATIONS shall be completed by Lessor 15 days prior to occupancy.** Lessee shall have full access to the Premises during that period, at no charge to Lessee, in order to prepare the Premises for occupancy on the Commencement Date. All non-economic terms and conditions of the Lease shall be in force. Lessee may do whatever is necessary during said period to ensure it is able to commence normal business operations on the Commencement Date.

CERTIFICATE OF OCCUPANCY (CO), issued by the appropriate local authority, shall be provided by Lessor to Lessee **15** prior to occupancy.

- (h) Lessee reserves the right of inspection and may reject space based on adverse building conditions, including but not limited to general cleanliness, appearance of carpet or tile, grounds, finished interiors or exteriors, odors, pests, insects, or other problems relating to improper extermination or any other condition that would create unsanitary, unattractive or unsafe conditions.
- (i) As a condition of occupancy, Lessor certifies that the Leased Premises contains the minimum usable square footage specified in the Lease.
- (j) Lessee shall have the right to survey and inspect Property during the construction process to ensure the Lease Premises complies with all requirements as set forth in this Lease agreement.
- (k) Prior to occupancy, Lessor shall thoroughly clean the Leased Premises. Cleaning operations shall include, but not be limited to, the following:
1. Removal of non-permanent protection and labels.
 2. Polish glass of all windows and doors.
 3. Clean exposed finishes.
 4. Clean all mirrors.
 5. Remove all waste and debris.
 6. Clean light fixtures and replace dimmed or burned out light bulbs.
 7. Sweep and wash paved areas as needed.
 8. Clean yards and grounds.
 9. Vacuum all carpeted areas.
 10. Wax and polish all hard surface flooring.
 11. Clean blinds.
- (l) The Lessee may, upon written notice to the Lessor at least 30 days prior to termination of this Lease or any extension, remain in possession of the Leased Premises for a period specified in the notice, not to exceed 180 days. The Lessee shall pay the Lessor for each month or part of a month, a pro-rata sum equal to the Monthly Rent in effect at the termination of this Lease for the space occupied by the agency during this period.
- (m) Lessor shall provide, at Lessor's expense, access to all utilities services, meters, and connections necessary for the proper and intended use of the space. These utilities include telecommunications facilities, continuous hot and cold water, wastewater, electricity and natural gas, if required for heating and or cooling.
- (n) **UTILITIES** shall be paid by **LESSEE**.
- Electricity for the leased space shall be separately metered; or, if the Premises are located in a building where electrical service is shared with other tenants, Lessor may calculate Lessee's pro rata share of electricity costs, excluding any taxes, using Lessee's usable square footage as the numerator and the usable square footage of the total shared area as the denominator. Copies of all electric bills received by the Lessor will be provided to the Lessee upon receipt of same by Lessor in order to verify the requested pro rata bill contribution by Lessee.
- (o) **JANITORIAL SERVICES AND SUPPLIES** shall be paid by **LESSEE**.

If LESSOR shall provide JANITORIAL SERVICES AND SUPPLIES, services shall include:

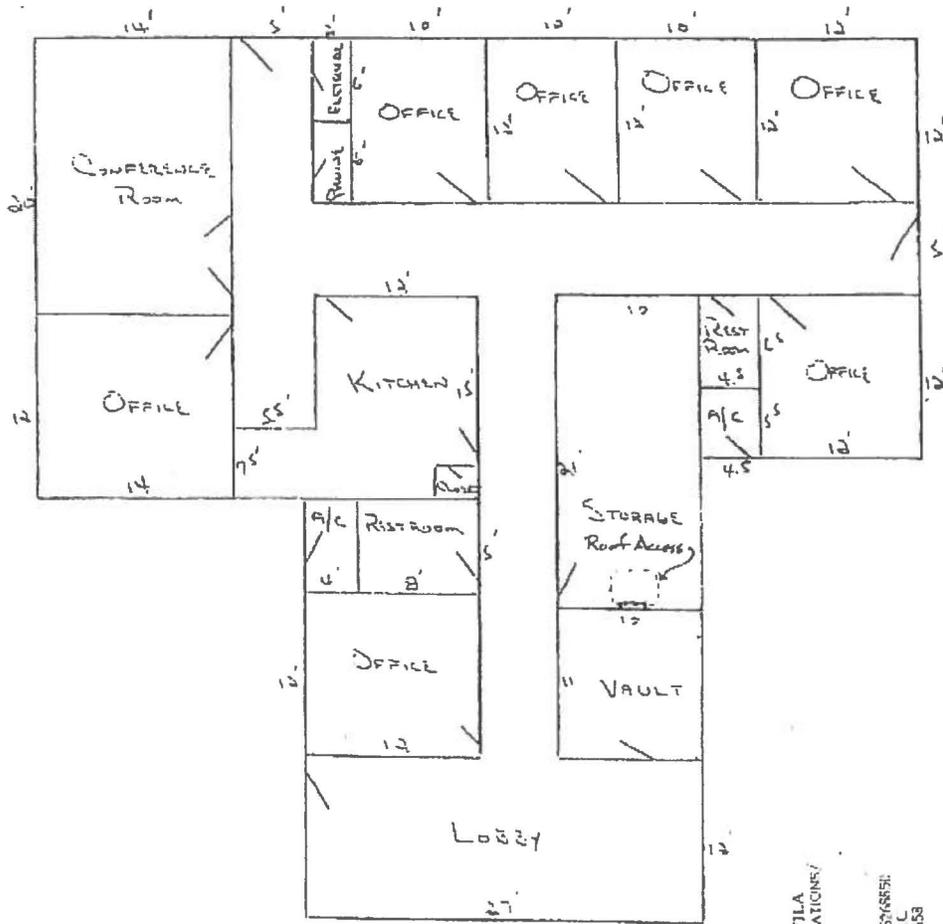
- A. On a Daily Basis (Monday through Friday; no earlier than 5:00p.m. and must be completed by 7:00a.m. the next work day):
 - 1. Vacuum, sweep and/or dust mop all floors and vestibules.
 - 2. Detergent mop, rinse, and dry all non-carpeted floors; vacuum carpets and floor rugs; and spot clean carpet and floor rugs as necessary.
 - 3. Spot clean around light switches and door levers.
 - 4. Clean and disinfect all restrooms, urinals, toilets, wash basins and drinking fountains.
 - 5. Empty and clean all restroom receptacles.
 - 6. Clean and refill all restroom dispensers.
 - 7. Empty and clean waste baskets and place refuse in proper container. Replace trash can and waste basket liners.
 - 8. Thoroughly clean break room(s), with cleaning to include, but not limited to, wiping table(s), counter(s), and sink(s).
 - 9. Remove all refuse from building and place in proper container(s).
 - 10. Set security alarm and lock the building after last janitorial employee is out of building, if applicable.
- B. On a Weekly Basis:
 - 1. Clean all baseboards and door frames.
 - 2. Clean and wash all entrance doors.
 - 3. Perform dusting on desks, files, etc.
- C. On a Monthly Basis:
 - 1. Perform dusting on all partitions, doors and window ledges.
 - 2. Brush down all walls, ceiling vents and light fixtures.
 - 3. Clean and wax all desks, if requested by the occupying agency/ies.
- D. On a Semi-Annual Basis:
 - 1. Steam clean all carpet and floor rugs.
 - 2. Non-carpeted floors to be waxed or buffed.
 - 3. Clean fluorescent light lenses and diffusers when needed and/or as requested by Lessee.
 - 4. Wash all windows, blinds, glass doors, glass partitions, etc.
- E. Should the Lessee exercise its right to assume janitorial services, the Lessor will continue to provide and pay for the following services:
 - 1. Exterior of windows washed twice yearly.
 - 2. Daily sanitization of restrooms with germicidal detergent, and restocking of soap and paper products for restrooms that are not within the occupying agency/ies space and for their exclusive use.
- (p) Lessor shall provide and install labels for all individual electrical circuits in all electrical breaker/fuse boxes.
- (q) Lessor shall be responsible for furnishing appropriate outside trash and refuse receptacles and for the removal of trash and refuse from the Premises.
- (r) Lessor shall maintain the exterior of the building and adjacent grounds in an appropriate manner. Lessor agrees to make diligent efforts to landscape with Texas flora. All grass, trees, shrubbery and other landscaping must be maintained on a regular basis. Water used by Lessor for landscaping and/or decorative purposes shall be paid for by Lessor.

- (s) The Lessor shall provide monthly interior and quarterly exterior pest extermination services. Any extermination service must be performed after normal business hours.
- (t) Lessor shall have building maintenance personnel available to respond to routine calls within twenty-four (24) hours and emergency calls within four (4) hours. "Emergency" repair or maintenance shall include, but not be limited to, situations involving the air conditioning, electrical, plumbing, roof leaks, disruption of water-delivery to or drainage from any portion of the plumbing system, access into and out of the Leased Premises, and environmental control. Lessor shall, at a minimum, acknowledge emergency calls within two (2) hours.
- (u) Space to be occupied under this Lease shall be designated a "non-smoking area".
- (v) Lessor shall provide off-street parking for 9 vehicles. Parking must be under the direct control of the Lessor and must be located within a reasonable distance of the entry to the Leased Premises.
- (w) Lessor shall furnish and maintain exterior lighting for the building, connecting walkways and parking area(s) as necessary for appropriate security. The light fixtures shall be equipped with a light level-sensing device that will operate the units automatically. Lessor shall provide a minimum level of illumination to comply with normal business standards. Lessor shall pay all utility costs associated with exterior lighting.
- (x) Cost of furnishing and installing light fixtures at inception of Lease and replacement light bulbs shall be at Lessor's expense.
- (y) Exit lights, shall be provided to the outside of the building in accordance with applicable codes. Electric and/or luminous directional arrows shall be strategically placed to identify the way leading to the outside.
- (z) Lessor shall provide an emergency lighting system for one and one-half (1-1/2) hours of illumination in the event of failure of normal lighting.
- (aa) Each room and area shall have a light switch.
- (bb) All lighting and electrical accessories shall comply with all Municipal, County, State and Federal ordinances, rules and regulations for any new construction. All electrical work shall conform to the standards and requirements of the latest editions and applicable sections of the National Electrical Code (NEC) Handbook. All lighting fixtures shall have light diffusing panels or elements. Fluorescent lighting fixtures shall have energy efficient ballasts.
- (cc) Lessor shall provide all life safety equipment, including but not limited to fire extinguishers and smoke alarms, in accordance with the requirements of all applicable municipal building codes. In the absence of a local municipal code, Lessor agrees to comply with minimum requirements as set forth by the International Building Code and the Life Safety Code, as published by the National Fire Protection Administration.
- (dd) Lessor shall provide access to telecommunication and automation service providers under contract to the occupying agencies at appropriate times during construction.
- (ee) Lessor shall not unreasonably withhold the right of the Lessee to install a security system in the Leased Premises, as requested by the Lessee. The security system shall remain the Property of the Lessee or occupying agency/ies and may be removed at the end of the lease term.

- (ff) All exterior doors shall be keyed with non-duplicating keys. Lessor shall furnish keys, individually numbered, as requested by Lessee. All exterior exit doors shall be solid core doors (where applicable) and equipped, unless otherwise required by code, with deadbolt locks with a minimum one-inch throw bolt. All door hardware and automatic door closers shall be of sufficiently sturdy construction to ensure security.
- (gg) All offices and work areas shall have finished ceiling surfaces, unless otherwise approved by Lessee. Broken or stained acoustical tiles shall be replaced by Lessor in a timely manner. Ceiling tiles must be of sufficient quality and weight to not become dislodged due to the opening and closing of doors.
- (hh) All demising walls between Lessee space and other tenant space shall be extended from wall to the deck above the finished ceiling at Lessor's expense.
- (ii) The location of the HVAC unit(s) shall not unduly inconvenience the occupying agency, either due to maintenance requirements or noise levels. Lessor shall furnish a cost efficient central heat and cooling system. The heating and cooling temperatures shall be maintained in accordance to meet the goals of the Energy Management Plan Guide as set forth by the State Energy Conservation Office or TFC. The building must have a mechanical system that provides an indoor environment that is healthful, comfortable and free of objectionable odors. The heating, air conditioning and ventilation system shall comply with the requirements of the latest American Society of Heating, Refrigeration, and Air Conditioning (ASHRAE) Standards for Ventilation for Acceptable Indoor Air Quality (currently ASHRAE 62-1989) and the latest ASHRAE Standards for Thermal Environmental Conditions for Human Occupancy (currently ASHRAE 55-1992). Forced air cooling and heating shall be ducted and vented throughout the space to provide the most efficient manner of operation and occupant comfort. Conditioned air shall be vented into each room and area with the exception of closets. Thermostats shall be provided as necessary to control conditions throughout the Leased Premises. Numbers and locations of thermostats and associated zones or equipment shall accommodate all internal and external loads to provide uniform temperatures throughout the space. HVAC controls/thermostats shall have locking covers and one master key or tool shall be provided to the Occupying Agency. Lessor is responsible for balancing the HVAC system.

EXHIBIT B1 FLOORPLAN

RIO VISTA DEVELOPMENT OFFICE
4532 FM 3167



2784 sq. ft.

LYNDA DAVILA
DIRECTOR OF OPERATIONS/
SALES

LIC #NM1578558
HLL LLC
ID:979658

231 N. FM 3167
Rio Grande City, TX 78582
www.heritagedevelopment.com



HERITAGE
DEVELOPMENT
A vision as big as Texas

Tel: 956-488-8339
Fax: 956-488-2340
cdavila67@hotmail.com

EXHIBIT C

GENERAL CONSTRUCTION NOTES

Lessor shall design, in consultation with Lessee, and construct the Premises based upon all of the specifications outlined in this Lease and Exhibits as well as the following criteria at no additional cost to Lessee. Lessor understands that Lessee has no provision for payment of additional construction costs. Any unforeseen costs associated with compliance herein shall be at Lessor's sole cost.

Lessee, not the Occupying Agency of the Premises, has sole authority for the initiation of any changes or modifications (Change Order) to the scope of work contained in this Lease.

Should any Occupying Agency cause or request changes by the Lessor to exceed the scope of work described below, Lessor shall first obtain written and signed authorization from the Texas Facilities Commission prior to being obligated to proceed with the work.

1. The space to be occupied must comply with all applicable federal, state, and local laws, statutes, ordinances, codes, rules and regulations. In lieu of applicable local building codes, the International Building Code will apply. Acceptance of the space does not exonerate the Lessor from meeting all the requirements. No requirement may be waived by the Commission or the Occupying Agency.
2. The Leased Premises shall meet all zoning and building code requirements of the Local Government(s) in which the space is located. Lessor shall comply with all Local Government(s) rules and regulations regarding land development including, but not limited to, subdivision requirements, zoning ordinances, site reviews, plan reviews, development and building permits, inspections, and certificates of occupancy. If Lessor seeks or acquires an exemption from such rules and regulations regarding land development without TFC approval, such action shall be grounds for termination of the Lease by the Texas Facilities Commission in accordance with paragraph 7(k) of the State Lease.
3. The Texas Accessibility Standards (TAS) requirements for persons with disabilities are administered by the Texas Department of Licensing and Regulation (TDLR), Architectural Barriers Division, P. O. Box 12157, Austin, TX 78711, Telephone: 512-463-3211; web site <http://www.license.state.tx.us>.
4. Lessee reserves the right to survey or inspect construction/renovation to ensure space complies with all requirements at any time.
5. Any new construction for the Premises shall be constructed by Lessor to conform to New Construction Notes in Exhibit C1 and Lease Requirements outlined in Exhibit B and B1.

EXHIBIT C1

NEW CONSTRUCTION NOTES

Initial New Construction: If requested by Lessee, Lessor agrees to construct, in accordance with the New Construction specifications outlined in this Exhibit.

1. WALLS

- (a) All new interior walls to be taped, bedded, textured and painted. Existing walls to be repainted or cleaned to a like new condition. Color to be selected by tenant.
- (b) Provide ceramic tiles in Restrooms and Shower Room if applicable.
- (c) New demising walls shall be full height to structural deck with insulation and fire caulking at all penetrations.

2. FLOORS

- (a) Provide new anti-static VCT, locations to be determined by Lessee.
- (b) Provide new building standard commercial grade carpet throughout, subject to Lessee approval unless noted otherwise, color to be approved by Lessee.
- (c) Provide new 4" rubber cover base throughout, color to be selected by Lessee.

3. CEILING

Ceiling grid to be minimum 9'-0" Above Finished Floor (A.F.F.) with new matching 2' x 4' or 2' x 2' ceiling tiles.

4. DOORS & HARDWARE

- (a) Use building standard doors, frames, and lever hardware throughout.
- (b) Re-paint or re-finish exterior doors and touch-up to like new condition.
- (c) All entrance, exit and interior doors to meet ADA/TAS required code.

5. ELECTRICAL

- (a) Lessor shall provide 120 volt electrical duplex wall outlets as follows: Walls in excess of twenty feet in length will require one every ten feet. A minimum of one in each hallway; hallways in excess of 50 feet in length will require one every 25 feet.
- (b) Lessor shall provide ring and string for telecommunication and automation station wiring in walls, ceiling or power poles, as applicable. The Lessee anticipates the need for cable drops at every workstation, office and other areas per the room schedule as will be identified during the Construction Documentation preparation phase.
- (c) Lessee will connect the furniture to the power and data drops.
- (d) Lessee shall provide cable. Lessor shall provide all necessary raceway, conduit or pathways per code and pull strings as necessary, to accommodate all work stations, offices etc. per Room Schedule.
- (e) Lessor shall provide conduit from access point on building exterior to the data/telecom IDF closet for telephone lines and data circuits.
- (f) All branch circuit ground wires must be tied to a common ground at the distribution panel, to a service ground, or suitable building ground. The conduit must not be the sole means of grounding. The system neutral must

be electrically isolated from the ground conductor except at the building ground station. All branch circuits shall be on the same primary transformer. All dedicated circuits shall be identifiable by use of orange colored plates on the outlets.

- (g) Provide adequate electrical for an 8-wire cube for all work stations. Provide j-boxes in the ceiling to feed into power-poles when furniture is not adjacent to a wall or column.
- (h) Lessor to provide 120-volt electrical duplex outlets: (these are approx. numbers for preliminary bidding)
 - 1. (3) in each Office.
 - 2. (4) in each Storage/Break Room
 - 3. (1) in each hallway every 25"
 - 4. (2) in Wait Room
 - 5. (4) in Reception area
 - 6. (1) at each ceiling mounted. J-box at each exterior door for tenant provided security system.
- (i) Provide sufficient dedicated quad. outlets @ LAN room to meet Lessee's requirements.
- (j) Relocate to provide normal office lighting coverage.
- (k) All electrical panels are to be labeled with circuits identified to all J boxes to be used for power to furniture, equipment, etc.
- (l) To the extent not covered above Lessor shall provide required electrical service to the furniture and equipment identified by the Lessee during the Construction Documentation phase.
- (m) Wiring covered by molding carried across open floor will not be permitted.
- (n) Building to have standard lighting throughout. (2x4 florescent acrylic lenses or Parabolic desired).

6. MECHANICAL

- (a) All units will be cleaned to eliminate any debris in all ducts.
- (b) Thermostats to be added or relocated shall be approved as to location by Lessee.
- (c) Landlord Mechanical Contractor to balance HVAC system if new or redesign, reconfigure and re-balance the existing HVAC system as required and will provide a final report to Lessee.

7. PLUMBING

- (a) Provide hot and cold water in Break Room(s).
- (b) Provide grab bars as per ADA/TAS requirements, paper towel dispensers, soap dispensers, trash receptacles, sanitary napkin receptacles and toilet paper dispensers in all restrooms.

8. WINDOW TREATMENT

- (a) Provide new building standard window treatment if not existing. Provide blinds if there are no building standard window treatments.
- (b) If existing, clean and or replace damaged blinds and window coverings to like new condition.

9. MILLWORK

- (a) Provide upper and lower plastic laminate clad cabinets in break rooms.
- (b) Uppers to have (2) adjustable shelves and lowers to have (1) adjustable shelf.

10. ADA/TAS

- (a) Provide opening below sinks to meet ADA/TAS.
- (b) Building must meet all ADA/TAS standards and regulations.
- (c) See required specs, if applicable, indicated on Lease.

11. SECURITY

Lessor shall provide conduit/wire pull to boxes located by Lessee for Lessee security system.

NOTE: Above items are subject to change if noted otherwise on TFC approved Construction Documents.