

SHOPPING CENTER LEASE

ARTICLE I
DEFINITIONS AND CERTAIN BASIC PROVISIONS

1.1 The following list sets out certain defined terms and certain financial and other information pertaining to this lease:

- (a) Landlord:
(b) Landlord's Address:
(c) Tenant: La Villa Spa, L.P., A Texas Limited Partnership
(d) Tenant's Legal Address: Phone:
(e) Tenant's Trade Name: La Villa Spa
(f) Tenant's Guarantor (if applicable, attach Guaranty as an exhibit):
(g) Agent:
(h) Cooperating Agent:
(i) Shopping Center: Landlord's property located in the City of Mission, Hidalgo County, Texas...
(j) Demised Premises: a store unit in the Shopping Center containing approximately 1,000 square feet of rentable area...
(k) Rent Commencement Date shall be the earlier of:
(i) the date upon which Tenant opens for business at the Demised Premises, or
(ii) whichever of the following alternatives may be appropriate...
[] days after the final execution of this lease by both Landlord and Tenant.
[X] 45 days after the Demised Premises are deemed "ready for occupancy" (as defined in Exhibit "C" attached to this lease), it being Landlord's estimate that the Demised Premises will be "ready for occupancy" on or before 05/01/2015, 6/1/2015
(l) Lease Term: Commencing on the Rent Commencement Date and continuing for 3 years and 0 months after the Rent Commencement Date...

(m) Base Rent.

Period/Month	Annual Base Rent Rate Per Square Foot	Monthly Base Rent
1 - 12	\$17.28	\$1,440.00
13 - 24	\$17.80	\$1,483.20
25 - 36	\$18.33	\$1,527.70

Any minimum guaranteed rental adjusted or increased pursuant to Section 4.2 and/or Exhibit "E" shall also be referred to as minimum guaranteed rental. The Common Area maintenance charges, Tenant's obligations for the management fee, administrative fee, taxes, other real estate charges and insurance, together with any other charges which may become due to Landlord under this lease are sometimes collectively referred to in this lease as "additional rental". The minimum guaranteed rental, percentage rental (defined below) and additional rental are sometimes collectively referred to in this lease as "rent" or "rental".

- (n) Percentage rental rate: _____%.
- (o) Common area maintenance charge, administrative fee and management fee: A minimum of \$ 0.00 per month, payable in advance.
- (p) Prepaid rental: \$1,440.00, being an estimate of the minimum guaranteed rental, common area maintenance charge, management fee, administrative fee, and Tenant's obligations for taxes, other real estate charges and insurance, and (if applicable) merchants' association dues or promotional fund for the first full month of the lease term, such prepaid rental being due and payable upon execution of this lease. Note: If Tenant desires credit for prepaid rental upon execution of this lease, Tenant should list the check number _____, drawee bank _____, date of check _____, 20____, and amount \$ _____.
- (q) Security deposit: \$ 1,440.00, such security deposit being due and payable upon execution of this lease. Note: If Tenant desires credit for security deposit upon execution of this lease, Tenant should list the check number _____, drawee bank _____, date of check _____, 20____, and amount \$ _____.
- (r) Permitted Use: Nail Salon and Spa and for no other purpose. Tenant acknowledges that the above specification of a "permitted use" means only that Landlord has no objection to the specified use and does not include any representation or warranty by Landlord as to whether or not such specified use complies with applicable laws and/or requires special governmental permits. In this regard, Tenant acknowledges that this Section 1.1 (r) is subject to Sections 3.1 and 9.9 of this lease.
- (s) Effective Date: This lease shall be effective upon the execution hereof by both Landlord and Tenant.
- (t) Rental rate: as described in paragraph (m), subject to the terms and conditions for renewal options as set forth in Exhibit "E" of this lease.
- (u) Lease year: Each consecutive period of twelve (12) calendar months/periods, commencing on the first day of the calendar month immediately following the month in which the Rent Commencement Date occurs and each anniversary of such day, except that the first lease year shall also include the period from the Rent Commencement Date until the first day of the following month.

1.2 The following chart is provided as an estimate of Tenant's initial monthly payment broken down into its components. This chart, however, does not supersede the specific provisions contained elsewhere in this lease:

Initial Minimum Guaranteed Rental (Sections 1.1(m) and 4.2)	\$ 1,440.00
Initial Common Area Maintenance Charge (Sections 1.1(o) and 7.4)	\$ _____
Initial Administrative Fee (Sections 1.1(o) and 7.4)	\$ _____
Initial Management Fee (Sections 1.1(o) and 7.4)	\$ _____
Initial Escrow Payment for Taxes and Other Real Estate Charges (Article VI)	\$ _____
Initial Escrow Payment for Insurance (Article VI)	\$ _____
Initial Payment for Merchants' Association Dues or Promotional Fund (Article VI(I))	\$ _____
Total Initial Monthly Payment	\$ 1,440.00

4.5 The term "gross sales", as used in Section 4.3 and elsewhere in this lease, shall be construed to include the entire amount of the sales price, whether for cash or otherwise (including the full purchase price of purchases in whole or in part by means of gift certificates, advertising certificates or trade-ins), of all sales of merchandise and services, and other receipts whatsoever, of all business conducted in or from the Demised Premises, including, by way of illustration (but in no way limited to), mail or telephone orders received or filled at the Demised Premises, "layaways" and other deposits (offset by such sums refunded to purchasers), orders taken (although such orders may be filled elsewhere), sales to employees, sales through vending machines, electronic games or other devices, and sales by any sublessee, concessionaire or licensee or otherwise (as well as licensee fees, franchise fees and similar fees) in or from the Demised Premises. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which the sale was made, irrespective of the time when Tenant receives payment from its customer. No deduction shall be allowed for uncollected credit accounts. Gross sales shall not include, however, any sums collected and paid out for any sales or excise tax imposed by any duly constituted governmental authority, nor shall it include the exchange of merchandise between the stores of Tenant, if any, where such exchanges are made solely for the convenient operation of the business of Tenant and not for the purpose of consummating a sale which has theretofore been made in or from the Demised Premises, and/or for the purpose of depriving Landlord of the benefit of a sale which otherwise would be made in or from the Demised Premises, nor the amount of returns to shippers or manufacturers, nor the amount of any cash or credit refund made upon any sale when the merchandise sold, or some part thereof, is thereafter returned by purchaser and accepted by Tenant, nor sales of Tenant's fixtures.

4.6 It is understood that the minimum guaranteed rental is payable on or before the first day of each calendar month (in accordance with Sections 4.1 and 4.2 above) and percentage rental if any, is payable on or before the 10th day of each calendar month, without offset or deduction of any nature. In the event any rental is not received within 10 days after its due date for any reason whatsoever, or if any rental payment is by check which is returned for insufficient funds, then in addition to the past due amount Tenant shall pay to Landlord both of the following (unless one of the foregoing is improper under applicable law, in which event such improper sum will not be required to be paid under this lease): (a) a late charge in an amount equal to ten percent (10%) of the rental then due, in order to compensate Landlord for its administrative and other overhead expenses; and (b) interest on the rental then due at the maximum contractual rate which could legally be charged in the event of a loan of such rental to Tenant (but in no event to exceed 1 1/2 % per month) (the "Maximum Rate"), such interest to accrue continuously on any unpaid balance due to Landlord by Tenant during the period commencing with the rental due date and terminating with the date on which Tenant makes full payment of all amounts owing to Landlord at the time of said payment. Any such late charge or interest payment shall be payable as additional rental under this lease, shall not be considered as a deduction from minimum guaranteed rental, percentage rental or any other amount due to Landlord under this lease, and shall be payable immediately on demand. If any rent is paid by check which is returned for insufficient funds, Tenant shall immediately make the required payment to Landlord in good funds, moreover, Tenant shall also pay Landlord the amounts specified above in this Section 4.6, plus an additional fee of \$75.00 to compensate Landlord for its expense and effort in connection with the dishonored check. Notwithstanding anything contained in this Section 4.6 or in this lease to the contrary, no sum received by Landlord under this lease as interest shall ever exceed the Maximum Rate, and Landlord shall immediately refund or credit Tenant any amount received under this lease in excess of the Maximum Rate.

4.7 If Tenant fails two times in any twelve consecutive month period to make rental payments within ten days after due, Landlord, in order to reduce its administrative costs may require, by giving written notice to Tenant (and in addition to any late charge or interest accruing pursuant to Section 4.6 above, as well as any other rights and remedies accruing pursuant to Article XXII or Article XXIII below, or any other provision of this lease or at law), that minimum guaranteed rentals are to be paid quarterly in advance instead of monthly and that all future rental payments are to be made on or before the due date by cash, cashiers check, or money order and that the delivery of Tenant's personal or corporate check will no longer constitute a payment of rental as provided in this lease. Any acceptance of a monthly rental payment or of a personal or corporate check thereafter by Landlord shall not be construed as a subsequent waiver of said rights.

4.8 In addition to the above rentals, Tenant shall pay to Landlord, as additional rental, all applicable taxes then in force which may be imposed on rentals to be received by Landlord. All rental shall be paid in advance, without notice, demand, abatement, set off or deduction except as otherwise expressly set forth in this Lease.

ARTICLE V SALES REPORTS, RECORDS AND FINANCIAL STATEMENTS

5.1 On or before the 10th day of each calendar month during the term of this lease, Tenant shall prepare and deliver to Landlord at the place where rental is then payable a certified statement of gross sales made from the Demised Premises during the preceding calendar month. In addition, within sixty days after the expiration of each calendar year and within sixty days after the termination of this lease if this lease should not terminate at the end of a calendar year, Tenant shall prepare and deliver to Landlord at the place where rental is then payable a statement of gross sales made from the Demised Premises during the preceding year (or partial calendar year), certified to be correct by an independent Certified Public Accountant. Tenant shall furnish similar statements for its licensees, concessionaires and subtenants, if any. All such statements shall be in such form as Landlord may require; and, if requested by Landlord, Tenant shall also provide to Landlord copies of sales reports submitted by Tenant to the Comptroller of the State of Texas. Tenant acknowledges Landlord's concern for prompt, accurate sales records, inasmuch as those records not only form the basis for percentage rentals but also enable Landlord to monitor the success of the Shopping Center. Tenant also acknowledges that its failure to submit statements of gross sales as required above will result in additional (although not readily ascertainable) expense to Landlord. Tenant therefore agrees that if it does not deliver to Landlord a statement of gross sales within ten (10) days following delivery to Tenant of a written demand from Landlord, then notwithstanding anything to the contrary contained elsewhere in this lease, the minimum guaranteed rental for the particular month during which the statement was due and for each month thereafter (until the statement is delivered) shall automatically be increased by two hundred dollars (\$200.00), with the increase not to be considered as additional rental and not as a deduction from percentage rental. In addition, if Tenant fails for two consecutive months to deliver statements of gross sales within the times specified in the first two sentences of this Section 5.1, then for the remainder of this lease the prerequisite of a written demand from Landlord shall cease and the rental increase of the immediately preceding sentence shall be applicable for any month in which the statement of gross sales is not delivered within ten (10) days following the prescribed due date. The rights of Landlord under the immediately preceding sentences are cumulative with the rights prescribed in Section 5.3, Article XXII, Article XXIII and elsewhere in this lease or at law.

5.2 Tenant shall keep in the Demised Premises or at some other location in the city where the Demised Premises is located a permanent, accurate set of books and records of all sales of merchandise and revenue derived from business conducted in the Demised Premises, and all supporting records such as tax reports and banking records. All such books and records shall be retained and preserved for at least twenty-four months after the end of the calendar year to which they relate, and shall be subject to inspection and audit by Landlord and its agent(s) at all reasonable times.

5.3 In the event that Tenant fails to deliver statements of gross sales for two consecutive months or in the event that Landlord is not satisfied with the statements of gross sales submitted by Tenant, Landlord shall have the right to have its auditors make a special audit of all books and records, wherever located, pertaining to sales made in or from the Demised Premises. Tenant agrees to make all such records and books reasonably available to Landlord or its representative, and shall cooperate fully in any such audit review. If Tenant's statements are found to be incorrect to an extent of more than two percent (2%) over the figures submitted by Tenant, or if Tenant has failed to deliver statements, Tenant shall pay for such audit. In addition, Tenant shall promptly pay to Landlord any deficiency, with interest at the Maximum Rate, which is established by such audit.

5.4 If the lease term for this lease is in excess of one year, and if the gross sales for the first lease year are insufficient for Tenant to pay percentage rental for that year, then in addition to the statements and reports prescribed above, Tenant shall, within ten (10) days after a request from Landlord at any time thereafter, deliver to Landlord such financial statements as are reasonably required by Landlord to verify the net worth of Tenant and any guarantor of Tenant's obligations under this lease. This obligation will continue from time to time and during each subsequent year in which Tenant's sales are insufficient for Tenant to pay percentage rental for the immediately preceding year.

5.5 Landlord shall use good faith efforts to keep confidential all sales reports, records and financial statements supplied by Tenant; however, Landlord shall have the right to reveal such information to mortgagees, prospective purchasers and their mortgagees (and agents in such regard) and to Landlord's own managerial and administrative staff.

5.6 At the request of Landlord, within ninety (90) days after the end of each of Tenant's fiscal years, Tenant will deliver to Landlord an annual consolidated financial statement showing in reasonable detail all income and expenses of Tenant to the preceding fiscal year, including, without limitation, a balance sheet and income statement.

**ARTICLE VI
TENANT'S RESPONSIBILITY FOR TAXES, OTHER
REAL ESTATE CHARGES AND INSURANCE EXPENSES**

6.1 Tenant shall be liable for all taxes levied against personal property and trade fixtures placed by Tenant in the Demised Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant in the Demised Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

6.2 During the term of this lease, Tenant shall also be liable for "Tenant's proportionate share" (as defined below) of all "real estate charges" (as defined below) and "insurance expenses" (as defined below) related to the Shopping Center or Landlord's ownership of the Shopping Center. Tenant's obligations under this Section 6.2 shall be prorated during any partial year (i.e., the first year and the last year of the lease term). "Tenant's proportionate share" shall be a fraction the numerator of which is the total floor area (all of which is deemed "leasable" in the Demised Premises) and the denominator of which is the total leasable floor area of all buildings in the Shopping Center at the time when the respective charge was incurred, excluding however, areas for which any such real estate charges or insurance expenses, or both, are paid by a party or parties other than Landlord. "Real estate charges" shall include ad valorem taxes, general and special assessments, parking surcharges, any tax or excise on rents, any tax or charge for governmental services (such as street maintenance or police or fire protection) and any tax or charge which replaces any of such above-described "real estate charges"; provided, however, that "real estate charges" shall not be deemed to include any franchise, estate, inheritance or general income tax. "Insurance expenses" shall include all premiums and other expenses incurred by Landlord for liability insurance, rental value insurance and fire and extended coverage property insurance (plus whatever endorsements or special coverages which Landlord, in Landlord's sole discretion, may consider appropriate).

6.3 Landlord and Tenant may attempt to obtain separate assessments for Tenant's obligations pursuant to Section 6.1 and, with respect to Section 6.2, for such of the "real estate charges" as are readily susceptible of separate assessment. To the extent of a separate assessment, Tenant agrees to pay such assessment before it becomes delinquent and to keep the Demised Premises free from any lien or attachment, moreover, as to all periods of time during the lease term, this covenant of Tenant shall survive the termination of the lease. With regard to the calendar year during which the lease term expires, Landlord at its option either may bill Tenant when the charges become payable or may charge the Tenant an estimate of Tenant's pro rata share of whichever charges have been being paid directly by Tenant (based upon information available for the current year plus, if current year information is not adequate in itself, information relating to the immediately preceding year).

6.4 During each month of the term of this lease at the same time as monthly installments of minimum guaranteed rental are due, Tenant shall make a monthly escrow deposit with Landlord equal to one-twelfth (1/12) of Tenant's proportionate share of the "real estate charges" and "insurance expenses" related to the Shopping Center, which Landlord reasonably estimates will be due and payable for that particular year. In the event Landlord does not otherwise notify Tenant of the monthly amounts to be deposited under this Article VI, then Tenant shall continue to pay such monthly deposits in an amount equal to one-twelfth (1/12) of Tenant's proportionate share of the "real estate charges" and "insurance expenses" for the immediately preceding twelve (12) month period. Tenant authorizes Landlord to use the funds deposited by Tenant with Landlord under this Article VI to pay the "real estate charges" and "insurance expenses" incurred by Landlord. Each real estate charge escrow payment and insurance expense escrow payment shall be due and payable at the same time and the same manner as the time and manner of the payment of minimum guaranteed rental as provided in this lease. The amount of the initial monthly real estate charge escrow payment and insurance expense escrow payment will be that amount set out in Article I, Section 1.3 above. The initial monthly real estate charge escrow payment and insurance expense escrow payment are based upon Tenant's proportionate share of the estimated "real estate charges" and "insurance expenses" for the year in question, and the monthly real

estate charge escrow payment and insurance expense escrow payment are subject to increase at any time during the term of this lease as determined by Landlord to reflect an accurate escrow of Tenant's estimated proportionate share of the "real estate charges" and "insurance expenses". The real estate charge escrow payment and insurance expense escrow payment accounts of Tenant shall be reconciled annually. If Tenant's total real estate charge escrow payments and insurance expense escrow payments are less than Tenant's actual proportionate share of the "real estate charges" and "insurance expenses", Tenant shall pay to Landlord upon demand the difference; if the total real estate charge escrow payments and insurance expense escrow payments of Tenant are more than Tenant's actual proportionate share of the "real estate charges" and "insurance expenses", Landlord shall retain such excess and at Landlord's option such excess sum shall either (i) be credited against the next maturing installments due from Tenant to Landlord for Tenant's proportionate share of actual "real estate charges" and "insurance expenses" or (unless otherwise provided herein), (ii) be refunded by Landlord to Tenant upon termination of this lease.

6.5 Landlord shall have the exclusive right, but not the obligation, to contest any and all such real estate charges. In the event that such contest results in a reduction of the amount of the real estate charges so contested, that portion of any refund, reduction, credit or recovery from the taxing authorities shall be credited or refunded proportionately to Tenant, less all incurred fees, costs and expenses, whether such fees, costs or expenses are incurred on a fixed or contingent basis, including but not limited to, and only by way of example, all fees, costs, and expenses payable to a consultant hired on a contingency fee basis. Tenant agrees that Tenant will not protest or appeal any appraisal or re-appraisal of the Demised Premises or any portion of the Shopping Center before any governmental authority and Tenant hereby waives any right to receive notices of re-appraisal, which waiver includes, without limitation, any rights which may otherwise exist under applicable law.

ARTICLE VII COMMON AREA

7.1 The term "Common Area" is defined for all purposes of this lease as that part of the Shopping Center intended for the common use of all tenants, including among other facilities (as such may be applicable to the Shopping Center), parking area, private streets and alleys, landscaping and landscaped areas, irrigation systems, storm water drainage facilities, utilities to the extent not maintained by a utility provider, curbs, common loading area, sidewalks, malls and promenades (enclosed or otherwise), lighting facilities, drinking fountains, meeting rooms, public toilets, and the like but excluding (i) space in buildings (now or hereafter existing) designated for rental for commercial purposes, as the same may exist from time to time, (ii) utilities, easements, streets and alleys maintained by a utility company or public authority, (iii) loading areas reserved for the use of a single tenant, and (iv) areas within the Shopping Center which may from time to time not be owned by Landlord (unless subject to a cross-access agreement benefiting the area which includes the Demised Premises), and (v) areas leased to a single-purpose user (such as a bank or fast food restaurant) where access is restricted. In addition, although the roof(s) and exterior walls of the building(s) in the Shopping Center are not literally part of the Common Area, they will be deemed to be so included for purposes of (i) Landlord's ability to prescribe rules and regulations regarding same and (ii) their inclusion for purposes of common area maintenance reimbursements. Finally, storm water drainage and outlet facilities and retention and detention areas and related facilities that may not be part of the Common Area but nevertheless serve the Shopping Center shall be deemed Common Area and shall be included for purposes of determining the Common Area maintenance charges, as will real estate charges and insurance expenses related thereto. Landlord reserves the right to change from time to time the dimensions and location of the Common Area, as well as the dimensions, identities, locations and types of any buildings, signs or other improvements in the Shopping Center. For example, and without limiting the generality of the immediately preceding sentence, Landlord may from time to time substitute for any parking area other areas reasonably accessible to the tenants of the Shopping Center, which areas may be elevated, surface or underground.

7.2 Tenant and its employees and customers, and when duly authorized pursuant to the provisions of this lease, its subtenants, licensees and concessionaires, shall have the nonexclusive right to use the Common Area (excluding roofs of buildings in the Shopping Center) as constituted from time to time, such use to be in common with Landlord, other tenants in the Shopping Center and other persons permitted by Landlord to use the same, and subject to such reasonable rules and regulations governing all aspects of the Common Area, Tenant agrees as follows:

(a) Tenant and Tenant's employees shall park their cars only in those parking areas designated for that purpose by Landlord. Tenant shall furnish Landlord with state automobile license numbers assigned to Tenant's car or cars, and cars of Tenant's employees, within five (5) days after taking possession of the Demised property and shall thereafter notify Landlord of any changes within five (5) days after such changes occur. In the event Tenant or its employees fail to park their cars in designated parking areas as aforesaid, then Landlord at its option shall charge Tenant Ten Dollars (\$10.00) per day per car parked in any area other than those designated, as and for liquidated damages and Tenant shall pay such charges upon demand. Tenant authorizes Landlord to cause any car which is not parked in the designated parking areas to be towed from the Shopping Center and Tenant shall reimburse Landlord for the cost thereof upon demand, and otherwise indemnify and hold Landlord harmless with respect thereto.

(b) Tenant shall not solicit business within the Common Area nor take any action which would interfere with the rights of other persons to use the Common Area.

(c) Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to make repairs or alterations or to prevent the public from obtaining prescriptive rights.

(d) With regard to the roof(s) of the building(s) in the Shopping Center, use of the roof(s) is reserved to Landlord or, with regard to any tenant demonstrating to Landlord's satisfaction a need to use same, to such tenant after receiving prior written consent from Landlord. Except for access to maintain Tenant's rooftop heating, air conditioning and ventilation system, Tenant shall not have access to the roof without the prior written consent of Landlord, which shall not be unreasonably withheld. In the event of an emergency requiring immediate roof access, Tenant must verbally contact Landlord with the nature of the emergency. **Any roof penetration must be performed by Landlord's roofer so as not to void Landlord's roof warranty.** Within three (3) days after any work requiring roof penetration is completed, Tenant shall notify Landlord and accompany Landlord's representative on an inspection of the roof to determine whether any damage was caused to the roof. If damage to the roof occurred following Tenant's access thereof, Tenant shall be liable for the costs of repairing the roof and for any damage incurred by Landlord, Tenant or any other tenant in the Shopping Center as result thereof.

7.3 Landlord shall be responsible for the operation, management and maintenance of the Common Area, the manner of maintenance and the expenditures therefor to be in the sole discretion of Landlord, but to be generally in keeping with similar shopping centers within the same geographical area as the Shopping Center. Without limiting the generality of the immediately preceding sentence, Tenant acknowledges that LANDLORD MAKES NO REPRESENTATION OR WARRANTY REGARDING WHETHER OR NOT LANDLORD WILL PROVIDE SECURITY SERVICES OR, IF SO, WHAT FORM OF SECURITY SERVICES WILL BE PROVIDED.

7.4 In addition to the rentals and other charges prescribed in this lease, Tenant shall pay to Landlord Tenant's proportionate share of the cost of operation, repair, maintenance and replacement of the Common Area which may be incurred by Landlord in its discretion, including, among other costs, those for lighting, painting, water, sewerage, storm water drainage systems and other utilities, landscaping, wetlands areas, valet parking, gardening, resurfacing, striping, bumpers, exterminating, cleaning, policing, inspecting, repairing, replacing, (and, if there is an enclosed mall or promenade in the Shopping Center, heating and cooling), security (if and to the extent Landlord provides security), advertising, seasonal decorations, a reasonable portion of whatever management fee Landlord pays to the manager of the Shopping Center, a reasonable allowance for Landlord's overhead costs and the cost of any insurance for which Landlord is not reimbursed pursuant to Section 6.2, but specifically excluding all expenses paid or reimbursed pursuant to Article VI. In addition, although the roof(s) and exterior walls of the building(s) in the Shopping Center are not literally part of the Common Area, Landlord and Tenant agree that maintenance, repair and replacement of the same shall be included as a common area maintenance item to the extent not specifically allocated to Tenant under this lease nor to another tenant pursuant to its lease. With regard to capital expenditures (i) the original investment in capital improvements, i.e., upon the initial construction of the Shopping Center, shall not be included and (ii) improvements and replacements, to the extent capitalized on Landlord's records, shall be included only to the extent of a reasonable depreciation or amortization (including interest accruals commensurate with Landlord's interest costs). The proportionate share to be paid by Tenant of the cost of operation, repair, maintenance and replacement of the Common Area shall be computed on the ratio that the total floor area (all of which is deemed "leasable") of the Demised Premises bears to the total leasable floor area of all buildings within the Shopping Center (excluding, however, areas owned or maintained by a party or parties other than Landlord); provided that in no event shall such share be less than the amount specified in Section 1.1(o) above. If this lease should commence on a date other than the first day of a calendar year or terminate on a date other than the last day of a calendar year, Tenant's reimbursement obligations under this Section 7.4 shall be prorated based upon Landlord's expenses for the entire calendar year. Tenant shall make such payments to Landlord on demand on intervals not more frequent than monthly. Landlord may at its option make monthly or other periodic charges based upon the estimated annual cost of operation and maintenance of the Common Area, payable in advance but subject to adjustment after the end of the year on the basis of the actual cost for such year. If Tenant's total Common Area maintenance charge payments for the year in question are less than Tenant's actual proportionate share of the Common Area maintenance charges for such year, Tenant shall pay to Landlord, upon demand, the difference; if the total Common Area maintenance charge payments of Tenant for the year in question are more than Tenant's actual proportionate share of the Common Area maintenance charges for such year, Landlord shall retain such excess and at Landlord's option such excess sum shall either (i) be credited against the next maturing installments due from Tenant to Landlord for Tenant's proportionate share of the actual Common Area maintenance charges or (unless otherwise provided herein), (ii) be refunded by Landlord to Tenant upon termination of this lease.

ARTICLE VIII MERCHANTS' ASSOCIATION OR PROMOTIONAL FUND

8.1 In the event that Landlord shall organize a merchants' association composed of tenants in the Shopping Center, Tenant agrees that it will join and maintain membership in such association, will pay such dues and assessments as may be fixed and determined from time to time by the association and will comply with such other bylaws, rules and regulations as may be adopted from time to time by the association.

8.2 In the event that Landlord shall establish a promotional fund to pay for advertising and other marketing activities of the Shopping Center (as may be directed by Landlord from time to time), Tenant shall pay whatever sums Landlord shall reasonably designate as Tenant's proportionate contribution to the promotional fund.

ARTICLE IX USE AND CARE OF DEMISED PREMISES

9.1 Tenant shall commence business operations in the Demised Premises on or immediately after the Rent Commencement Date and shall operate its business in an efficient, high class and reputable manner so as to produce the maximum amount of sales from the Demised Premises. Occupancy of the Demised Premises by Tenant prior to the Rent Commencement Date shall be subject to all of the terms and provisions of this lease excepting only those requiring the payment of rental. If Tenant fails to take possession of the Demised Premises after notice from Landlord that the Demised Premises are ready for occupancy, unless otherwise provided herein, or if Tenant fails within any time limits herein or any exhibit hereto to complete any work or perform any of the requirements to be performed by Tenant prior to the Rent Commencement Date, or if Tenant shall cause a delay in the completion of any work, Landlord shall have the option to terminate this lease, said termination to be effective immediately upon Landlord's exercise of such option. If Tenant fails to open for business within ninety (90) days after obtaining possession of the Demised Premises, Landlord shall have the option to terminate this lease, said termination to be effective immediately upon Landlord's exercise of such option. In the event of any such termination under the provisions in this paragraph, Tenant shall be liable to Landlord as for default. Tenant shall not at anytime leave the Demised Premises vacant, but shall in good faith continuously throughout the term of this lease conduct and carry on in the entire Demised Premises the type of business for which the Demised Premises is leased. Tenant shall, except during reasonable periods for repairing, cleaning and decorating, keep the Demised Premises open to the public for business with adequate personnel in attendance on all days (including, if designated by Landlord, Sundays and holidays) and during all hours (including, if designated by Landlord, extended days and hours during the shopping season prior to Christmas and whenever else that the majority of the retail tenants in the Shopping Center open for business during extended days or hours, or both), except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance or governmental regulation.

9.2 The Demised Premises may be used only for the purpose or purposes specified in Section 1.1(r) above, and only under the trade name specified in Section 1.1(e) above (or, if Section 1.1(e) is not filled in, any trade name approved in advance by Landlord), and for no other purpose and under no other trade name, it being understood and acknowledged that Landlord has entered into this lease in large part because it believes that such use and trade name will benefit the Shopping Center as a whole.

9.3 Tenant shall not, without Landlord's prior written consent, keep anything within the Demised Premises or use the Demised Premises for any purpose which creates a risk of toxic or otherwise hazardous substances or which increases the insurance premium cost or invalidates any insurance policy carried on the Demised Premises or other parts of the Shopping Center. All property kept, stored or maintained within the Demised Premises by Tenant shall be at Tenant's sole risk. Tenant shall be responsible for the installation, maintenance, service, monitoring fees and all other costs, fees and/or expenses relating to any fire alarm system required, or desired by Tenant, to be installed in the Demised Premises. Tenant shall indemnify Landlord and hold Landlord harmless from and against any and all liability, liens, claims, demands, damages, expenses, fees, costs, fines, penalties, suits, proceedings, actions, and causes of action (including without limitation all attorneys' fees and expenses) arising out of or relating to, directly or indirectly, any violation or alleged violation by Tenant of any government authority pertaining to health or the environment relating to the Demised Premises and the Shopping Center ("Environmental Laws"), now existing or hereafter arising, except for violations of Environmental Law caused by Landlord. This indemnification shall survive the expiration or termination of this lease.

9.4 Tenant shall not conduct within the Demised Premises any fire, auction, bankruptcy, "going-out-of-business," "lost-our-lease" or similar sale; nor shall Tenant operate within Demised Premises a "wholesale" or "factory outlet" store, a cooperative store, a "second hand" store, a "surplus" store or a store commonly referred to as a "discount house." The purpose for this restriction is the maintenance of a first-class shopping center image, not price regulation; therefore, Landlord agrees that items may be sold, and on occasion be advertised as being sold, at discounted prices as long as Tenant complies with all applicable laws and maintains an image consistent with a first-class shopping center.

9.5 Tenant shall not permit any objectionable noises or odors to emanate from the Demised Premises; nor place or permit any radio, television, loudspeaker or amplifier on the roof or outside the Demised Premises or where the same can be seen or heard from outside the Demised Premises; nor place any antenna, equipment, awning or other projection on the exterior of the Demised Premises; nor take any other action which would constitute a nuisance or would disturb or endanger other tenants of the Shopping Center or unreasonably interfere with their use of their respective premises; nor permit any unlawful or immoral practice to be carried on or committed on the Demised Premises; nor do anything which would tend to injure the reputation of the Shopping Center.

9.6 Tenant shall take good care of the Demised Premises; shall keep the Demised Premises secure (i.e., Tenant acknowledges that it is not relying on any representation or warranty by Landlord in this regard), and shall keep the same free from waste at all times. Tenant shall not overload the floors in the Demised Premises, nor deface or injure the Demised Premises. Tenant shall keep the Demised Premises and sidewalks, service-ways and loading areas adjacent to the Demised Premises neat, clean and free from dirt, rubbish, ice or snow at all times. Tenant shall store all trash and garbage within the Demised Premises, or in a trash dumpster or similar container approved by Landlord as to type, location and screening; and Tenant shall arrange for the regular pick-up of such trash and garbage at Tenant's expense (unless Landlord finds it necessary to furnish such a service, in which event Tenant shall be charged an equitable portion of the total charges to all tenants using the service). Receiving and delivery of goods and merchandise and removal of garbage and trash shall be made only in the manner and areas prescribed by Landlord. Tenant shall not operate an incinerator or burn trash or garbage within the Shopping Center.

9.7 Tenant shall maintain all display windows in a neat, attractive condition, and shall keep all display windows, exterior electric signs and exterior lighting under any canopy in front of the Demised Premises lighted from dusk until 11:00p.m., everyday, including Sundays and holidays (or any other hours established by Landlord for the Shopping Center). Tenant additionally acknowledges that no business shall be conducted between the hours of 12:00am and 6:00am throughout the calendar year unless as specifically authorized in writing by Landlord throughout the term of the lease.

9.8 Tenant shall include the address and identity of its business activities in the Demised Premises in all advertisements made by Tenant in which the address and identity of any similar local business activity of Tenant is mentioned.

9.9 Tenant shall procure at its sole expense any permits and licenses required for the transaction of business in the Demised Premises and otherwise comply with all applicable laws, ordinances and governmental regulations. In addition, if the nature of Tenant's business makes it advisable for Tenant to take any extra precautions (for example, in the case of a business which is affected by so-called "dramshop" laws, Tenant's compliance with all "dramshop" educational programs and procedures), Tenant shall take all such extra precautions. At Landlord's request, Tenant shall deliver to Landlord copies of all such permits and licenses and proof of Tenant's compliance with all such laws, ordinances, governmental regulations and extra precautions.

9.10 Tenant shall be responsible for compliance with the Americans with Disabilities Act of 1990, as amended from time to time, and related state and municipal laws and regulations, in all matters regarding both the configuration of the Demised Premises (the interior as well as all public and/or employee door entrances) and Tenant's business operations at the Demised Premises.

9.11 In connection with Tenant's grand opening (or other special event), Tenant shall, at Tenant's sole cost and expense, provide for security of the Demised Premises and Common Areas prior to, during and for a reasonable period following such event, and, notwithstanding any other term or provision of this lease to the contrary, Tenant shall indemnify, defend and hold Landlord harmless from and against any claims, damages, losses, costs or expenses incurred by or alleged against Landlord arising out of any such activities.

~~9.12 Tenant acknowledges that the Shopping Center (and, accordingly, the Demised Premises) is encumbered by various use restrictions set out in a certain _____ (the "_____") executed, or to be executed, by and between _____ and _____. Tenant agrees that its operations at the Demised Premises will comply with all applicable requirements of the _____ and any amendments or modifications thereof; however, Landlord agrees that during the term of this lease, Landlord will not~~

11.2 All construction work done by Tenant within the Demised Premises shall only be performed (i) with Landlord's prior written approval, (ii) in a good and workmanlike manner, (iii) lien-free, (iv) in compliance with all governmental requirements, and (v) in such manner as to cause a minimum of interference with other construction in progress and with the transaction of business in the Shopping Center. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, cost, liability or damage resulting from such work, and Tenant shall, if requested by Landlord, furnish a bond or other security satisfactory to Landlord against any such loss, cost, liability or damage. Upon completion of all approved improvements and alterations to the Demised Premises, Tenant, at Tenant's sole cost and expense, shall provide to Landlord complete "as-built" construction plans and specifications, including fixture plans, of the Demised Premises. Approval by Landlord of any plans and specifications for work described in this Article XI shall not constitute a representation or warranty by Landlord as to the adequacy or sufficiency of such plans and specifications, or the improvements to which they relate, or that they comply with applicable laws, rules, regulations and codes, but such approval shall merely be the consent of Landlord as required hereunder.

11.3 In the event Tenant uses a general contractor to perform construction work within the Demised Premises, Tenant shall, prior to the commencement of such work, require said general contractor to execute and deliver to Landlord a waiver and release of any and all claims against Landlord and liens against the Shopping Center to which such contractor might at any time be entitled and to execute and record a Bond to Pay Claims (the "Bond") in accordance with Chapter 53, Subchapter I of the Texas Property Code, as such may be amended, superseded or replaced from time to time, and shall deliver a copy of the recorded bond to Landlord. The delivery of the waiver and release of lien and the Bond within the time period set forth above shall be a condition precedent to Tenant's ability to enter on and begin its construction work at the Demised Premises and if applicable, to any reimbursement from Landlord for its construction work.

11.4 In the event that Landlord elects to remodel all or any portion of the Shopping Center, Tenant will cooperate with such remodeling, including Tenant's tolerating temporary inconveniences (including, without limitation, the temporary removal of Tenant's signs in order to facilitate such remodeling, as it may relate to the exterior of the Demised Premises).

ARTICLE XII LANDLORD'S RIGHT OF ACCESS

12.1 Landlord shall have the right to enter upon the Demised Premises at any time for the purpose of inspecting the same, or of making repairs to the Demised Premises, or of making repairs, alterations, additions to adjacent premises, or of showing the Demised Premises to prospective purchasers, tenants or lenders.

12.2 Tenant will permit Landlord to place and maintain "For Rent" or "For Lease" signs on the Demised Premises during the last 180 days of the lease term, it being understood that such signs shall in no way affect Tenant's obligations pursuant to Section 9.4, Section 13.1 or any other provision of this lease.

12.3 Use of the roof above the Demised Premises is reserved to Landlord; however, Landlord agrees that it will not use the roof above the Demised Premises for signage or other advertising displays without Tenant's consent.

ARTICLE XIII SIGNS; STORE FRONTS

13.1 Tenant shall not, without Landlord's prior written consent (a) make any changes to the store front, or (b) install or make any changes to any exterior lighting, decorations, paintings, awnings, canopies or the like, or (c) erect or install any signs, window or door lettering, placards, decorations, banners, portable signs or advertising media of any type which can be viewed from the exterior of the Demised Premises, excepting only dignified displays of customary type, for its display windows. Tenant shall not place any merchandise, showcases, pay telephones, ice machines, rides or other obstructions on the outside of the Demised Premises, on the sidewalks, or in any lobby or passageway adjoining the same which shall extend beyond the border line of the Demised Premises. All signs, lettering, placards, decorations and advertising media (including, without limitation, the sign required by Section 13.2 below) shall conform in all respects to all applicable laws and the sign criteria established by Landlord for the Shopping Center from time to time in the exercise of its sole discretion, and shall be subject to Landlord's requirements as to construction, method of attachment, size, shape, height, lighting, color and general appearance. All signs shall be kept in good condition and in proper operating order at all times.

13.2 Subject to the restrictions of Section 13.1 above, Tenant agrees to install a first-class sign on the front of the Demised Premises, on or prior to the Rent Commencement Date and to maintain such sign during the term of this lease. Upon vacation of the Demised Premises or the removal or alteration of Tenant's signs for any reason, Tenant shall be responsible for the repair, painting and/or replacement of the building fascia surface where signs were attached.

ARTICLE XIV UTILITIES

14.1 Landlord agrees to cause to be provided to the Shopping Center the necessary mains, conduits and other facilities necessary to supply water, gas (if deemed appropriate by Landlord), electricity, telephone service and sewage service to the building in which the Demised Premises are located. Notwithstanding any matter to the contrary, Landlord is not responsible for otherwise providing utility, conduit or any services to Tenant.

14.2 Tenant shall pay for the cost of any meters/meter deposits and/or the cost to install Tenant's meters and Tenant shall promptly pay all charges for electricity, water, gas, telephone service, sewage service and other utilities furnished to the Demised Premises. Landlord may, if it so elects, furnish one or more utility services to Tenant, and in such event Tenant shall purchase the use of such services as are tendered by Landlord, and shall pay on demand as additional rental the rates established therefor by Landlord which shall not exceed the rates which would be charged for the

same services furnished directly by the local public utility companies. Landlord may at any time discontinue furnishing any such service without obligation to Tenant other than to connect the Demised Premises to the public utility, if any, furnishing such service.

14.3 If any of the services described above or elsewhere in this lease are interrupted, Landlord shall use reasonable diligence to promptly restore such service in any circumstance in which such restoration is within the reasonable control of Landlord. However, neither the interruption or cessation of such services nor the failure of Landlord to restore same shall render Landlord liable in any respect for damages to person or property, or be construed as an eviction of Tenant, or work an abatement of rental or relieve Tenant from fulfilling any of its obligations under this lease.

ARTICLE XV INSURANCE COVERAGES

15.1 Landlord shall procure and maintain throughout the term of this lease a policy or policies of insurance, at its sole cost and expense (but subject to Article IV above), causing the Shopping Center to be insured under standard fire and extended coverage insurance and liability insurance (plus whatever endorsements or special coverages Landlord, in its sole discretion, may consider appropriate), to the extent necessary to comply with Landlord's obligations pursuant to other provisions of this lease.

15.2 Tenant, at Tenant's sole cost and expense, beginning on the Rent Commencement Date, shall procure, pay for and keep in full force and effect the following types of insurance, in at least the amounts and in the forms specified below:

(a) Commercial general liability insurance with coverage limits of not less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury, personal injury, death and property damage liability per occurrence or the current limit carried by Tenant, whichever is greater, insuring against any and all liability of the insureds with respect to the Demised Premises or arising out of the maintenance, use or occupancy of the Demised Premises or related to the exercise of any rights of Tenant pursuant to this lease. In the event Landlord or Landlord's first mortgagee or beneficiary deems it reasonably necessary to increase the amounts or limits of insurance required to be carried by Tenant under this lease, Landlord may reasonably increase such amounts or limits of insurance and Tenant shall increase the amounts or limits of the insurance required to be carried by Tenant under this lease and shall provide Landlord with policies or original certificates indicating the increased amounts or limits as provided in Section 15.2 of this lease. All such liability insurance shall specifically insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and injury or damage to property set forth in Section 16.1. Further, all liability insurance shall include, but not be limited to, personal injury, blanket contractual, cross-liability and severability of interest clauses, products/completed operations, broad form property damage, independent contractors, owned, non-owned and hired vehicles and, if alcoholic beverages are served, sold, consumed or obtained in the Demised Premises, liquor liability.

~~(b) Worker's compensation coverage as required by law, and employer's liability coverage, with a limit of not less than One Million Dollars (\$1,000,000.00) and waiver by Tenant's insurer of any right of subrogation against Landlord by reason of any payment pursuant to such coverage.~~

~~(c) Business interruption or loss of income insurance in an amount equal to the Minimum Guaranteed Rental and Percentage Rental payable under this lease for a twelve (12) month period.~~

(d) Plate glass insurance covering all plate glass on the Demised Premises at full replacement value. Tenant shall have the option either to insure the risk or to self-insure.

(e) Property insurance in the "causes of loss - special form" covering "all risks" and covering all of Tenant's Work (as defined in the Work Letter), Tenant's leasehold improvements, trade fixtures, merchandise and personal property from time to time in, on or about the Demised Premises in an amount not less than 100% of the then-current full replacement cost of the improvements and other property being insured pursuant thereto, including a replacement cost endorsement, in an amount necessary to comply with any coinsurance percentage stipulated in the policy, which shall not be less than 80% of the value of the property, provided, however, that the insurance policy shall contain an "inflation guard" or other endorsement increasing coverage as the value of the property increases, without any further notification required by the insured, not deleting any peril covered by a standard fire and extended coverage property insurance policy with additional coverages for sprinkler damage, vandalism and malicious mischief. In addition, Tenant shall carry comprehensive boiler and machinery coverage on all heating, ventilating and air conditioning equipment, electrical, mechanical and other such systems serving the Demised Premises in amounts reasonably satisfactory to Landlord. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed.

(f) Any insurance policies designated necessary by Landlord with regard to Tenant's, or Tenant's contractors' construction of Tenant's Work, as well as with regard to the construction of alterations including, but not limited to, contingent liability and causes of loss - special form "all risks" builders' risk insurance, with minimum limits of One Million Dollars (\$1,000,000.00).

15.3 All policies of insurance provided for in this lease shall be issued by insurance companies with general policy holder's rating of not less than A and a financial rating of not less than Class XII, as rated in the most current available "Best's Key Rating Guide", and which are qualified to do business in the state in which the Demised Premises are located. All such policies shall be of a nonreporting nature and shall name and shall be for the mutual and joint benefit and protection of Landlord and shall name Landlord's mortgagee(s) or beneficiary(ies) as additional insureds or loss payees, as their interests may appear. Executed copies of the policies of insurance or legally enforceable certificates thereof shall be delivered to Landlord prior to Tenant, its agents or employees, entering the Demised Premises for any purpose. Thereafter, executed copies of renewal policies or certificates thereof shall be delivered to Landlord (within thirty (30) days prior to the expiration of the term of each policy). All policies of insurance delivered to Landlord must contain a provision that the company writing the policy will give to Landlord at least thirty (30) days' notice in writing, in advance, of any cancellation or lapse or the effective date of any reduction in the amounts of insurance. All public liability, property damage and other casualty policies shall be endorsed to read that such policies are primary policies and that any insurance carried by Landlord shall be noncontributing with respect to such policies. All property policies, including causes of loss - special form property insurance, builder's risk insurance, and any other insurance policy capable of such endorsement or amendment shall provide that as to Landlord's interest, such policy shall remain valid and enforceable and shall insure

Landlord, as additional insured, regardless of any: (i) named insured's act, failure to act, negligence, or violation of any warranties, declarations or conditions; (b) personal defenses of the insurer against the named insured; (c) occupancy or use of the Demised Premises for purposes more hazardous than those permitted; or (d) Landlord, or Landlord's mortgagee(s)' or beneficiary(ies)' exercise of any of their respective remedies.

15.4 Notwithstanding anything to the contrary contained in this Article XV, Tenant's obligation to carry insurance may be satisfied by coverage under a so-called "blanket policy" or policies of insurance; provided, however, that all insurance certificates provided by Tenant to Landlord pursuant to Section 15.3 above shall reflect that Tenant has been afforded coverage specifically with respect to the Demised Premises, Landlord and Landlord's mortgagee(s) or beneficiary(ies) shall be named as additional insureds or loss payees, as their interests may appear, the coverage afforded Landlord shall not be reduced or diminished and the requirements set forth in this lease shall be otherwise satisfied by such blanket policy or policies.

15.5 Tenant shall not do any act in or about the Demised Premises which will tend to increase the insurance rates upon the Demised Premises, the building of which the Demised Premises is a part or the Shopping Center of which the Demised Premises are a part. Tenant agrees to pay to Landlord, upon demand, the amount of any increase in premium for insurance resulting from Tenant's use of the Demised Premises, whether or not Landlord shall have consented to the act on the part of Tenant. If Tenant installs upon the Demised Premises any electrical equipment which constitutes an overload of the electrical lines servicing the Demised Premises, Tenant, at Tenant's own expense, shall make whatever changes are necessary to comply with the requirements of the insurance underwriters and any appropriate governmental authority.

15.6 Landlord makes no representation that the limits or forms of coverage of insurance required to be maintained by Tenant as specified in this Article XV are adequate to cover Tenant's property or Tenant's obligations under this lease.

ARTICLE XVI WAIVER OF LIABILITY; MUTUAL WAIVER OF SUBROGATION

16.1 To the fullest extent permitted by law, Tenant covenants with Landlord that Landlord and Landlord's agents and employees shall not be liable to Tenant nor to Tenant's employees, agents or visitors, nor to any other person whomsoever, for any damage or liability of any kind or for any injury to or death of persons or damage to property of Tenant or any other person occurring from and after the date the Demised Premises are delivered to Tenant (or such earlier date if Tenant is given access to the Demised Premises) (a) from any cause whatsoever related to the use, occupancy or enjoyment of the Demised Premises by Tenant or any person thereon or holding under Tenant including, but not limited to, damages resulting from any labor dispute, (b) caused by the Demised Premises or other portions of the Shopping Center becoming out of repair or by defect or failure of any structural element of the Demised Premises or of any equipment, pipes or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Demised Premises (except where due to Landlord's willful failure to make repairs required to be made hereunder, after the expiration of a reasonable time after written notice to Landlord of the need for such repairs), (c) caused by the negligence or misconduct of Tenant, its employees, subtenants, licensees or concessionaires, or of any other person entering the Shopping Center under express or implied invitation of Tenant (with the exception of customers in the Common Area), or (d) occasioned by or through the acts or omissions of other tenants of the Shopping Center or of any other persons whomsoever, excepting only duly authorized employees and agents of Landlord. Landlord shall not be held responsible in any way on account of any construction, repair, reconstruction (including widening) of any private or public roadways, walkways or utility lines. Tenant shall defend, indemnify and save Landlord harmless from all liability whatsoever on account of any real or alleged damage or injury and from liens, claims and demands (i) related to the use of the Demised Premises and its facilities, or (ii) related to the use of the Common Areas during Tenant's grand opening or other special event, (iii) arising out of any repairs, alterations or improvements (including original improvements and fixtures specified as Tenant's Work) which Tenant may make or cause to be made upon the Demised Premises, or (iii) arising out of any breach of this lease by Tenant, and any loss or interruption of business or loss of rental income resulting therefrom, which obligation shall survive the termination or expiration of this lease. This obligation to indemnify shall include reasonable attorneys' fees and investigation costs and all other reasonable costs, expenses and liabilities incurred by Landlord or its counsel from the first notice that any claim or demand is to be made or may be made. LANDLORD AND TENANT INTEND FOR THE INDEMNITY OBLIGATIONS OF TENANT SET FORTH IN THIS SECTION 16.1 TO APPLY EVEN IF THE LOSS OR DAMAGE DESCRIBED IN SUCH SECTION IS CAUSED BY THE NEGLIGENCE OF LANDLORD AND EVEN IF LANDLORD WOULD OTHERWISE BE STRICTLY LIABLE FOR SUCH LOSS OR DAMAGE UNDER APPLICABLE LAW. Landlord hereby agrees to indemnify and hold Tenant harmless from all acts, injuries, losses, or claims and all damage to personal property or any causes of action that arise in the Shopping Center or the Common Areas or parking lots thereof which are the result of Landlord's negligence.

16.2 Landlord and Tenant each waive any rights each may have against the other on account of any loss or damage occasioned to Landlord or Tenant, as the case may be, their respective property, the Demised Premises or its contents, or to other portions of the Shopping Center arising from any liability, loss, damage or injury caused by fire or other casualty for which property insurance is carried or required to be carried pursuant to this lease. LANDLORD AND TENANT INTEND FOR THE WAIVER OF CLAIMS SET FORTH IN THIS SECTION 16.2 TO APPLY EVEN IF THE LOSS OR DAMAGE DESCRIBED IN SUCH SECTION IS CAUSED BY THE NEGLIGENCE OF THE RELEASED PARTY AND EVEN IF THE RELEASED PARTY WOULD OTHERWISE BE STRICTLY LIABLE FOR SUCH LOSS OR DAMAGE UNDER APPLICABLE LAW. The insurance policies obtained by Landlord and Tenant pursuant to this lease shall contain endorsements waiving any right of subrogation which the insurer may otherwise have against the noninsuring party. The foregoing release and the foregoing requirement for waivers of subrogation shall be operative only so long as the same shall neither preclude the obtaining of such insurance nor diminish, reduce or impair the liability of any insurer.

16.3 Broker Indemnification. As part of the consideration for the granting of this Lease, Tenant represents and warrants to the Landlord that no broker or agent engaged or contacted by Tenant either negotiated or was instrumental in negotiating or consummating this Lease other than Zapphire Real Estate and API Real Estate (the "Authorized Brokers"), and Tenant agrees to indemnify Landlord against any loss, expense (including reasonable attorneys' fees and costs), cost or liability incurred by Landlord as a result of a claim by any broker or finder other than the Authorized Broker(s).

**ARTICLE XVII
DAMAGES BY CASUALTY**

17.1 Tenant shall give immediate written notice to Landlord of any damage caused to the Demised Premises by fire or other casualty.

17.2 In the event that the Demised Premises shall be damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance and Landlord does not elect to terminate this lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Demised Premises. In the event (a) the building in which the Demised Premises are located is destroyed or substantially damaged by a casualty not covered by Landlord's insurance or (b) such building is destroyed or rendered untenable to an extent in excess of fifty percent of the first floor area by a casualty covered by Landlord's insurance, or (c) the holder of a mortgage, deed of trust or other lien on such building at the time of the casualty elects, pursuant to such mortgage, deed of trust, or other lien, to require the use of all or part of Landlord's insurance proceeds in satisfaction of all or part of the indebtedness secured by the mortgage, deed of trust or other lien, then Landlord may elect either to terminate this lease or to proceed to rebuild and repair the Demised Premises. Landlord shall give written notice to Tenant of such election within sixty days after the occurrence of such casualty and, if it elects to rebuild and repair, shall proceed to do so with reasonable diligence and at its sole cost and expense.

17.3 Landlord's obligation to rebuild and repair under this Article XVII shall in any event be limited to restoring one of the following (as may be applicable): (a) if this lease does not include an attached exhibit describing Landlord's initial construction responsibility ("Landlord's Work"), restoring the Demised Premises to substantially the condition in which the same existed upon delivery of the Demised Premises to Tenant, exclusive of any alterations, additions, improvements, fixtures and equipment installed by Tenant; or (b) restoring Landlord's Work, as described in the applicable exhibit attached to this lease (if such an exhibit is attached), to substantially the same condition in which the same existed prior to the casualty. Tenant agrees that promptly after completion of such work by Landlord, Tenant will proceed with reasonable diligence and at Tenant's sole cost and expense to restore, repair and replace all alterations, additions, improvements, fixtures, signs and equipment installed by Tenant, or, if an exhibit describing Tenant's Work is attached hereto, all items of Tenant's Work as described in such exhibit, as the case may be, and reopen for business at the Demised Premises. Notwithstanding anything in this lease to the contrary, Landlord's obligations under this lease to rebuild and repair the Demised Premises shall be limited in any event to the amount of insurance proceeds recovered by Landlord under its insurance policy or policies as a result of a casualty.

17.4 Tenant agrees that during any period of reconstruction or repair of the Demised Premises, it will continue the operation of its business within the Demised Premises to the extent practicable. During the period from the occurrence of the casualty until Landlord's repairs are completed, the minimum guaranteed rental shall be reduced to such extent as may be fair and reasonable under the circumstances; however, there shall be no abatement of the percentage rental and other charges provided for herein.

**ARTICLE XVIII
EMINENT DOMAIN**

18.1 If more than thirty percent (30%) of the floor area of the Demised Premises should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, this lease shall terminate and the rent shall be abated during the unexpired portion of this lease, effective on the date physical possession is taken by the condemning authority.

18.2 If less than thirty percent (30%) of the floor area of the Demised Premises should be taken as aforesaid, this lease shall not terminate; however, the minimum guaranteed rental (but not percentage rental) payable hereunder during the unexpired portion of this lease (and, if applicable, any breakpoint of gross sales used to determine percentage rental) shall be reduced in proportion to the area taken, effective on the date physical possession is taken by the condemning authority. Following such partial taking and Landlord's receipt of any condemnation award, Landlord shall make all necessary repairs or alterations to the remaining premises or, if an exhibit describing Landlord's Work is attached to this lease, all necessary repairs within the scope of Landlord's Work as described in such exhibit, as the case may be, required to make the remaining portions of the Demised Premises an architectural whole.

18.3 If any part of the Common Area should be taken as aforesaid, this lease shall not terminate, nor shall the rent payable hereunder be reduced, except that either Landlord or Tenant may terminate this lease if the area of the Common Area remaining following such taking plus any additional parking area provided by Landlord in reasonable proximity to the Shopping Center shall be less than seventy percent (70%) of the area of the Common Area immediately prior to the taking. Any election to terminate this lease in accordance with this provision shall be evidenced by written notice of termination delivered to the other party within thirty days after the date physical possession is taken by the condemning authority.

18.4 All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Demised Premises or Common Area shall be the property of Landlord, and Tenant hereby assigns its interest in any such award to Landlord; provided, however, Landlord shall have no interest in any award made to Tenant for Tenant's moving and relocation expenses or for the loss of Tenant's fixtures and other tangible personal property if a separate award for such items is made to Tenant as long as such separate award does not reduce the amount of the award that would otherwise be awarded to Landlord.

**ARTICLE XIX
ASSIGNMENT AND SUBLETTING**

19.1 Tenant shall not assign or in any manner transfer this lease or any estate or interest therein, or sublet the Demised Premises or any part thereof or grant any license, concession or other right of occupancy of any portion of the Demised Premises without the prior written consent of Landlord. Landlord agrees that it will not withhold consent in a wholly unreasonable and arbitrary manner (as further explained in Section 28.4 of this lease); however, in determining whether or not to grant its consent, Landlord shall be entitled to take into consideration factors such as Landlord's

desired tenant mix, the reputation and net worth of the proposed transferee, and the then current market conditions (including market rentals). In addition, Landlord shall also be entitled to charge Tenant a reasonable fee for processing Tenant's request. Consent by Landlord to one or more assignments or sublettings shall not operate as a waiver of Landlord's rights as to any subsequent assignments and sublettings.

19.2 If Tenant is a corporation, partnership or other entity and if at any time during the term of this lease the person or persons who own a majority of either the outstanding voting rights or the outstanding ownership interests of Tenant at the time of the execution of this lease cease to own a majority of such voting rights or ownership interests (except as a result of transfers by devise or descent), the loss of a majority of such voting rights or ownership interests shall be deemed an assignment of this lease by Tenant and, therefore, subject in all respects to the provisions of Section 19.1 above. The previous sentence shall not apply, however, if at the time of the execution of this lease, Tenant is a corporation and the outstanding voting shares of capital stock of Tenant are listed on a recognized security exchange or over-the-counter market.

19.3 Any assignee or sublessee of an interest in and to this lease shall be deemed, by acceptance of such assignment or sublease or by taking actual or constructive possession of the Demised Premises, to have assumed all of the obligations set forth in or arising under this lease. Such assumption shall be effective as of the earlier of the date of such assignment or sublease or the date on which the assignee or sublessee obtains possession of the Demised Premises.

19.4 Notwithstanding any assignment or subletting, Tenant and any guarantor of Tenant's obligations under this lease shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of its other obligations under this lease (even if future assignments and sublettings occur subsequent to the assignment or subletting by Tenant, and regardless of whether or not Tenant's approval has been obtained for such future assignments and sublettings). Moreover, in the event that the rental due and payable by a sublessee (or a combination of the rental payable under such sublease plus any bonus or other consideration therefor or incident thereto) exceeds the rental payable under this lease, or if with respect to a permitted assignment, permitted license or other transfer by Tenant permitted by Landlord, the consideration payable to Tenant by the assignee, licensee or other transferee exceeds the rental payable under this lease, then Tenant shall be bound and obligated to pay Landlord all such excess rental and other excess consideration within ten (10) days following receipt thereof by Tenant from such sublessee, assignee, licensee or other transferee, as the case may be. Finally, in the event of an assignment or subletting, it is understood and agreed that all rentals paid to Tenant by an assignee or sublessee shall be received by Tenant in trust for Landlord, to be forwarded immediately to Landlord without offset or reduction of any kind; and upon election by Landlord such rentals shall be paid directly to Landlord as specified in Article IV of this lease (to be applied as a credit and offset to Tenant's rental obligation).

19.5 Tenant shall not mortgage, pledge or otherwise encumber its interest in this lease or in the Demised Premises.

19.6 Notwithstanding anything contained in this lease to the contrary, Landlord shall have an absolute, unequivocal right to assign or transfer its interest in this lease, whether as collateral or absolutely, to any party whatsoever whether or not such party is related to Landlord, and Tenant covenants and agrees that this lease shall remain in full force and unaffected by such transfer or assignment. In the event of the transfer or assignment by Landlord of its interest in this lease and/or in the building containing the Demised Premises to a person expressly assuming Landlord's obligations under this lease, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of Landlord for performance of such obligations. Any security given by Tenant to secure performance of Tenant's obligations hereunder may be assigned and transferred by Landlord to such successor in interest and Landlord shall thereby be discharged of any further obligation relating thereto.

ARTICLE XX SUBORDINATION; ATTORNMEN; ESTOPPELS

20.1 Tenant accepts this lease subject and subordinate to any mortgage, deed of trust or other lien, or any matters affecting record title to the property upon which the Shopping Center is constructed, presently existing or hereafter placed upon the Shopping Center or any portion of the Shopping Center which includes the Demised Premises, and to any renewals and extensions thereof. Tenant agrees that any mortgagee shall have the right at any time to subordinate its mortgage, deed of trust or other lien to this lease; provided, however, notwithstanding that this lease may be (or made to be) superior to a mortgage, deed of trust or other lien, the mortgagee shall not be liable for prepaid rentals, security deposits and claims accruing during Landlord's ownership; further provided that the provisions of a mortgage, deed of trust or other lien relative to the rights of the mortgagee with respect to proceeds arising from an eminent domain taking (including a voluntary conveyance by Landlord) and provisions relative to proceeds arising from insurance payable by reason of damage to or destruction of the Demised Premises shall be prior and superior to any contrary provisions contained in this lease with respect to the payment or usage thereof. Landlord is hereby irrevocably vested with full power and authority to subordinate this lease to any mortgage, deed of trust or other lien, or any matter affecting record title to the property upon which the Shopping Center is constructed, hereafter placed upon the Demised Premises or the Shopping Center as a whole, and Tenant agrees upon demand to execute such further instruments subordinating this lease as Landlord may request; provided, however, that upon Tenant's written request and notice to Landlord, Landlord shall use reasonable efforts to obtain from any such mortgagee a written agreement that after a foreclosure (or a deed in lieu of foreclosure) the rights of Tenant shall remain in full force and effect during the term of this lease so long as Tenant shall continue to recognize and perform all of the covenants and conditions of this lease.

20.2 At any time when the holder of an outstanding mortgage, deed of trust or other lien covering Landlord's interest in the Demised Premises has given Tenant written notice of its interest in this lease, Tenant may not exercise any remedies for default by Landlord hereunder unless and until the holder of the indebtedness secured by such mortgage, deed of trust or other lien shall have received written notice of such default and a reasonable time (not less than 30 days) shall thereafter have elapsed without the default having been cured.

20.3 Tenant specifically agrees that this lease shall be expressly subject to, inferior and subordinate to all matters filed of record in Hidalgo County, Texas (collectively, the "Permitted Exceptions"), including, but not limited to, the _____. Tenant agrees that it shall at all times strictly comply with the terms of the Permitted Exceptions. Tenant hereby expressly acknowledges and confirms that Tenant has reviewed a copy of the _____, and Tenant hereby agrees to comply with all of the terms, provisions, restrictions and standards set forth in such document.

20.4 Tenant agrees that it will from time to time within seven (7) days after receipt of request by Landlord execute and deliver to Landlord a written statement addressed to Landlord (or to a party designated by Landlord), which statement shall identify Tenant and this lease, shall certify that this lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), shall confirm that Landlord is not in default as to any obligations of Landlord under this lease (or if Landlord is in default, specifying any default), shall confirm Tenant's agreements contained above in this Article XX, and shall contain such other information or confirmations as Landlord may reasonably require. In addition, upon request by Landlord at any time prior to or during which Landlord is performing construction activities to the Demised Premises, Tenant shall, within seven (7) days after request, deliver a further assurances certificate (the "Further Assurances Certificate") reaffirming this lease, Tenant's obligations under this lease, and Tenant's intent to accept delivery of the Demised Premises upon delivery thereof by Landlord and acknowledging that Landlord is relying upon such certificate in continuing forward with the construction of the Demised Premises and the Shopping Center in accordance with this lease. In the event that Tenant fails to deliver the Further Assurances Certificate within such 7-day period, Landlord shall be released from all obligations of Landlord to complete construction of the Demised Premises and the Shopping Center. Landlord is hereby irrevocably appointed and authorized as the agent and attorney-in-fact of Tenant to execute and deliver any such written statement on Tenant's behalf if Tenant fails to do so within seven (7) days after the delivery of a written request from Landlord to Tenant. Notwithstanding anything contained in this lease to the contrary, in the event that any lender holding a lien which encumbers the Shopping Center requests a change to be made to this lease which does not materially increase the obligations of Tenant under this lease, Tenant covenants and agrees that it shall cooperate with Landlord in accommodating the request of such lender by modifying the provisions of this lease. To evidence such intent, Tenant hereby irrevocably appoints Landlord as its agent and attorney-in-fact, which appointment is coupled with an interest, for purposes of effecting such changes to this lease. Tenant's failure to deliver the documents referenced in this Section 20.4 within the time periods provided herein shall be an immediate default under this lease without the necessity of any further notice from Landlord notwithstanding Section 22.1(b) to the contrary.

ARTICLE XXI DIRECTION OF TENANT'S ENERGIES

21.1 Tenant acknowledges that Tenant's monetary contribution to Landlord (in the form of rentals) and Tenant's general contribution to commerce within the Shopping Center (also important in Landlord's determination to execute this lease with Tenant) will be substantially reduced if during the term of this lease, either Tenant or any person, corporation, or other entity, directly or indirectly controlling, controlled by or under common control with Tenant shall directly or indirectly operate, manage, conduct or have any interest in any establishment within commercial proximity of the Shopping Center. Accordingly, Tenant agrees that if during the term of this lease, either Tenant or any person, corporation, or other entity, directly or indirectly controlling, controlled by or under common control with Tenant (and also, in the event Tenant is a corporation or other entity, if any officer or director thereof or shareholder or other owner owning more than ten percent (10%) of the outstanding stock or other ownership thereof, or any parent, subsidiary or related or affiliated corporation) either directly or indirectly commences operation of any store selling or otherwise sells or offers for sale any merchandise or services of the type to be sold by Tenant in the Demised Premises as provided in Section 1.1(r) hereof or similar or related items, or in any manner competes with the business provided herein to be conducted by Tenant at the Demised Premises, within a straight line radius of three (3) miles of the Shopping Center, which Tenant acknowledges is a reasonable area for the purpose of this provision, then in such event, the rental payable by Tenant hereunder shall be adjusted as follows:

(a) thereafter the minimum guaranteed rental shall be one hundred ten percent (110%) of the amount stipulated in Section 1.1(m) of this lease; and

(b) thereafter the percentage rental shall be computed as if twenty-five percent (increased to fifty percent, if the other store is within a two-mile radius, and seventy-five percent, if the other store is within a one-mile radius), of all amounts which would be "gross sales" (as defined in Section 4.5 of this lease) if the merchandise had been sold, services rendered or business conducted at or from the Demised Premises (in lieu of at or from such other store) were, in fact, "gross sales" (as so defined) and the provisions of Article V will likewise apply to the other store.

The above adjustment in rental reflects the estimate of the parties as to the damages which Landlord would be likely to incur by reason of the diversion of business and customer traffic from the Demised Premises and Shopping Center to such other store within such radius, as the proximate result of the establishment of such other store. This provision shall not apply to any existing store presently being operated by Tenant as of the date hereof, provided there is no increase in the size, change in merchandise mix or trade name of such commercial establishment. Finally, Tenant agrees that Landlord may waive, for any reason whatsoever all rights granted to Landlord pursuant to this Section 21.1 and may sever this section from the remainder of this lease (thereby keeping the remainder of the lease unmodified and in full force and effect).

ARTICLE XXII DEFAULT BY TENANT AND REMEDIES

22.1 The following events shall be deemed to be events of default by Tenant under this lease:

(a) Tenant shall fail to pay any installment of rental or any other obligation under this lease involving the payment of money and such failure shall continue for a period of ten (10) days after written notice thereof to Tenant; provided, however, that for each calendar year during which Landlord has already given Tenant one written notice of the failure to pay an installment of rental, no further notice shall be required (i.e., the event of default will automatically occur on the tenth day after the date upon which the rental was due).

(b) Tenant shall fail to comply with any provision of this lease, other than as described in sub-section (a) above, and either shall not cure such failure within fifteen (15) days after written notice thereof to Tenant, or shall cure that particular failure but shall again fail to comply with the same provision of the lease within three months after Landlord's written notice.

(c) Tenant or any guarantor of Tenant's obligations under this lease shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.

(d) Tenant or any guarantor of Tenant's obligations under this lease shall file a petition seeking relief, or a petition seeking an order for relief against Tenant or a guarantor of Tenant's obligations under this lease is filed, under any section or chapter of the federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or Tenant or any guarantor of Tenant's obligations under this lease shall be adjudged bankrupt or insolvent in proceedings filed against Tenant or any guarantor of Tenant's obligations under this lease thereunder.

(e) A receiver or Trustee shall be appointed for the Demised Premises or for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligation under this lease.

(f) Tenant shall desert or vacate or shall commence to desert or vacate the Demised Premises or any substantial portion of the Demised Premises or at any time prior to the last month of the lease term shall remove or attempt to remove, without prior written consent of Landlord, all or a substantial amount of Tenant's goods, wares, equipment, fixtures, furniture, or other personal property.

(g) Tenant shall do or permit to be done anything which creates a lien upon the Demised Premises or upon all or any part of the Shopping Center.

22.2 Upon the occurrence of any such events of default, Landlord shall have the option to pursue any one or more of the following remedies:

(a) Without any further notice or demand whatsoever, Tenant shall be obligated to reimburse Landlord for the damages suffered by Landlord as a result of the event of default, plus interest on such amount at the maximum contractual rate which could legally be charged in the event of a loan of such amount to Tenant (but in no event to exceed 1 1/4 % per month); and Landlord may pursue a monetary recovery from Tenant. In this regard, and without limiting the generality of the immediately preceding sentence, it is agreed that if Tenant fails to install a sign on the front of the Demised Premises within fifteen (15) days after the Rent Commencement Date of this lease, or if Tenant fails to open for business as required in this lease or, having opened for business, subsequently deserts or vacates the Demised Premises or otherwise ceases to conduct business in the Demised Premises as required in this lease, then Landlord at its option may seek monetary recovery for the loss of Tenant's anticipated contribution to commerce within the Shopping Center; moreover, Landlord and Tenant further agree that in as much as the exact amount of damages would be difficult to determine, liquidated damages will be due monthly (i) in an amount equal to fifteen percent (15%) of the minimum guaranteed rental payable for that month (i.e., Tenant will pay minimum guaranteed rental equal to one hundred fifteen percent (115%) of the amount specified in Section 1.1 (m) of this lease) if Tenant opens for business but fails to install a sign and (ii) in an amount equal to twenty-five percent (25%) of the monthly guaranteed rental payable for the month if Tenant fails to open for business as required in this lease or, having opened for business, subsequently deserts or vacates the Demised Premises or otherwise ceases to conduct business in the Demised Premises as required by this lease (including, but not limited to, failing to comply with the requirements of Section 9.1 of this lease).

(b) Without any further notice or demand whatsoever, Landlord may take any one or more of the actions permissible at law to insure performance by Tenant of Tenant's covenants and obligations under this lease. In this regard, and without limiting the generality of the immediately preceding sentence, it is agreed that if Tenant fails to open for business as required in this lease or, having opened for business, deserts or vacates the Demised Premises, Landlord may enter upon and take possession of such premises in order to protect them from deterioration and continue to demand from Tenant the monthly rentals and other charges provided in this lease, without any obligation to relet; however, if Landlord does, at its sole discretion, elect to relet the Demised Premises, such action by Landlord shall not be deemed as an acceptance of Tenant's surrender of the Demised Premises unless Landlord expressly notifies Tenant of such acceptance in writing pursuant to this subsection (b), Tenant hereby acknowledging that Landlord shall otherwise be reletting as Tenant's agent and Tenant furthermore hereby agreeing to pay to Landlord on demand any deficiency that may arise between the monthly rentals and other charges provided in this lease and that actually collected by Landlord. It is further agreed in this regard that in the event of any default described in subsection (b) of Section 22.1 of this lease, Landlord shall have the right to enter upon the Demised Premises by force if necessary without being liable for prosecution or any claim for damages therefore, and do whatever Tenant is obligated to do under the terms of this lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to the Tenant from such action. Finally, it is agreed that in the event of any default described in subsection (g) of Section 22.1 of this lease, Landlord may pay or bond around such lien, whether or not contested by Tenant; and in such event Tenant agrees to reimburse Landlord on demand for all costs and expenses incurred in connection with any such action, together with interest at the Maximum Rate, with Tenant further agreeing that Landlord shall in no event be liable for any damages or claims resulting from such action.

(c) Landlord may terminate this lease or Tenant's right to possess the Demised Premises by written notice to Tenant, in which event Tenant shall immediately surrender the Demised Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which Landlord may have for possession or arrearages in rent (including any late charge or interest which may have accrued pursuant to Section 4.6 of this lease), enter upon and take possession of the Demised Premises and expel or remove Tenant and any other person who may be occupying said premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor. Tenant hereby waives any statutory requirement of prior written notice for filing eviction or damage suits for nonpayment of rent. In addition, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of any termination effected pursuant to the subsection (c), said loss and damage to be determined by either of the following alternative measures of damages:

(i) Until Landlord is able, through reasonable efforts, the nature of which efforts shall be at the sole discretion of Landlord, to relet the Demised Premises under terms satisfactory to Landlord, in its sole discretion, Tenant shall pay to Landlord on or before the first day of each calendar month, the monthly rentals and other charges provided in this lease. If and after the Demised Premises have been relet by Landlord, Tenant shall pay to Landlord on the 20th day of each calendar month the difference between the monthly rentals and other charges provided in this lease for such calendar month and that actually collected by

Landlord for such month. If it is necessary for Landlord to bring suit in order to collect any deficiency, Landlord shall have a right to allow such deficiencies to accumulate and to bring an action on several or all of the accrued deficiencies at one time. Any such suit shall not prejudice in any way the right of Landlord to bring a similar action for any subsequent deficiency or deficiencies. Any amount collected by Landlord from subsequent tenants for any calendar month in excess of the monthly rentals and other charges provided in this lease, shall be credited to Tenant in reduction of Tenant's liability for any calendar month for which the amount collected by Landlord will be less than the monthly rentals and other charges provided in this lease; but Tenant shall have no right to such excess other than the above-described credit.

(ii) When Landlord desires, Landlord may demand a final settlement. Upon demand for a final settlement, Landlord shall have a right to, and Tenant thereby agrees to pay, the difference between the total of all monthly rentals and other charges provided in this lease for the remainder of the term and the reasonable rental value of the Demised Premises for such period, such difference to be discounted to present value at a rate equal to the rate of interest which is allowed by law in the State of Texas when the parties to a contract have not agreed on any particular rate of interest (or, in the absence of such law, at the rate of six percent per annum).

If Landlord elects to exercise the remedy prescribed in subsection 22.2 (b) above, this election shall in no way prejudice Landlord's right at anytime thereafter to cancel said election in favor of the remedy prescribed in subsection 22.2 (c) above, provided that at the time of such cancellation Tenant is still in default. Similarly, if Landlord elects to compute damages in the manner prescribed by subsection 22.2 (c) (i) above, this election shall in no way prejudice Landlord's right at anytime thereafter to demand a final settlement in accordance with subsection 22.2 (c) (ii) above. Pursuit of any of the above remedies shall not preclude pursuit of any other remedies prescribed in other sections of this lease and any other remedies provided by law. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default.

22.3 It is expressly agreed that in determining "the monthly rentals and other charges provided in this lease," as that term is used throughout subsections 22.2 (c) (i) and 22.2 (c) (ii) above, there shall be added to the minimum guaranteed rental (as specified in Sections 1.1(m) of this lease), a sum equal to the charges for maintenance of the Common Area (as specified in Sections 1.1(o) and 7.4 of this lease), the payments for taxes, charges and insurance (as specified in Article VI of this lease) plus one twenty-fourth of the total of all percentage rentals required to be paid by Tenant (pursuant to Section 4.3 of this lease) because of gross sales during the two full calendar years immediately preceding the date Landlord initiated action pursuant to said subsections (or, if two full calendar years have not then elapsed, to the corresponding fraction of all percentage rentals required to be paid because of gross sales during the period commencing with the Rent Commencement Date of this lease and concluding with the date on which Landlord initiated such action).

22.4 It is further agreed that, in addition to payments required pursuant to subsections 22.2(b) and 22.2(c) above, Tenant shall compensate Landlord for all expenses incurred by Landlord in repossession (including, among other expenses, any increase in insurance premiums caused by the vacancy of the Demised Premises), all expenses incurred by Landlord in reletting (including, among other expenses, repairs, remodeling, replacements, advertisements and brokerage fees), all concessions granted to a new tenant upon reletting (including, among other concessions, renewal options), all losses incurred by Landlord as a direct or indirect result of Tenant's default (including, among other losses, any adverse reaction by Landlord's mortgagee or by other tenants or potential tenants of the Shopping Center) and a reasonable allowance for Landlord's administrative efforts, salaries and overhead attributable directly or indirectly to Tenant's default and Landlord's pursuing the rights and remedies provided herein and under applicable law.

22.5 Landlord may restrain or enjoin any breach or threatened breach of any covenant, duty or obligation of Tenant herein contained without the necessity of proving the inadequacy of any legal remedy or irreparable harm. The remedies of Landlord hereunder shall be deemed cumulative and not exclusive of each other.

22.6 If on account of any breach or default by Tenant in its obligations hereunder, Landlord shall employ an attorney to present, enforce or defend any of Landlord's rights or remedies hereunder, Tenant agrees to pay any reasonable attorney's fees incurred by Landlord in such connection.

22.7 In the event that any one or more provisions of this Article XXII authorizes Landlord to enter the Demised Premises, Landlord is entitled and is hereby authorized, without any notice to Tenant, to enter upon the Demised Premises by use of a duplicate key, a master key, a locksmith's entry procedures or any other means not involving personal confrontation, and to alter or change the door locks on all entry doors of the Demised Premises, thereby permanently excluding Tenant. In such event Landlord shall not be obligated to place any written notice on the Demised Premises explaining Landlord's action; moreover, if a reason for Landlord's action is the failure of Tenant to pay any one or more rentals when due pursuant to this lease, Landlord shall not be required to provide the new key (if any) to Tenant until and unless all rental defaults of Tenant have been fully cured.

22.8 Tenant acknowledges its obligation to deposit with Landlord the sum stated in Section 1.1 (c) above, to be held by Landlord without interest as security for the performance by Tenant of Tenant's covenants and obligations under this lease. Tenant agrees that such deposit may be commingled with Landlord's other funds and is not an advance payment of rental or a measure of Landlord's damages in case of default by Tenant. Upon the occurrence of any event of default by Tenant, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law, use such fund to the extent necessary to make good any arrears of rentals and any other damage, injury, expense or liability caused to Landlord by such event of default, and Tenant shall pay to Landlord on demand the amount so applied in order to restore the security deposit to its original amount. If Tenant is not then in default thereunder, any remaining balance of such deposit shall be returned by Landlord to Tenant upon termination of this lease (subject to the provisions of Section 19.6 above).

22.9 In the event of any default described in subsection (d) of Section 22.1 of this lease, any assumption and assignment must conform with the requirements of the Bankruptcy Code which provides, in part, that Landlord must be provided with adequate assurances (i) of the source of rent and other consideration due under this lease, (ii) that the financial condition and operating performance of any proposed assignee and its guarantors, if any,

shall be similar to the financial condition and operating performance of Tenant and its guarantors, if any, as of the date of execution of this lease; (iii) that any percentage rent due under this lease will not decline substantially; (iv) that any assumption or assignment is subject to all of the provisions of this lease (including, but not limited to, restrictions as to use) and will not breach any such provision contained in any other lease, financing agreement or other agreement relating to the Shopping Center; and (v) that any assumption or assignment will not disrupt any tenant mix or balance in the Shopping Center.

(a) In order to provide Landlord with the assurances contemplated by the Bankruptcy Code, Tenant must fulfill the following obligations, in addition to any other reasonable obligations that Landlord may require, before any assumption of this lease is effective: (i) all defaults under subsection (a) of Section 22.1 of this lease must be cured within ten (10) days after the date of assumption; (ii) all other defaults under Section 22.1 of this lease other than under subsection (d) of Section 22.1 must be cured within fifteen (15) days after the date of assumption; (iii) all actual monetary losses incurred by Landlord (including, but not limited to, reasonable attorney fees) must be paid to Landlord within ten (10) days after the date of assumption; and (iv) Landlord must receive within ten (10) days after the date of assumption a security deposit in the amount of six (6) months minimum guaranteed rental (using the minimum guaranteed rental in effect for the first full month immediately following the assumption) and an advance prepayment of minimum guaranteed rental in the amount of three (3) months minimum guaranteed rental (using the minimum guaranteed rental in effect for the first full month immediately following the assumption), both sums to be held by Landlord in accordance with Section 22.8 above and deemed to be rent under this lease for the purposes of the Bankruptcy Code as amended and from time to time in effect.

(b) In the event this lease is assumed in accordance with the requirements of the Bankruptcy Code and this lease, and is subsequently assigned, then, in addition to any other reasonable obligations that Landlord may require and in order to provide Landlord with the assurances contemplated by the Bankruptcy Code, Landlord shall be provided with (i) a financial statement of the proposed assignee prepared in accordance with generally accepted accounting principles consistently applied, though on a cash basis, which reveals a net worth in an amount sufficient, in Landlord's reasonable judgment, to assure the future performance by the proposed assignee of Tenant's obligations under this lease; or (ii) a written guaranty by one or more guarantors with financial ability sufficient to assure the future performance of Tenant's obligations under this lease, such guaranty to be in form and content satisfactory to Landlord and to cover the performance of all of Tenant's obligations under this lease.

22.10 No re-entry or taking of possession of the Demised Premises by Landlord shall be construed as an election on Landlord's part to terminate this lease, unless a written notice of such intention is given to Tenant. Notwithstanding any such reletting or re-entry or taking of possession, Landlord may at any time thereafter elect to terminate this lease. The pursuit of any remedy provided in this lease or any other remedies provided by law shall not constitute a forfeiture or waiver of any rental due to Landlord under this lease or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants contained in this lease. The loss or damage Landlord may suffer by reason of termination of this lease or the deficiency from any reletting as provided for above shall include the expense of repossession and any repairs or remodeling undertaken by Landlord following possession. Should Landlord at any time terminate this lease for any event of default, in addition to any other remedy Landlord may have, Landlord may recover from Tenant all damages Landlord may incur by reason of or as a result of such event of default, including the cost of recovering the Demised Premises and the loss of rental for the remainder of the Lease Term.

22.11 Tenant agrees that, in exchange for the promises made in this lease and other good and valuable consideration received from Landlord, in the event Tenant files a voluntary petition in bankruptcy or is the subject of an involuntary bankruptcy at any time during the Lease Term or any extensions hereof, Landlord shall not be subject to the provisions of 11 U.S.C. § 362, and shall automatically and immediately be entitled to relief from the stay imposed thereby without necessity of further action or court approval.

22.12 In the event suit is brought under this lease, the prevailing party shall be awarded attorneys' fees and costs whether incurred before trial, at trial or on appeal.

ARTICLE XXIII LANDLORD'S CONTRACTUAL SECURITY INTEREST

23.1 In addition to the statutory Landlord's lien, Landlord shall have at all times a valid security interest to secure payment of all rentals and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages or loss which Landlord may suffer by reason of the breach by Tenant of any covenant, agreement or condition contained herein, upon all goods, wares, equipment, fixtures, furniture, improvements and other personal property of Tenant presently, or which may hereafter be, situated on the Demised Premises, and all proceeds therefrom, and such property shall not be removed without the consent of Landlord until all arrearages in rent as well as any and all other sums of money then due to Landlord or to become due to Landlord hereunder shall first have been paid and discharged and all the covenants, agreements and conditions hereof have been fully complied with and performed by Tenant. Upon the occurrence of an event of default by Tenant, Landlord may, in addition to any other remedies provided herein, enter upon the Demised Premises and take possession of any and all goods, wares, equipment, fixtures, furniture, improvements and other personal property of Tenant situated on the Demised Premises, without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, at which sale Landlord or its assigns may purchase unless otherwise prohibited by law. Unless otherwise provided by law, and without intending to exclude any other manner of giving Tenant reasonable notice, the requirement of reasonable notice shall be met if such notice is given in the manner prescribed in this lease at least five days before the time of sale. Any sale made pursuant to the provisions of this paragraph shall be deemed to have been a public sale conducted in a commercially reasonable manner if held in the above described Demised Premises or where the property is located after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily news paper published in the county in which the property is located, for five consecutive days before the date of the sale. The proceeds from any such disposition, less any and all expenses connected with the taking of possession, holding and selling of the property (including reasonable attorney's fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted in this paragraph. Any surplus shall be paid to Tenant or as otherwise required by law; the Tenant shall pay any deficiencies forthwith. Tenant hereby agrees that a carbon, photographic or other reproduction of this lease shall be sufficient to constitute a financial statement. Tenant nevertheless agrees that upon request by Landlord, Tenant agrees that it will execute and deliver to Landlord a financing statement in form sufficient to perfect the security

interest of Landlord in the aforementioned property and proceeds thereof under the provision of the Uniform Commercial Code (or corresponding state statute or statutes) in force in the state in which the property is located, as well as any other state the laws of which Landlord may at any time consider to be applicable, moreover Landlord is hereby irrevocably vested with a power of attorney from Tenant to execute any and all such financing statements on behalf of Tenant.

23.2 Notwithstanding Section 23.1, Landlord agrees that it will subordinate its security interest and landlord's lien to the security interest of Tenant's supplier or institutional financial source for as long as the rental account of Tenant under this lease is current (or is brought current), provided that Landlord approves the transaction as being reasonably necessary for Tenant's operations at the Demised Premises, and further provided that the subordination must be limited to a specified transaction and specified items of the fixtures, equipment or inventory involved in the transaction.

ARTICLE XXIV HOLDING OVER

24.1 In the event Tenant remains in possession of the Demised Premises after the expiration of this lease or the earlier termination of this lease with the consent of Landlord but without the execution of a new lease, Tenant shall be deemed to be occupying said premises as a tenant from month to month at a rental equal to the rental (including any percentage rental) provided in this lease plus fifty percent (50%) of such amounts and otherwise subject to all the conditions, provisions and obligations of this lease insofar as the same are applicable to a month-to-month tenancy. Either party shall have the right to terminate such tenancy upon thirty (30) days' written notice to the other. In the event Tenant remains in possession of the Demised Premises after the expiration of this lease or the earlier termination of this lease without the consent of Landlord, (i) such event shall be an immediate event of default under this lease, (ii) Tenant shall be deemed to be occupying said premises as a tenant at sufferance at a rental equal to the rental (including any percentage rental) provided in this lease plus one hundred percent (100%) of such amounts and otherwise subject to all the conditions, provisions and obligations of this lease and (iii) Landlord shall have all rights and remedies available to Landlord under this lease and at law. Further, Tenant shall defend, indemnify and hold Landlord harmless from and against all claims, losses and liabilities for all costs and damages incurred by Landlord resulting from Tenant's failure to surrender possession of the Demised Premises after the expiration of this Lease or earlier termination of this lease, and such obligations shall survive the expiration or earlier termination of this lease.

ARTICLE XXV NOTICES

25.1 Wherever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when actually received or refused by the designated addressee or, if earlier and regardless of whether actually received or not, three (3) business days after deposit in the United States mail, postage prepaid, certified mail, return receipt requested, or one (1) business day after deposit with a nationally recognized overnight delivery service for next day delivery, addressed to the parties hereto at the respective addresses set out below (or at Landlord's option, to Tenant at the Demised Premises), or at such other addresses as they have theretofore specified by written notice.

Landlord

Tenant

25.2 If and when included within the term "Landlord" as used in this instrument there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address for the receipt of notices and payments to Landlord; if and when included within the term "Tenant" as used in this instrument there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address for the receipt of notices and payment to Tenant. All parties included within the terms "Landlord" and "Tenant," respectively, shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment. In addition, Tenant agrees that notices to Tenant may be given by Landlord's attorney, property manager or other agent.

ARTICLE XXVI AMERICANS WITH DISABILITIES ACT

26.1 Landlord agrees that to the extent required by the Americans With Disabilities Act of 1990, as amended from time to time, and related state and municipal laws and regulations (collectively, the "ADA"), Landlord will improve the Common Area of the Shopping Center in order to comply with the ADA. All costs incurred by Landlord in this regard shall be included as Common Area expenses pursuant to Section 7.4 of this lease.

26.2 Tenant shall be responsible for compliance with the ADA in all matters regarding both the configuration of the Demised Premises (the interior as well as all public and/or employee door entrances) and Tenant's business operations at the Demised Premises.

ARTICLE XXVII REGULATIONS

27.1 Landlord and Tenant acknowledge that there are in effect federal, state, county and municipal laws, orders, rules, directives and regulations (collectively referred to hereinafter as the "Regulations") and that additional Regulations may hereafter be enacted or go into effect, relating to or

affecting the Demised Premises or the Shopping Center, and concerning the impact on the environment, construction, land use, maintenance and operation of structures, toxic or otherwise hazardous substances, and conduct of business. Subject to the express rights granted to Tenant under the terms of this lease, Tenant will not cause, or permit to be caused, any act or practice, by negligence, omission or otherwise, that would adversely affect the environment, or do anything or permit anything to be done that would violate any of the Regulations or the Permitted Exceptions. Moreover, Tenant shall have no claim against Landlord by reason of any changes Landlord may make in the Shopping Center or the Demised Premises pursuant to said Regulations or any charges imposed upon Tenant, Tenant's customers or other invitees pursuant to same. Tenant hereby indemnifies and holds Landlord harmless from and against the violation by Tenant, or by any of Tenant's employees, agents, guests or invitees, of the Regulations or Permitted Exceptions. If by reason of the enactment of any Regulation in the future which requires the expenditure of any sum of money to allow the continuance of Tenant's conduct of business in the Demised Premises, including but not limited to the enactment of any Regulation which prohibits the use of, and requires the replacement of, any portion or component of the Demised Premises (including all mechanical and electrical equipment and construction materials), Tenant, and not Landlord, shall bear the cost of compliance, and Tenant shall promptly comply, with such Regulation.

27.2 If, by reason of any Regulations, the payment to, or collection by, Landlord of any rental or other charge (collectively referred to hereinafter as "Lease Payments") payable by Tenant to Landlord pursuant to the provisions of this lease is in excess of the amount (the "Maximum Charge") permitted thereof by the Regulations, then Tenant, during the period (the "Freeze Period") when the Regulations shall be in force and effect shall not be required to pay, nor shall Landlord be permitted to collect, any sum in excess of the Maximum Charge. Upon the earlier of (i) the expiration of the Freeze Period, or (ii) the issuance of a final order or judgment of a court of competent jurisdiction declaring the Regulations to be invalid or not applicable to the provisions of this lease, Tenant, to the extent not then prescribed by law, and commencing with the first day of the month immediately following, shall pay to Landlord as additional rental, in equal monthly installments during the balance of the term of this lease, a sum equal to the cumulative difference between the Maximum Charge and the Lease Payments during the Freeze Period. If any provisions of this section, or the application thereof, shall to any extent be declared to be invalid and unenforceable, the same shall not be deemed to affect any of the other provisions of this section or of this lease, all of which shall be deemed valid and enforceable to the fullest extent permitted by law.

ARTICLE XXVIII MISCELLANEOUS

28.1 Nothing in this lease shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

28.2 Tenant shall not for any reason withhold or reduce Tenant's required payment of rentals and other charges provided in this lease, it being agreed that the obligations of Landlord under this lease are independent of Tenant's obligations except as may be otherwise expressly provided. The immediately preceding sentence shall not be deemed to deny Tenant the ability of pursuing all rights granted it under this lease or at law; however, as contemplated in Texas Rule of Civil Procedure 174(b), as amended from time to time, at the direction of Landlord, Tenant's claims in this regard shall be litigated in proceedings different from any litigation involving rental claims or other claims by Landlord against Tenant (i.e., each party may proceed to a separate judgment without consolidation, counterclaim or offset as to the claims asserted by the other party).

28.3 In the event of any act or omission by Landlord which would give Tenant the right to terminate this lease or claim a partial or total eviction, or make any claim against Landlord for the payment of money, Tenant may not make such claim or exercise such right until Tenant has (i) given written notice of such act or omission to Landlord; and (ii) provided Landlord with at least thirty (30) days to commence curing such act or omission, and such additional time as necessary, so long as Landlord is thereafter diligently pursuing such cure to completion. Nothing herein contained shall create any rights in Tenant not specifically granted in this lease or under applicable provisions of law. Additionally, Tenant hereby waives its statutory lien under Section 91.004 of the Texas Property Code. TENANT SHALL LOOK SOLELY TO THE PROCEEDS OF SALE ON EXECUTION OF THE INTEREST OF LANDLORD IN THE DEMISED PREMISES FOR THE SATISFACTION OF ANY JUDGMENT OR DECREE REQUIRING THE PAYMENT OF MONEY BY LANDLORD, BASED UPON ANY DEFAULT BY LANDLORD, AND NO OTHER PROPERTY OR ASSET OF LANDLORD, OR ANY PARTNER, OFFICER, DIRECTOR, SHAREHOLDER, MORTGAGEE OR AGENT OF LANDLORD, SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER ENFORCEMENT PROCEDURE FOR THE SATISFACTION OF SUCH JUDGMENT OR DECREE AND IN NO EVENT, INCLUDING, WITHOUT LIMITATION, THE SOLE, CONCURRENT OR CONTRIBUTORY NEGLIGENCE OF LANDLORD, SHALL LANDLORD BE LIABLE FOR PUNITIVE, CONSEQUENTIAL, LOST PROFITS OR LOSS OF BUSINESS DAMAGES. IN THE EVENT TENANT VIOLATES THIS PARAGRAPH, IN ADDITION TO ALL OTHER REMEDIES AVAILABLE TO LANDLORD, TENANT SHALL PAY TO LANDLORD AN AMOUNT EQUAL TO THREE (3) TIMES THE COST OF LANDLORD'S EXPENSES DEFENDING THE CLAIM, AS ADDITIONAL RENTAL. THIS CLAUSE SHALL NOT BE DEEMED TO LIMIT OR DENY ANY REMEDIES WHICH TENANT MAY HAVE IN THE EVENT OF DEFAULT BY LANDLORD UNDER THIS LEASE, WHICH DOES NOT INVOLVE THE PAYMENT OF MONEY BY LANDLORD.

28.4 In all circumstances under this lease where the prior consent of one party (the "consenting party"), whether it be Landlord or Tenant, is required before the other party (the "requesting party") is authorized to take any particular type of action, such consent shall not be withheld in a wholly unreasonable and arbitrary manner; however, the requesting party agrees that its exclusive remedy if it believes that consent has been withheld improperly (including, but not limited to, consent required from Landlord pursuant to Section 9.2 or Section 19.1) shall be to institute litigation either for a declaratory judgment or for a mandatory injunction requiring that such consent be given (with the requesting party hereby waiving any claim for damages, attorneys fees or any other remedy unless the consenting party refuses to comply with a court order or judgment requiring it to grant its consent).

28.5 One or more waivers of any covenant, term or condition of this lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

28.6 Whenever a period of time is herein prescribed for action to be taken by Landlord, Landlord shall not be liable or responsible for, and there shall be excluded from the computation of any such period or time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of Landlord.

28.7 In the event that the designation of a percentage rental rate in Section 1.1(n) of this lease includes a breakpoint of gross sales (e.g., "5% of gross sales over \$100,000"), then: (a) subsection (ii) in the first sentence of Section 4.3 of this lease shall be deemed to have been deleted and all other formula references in Section 4.3 adjusted accordingly; (b) the breakpoint shall be divided by twelve for purposes of computing monthly percentage rental installments in the second sentence of Section 4.3; and (c) during all periods when minimum guaranteed rentals are reduced (e.g., pursuant to Section 17.4 or Section 18.2) the breakpoint shall be reduced accordingly.

28.8 If any provision of this lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this lease shall not be affected thereby.

28.9 If this lease is in fact a sublease, Tenant accepts this lease subject to all of the terms and conditions of the underlying lease under which Landlord holds the Shopping Center as lessee. Tenant covenants that it will do no act or thing which would constitute a violation by Landlord of its obligation under such underlying lease; provided, however, that Tenant's agreement in this regard is premised on Landlord's assurances to the effect that the terms of this lease do not violate such underlying lease.

28.10 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this lease. Venue for any action under this lease shall be the county in which rentals are due pursuant to Section 4.1 and Section 1.1 of this lease.

28.11 The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

28.12 Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

28.13 The terms, provisions and covenants contained in this lease shall bind the parties and their heirs, successors in interest and legal representatives except as otherwise herein expressly provided.

28.14 This lease constitutes the entire agreement between the parties, and no rights are created in favor of either party other than as specifically or expressly contemplated in this lease. No brochure, rendering, information or correspondence shall be a part of this agreement unless specifically incorporated herein by reference. In addition, no agreement shall be effective in whole or in part to modify or terminate this lease unless such is in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought.

28.15 OFAC Certification. Tenant certifies that:

- (i) is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated Global Terrorist," "Specially Designated Blocked Person," or other blocked person, entity, nation, or transaction pursuant to any law, order, regulation, or administered by the Foreign Assets Control, and
 - (ii) is not engaged in this transaction, directly or indirectly, on behalf of, or for or instituting or facilitating this transaction directly or indirectly on behalf of, any such person, group, entity, or nation.
- Indemnification: Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fee and costs) arising from or related to any of the foregoing certification, which shall survive the termination or expiration of this lease.

28.16 This lease consists of twenty-eight articles, Exhibits "A" through "I", "L", and "M", and the provisions of the Lease shall be deemed to control. In the event any provision of an exhibit or other attached page shall be inconsistent with a provision in the body of the Lease, the provisions set forth in the exhibit shall be deemed to control.

28.17 Tenant understands that the Shopping Center has not yet been constructed and that Landlord is planning to develop and construct same in accordance with Landlord's schedule and plans. Tenant understands and agrees that Landlord has sole authority and discretion in the development and construction of the Shopping Center and the Demised Premises. Further, Tenant understands and agrees that Exhibit "B" to the Lease sets forth only the preliminary Site Plan, and not the Demised Premises. Landlord may change the Site Plan in Landlord's sole discretion. The Demised Premises will be defined by Landlord upon completion of the final development and construction of the Shopping Center and a plan of same will be substituted for the present Exhibit "B" at the time.

28.18 Notwithstanding anything in the Lease to the contrary, the Lease and its enforceability are specifically conditioned upon Landlord commencing construction of the Shopping Center as presently envisioned and as further set forth on Exhibit "B". In the event that Landlord determines in its sole discretion, that the Shopping Center development and construction is to be abandoned, terminated, delayed or altered, Landlord may, at any time prior to the Rent Commencement Date, terminate the Lease by giving Tenant written notice thereof, and return the sums previously paid to Landlord by Tenant under the Lease to date, in which event the Lease will be deemed terminated and the Lease shall have no effect and both parties will have no further obligations to one another.

STATEMENT of ACCOUNT

Initialed by: Landlord _____ Tenant _____

28.19 In the event that Landlord assigns this lease to any party, whether or not same is an affiliate of Landlord, Landlord will be automatically released from any obligations, duties, responsibilities or claims hereunder, whether past, present or future, and the assignee hereof shall thereafter be liable therefore. In such event, Tenant shall look solely to the assignee for the performance of Landlord's obligations, duties and responsibilities hereunder.

28.20 Any commissions payable under this lease shall be set forth in a separate agreement.

28.21 If Tenant's guarantor is named in Article I above, the Guaranty attached to this lease as Exhibit "F" must be fully executed prior to the effectiveness of Landlord's obligations under this lease.

28.22 If there is more than one person or entity executing this lease as Tenant, the obligations under this lease imposed upon Tenant shall be the joint and several obligations of such persons and entities. If there is a guarantor or guarantors of Tenant's obligations under this lease, the obligations under this lease imposed upon Tenant shall be the joint and several obligations of Tenant and such guarantor and Landlord need not first proceed against Tenant before proceeding against such guarantor, nor shall any such guarantor be released from his, her, their or its guaranty for any reason whatsoever, including, without limitation, any amendments to this lease, waivers of the provisions hereof or failure to give such guarantor any notices under this lease.

28.23 Landlord and Tenant agree that each provision of this lease for determining charges and amounts payable by Tenant (including provisions regarding Tenant's payment of real estate charges, insurance expenses, and Common Area maintenance charges) is commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code.

28.24 Landlord and Tenant have negotiated this lease and each has had an opportunity to be advised respecting the provisions contained herein; therefore, this lease must not be construed against either Landlord or Tenant as a result of the preparation of this lease by or on behalf of either party.

28.25 The voluntary or involuntary surrender of this lease by Tenant, or a mutual cancellation thereof, will not constitute a merger of Landlord's fee estate in the Demised Premises and the leasehold interest created hereby. In such event, Landlord will have the option, in Landlord's reasonable discretion, to either terminate or assume all or any existing subleases or subtenancies.

28.26 Except as otherwise expressly set forth in this lease, Landlord reserves the absolute right to effect such other tenancies in the Shopping Center as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interests of the Shopping Center. Except as otherwise expressly set forth in this lease, Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or number of tenants shall, during the term of this Lease, occupy any space or any particular space in the Shopping Center, nor does Landlord represent or warrant that any particular space will be used for any particular purpose during the term of this Lease.

28.27 The time for the performance of all of the covenants, conditions and agreements contained in this lease is of the essence.

28.28 In no event shall Tenant have the right to create or permit there to be established any lien or encumbrance of any nature against the Demised Premises, the building of which the Demised Premises is a part or the Shopping Center for any improvement or improvements by Tenant, and Tenant shall fully pay the cost of any improvement or improvements made or contracted for by Tenant. Tenant's contracts with Tenant's contractor and all contracts with subcontractors shall provide that such contractors and subcontractors have no right to make any lien claims against Landlord's estate in the Demised Premises, the building of which the Demised Premises is a part or any other portion of the Shopping Center. To the extent any work performed, materials furnished or obligations incurred by Tenant or its agents remain unpaid, Tenant agrees to provide adequate assurances of Tenant's obligations to make such payments or bond such claims for the benefit of a title company (including title insurance indemnities) insuring interests in the Shopping Center or a mortgagee lender of the Shopping Center within ten (10) days after Tenant's receipt of written notice thereof. Landlord shall not be liable for any labor or materials furnished or to be furnished to or at the instruction of Tenant upon credit, and no mechanics', materialmen's or other lien shall have been filed against the Demised Premises, the building of which the Demised Premises is a part or the Shopping Center, based upon any act or interest of Tenant or of any one claiming through Tenant, or if any security agreement shall have been filed for or attached to any materials, machinery or fixtures used in the construction, repair or operation thereof or annexed thereto by Tenant, Tenant shall immediately make payment or deposit or post bond to remove the lien or security agreement, whether or not the claim is valid. If Tenant has not removed the lien within ten (10) days after the assertion thereof, Landlord may pay the amount of such lien or security agreement or discharge the same by deposit, and the amount so paid or deposited shall be paid on demand by Tenant to Landlord with interest at the Maximum Rate from the date paid by Landlord to the date reimbursed by Tenant. Tenant shall also reimburse Landlord on demand for any and all reasonable attorneys' fees incurred by Landlord in connection therewith.

28.29 Neither this lease nor a memorandum of this lease shall be recorded by either party without the consent of the other.

28.30 In the event Tenant requests from Landlord (i) the written consent of Landlord to any proposed action for which this lease requires such consent and/or (ii) the approval and/or execution of any document relating to this lease, then Landlord may require (in addition to the payment of reasonable attorneys' fees, which fees Tenant hereby agrees to pay, as additional rental, upon demand) the payment by Tenant of a fee representing the administrative cost incurred by Landlord in processing such request, regardless of whether such consent is granted. An estimate of such fee shall be made by Landlord, and such estimate shall be payable by Tenant at the time such request is made by Tenant; if the estimate is not accurate, Landlord or Tenant shall reimburse or pay the other party after the actual fee is determined, as appropriate.

28.31 Submission of this lease for examination does not constitute an offer, right of first refusal, reservation or option on the Demised Premises or any other premises. This lease shall become effective only upon execution and delivery by both Landlord and Tenant of this lease, the execution and

delivery to Landlord by Tenant's guarantor(s), if any, named in Section 1.1 of the Guaranty attached to this lease as Exhibit "F", and the payment to Landlord of the prepaid rental and security deposit.

28.32 Landlord shall have the right at any time and from time to time to change the name or street address of the Shopping Center or Demised Premises without incurring liability to Tenant.

28.33 WITH RESPECT TO THE SUBJECT MATTER OF THIS LEASE, THIS LEASE AND ANY CONTEMPORANEOUS WORK LETTER, ADDENDA OR EXHIBITS SIGNED BY LANDLORD AND TENANT, CONSTITUTE THE ENTIRE, COMPLETE AND FINAL EXPRESSION OF THE AGREEMENT OF LANDLORD AND TENANT, AND SUPERSEDE ALL PRIOR WRITTEN AGREEMENTS AND ALL PRIOR AND CONTEMPORANEOUS ORAL AGREEMENTS, UNDERSTANDINGS AND NEGOTIATIONS. LANDLORD AND TENANT AGREE THAT THERE ARE AND WERE NO VERBAL OR WRITTEN REPRESENTATIONS, WARRANTIES, UNDERSTANDINGS, STIPULATIONS, AGREEMENTS OR PROMISES PERTAINING TO THIS LEASE WHICH ARE NOT INCORPORATED IN WRITING INTO THIS LEASE. LANDLORD AND TENANT AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER KIND ARISING OUT OF THIS LEASE AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY SET FORTH IN THIS LEASE.

28.34 Tenant shall not cause or permit any hazardous substances to be brought upon, kept or used in or about the Demised Premises or the Shopping Center by Tenant or its agents, employees, contractors or invitees. If Tenant breaches the obligations stated in the preceding sentence (which shall be an event of default under this lease), or if the presence of a hazardous substance otherwise occurs, then Tenant shall indemnify, defend and hold harmless Landlord and Landlords' parents, subsidiaries, affiliates, officers, directors, employees, agents, attorneys and other representatives from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses which arise during or after the term of this lease as a result of such contamination, which obligation shall survive the termination or expiration of this lease. Furthermore, if Landlord discovers any hazardous substances on or about the Shopping Center, including, but not limited to, asbestos in the building of which the Demised Premises is a part, Landlord shall have the option to terminate this lease upon fifteen (15) days' notice to Tenant. The term "hazardous substances" shall mean and include any flammable explosives, radioactive materials, hazardous materials, hazardous or toxic waste, hazardous or toxic substances or related materials defined in any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Demised Premises, the Common Area or the Shopping Center including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and the Resource Conservation and Recovery Act of 1976, as amended.

28.35 No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party. Each Broker shall be an intended third party beneficiary of the provisions of this Paragraph 28.35.

28.36 Landlord is specifically prohibited from leasing space in the shopping center to a tenant for the purpose of operating any of the following businesses: (No exclusives have been granted by L.L.)

EXECUTED as of the latest date accompanying a signature by Landlord or Tenant below.

LANDLORD:

TENANT: La Villa Sqa, L.P. 

EXHIBIT "B"
SITE PLAN

Riverside Plaza
(Shopping Center Name)

2401 S. Shary Road, Ste. B-2
Mission, TX 78572



This site plan is presented solely for the purpose of identifying the approximate location and size of the buildings presently contemplated by the owner. Building sizes, site dimensions, access and parking areas, existing tenant locations and identifies are subject to change at the owner's discretion, except as otherwise expressly restricted herein.

EXHIBIT "C"
DEMISED SPACE FINISH OUT
AND TENANT IMPROVEMENT ALLOWANCE

RIVERSIDE SHOPPING CENTER
(Shopping Center Name)

The condition, description and count of the Landlord's improvement consideration is hereby provided as a general outline and is for demonstrative purposes only. The Demised Premise is being leased "AS IS", with Tenant accepting all defects, if any; and LANDLORD MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE DEMISED PREMISES (WITHOUT LIMITATION, LANDLORD MAKES NO WARRANTY AS TO THE HABITABILITY, FITNESS OR SUITABILITY OF THE DEMISED PREMISES FOR A PARTICULAR PURPOSE NOR AS TO THE ABSENCE OF ANY TOXIC OR OTHERWISE HAZARDOUS SUBSTANCES). As referenced in Section 3.2 and now, this provision is subject to any contrary requirements under applicable law, however, in this regard Tenant acknowledges that it has been given the opportunity to inspect the Demised Premises and to have qualified experts inspect the Demised Premises prior to taking possession thereof. Tenant acknowledges and agrees that no representations regarding the condition of the Demised Premises have been made by Landlord or its agents to Tenant. Tenant hereby waives any implied warranties, including but not limited to fitness, suitability and habitability.

Tenant Improvement Allowance

1.1 **Improvements.** Tenant is to use construction specifications, as contracted for and described in Exhibit "I" for all improvements to be performed by Landlord's approved/designated General Contractor, and as accepted by Landlord and Tenant in writing. Tenant is to provide Landlord with an itemized schedule of work to be performed by Landlord's approved/designated General Contractor within (10) calendar days after acceptance of lease (Tenant must visit site within this time frame and schedule meeting with Landlord's approved/designated G.C.). Tenant further agrees that all work to be performed by G.C. is to be delivered to Tenant within (90) days after execution of lease and acceptance of work/allowance schedule. Tenant also agrees to hold Landlord and Landlord's Employees/Agents harmless for any construction time overage needed, or which may accrue, due to any out-of-stock/special order or change order items requested by Tenant and as supplied by G.C. throughout construction. Landlord is not responsible for any special licensing, construction permits or special use construction permits whereto they may be required. Any permits or licenses, but not limited thereto or hereto, are the sole responsibility and cost of Tenant. It is to be the Tenant's own responsibility and cost to comply with any and all City, Municipal, County, State, Federal or Governing entity whereto requirements are to be met in order to obtain a certificate of occupancy.

1.2 **Allowance.** Landlord is to pay for all Tenant Improvements as designated by Tenant's General Contractor Construction Contract terms described as Exhibit "I", per construction specification's scope of work, and as accepted in writing by Tenant as Tenant Improvements. Tenant further agrees that scope of work as agreed between Tenant and G.C. is in writing and is to be the total work performed. Tenant also agrees to tender Landlord with the total amount of the construction contract monies as described in Exhibit "I" within (10) days of construction plan acceptance or before occupancy begins if the amount of tenant contribution is greater than \$2,000.00, minus the amount stated here in section 1.3, and minus any deposits directly accepted and discounted by the G.C. in writing. Tenant further agrees to accept finish-out as Final Consideration by Landlord for all rent concession and allowance. Any additional improvements not stated in G.C.'s construction S.O.W. or overages due to change orders/special orders are to be at the sole net cost of Tenant and payable upon receipt by Tenant before Tenant can occupy space, so as no improvement provision in lease is hindered or in default. No further Written or Verbal Agreements Exist.

1.3 **Total Allowance By Landlord: \$25.00/SF Plus Perimeter Walls = \$25,000.00 (Twenty Five Thousand and 00/100 Dollars).**

Tenant Improvement consideration by Landlord will include and be limited to drop ceiling, interior lighting and plugs per municipality code based on perimeter square footage, One American with Disabilities Act "ADA" Restroom(s) or as required by municipality code based on perimeter square footage, HVAC in accordance with perimeter square footage, Perimeter Demising Walls per municipality code, commercial grade carpet based on perimeter square footage, and any additional plumbing fixtures as required by municipality code based on perimeter square footage).

LANDLORD IS TO BEGIN CONSTRUCTION ON IMPROVEMENTS ONCE MONIES IN 1.2 HAVE BEEN TENDERED BY TENANT AND ALL CONSTRUCTION PLANS HAVE BEEN APPROVED BY BOTH PARTIES IN WRITING.

[Remainder of page is blank; signatures follow on next page.]

IN WITNESS WHEREOF, the Landlord has given, and Tenant has received, read and accepted the terms stated here as the Tenant Improvements Allowance Agreement on the date and year herein signed.

LANDLORD:

TENANT: La Villa Spa, L.P., a Texas Limited Partnership

EXHIBIT "D"
SIGN CRITERIA

RIVERSIDE PLAZA
(Shopping Center Name)

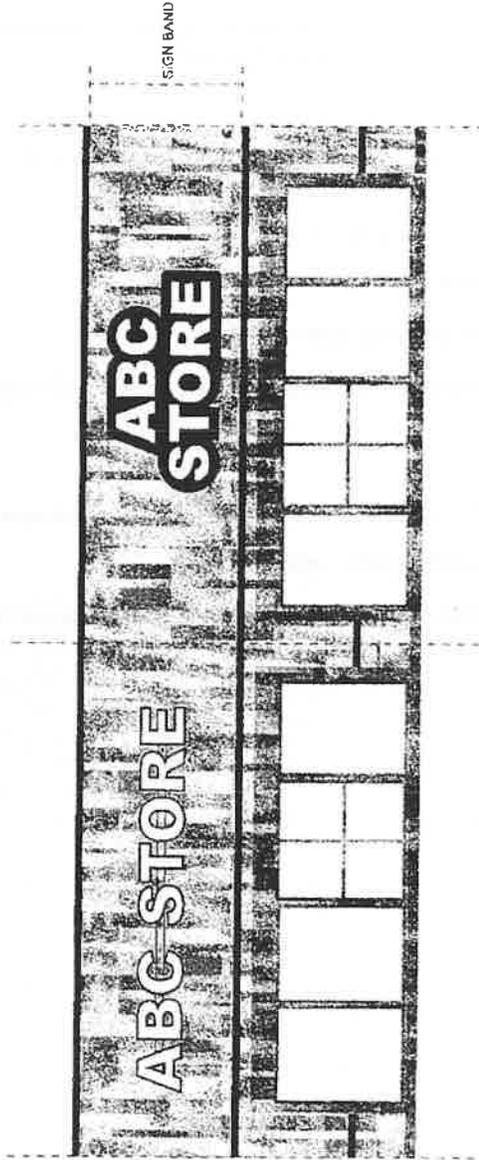
This criteria has been established for the purpose of assuring a uniform shopping center, for the mutual benefit of all tenants. Conformance will be strictly enforced; and any installed non-conforming or unapproved signs must be brought into conformance at the expense of the tenant

All signs will comply with the following:

1. Flashing, moving or audible signs will not be permitted. All electrical signs must comply with all local building and electrical codes. All signs must be **UL LABELED AND APPROVED**. No exceptions.
2. All signs must be installed on raceways painted to match building. Minimum raceway size: 6" x 8".
3. All conduits, conductors, transformers and other equipment will be concealed.
4. Maximum letter height: 75% of sign band. Minimum letter height: 18". Recommended letter height: 24"
5. Wording shall be limited to the trade name of the store and the maximum length of the lettering shall not exceed seventy-five percent (75%) of the horizontal storefront dimension.
6. All signs will be individual lighted letters.
7. All signs will be internally illuminated channel letters. Depth: 5" channel with bronze returns. Any deviation requires Landlord approval.
8. All signs shall use 6500 white neon or color to match color of plex. Any deviation requires Landlord approval.
9. Landlord shall review and approve all sign shop drawings prior to construction and/or installation. Installation required prior to Tenant opening for business.
10. For more information about your sign please contact:

Sergio A. Adame, CCIM
1209 S. 10th Street, Ste. A387
McAllen, TX 78501
956.412.1412
Email: sergio@apire.us

EXHIBIT "D"
SIGN CRITERIA CONT.



This criteria has been established for the purpose of assuring a uniform shopping center, for the mutual benefit of all tenants. Conformance will be strictly enforced, and any installed non-conforming or unapproved signs must be brought into conformance at the expense of the tenant.

All signs must be installed on raceways painted to match building. Minimum raceway size: 6" x 8".

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All signs will be internally illuminated channel letters. Depth: 5" channel with bronze returns. Any deviation requires Landlord approval.

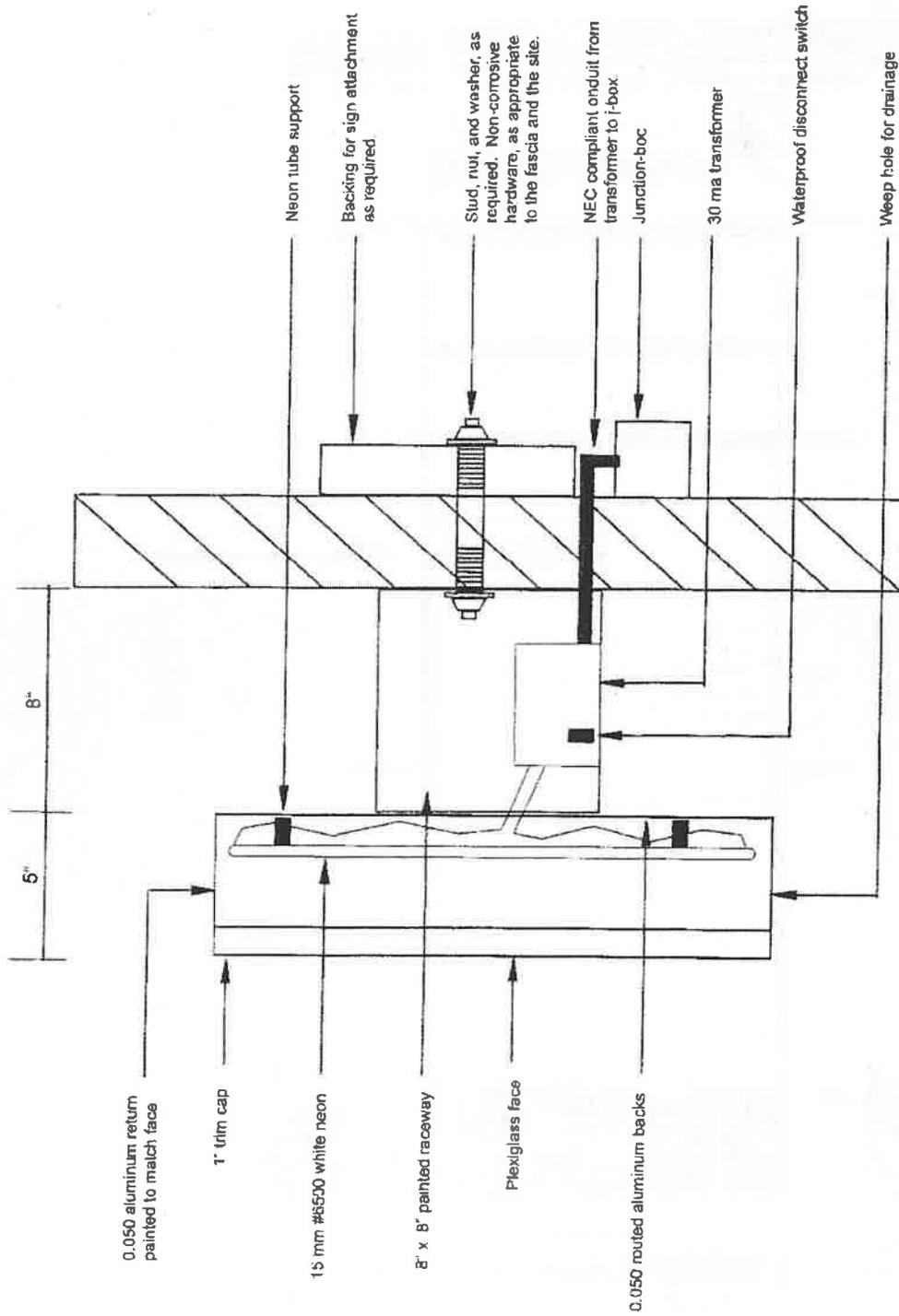
All signs shall use 8500K white neon or color to match color of plex. Any deviation requires Landlord approval.

CLIENT APPROVAL	DATE
LANDLORD APPROVAL	DATE
PRINTED	DATE

id identity management

315 W. WALL STREET, STE 200
GRAPEVINE, TEXAS 76051
P: 817.912.0038 F: 817.310.0788
WWW.IDENTITYBUSINESS.COM

EXHIBIT "D"
SIGN CRITERIA CONT.

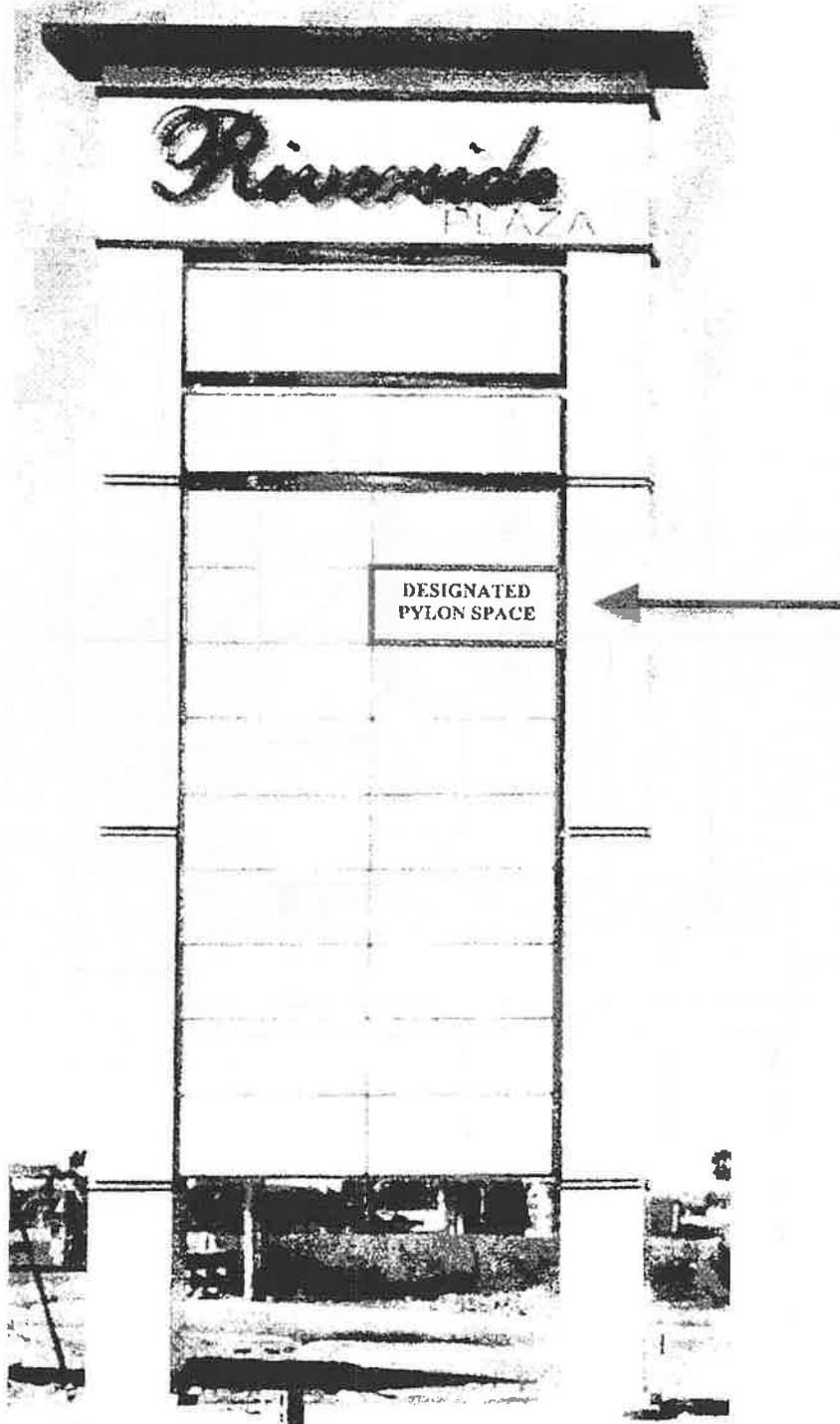


CLIENT APPROVAL	DATE
LANDLORD APPROVAL	DATE

315 W. WALL STREET, STE 200
GRAPEVINE, TEXAS 76051
P: 817.912.0038 F: 817.310.0788
WWW.IDENTITYBUSINESS.COM



EXHIBIT "D"
SIGN CRITERIA CONT.



Initialed by:

Landlord

Tenant

EXHIBIT "E"
RENEWAL OPTION

Tenant (but not any assignee or subtenant of Tenant, even if Landlord's consent is obtained as required by Article XIX of this lease) is granted the option(s) to extend the term of this lease for 1 * consecutive extended terms(s) of 3 year(s) each, provided (a) Tenant is not in default at the time of exercise of the respective option, and (b) Tenant gives written notice of its exercise of the respective option at least one hundred eighty (180) days prior to the expiration of the original term or the expiration of the then existing term. Each extension term shall be upon the same terms, conditions and rentals, except (i) Tenant shall have no further right of renewal after the last extension term prescribed above, and (ii) subject to adjustment pursuant to Section 4.2 of this lease, the monthly minimum guaranteed rental during the extended term(s) shall be as outlined below:

Year 1 - \$1,250.00 base rent per month based upon a rental rate of \$1.25, plus NNN per square foot per annum with each additional year to follow with 3% annual escalations.

EXHIBIT "F"
GUARANTY

In order to induce _____ ("Landlord") to execute the foregoing Shopping Center Lease ("the Lease") with LA VILLA SPA, L.P. ("Tenant"), for a certain Demised Premises in RIVERSIDE PLAZA, City of MISSION, HIDALGO, County, State of Texas, the undersigned (whether one or more than one) has absolutely and unconditionally guaranteed, and by this instrument does hereby absolutely, unconditionally and irrevocably guarantee, the payment and performance of all liabilities, obligations, and duties (including, but not limited to, payment of rent) imposed upon Tenant under the terms of the Lease, as if the undersigned has executed the Lease as Tenant hereunder.

The undersigned hereby waives notice of acceptance of this Guaranty and all other notices in connection herewith or in connection with the liabilities, obligations and duties guaranteed hereby, including notices of default by Tenant under the Lease, and waives diligence, presentment and suit on the part of Landlord in the enforcement of any liability, obligation or duty guaranteed hereby.

The undersigned further agrees that Landlord shall not be first required to enforce against Tenant or any other person any liability, obligation or duty guaranteed hereby before seeking enforcement thereof against the undersigned. Suit may be brought and maintained against the undersigned by Landlord to enforce any liability, obligation or duty guaranteed hereby without joinder of Tenant or any other person. The liability of the undersigned shall not be affected by any indulgence, compromise, settlement or variation of terms which may be extended to Tenant by Landlord or agreed upon by Landlord and Tenant, and shall not be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of Tenant or its estate in bankruptcy, or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the National Bankruptcy Act, or any similar law or statute of the United States or any State thereof. Landlord and Tenant, without notice to or consent by the undersigned, may at any time or times enter into such extensions, amendments, assignments, subleases, or other covenants with respect to the Lease as they may deem appropriate; and the undersigned shall not be released thereby, but shall continue to be fully liable for the payment and performance of all liabilities, obligations and duties of Tenant under the Lease as so extended, amended, assigned or otherwise modified.

It is understood that other agreements similar to this guaranty may, at Landlord's sole discretion, be executed by other persons with respect to the Lease. This guaranty shall be cumulative of any such agreements and the liabilities and obligations of the undersigned hereunder shall in no event be affected or diminished by reason of such other agreements. Moreover, in the event Landlord obtains another signature of more than one guarantor on this Guaranty or by obtaining additional guarantee agreements, or both, the undersigned agrees that Landlord, in Landlord's sole discretion, may (i) bring suit against all guarantors of the Lease jointly and severally or against any one or more of them, (ii) compound or settle with any one or more of the guarantors for such consideration as Landlord may deem proper, and (iii) release one or more of the guarantors from liability. The undersigned further agrees that no such action shall impair the rights of Landlord to enforce the Lease against any remaining guarantor or guarantors, including the undersigned.

If the party executing this guaranty is a corporation, then the undersigned officer personally represents and warrants that the Board of Directors of such corporation, in a duly held meeting, has determined that this guaranty may reasonably be expected to benefit the corporation.

The undersigned agrees that if Landlord shall employ an attorney to present, enforce or defend all of Landlord's rights or remedies hereunder, the undersigned shall pay any reasonable attorney's fees incurred by Landlord in such connection.

This agreement shall be binding upon the undersigned and the successors, heirs, executors and administrators of the undersigned, and shall inure to the benefit of Landlord and Landlord's heirs, executors, administrators and assigns.

EXECUTED this 6th day of May, 2015, to be effective the same day as the effective date of the Lease.

GUARANTOR(S):

EXHIBIT "G"

Approved by the Texas Real Estate Commission for Voluntary Use

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

Information About Brokerage Services

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 subagency 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.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

8/5/2015

Texas Real Estate Brokers and Salesmen are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188 or 512-466-3660.



01A TREC No. OP-K

Initialed by: Landlord Tenant

Exhibit II

Rules and Regulations

1. Landlord agrees to furnish Tenant two keys without charge. Additional keys will be furnished at a nominal charge. Tenant shall not change locks or install additional locks on doors without prior written consent of Landlord. Tenant shall not make or cause to be made duplicates of keys procured from Landlord without prior written approval of Landlord. All keys to the Leased Premises shall be surrendered to Landlord upon termination of this Lease.
2. Tenant will refer all contractors, contractor's representatives and installation technicians rendering any service on or to the Leased Premises for Tenant to Landlord for Landlord's approval before performance of any contractual service. Tenant's contractors and installation technicians shall comply with Landlord's rules and regulations pertaining to construction and installation. This provision shall apply to all work performed on or about the Leased Premises, including installation of telephones, telegraph equipment, electrical devices and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings and equipment or any other physical portion of the Leased Premises or the Property.
3. Tenant shall not at any time occupy any part of the Leased Premises as sleeping or lodging quarters.
4. Tenant shall not place, install or operate on the Leased Premises or in any part of the Property any engine, stove or machinery, or conduct mechanical operations or cook thereon or therein, or place or use in or about the Leased Premises or the Property any explosives, gasoline, kerosene, oil, acids, caustics, heating source, or any flammable, explosive or hazardous material without written consent of Landlord. Tenant shall be permitted to maintain a kitchen facility for its employees utilizing an electric coffee maker and microwave oven.
5. Landlord will not be responsible for lost or stolen merchandise, trade fixtures, furniture, furnishings, personal property, equipment, money or jewelry from the Leased Premises or the Property regardless of whether such loss occurs when the area is locked against entry or not.
6. No dogs, cats, fowl, or other animals shall be brought into or kept in or about the Leased Premises or Property, except those utilized by handicapped individuals.
7. Employees of Landlord shall not receive or carry messages for or to any Tenant or other person or contract with or render free or paid services to any Tenant or to any of Tenant's agents, employees or invitees.
8. None of the parking, plaza, recreation or lawn areas, entries, passages, doors, elevators, hallways or stairways shall be blocked or obstructed or any rubbish, litter, trash, or material of any nature placed, emptied or thrown into these areas or such area used by Tenant's agents, employees or invitees at any time for purposes inconsistent with their designation by Landlord.
9. No person shall disturb occupants of the Property by the use of any radios, record players, tape recorders, musical instruments, the making of unseemly noises or any unreasonable use.
10. Nothing shall be thrown out of doorways of the Property or other passages.
11. (a) Tenant and its employees, agents and invitees shall park their vehicles only in those parking areas designated by Landlord. Tenant shall furnish Landlord with state automobile license numbers of Tenant's vehicles and its employees vehicles within five (5) days after taking possession of the Leased Premises and shall notify Landlord of any changes within five (5) days after such change occurs. Tenant shall not leave any vehicle in a state of disrepair (including without limitation, flat tires, out of date inspection stickers or license plates) on the Property. If Tenant or its employees, agents or invitees park their vehicles in areas other than the designated parking areas or leave any vehicle in a state of disrepair, Landlord, after giving written notice to Tenant of such violation, shall have the right to remove such vehicles at Tenant's expense.
- (b) Parking in a parking garage or parking area shall be in compliance with all parking rules and regulations established from time to time by Landlord. Landlord reserves the right to charge for use of parking areas, to establish reserved parking areas and to assign designated parking spaces therein for exclusive use by Landlord or other specified tenants, to establish any sticker or other identification system, to alter, reduce or modify any parking areas, and to take any other actions regarding the parking garage or parking area. Failure to observe the rules and regulations shall terminate Tenant's right to use the parking garage or parking area and subject the vehicle in violation of the parking rules and regulations to removal and impoundment. No termination of parking privileges or removal of impoundment of a vehicle shall create any liability on Landlord or be deemed to interfere with Tenant's right to possession of its Leased Premises. Vehicles must be parked entirely within the stall lines and all directional signs, arrows and posted speed limits must be observed. Parking is prohibited in areas not striped for parking, in aisles, where "No Parking" signs are posted, on ramps, in cross-hatched areas, and in other areas as may be designated by Landlord. Parking stickers or other forms of identification supplied by Landlord shall remain the property of Landlord and not the property of Tenant and are not transferable. Every person is required to park and lock his vehicle. All responsibility for damage to

vehicles or persons is assumed by the owner of the vehicle or its driver.

- (c) If there is an exhibit to this Lease regarding parking, then the parking provisions set forth in such parking exhibit shall govern any contrary provisions set forth in these Rules and Regulations, but only to the extent of the conflict.
12. Movement in or out of the Property of furniture or office supplies and equipment, or dispatch or receipt by Tenant of any merchandise or materials which require use of elevators or stairways, or movement through the Property entrances or lobby, shall be restricted to hours designated by Landlord. All such movement shall be carried out in the manner agreed between Tenant and Landlord by prearrangement before performance. Such prearrangement will include determination by Landlord of time, method, and routing of movement and limitations imposed by safety or other concerns which may prohibit any article, equipment or any other item from being brought into the Property. Tenant assumes, and shall indemnify Landlord against, all risks and claims of damage to persons and properties arising in connection with any said movement.
 13. Tenant shall not lay floor covering within the Leased Premises without written approval of Landlord. The use of cement or other adhesive materials not easily removed with water is expressly prohibited.
 14. Tenant agrees to cooperate and assist Landlord in the prevention of canvassing, soliciting and peddling within the Property.
 15. During all hours other than regular hours, Landlord reserves the right to exclude from the Property, all persons who are not known to the Property security personnel and who do not present a pass to the Property signed by the Tenant. Each Tenant shall be responsible for all persons for whom Tenant supplies a pass.
 16. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business, Tenant, before occupying the Leased Premises, shall procure and maintain such license or permit and submit it for Landlord's inspection. Tenant shall at all times comply with the terms of any such license or permit.
 17. Except with the prior written consent of Landlord, Tenant shall not sell, or permit the sale from the Leased Premises of, or use or permit the use of any sidewalk or mall area adjacent to the Leased Premises for the sale of newspapers, magazines, periodicals, theatre tickets or any other goods or merchandise, nor shall Tenant carry on, or permit or allow any employee or other person to carry on, business in or from the Leased Premises for the service or accommodation of occupants of any other portion of the Building, nor shall the Leased Premises be used for manufacturing of any kind, or for any business or activity other than that specifically provided for in the Lease.
 18. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or other device on the roof or exterior walls of the Building or elsewhere on the Property.
 19. Tenant shall not use in any space, or in the Common Areas of the Building, any hand-trucks except those equipped with rubber tires and side guards or such other material handling equipment as Landlord may approve. No other vehicles of any kind shall be brought by Tenant into the Building or kept in or about the Leased Premises without prior written approval of Landlord.
 20. Tenant shall store all its trash and garbage within the Leased Premises until daily removal of same by Tenant to such location in the Building as may be designated from time to time by Landlord. No material shall be placed in the Building trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the city in which the Leased Premises is located without being in violation of any law or ordinance governing such disposal.
 21. Tenant shall not permit the use or the operation of any coin operated machines on the Leased Premises, including, without limitation, vending machines, video games, pinball machines, or pay telephones without the prior written consent of Landlord.
 22. As used in the Lease, "business days" means Monday through Saturday (except holidays); "regular hours" means 8:00 a.m. to 6:00 p.m. on weekdays and 8:00 a.m. to 1:00 p.m. on Saturday; and "holidays" means New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Fourth of July, Labor Day, Veteran's Day, Columbus Day, Thanksgiving and Christmas, together with such other holidays designated by Landlord consistent with those holidays designated by national banks located in the county in which the Building is located.
 23. Landlord desires to maintain in the Property the highest standard of dignity and good taste consistent with comfort and convenience for tenants. Any action or condition not meeting this high standard should be reported directly to Landlord. Tenant's cooperation will be mutually beneficial and sincerely appreciated. Landlord reserves the right to make such other and further reasonable rules and regulations (or amend any of the foregoing rules or regulations) as in its judgment may from time to time be necessary, for the safety, care and cleanliness of the Leased Premises and for the preservation of good order therein.
 24. Tenant shall comply, at its sole expense, with applicable laws, rules, regulations and standards relating to protection of human health or safety or the environment, including, without limitation, the federal Comprehensive Environmental Response, Compensation and Liability Act, the Federal Resource Conservation and Recovery Act.

- 25. Smoking is prohibited in the Leased Premises, the Building, and the Common Areas. Tenant shall not permit its employees, customers, licensees, contractors, agents, or invitees to smoke in the Leased Premises, the Building, or the Common Areas.
- 26. Tenant is responsible for accounting for the whereabouts of its employees after an evacuation of the Leased Premises and/or Building. Tenant shall maintain an updated list of its employees and shall appoint a contact person, who shall promptly let the Building manager and emergency personnel know, which, if any, of its employees are unaccounted for after an evacuation.

IN WITNESS HEREOF, the Landlord has given, and Tenant has received, read and accepted the terms stated here as the Rules and Regulations Agreement on the date and year herein signed.

LANDLORD:

TENANT:  La Villa Spa, L.P., a Texas Limited Partnership

Exhibit I

General Contractor Contract

Detailed Contract
Not Yet
Available from Contractor



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL LEASE ADDENDUM FOR EXTENSION OF TERM

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED
 ©Texas Association of REALTORS®, Inc. 2010

ADDENDUM TO THE COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES CONCERNING THE LEASED PREMISES AT 2401 S Shary Rd Ste B-2, Mission, TX 78572-0016

- A. At Tenant's option, Tenant may extend the term of above-referenced lease for 2 additional term(s) of 36 months each. The first additional term commences upon the expiration of the term stated in the lease and any subsequent additional term commences upon the expiration of the then applicable extended term.
- B. Tenant may exercise Tenant's option(s) to extend under Paragraph A only by providing written notice to Landlord at least 90 days before the end of the then current term of the lease.
- C. Tenant may not exercise Tenant's option(s) to extend under Paragraph A if the lease is terminated before Tenant exercises its option to extend or Tenant is in breach of the lease at the time Tenant exercises its option to extend.
- D. During the additional term(s), all provisions of the lease will continue as in effect immediately before the extension(s) commences except the base monthly rent during the additional term(s) will be:
 (Check (1), (2) or (3) only.)

X (1)

Dates		Rate per rentable square foot (optional)		Base Monthly Rent \$
From	To	\$ Monthly Rate	\$ Annual Rate	
06/01/2018	05/31/2019	1.45 /rsf/month	/rsf/year	1,451.32
06/01/2019	05/31/2020	1.49 /rsf/month	/rsf/year	1,494.86
06/01/2020	05/31/2021	1.53 /rsf/month	/rsf/year	1,539.70
		/rsf/month	/rsf/year	
		/rsf/month	/rsf/year	

- (2) adjusted to reflect increases in the Consumer Price Index for "All Urban Consumers, U.S. City Average, All Items", issued by the Bureau of Labor Statistics of the U.S. Department of Labor. The adjustment will be determined by multiplying the base monthly rent for the last month of the lease by the following fraction: (i) the numerator will be the published index number for January in the year the additional term commences; and (ii) the denominator will be the published index number for January in the year in which the original lease term commences.
 - (3) the prevailing rental rate on the 45th day before the additional term commences for premises of comparable size, quality, condition, improvements, utility, location, and length of term for tenant's of similar credit standing as Tenant.
- E. If Paragraph D(3) applies and the parties do not agree on the amount of the prevailing rental rate for the additional term before the 30th day before the additional term commences, each party will employ a state-certified appraiser and deliver the appraiser's written opinion of the prevailing rental rate to the other

party not later than the 15th day before the additional term commences. If the appraisers' opinions do not vary by more than 10%, the prevailing rental rate will be the average of the two opinions. If the appraisers' opinions vary by more than 10%, the appraisers will jointly select a third appraiser whose fees will be shared equally by the parties. If a third appraiser is engaged, the prevailing rental rate will be the average of the two opinions that are closest in amount. If either party fails to employ or timely deliver an appraiser's opinion as required by this paragraph, the opinion rendered by the appraiser employed by the other party will determine the prevailing rental rate.

F. Special Provisions:

Landlord:

Tenant: La Villa Spa

By _____
By (signature) _____
Printed Name: _____
Title _____

By _____
By (signature) _____
Printed Name: _____
Title _____