

TRIPLE NET LEASE AGREEMENT

BETWEEN

TEXAS WESLEYAN UNIVERSITY,  
AS LANDLORD

AND

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM,  
AS TENANT

AUGUST 12, 2013

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TRIPLE NET LEASE AGREEMENT

THIS TRIPLE NET LEASE AGREEMENT ("Lease") is executed effective as of August 12, 2013 (the "Effective Date"), between TEXAS WESLEYAN UNIVERSITY, a Texas nonprofit corporation ("Landlord"), and the BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM, an agency of the State of Texas ("Tenant").

SECTION 1--DEFINITIONS

1.1 Definitions. As used in this Lease, the following terms are defined below:

(a) "Base Rent" means the sum of EIGHT MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$8,500,000.00) for the entire Lease Term, payable as provided in Section 4.1 of this Lease.

(b) "Commencement Date" means August 12, 2013.

(c) "Default Rate" means the lesser of (1) the rate of 12% per year, and (2) the maximum rate of interest then permissible for a commercial loan to Tenant in the state of Texas.

(d) "Expiration Date" means August 11, 2018 (i.e., the date that represents a Lease Term of sixty (60) months, even if it falls in the middle of a month).

(e) "Impositions" means all charges or burdens of every kind and nature (including, without limitation, all costs and fees incurred by Landlord or Tenant incidental to the operation of the Premises and all costs, fees and expenses of complying with any restrictive covenants or similar agreements to which the Premises are subject incurred in the use, occupancy, ownership, operation or possession of the Premises, without particularizing any known name, and whether any of the foregoing is general or special, ordinary or extraordinary, or foreseen or unforeseen.

(f) "Landlord-Related Party" means any officer, director, owner, partner, employee, agent, contractor, vendor, or property manager of Landlord or any affiliate of Landlord.

(g) "Lease Term" means the period that begins on the Commencement Date and ends at 11:59 p.m. on the Expiration Date.

(h) "Lease Year" means any period of one year beginning on the Commencement Date or any anniversary thereof.

(i) "Notice Address" means:

With respect to Landlord:

Texas Wesleyan University  
Office of the President  
1201 Wesleyan  
Fort Worth, Texas 76051  
Attn: Frederick G. Slabach, President  
Fax: (817) 531-4496

With a copy to:

Kelly Hart & Hallman, LLP  
201 Main Street, Suite 2500  
Fort Worth, Texas 76102  
Attn: David W. Cook  
Fax: 817-878-9765

With respect to Tenant:

Texas A&M University  
Office of the President  
1246 TAMU  
College Station, Texas 77843  
Fax: 979-845-5027  
Attention: President

With a copy to:

The Texas A&M University System  
Office of the General Counsel  
301 Tarrow Street  
Sixth Floor  
College Station, TX 77840-7896  
Fax: 979-458-6150  
Attention: General Counsel

and a copy to:

Winstead, PC  
500 Winstead Building  
2728 N. Harwood  
Dallas, TX 75201  
Fax: 214-745-5390  
Attn: T. Andrew Dow and Paul Wageman

(j) "Option Agreement" means that certain Option Agreement of even date herewith by and between Landlord, as Optionor, and Tenant, as Optionee, pursuant to which Landlord has granted to Tenant the Purchase Option.

(k) "Premises" means the Property, as well as any improvements now or hereafter located thereon, including, without limitation that certain approximately 106,486 square foot building located at 1501 Commerce Street, Fort Worth, Texas, and the three (3) related parking lots described in the definition of the Property.

(l) "Property" means the land described in Exhibit "A" attached hereto, representing four city blocks containing approximately 118,026 square feet of land.

(m) "Purchase Option" means the option granted from Landlord to Tenant to purchase the Premises pursuant to the terms of the Option Agreement.

(n) "Rent" means, collectively, the Base Rent, and all other sums of money, if any, becoming due and payable by Tenant under this Lease.

(o) "Roof Funds Escrow" means THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00) to be held in escrow by Tenant for the purposes set forth in Section 6.3(b).

(p) "Taxes" means all taxes, assessments and governmental charges, whether federal, state, county or municipal, and whether they be by taxing districts or authorities presently taxing the Premises or by others, subsequently created or otherwise and any other taxes and assessments attributable to the Premises or its operation. "Taxes" does not include, federal and state income taxes, franchise taxes, inheritance, estate, gift, corporation, margin, net profits or any similar tax for which Landlord becomes liable and/or which may be imposed upon or assessed against Landlord. If, at any time during the Lease Term, the present method of taxation is changed so that in lieu of the whole or any part of any taxes, assessments or governmental charges levied, assessed or imposed on the Premises, there is levied, assessed or imposed on Landlord a tax directly on the Rent, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, will be included with the term "Taxes."

(q) "Tenant-Related Party" means any officer, director, owner, partner, employee, agent, contractor, or vendor of Tenant.

## SECTION 2--PREMISES

2.1 Lease Grant. Landlord leases to Tenant, and Tenant leases from Landlord, the Premises, together with all easements and appurtenances thereto, subject to all of the terms and conditions of this Lease. The foregoing demise is made subject to any and all restrictions, covenants, conditions and easements shown of record in Tarrant County, Texas and further subject to any applicable zoning laws, regulations, ordinances and other laws of municipal, county, state, federal and/or other governmental authorities relating to the Premises.

2.2 Representations and Warranties; Acceptance of Condition. Landlord represents and warrants to Tenant that:

(a) Property Condition. Landlord has no knowledge of, and has not received, any written notices from insurance companies, governmental agencies or authorities or from any other party (a) of any conditions, defects or inadequacies with respect to the Premises, including health hazards or dangers, nuisance or waste, (b) with respect to any violation of any applicable zoning, building, health, environmental, traffic, flood control, fire safety, handicapped or other law, code, ordinance, rule or regulation (collectively, the "Legal Requirements"); (c) of any pending or threatened condemnation proceeding with respect to the Premises, or (d) of any proceedings which should reasonably be expected to cause the change, redefinition or other modification of the zoning classification of the Premises.

(b) Title. Landlord owns good and indefeasible fee simple title to the Premises, subject only to the exceptions listed on Exhibit "B" attached hereto (the "Permitted Exceptions"). As of the Effective Date the Premises will have no lien for mortgage debt and will not serve as collateral or security for any debt of Landlord.

(c) Access; Utilities. Landlord has no knowledge of any fact or condition existing which could result in the termination or reduction of the current access from the Premises to the existing highways and roads that provide access to the Premises, or any reduction in or to sewer or other utility services presently serving the Premises.

(d) Governmental Approvals. To Landlord's knowledge, the Premises is in full compliance with all Legal Requirements as of the Effective Date. To Landlord's knowledge, there are no petitions, actions, hearings, planned or contemplated, related to or affecting the zoning or use of the Premises or of the contiguous property. To Landlord's knowledge, no license, permit or authorization is necessary to own and operate the Premises in accordance with its current operations.

(e) Litigation. There is no pending or, to Landlord's knowledge, threatened judicial, municipal or administrative proceedings with respect to, or in any manner affecting the Premises, including proceedings for or involving condemnations, imminent domain, alleged building code, zoning or environmental violations, or personal injuries or property damage alleged to have occurred on the Premises or by reason of the construction of any improvements thereon or the use and operation of the Premises or any present plan or study by any governmental authority, agency or employee thereof which in any way challenges, affects, or would challenge or affect, the continued operation of the ownership, construction, use, leasing, management, maintenance and operation of the Property.

(f) Physical Condition. Landlord has no knowledge of any material defects or conditions in the Premises which would require immediate expenditures to remedy.

As used in this Lease, the phrase "to Landlord's knowledge", or words of similar import, means the actual knowledge of Frederick G. Slabach, Patti Gearhart-Turner, Karen Montgomery, or Aric K. Short, after having made a reasonable inquiry of the other officers of Landlord having management responsibility for the fact or matter in question.

All of the representations, warranties and covenants of Landlord contained herein shall survive the expiration or earlier termination of this Lease and shall continue in full force and effect for a period of twelve (12) months thereafter.

2.3 Disclaimer. TENANT ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS LEASE, NEITHER LANDLORD NOR ANY LANDLORD-RELATED PARTY HAS MADE ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, MERCHANTABILITY, SUITABILITY, QUALITY, CONDITION OR FITNESS FOR ANY PARTICULAR PURPOSE (COLLECTIVELY, THE "DISCLAIMED WARRANTIES") WITH REGARD TO THE PREMISES AND THAT TENANT IS LEASING THE PREMISES IN ITS "AS IS" CONDITION. TENANT HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, THE DISCLAIMED WARRANTIES WITH REGARD TO THE PREMISES. IN DECIDING TO ENTER INTO THIS LEASE AND EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS LEASE, TENANT IS RELYING UPON ITS OWN INVESTIGATION OF THE PREMISES AND ITS CONDITION AND NOT UPON ANY REPRESENTATION OR WARRANTY FROM LANDLORD OR ANY LANDLORD-RELATED PARTY.

2.4 Acceptance. Tenant's taking possession of the Premises will be conclusive evidence that (1) Tenant has inspected (or has caused to be inspected) the Premises and (2) Tenant accepts the Premises as being in good and satisfactory condition and suitable for Tenant's purposes, subject to the representations of Landlord expressly made in this Lease and the other terms of this Lease. The foregoing shall not be interpreted to relieve Landlord from any of its ongoing maintenance obligations under Section 6.3 of this Lease.

### SECTION 3--LEASE TERM; PURCHASE OPTION

3.1 Lease Term. This Lease will continue in force during a period beginning on the Effective Date of this Lease and ending on the expiration of the Lease Term, unless this Lease is terminated early or extended to a later date pursuant to the terms of this Lease. The Lease Term will commence and Rent will accrue beginning on the Commencement Date.

3.2 Purchase Option. Concurrently with the execution of this Lease, Landlord and Tenant have entered into the Option Agreement whereby Landlord has granted to Tenant the Purchase Option upon the terms and conditions set forth in the Option Agreement. The Purchase Option shall be evidenced by a Memorandum of Option to be recorded in the appropriate records of Tarrant County, Texas. The Option Agreement and Purchase Option are independent of this Lease and, except in the case of a termination as a result of a Material Default (hereafter defined) under this Lease, shall survive the termination of this Lease unless the Option Agreement is also specifically terminated in connection with a termination of this Lease. Landlord and Tenant acknowledge and agree that any Material Default by Tenant under the Lease will terminate Tenant's right to exercise the Purchase Option.

3.3 Holding Over. If Tenant continues to occupy the Premises after the expiration of the Lease Term without the prior written consent of Landlord, such occupancy will be a tenancy at sufferance under all of the terms, covenants and conditions of this Lease, but the Base Rent will increase to a daily Base Rent equal to the number determined by dividing the Base Rent for the final year of the Lease Term by three hundred sixty-five (365), and then multiplying such sum by 135%. Tenant will also pay any and all costs, expenses or actual (but not special, punitive or consequential) damages sustained by Landlord as a result of such holdover. Notwithstanding the foregoing, in the event Tenant has validly exercised the Purchase Option but has yet to close on the purchase pursuant to the terms of the Option Agreement due to Landlord's failure to satisfy any closing condition under the Option Agreement, the Lease Term shall automatically be extended until the earlier to occur of (i) the closing date under the Option Agreement or (ii) 180 days after the date the Option Agreement terminates for any reason without a closing, and during any such extension, Tenant shall not be liable for any costs, expenses or damages caused by such holdover, but shall pay Landlord a prorated daily Base Rent equal to the number determined by dividing the Base Rent for the final year of the Lease Term by three hundred sixty-five (365); provided, however, in no event shall such extension extend beyond February 28, 2019.

#### SECTION 4--RENT

##### 4.1 Payment of Base Rent.

(a) Tenant must pay Base Rent to Landlord in advance in annual installments of ONE MILLION SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,700,000.00) on the Commencement Date and each of the first four (4) anniversaries of the Commencement Date, at Landlord's Notice Address or to such other person or at such other address as Landlord may from time to time designate in writing; provided, however, Tenant shall receive a one-time rent abatement in the amount of THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00) to apply against the first annual installment of Base Rent due on the Commencement Date. Landlord and Tenant acknowledge and agree that the abated Base Rent will be used by the parties to establish a Roof Funds Escrow as contemplated by Section 6.3(b) below.

(b) Rent must be paid without notice, demand, abatement, deduction or offset, except as otherwise expressly provided in Section 9.1 of this Lease.

##### 4.2 Taxes and Impositions.

(a) Tenant must pay before delinquent, in the manner set forth in this Lease, all Taxes and Impositions which at any time prior to or during the Lease Term are assessed, levied, imposed upon or become due and payable with respect to the Premises, or any part thereof or any appurtenance thereto. If the Premises are not separately assessed for Tax purposes, Tenant must pay Tenant's pro rata share of such Taxes, determined by multiplying the total amount of Taxes by a fraction, the numerator of which is the total gross square footage of land contained in the Premises and the denominator of which is the total gross square footage of land contained in the applicable tax parcel. All Taxes and Impositions payable by Tenant during the first and last years of the Lease Term will be prorated between Landlord and Tenant based on the actual number of days in such years within the Lease Term.

(b) Landlord and Tenant shall cooperate in order for the Premises to be separately assessed for Tax purposes. Beginning at such time as the Premises are separately assessed for Tax purposes, Tenant will pay Taxes directly to the taxing authority. Upon written request from Landlord, Tenant will furnish to Landlord for Landlord's inspection, official receipts of the appropriate authority or



other proof satisfactory to Landlord evidencing Tenant's payment of Taxes and Impositions in accordance with the terms hereof.

(c) Provided the Premises are separately assessed for Tax purposes, Tenant may contest the amount or validity of any Taxes by appropriate legal proceedings, diligently pursued provided that: (i) Tenant provides notice to Landlord of Tenant's intent to contest such Taxes; (ii) Tenant first makes all such contested payments (which may be made by Tenant under protest if Tenant so desires); (iii) neither the Premises nor any part thereof nor any interest therein is placed in any danger of being sold, forfeited, lost or interfered with by virtue of any such contest; and (iv) all expenses (including, without limitation, any fees, penalty or interest) which are assessed or incurred in connection with or as a result of any such proceedings are paid by Tenant.

(d) Any excise, transaction, sales, or privilege tax now or hereafter imposed by any government or governmental agency upon Landlord on account of, attributed to, or measured by Rent or other charges payable by Tenant must be paid by Tenant to Landlord as additional Rent.

(e) Tenant is liable for all Taxes levied or assessed against Tenant's personal property, furniture or fixtures placed or situated in or on the Premises during the Lease Term.

4.3 Utilities. Beginning with the Effective Date, Tenant is responsible for and must pay all charges for all water, gas, heat, light, electricity, telephone, sewer, sprinkler, trash removal and other utilities and services used on or from the Premises, together with any penalties, surcharges or the like pertaining thereto and any maintenance charges for such utilities. Landlord has no responsibility to provide any such utilities or services, and Landlord will not be liable in any respect (including for damages to either person or property) in the event of any failure in the provision of any such utilities or services or in the event of any cessation thereof. In no event will any such failure or cessation be construed as an eviction of Tenant or relieve Tenant from fulfillment of any covenant in this Lease.

#### 4.4 Late Payments.

(a) If Landlord does not receive any installment of Rent within 10 days after the date due, Tenant must pay, in addition to the installment of Rent, interest on such amount from the date due until paid at the Default Rate.

(b) Acceptance of a late payment by Landlord does not constitute a waiver of Tenant's default with respect to the overdue amount, nor will it be construed as a waiver by Landlord of the requirement for timely payment nor create a course of dealing permitting such late payments. Any payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Rent due under this Lease will be deemed to be on account of the earliest Rent due hereunder. No endorsement or statement on any check or any letter accompanying any check or payment as Rent will be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease.

4.5 Net Lease. All Rent must be paid without notice, demand, abatement, deduction or offset, except as otherwise expressly provided in Section 9.1 of this Lease. Except as otherwise expressly provided herein, this Lease is intended to be a fully net lease, so that this Lease will yield, net to Landlord, the Rent specified in this Lease. In that regard, except as otherwise expressly provided in this Lease, all Taxes, Impositions, utility charges, maintenance expenses, repair and replacement expenses, expenses relating to compliance with all applicable laws and all other costs, fees, charges, expenses, reimbursements and obligations of every kind and nature whatsoever relating to the Premises which may arise or become due during the Lease Term must be paid and discharged by Tenant. Landlord is not

responsible for providing any services to Tenant and/or the Premises (including, without limitation, janitorial services, landscaping, trash removal or the like, it being hereby acknowledged and agreed that the same are the sole responsibility of Tenant), except as may be otherwise expressly set forth in this Lease.

## SECTION 5--LEGAL AND CONTRACTUAL LIMITATIONS ON USE OF PREMISES

5.1 Use. The Premises must be used for general educational purposes or general office purposes, and ancillary uses related thereto such as, for example, a bookstore, coffee shop, café or similar amenity.

### 5.2 Compliance with Laws.

(a) Generally. Tenant, at Tenant's sole cost and expense, must comply with all current and future federal, state, municipal and other laws and ordinances and all covenants, conditions, restrictions and other matters of record applicable to the use of the Premises, the employees, agents, visitors and invitees of Tenant, and the business conducted in the Premises by Tenant, including, without limitation, all Environmental Laws.

(b) Hazardous Substances. The term "Hazardous Substances," as used in this Lease, means any substance that is listed, defined, or regulated as a "hazardous material," "hazardous waste," "solid waste," "hazardous substance," or "toxic substance," "contaminant" or "pollutant" pursuant to any applicable Environmental Laws.

(c) Environmental Laws. The term "Environmental Laws," as used in this Lease, means all federal, state, and local laws, rules, regulations, and binding governmental determinations relating to environmental, health, and safety matters (including, without limitation, those relating to toxic or hazardous substances), including, without limitation, the Clean Air Act, the Clean Water Act, the Solid Waste Management Act (as amended by the Resource Conservation and Recovery Act), CERCLA (as amended by the Superfund Amendments and Reauthorization Act), the Emergency Planning and Community Right-to-Know Act, the Toxic Substances Control Act, and the Occupation Safety and Health Act.

(d) Tenant's Restrictions. Tenant will not cause or permit to occur:

(i) Any violation of any federal, state, or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions on, under, above, or about the Premises, or arising from Tenant's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or

(ii) The use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance on, under, above, or about the Premises in violation of any Environmental Laws.

(e) Environmental Clean-up.

(i) Tenant must, at Tenant's own expense, comply with all Environmental Laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances.

(ii) Tenant must, at Tenant's own expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities (the "Authorities") under the Environmental Laws.

(iii) If any Authority or any third party demands that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the Lease Term, or which arises at any time from Tenant's use or occupancy of the Premises, unless caused by Landlord or any Landlord-Related Party, then Tenant must, at Tenant's own expense, prepare and submit the required plans and all related bonds and other financial assurances to the applicable Authorities. In such case Tenant must provide copies of all of such to Landlord at the same time provided to the Authorities. Tenant will carry out all such clean-up plans.

(iv) Tenant must promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is requested by Landlord. If Tenant fails to fulfill any duty imposed under this Section 5.2 within a reasonable time, Landlord may do so. In such case, Tenant must cooperate with Landlord in order to prepare all documents Landlord deems necessary or appropriate to determine the applicability of the Environmental Laws to the Premises and Tenant's use thereof, and for compliance therewith, and Tenant must execute all documents promptly upon Landlord's request. No such action by Landlord and no attempt made by Landlord to mitigate damages under any Law will constitute a waiver of any of Tenant's obligations under this Section 5.2.

(v) Notwithstanding anything contained in this Section 5.2 to the contrary, Tenant may not take any remedial action in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to any Hazardous Substances in any way connected with the Premises without first notifying Landlord of Tenant's intention to do so and affording the Landlord the opportunity to appear, intervene or otherwise assert and protect Landlord's interest with respect thereto.

(f) Tenant's Indemnity. To the extent permitted by the Constitution and the laws of the State of Texas, Tenant will indemnify, defend at its cost, and hold harmless Landlord and the Landlord-Related Parties from all fines, suits, procedures, claims and actions of every kind, and all costs associated therewith (including attorneys' and consultants' fees) arising out of or in any way connected with (i) any deposit, spill, discharge or other release of Hazardous Substances caused by Tenant that occurs during the Lease Term, at or from the Premises, or that arises at any time from Tenant's use or occupancy of the Premises (whether or not during the Lease Term), (ii) Tenant's failure to provide all information, make all submissions, and take all steps required by all Authorities under the Environmental Laws and all other environmental laws, or (iii) Tenant's failure to otherwise fulfill each and every obligation to be performed by it in this Section 5.2.

(g) Landlord's Indemnity. Landlord must indemnify, defend at its cost, and hold harmless Tenant and the Tenant-Related Parties from all fines, suits, procedures, claims, and actions of every kind, and all costs associated therewith (including attorneys' and consultants' fees) arising out of or in any way connected with the existence as of the Commencement Date of any Hazardous Substances on the Premises in violation of any Environmental Laws, except to the extent any liability arising from such Hazardous Substances was exacerbated by the negligence or willful misconduct of Tenant or any Tenant-Related Party.

(h) Notice. Tenant must promptly notify Landlord and provide Landlord with copies of any notice or other correspondence given or received by Tenant (i) regarding Hazardous Substances affecting the Premises, (ii) Tenant's knowledge as to the violation of any law relating to Hazardous Substances on the Premises, or (iii) the breach by Tenant of any provisions of this Section 5.2.

(i) Survival. Tenant's and Landlord's obligations and liabilities under this Section 5.2 will survive the expiration or earlier termination of this Lease.

5.3 Quiet Enjoyment. Tenant may peaceably and quietly occupy and use the Premises during the Lease Term free from interference from Landlord or any party claiming by, through or under Landlord. Such occupancy and use is subject to the provisions of this Lease, the Permitted Exceptions and applicable governmental laws, rules, and regulations. Landlord warrants and will forever defend Tenant's right to such occupancy against the claims of any and all persons lawfully claiming the same or any part thereof, subject only to the provisions of this Lease, the Permitted Exceptions and all applicable governmental laws, rules, and regulations.

5.4 Signage. Subject to Legal Requirements, Tenant (but not any assignee or sublessee of Tenant) shall have the right, in its sole discretion, to place such signs on and about the Premises as Tenant deems appropriate. The foregoing right is personal to Tenant and its Affiliates, and the right of any assignee or sublessee of Tenant to place any signs on and about the Premises shall be subject to Landlord's prior approval, which approval may not be unreasonably withheld, conditioned or delayed. Whether or not Landlord's approval is required, all signs must be attached to the Premises using a method that will not damage or weaken the building's foundation, roof, or other structural elements nor its systems.

## SECTION 6--OPERATIONAL MATTERS

6.1 No Services to be Furnished by Landlord. Landlord is not responsible for providing any services to Tenant and/or the Premises, including, without limitation, utilities, janitorial services, landscaping, trash removal, security or the like (it being hereby acknowledged and agreed that the same are the sole responsibility of Tenant). In no event will Landlord be liable for any interruption or failure of utility services on the Premises.

6.2 Maintenance by Tenant. Except as otherwise provided in Section 6.3, Tenant must, at Tenant's sole cost and expense, repair, maintain (and replace, when necessary) all portions of the Premises so that at all times they are in a good, clean, orderly and sanitary condition, reasonable wear and tear excepted, and in compliance with all applicable laws, regulations, building codes. Tenant must, at all times during the Lease Term, maintain, irrigate, mow, weed, prune, trim and (as applicable) remove and/or replace any and all landscaping and irrigation facilities situated on the Premises. Tenant also must maintain all drives, parking lots, sidewalks, walkways and curbs, and lighting facilities on the Premises (including, without limitation, maintaining the surfaces thereof in a level, smooth and evenly colored condition, resurfacing or replacing the same when necessary, patching and repairing potholes, repainting stripes indicating parking spaces and/or traffic lanes, sweeping and cleaning all of said portions of the Premises as often as necessary to keep same in a clean and attractive condition and removing from the Premises all snow, ice, papers, mud, sand, debris, filth and refuse, and with respect to any light standards on the Premises, replacing lamps and any ballasts and repairing and maintaining such light standards). Tenant will repair or replace, at Tenant's cost, any damage to the Premises, regardless of the cause of such damage.

6.3 Maintenance by Landlord.

(a) Landlord must, at Landlord's sole cost and expense, repair, maintain (and replace, when necessary) the foundation, roof and other structural elements of any building located on the Premises so that at all times they are in good condition, reasonable wear and tear excepted; provided, however, Tenant (not Landlord) shall be responsible for any damage to such items caused by Tenant's negligence, including, without limitation, Tenant's improper installation of signage.

(b) Prior to the first anniversary of the Effective Date of this Lease, Tenant shall cause to be installed a roofing system by a contractor reasonably acceptable to Landlord, which roofing system shall provide an ER systems 10 year manufacturer's warranty enforceable by Landlord. Tenant shall be responsible for all costs and expenses associated therewith, but may utilize funds from the Roof Funds Escrow in connection therewith. Prior to retaining a contractor to perform such work, Tenant shall supply Landlord with a copy of such contractor's estimate showing in reasonable detail the work to be performed and the estimated costs and expenses associated therewith, which must be approved by Landlord prior to Tenant retaining such contractor, such approval not to be unreasonably withheld, conditioned or delayed. Tenant shall keep Landlord reasonably apprised of the contractor selection process, the anticipated work schedule, the progression of the work to be performed and any information that becomes known to Tenant that could reasonably be expected to increase the estimate approved by Landlord, and Tenant shall promptly respond to Landlord's reasonable requests for updates and other information related thereto. Tenant's performance of such installation must satisfy the requirements for approved "Alterations" under the last two sentences of Section 6.4 below. The portion of the Roof Escrow Funds not actually utilized to install such roofing system shall be returned to Landlord on the earlier of (i) within thirty (30) days after such installation is completed and (ii) the first anniversary of the Effective Date (in which case the Base Rent payable to Landlord on the first anniversary of the Effective Date shall be increased by an amount equal to the difference between the Roof Escrow Funds and the actual cost of installing such roof system). Tenant agrees to provide Landlord with a reasonably detailed invoice and related supporting documentation evidencing the cost of installing such roofing system pursuant to this section.

6.4 Alterations, Improvements. Tenant may make such alterations, changes, improvements, replacements or additions to the Premises (including, but not limited to, the construction of additional improvements upon the Premises) (collectively, "Alterations") as Tenant may deem necessary or desirable, subject to the prior written consent of Landlord, not to be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, Landlord's consent shall not be required for Alterations that do not affect the mechanical, electrical, plumbing, HVAC, structural and/or fire and life safety components of the Building (collectively, the "Building Systems"), so long as the cost of such Alterations does not exceed the sum of \$250,000.00. Alterations shall be deemed to "affect" the mechanical, electrical, plumbing, HVAC, structural or fire and life safety component of the Premises only if an applicable trade permit is required for such Alteration by the City of Fort Worth. For purposes of clarity, the parties acknowledge and agree that Landlord's prior consent (not to be unreasonably withheld, conditioned, or delayed) will be required for any Alteration that either (i) "affects" the Building Systems or (ii) costs more than \$250,000.00. All Alterations must be done in a good and workmanlike manner and in compliance with all applicable laws and ordinances. Upon completion of any Alterations, Tenant must provide Landlord with a copy of its building permit, final inspection tag and, if plans and specifications were required by the applicable governmental authority, final "as built" plans and specifications, together with evidence of the lien-free completion of such Alterations.

6.5 Surrender. During the Lease Term, any building or other improvement constructed on the Property by Tenant as permitted by this Lease shall be owned by Tenant until the end of the Lease Term or earlier termination thereof. At the expiration or early termination of this Lease, Tenant will deliver up the Premises to Landlord, together with any building and all other improvements constructed thereon, in the condition in which the Premises is required to be maintained pursuant to this Lease.

Unless Tenant exercises the Purchase Option pursuant to the Option Agreement, title to any building and other improvements constructed by Tenant on the Property will revert to Landlord upon the expiration or earlier termination of this Lease, without compensation to Tenant and free and clear of all claims by Tenant. Tenant shall remove its furniture, trade fixtures, equipment, signage and other personal property at the expiration or earlier termination of this Lease, repairing any and all damage that results therefrom.

## SECTION 7--TRANSFERS

### 7.1 Transfers by Tenant.

(a) Except as otherwise provided in Section 7.2 below, Tenant may not assign this Lease or sublease the Premises or any part thereof or mortgage, pledge or hypothecate its leasehold interest or grant any concession or license within the Premises (any such assignment, sublease, mortgage, pledge, hypothecation, grant of a concession or license by Tenant or other such transfer is referred to in this Section 7 as a "Transfer") without the prior written consent of Landlord, which will not be unreasonably withheld, conditioned or delayed. Any attempt to effect a Transfer without the consent of Landlord will be, at Landlord's election, void and of no effect. Notwithstanding anything to the contrary set forth in this Lease, it would be reasonable for Landlord to withhold its consent to any Transfer to an entity that (i) does not have the financial ability to make the Rent payments under the Lease (as reasonably determined by Landlord), (ii) intends to use the Premises for a use not permitted under this Lease, (iii) intends to use the Premises for a use which violates any Legal Requirements, or (iv) has a reputation incompatible with the standards and mission of Landlord.

(b) To make a Transfer, Tenant must request in writing Landlord's consent at least 20 days in advance of the date on which Tenant desires to make a Transfer. The request must include the name of the proposed transferee, the terms of the proposed Transfer, and, if the Transfer pertains to only a portion of the Premises, information regarding access or construction issues that must be addressed to facilitate the Transfer. Landlord will, within 15 days following receipt of such request, notify Tenant in writing that Landlord elects (1) to permit Tenant to assign or sublet such space in accordance with the terms provided to Landlord, or (2) to refuse consent to Tenant's requested Transfer, with detailed specificity as to the reasons for such refusal. If Landlord fails to notify Tenant in writing of such election within the 30-day period, Landlord will be deemed to have elected option (1) above. The consent by Landlord to a particular Transfer will not be deemed a consent to any other subsequent Transfer.

(c) Except as otherwise provided in Section 7.2 below, the prohibition against a Transfer contained in this Section 7.1 will be construed to include a prohibition against any Transfer by merger, sale of assets, sale of a controlling interest in stock or other ownership interest or by like manner or operation of law.

7.2 Affiliate Transfers. Notwithstanding anything to the contrary set forth in this Lease, Tenant has the right, without Landlord's consent, but with prior notice to Landlord, to (a) assign this Lease to (i) any person or entity who controls, is controlled by, or is under common control with the original Tenant named in this Lease or (ii) the purchaser of or successor by merger, consolidation, reorganization or similar transaction to all or substantially all of the assets and liabilities of Tenant or the law school being operated by Tenant on the Premises (each an "Affiliate Transfer"), and (b) sublet to an ancillary or auxiliary enterprise, including a bookstore, coffee shop and/or cafe. The term "control" means, with respect to a corporation, the right to exercise, directly or indirectly, more than 50% of the voting rights attributable to the shares of the controlled corporation, and, with respect to a person or entity that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person or entity.

7.3 Transfer Requirements. The following requirements apply to all Transfers (including Affiliate Transfers):

(a) Tenant must, in the case of an assignment, cause the assignee to expressly assume and agree to perform, all of the covenants, duties and obligations of Tenant under this Lease.

(b) The use of the Premises by the assignee or transferee must be consistent with the terms of this Lease. All of the terms and provisions of this Lease will continue to apply after a Transfer, unless otherwise expressly provided herein.

(c) Tenant will remain liable, as primary obligor, for the performance of all the covenants, duties and obligations of Tenant under this Lease (including, without limitation, the obligation to pay Rent). Landlord will be permitted to enforce the provisions of this Lease against the undersigned Tenant or any transferee, or both, without demand upon or proceeding in any way against any other persons.

7.4 Transfers by Landlord. During the Lease Term, Landlord shall have no right to transfer or assign, in whole or in part, any of its rights and obligations hereunder or in the Premises. The foregoing prohibition on transfers shall specifically include a prohibition on any mortgage lien or debt secured by the Premises or Landlord's interest in the Premises.

#### SECTION 8--INSURANCE; CASUALTY; ALLOCATION OF LIABILITY

8.1 Property Insurance. Tenant must maintain a policy or policies of special form ("all risk") property insurance on the Premises in an amount equal to the full replacement cost of the improvements located on the Premises. Such insurance will be maintained at the expense of Tenant, and payments for losses thereunder will be made solely to Tenant.

8.2 Liability Insurance. Tenant must maintain a self-insured retention plan against claims for personal or bodily injury or death or property damage sufficient to cover its statutory limit of liability for such claims.

8.3 Other Insurance. Tenant also must maintain the following insurance coverages or self-insured plans:

(a) Motor Vehicle Liability Insurance with coverage for all owned, non-owned and hired vehicles sufficient to cover Tenant's statutory liability for such claims with combined limits of not less than \$1,000,000 each accident for bodily or property damage; and

(b) Worker's Compensation Insurance or self-insurance relating thereto in accordance with Chapter 502 of the Texas Labor Code.

8.4 General. Tenant must provide Landlord with a current certificate of insurance or self-insured letter evidencing Tenant's compliance with this Section 8. Tenant must obtain the agreement of Tenant's insurers to notify Landlord at least 30 days prior to any cancellation or modification of any insurance policy required by this Section 8. The policy or policies required by this Section 8 must be issued by and binding upon an insurance company licensed to do business in the state of Texas having an A.M. Best Rating of "A-VII" or better.

8.5 Casualty Damage. If the building or any other improvements on the Premises are damaged by fire or other casualty, Tenant must give prompt written notice to Landlord and Tenant must promptly reconstruct such building or other improvements to substantially the same condition they existed immediately prior to such damage or destruction. In no event will Rent be abated or reduced as a result of any such damage or destruction. Notwithstanding the foregoing, in the event that the cost of repair or restoration of the building will exceed fifty percent (50%) of the replacement value thereof in connection with any damage or destruction by fire or other casualty during the last two (2) Lease Years of the Lease Term, Tenant may terminate this Lease by delivering a written termination notice to Landlord within thirty (30) days after the occurrence of such casualty, whereupon all proceeds of insurance shall be delivered to and retained by Landlord and contemporaneously with the termination of this Lease. Tenant's termination shall be conditioned upon Landlord's receipt of the amounts described above.

8.6 INDEMNITY BY TENANT. TO THE EXTENT PERMITTED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, TENANT HEREBY INDEMNIFIES, DEFENDS AND HOLDS HARMLESS LANDLORD AND THE LANDLORD-RELATED PARTIES FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, CLAIMS, SUITS, LOSSES, CAUSES OF ACTION, LIENS, JUDGMENTS AND EXPENSES (INCLUDING COURT COSTS, ATTORNEY'S FEES AND COSTS OF INVESTIGATION) OF ANY KIND, NATURE OR DESCRIPTION RESULTING FROM ANY INJURIES TO OR DEATH OF ANY PERSON OR ANY DAMAGE TO PROPERTY WHICH ARISES, OR IS CLAIMED TO ARISE FROM THE FOLLOWING (COLLECTIVELY, THE "TENANT-RELATED CLAIMS"): (i) THE OPERATION OR CONDUCT OF TENANT'S BUSINESS WITHIN THE PREMISES OR (ii) THE BREACH OF THIS LEASE BY TENANT. The indemnity obligations of Tenant under this Section 8.6 will not apply to a Tenant-Related Claim to the extent of the negligence or intentional misconduct of Landlord or any Landlord-Related Party as determined by a court of competent jurisdiction in a final, non-appealable judgment. Furthermore, all claims against Tenant are limited by applicable sovereign immunity statutes and related legislation.

8.7 INDEMNITY BY LANDLORD. SUBJECT TO THE WAIVER OF CLAIMS SET FORTH IN SECTION 8.8 BELOW, LANDLORD HEREBY INDEMNIFIES, DEFENDS AND HOLDS HARMLESS TENANT AND THE TENANT-RELATED PARTIES FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, CLAIMS, SUITS, LOSSES, CAUSES OF ACTION, LIENS, JUDGMENTS AND EXPENSES (INCLUDING COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION) OF ANY KIND, NATURE OR DESCRIPTION RESULTING FROM ANY INJURIES TO OR DEATH OF ANY PERSON OR ANY DAMAGE TO PROPERTY WHICH ARISES FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD (THE "LANDLORD-RELATED CLAIMS") AS DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL, NON-APPEALABLE JUDGMENT. The indemnity obligations of Landlord under this Section 8.7 will not apply to a Landlord-Related Claim to the extent of the negligence or intentional misconduct of Tenant or any Tenant-Related Party as determined by a court of competent jurisdiction in a final, non-appealable judgment. Furthermore, all claims against Landlord are limited by Section 11.4.

8.8 Waiver of Claims and Subrogation Rights. To the extent permitted by the Constitution and the laws of the State of Texas, and so long as it is permissible to do so under the laws and regulations governing the writing of insurance within the State of Texas, all property insurance carried by Tenant will provide for a waiver of rights of subrogation against Landlord on the part of the insurance carrier. Unless the waivers contemplated by this sentence are not obtainable for the reasons described in this Section 8.8, and to the extent permitted by the Constitution and the laws of the State of Texas, and so long as it is permissible to do so under the laws and regulations governing the writing of insurance within the State of Texas, Tenant waives any and all rights of recovery, claims, actions or causes or action against Landlord



and the Landlord-Related Parties, for any loss or damage to property which is covered or would have been covered under the property insurance policies required under this Lease, even if such rights, claims, actions, or causes of action arise from or are attributable to the negligence of Landlord or any Landlord-Related Party. The waiver set forth in the immediately preceding sentence will be in addition to, and not in substitution for, any other waivers, indemnities, or exclusions of liabilities set forth in this Lease.

## SECTION 9--CONDEMNATION

9.1 Condemnation. This Lease will automatically terminate if the whole or substantially the whole of the Premises, is taken for any public or quasi-public use, by right of eminent domain or otherwise, or sold in lieu of condemnation (a "Taking"). The effective date of the termination will be the date when physical possession of the Premises is taken by the condemning authority. If a portion of the Premises is the subject of a Taking, as will, in the reasonable judgment of Tenant, render the remainder unfit for Tenant's use, then Tenant may terminate this Lease by not less than sixty (60) days prior written notice to Landlord given within ninety (90) days after the date that physical possession of such portion of the Premises is so taken. If this Lease is not terminated upon any such Taking, this Lease will remain in full force and effect and Base Rent shall be reduced for the remainder of the Lease Term by the percentage equal to the percentage of the Property subject to the Taking, and whether or not the awards or payments, if any, on account of such Taking are sufficient for the purpose, Tenant, at Tenant's sole cost and expense, must promptly commence and complete the restoration of the Premises as nearly as possible to its value, condition and character as existed immediately prior to such Taking.

9.2 Condemnation Award. In the event of any Taking, the entire award will be paid as hereinafter provided.

(a) In the event of a Taking that results in the termination of this Lease, after deduction of Landlord's and Tenant's costs in pursuing such award, Tenant shall be entitled to an amount therefrom equal to the sum of (i) costs of the improvements and alterations constructed by Tenant at the Premises (the "Leasehold Improvement Costs"), multiplied by a fraction, the numerator of which is the number of full calendar months remaining in the Lease Term following the date of any such Taking and the denominator of which is sixty (60); and (ii) the value of Tenant's remaining leasehold interest; provided, however, that if the award is insufficient to cover such amount, Tenant's recovery shall be limited to the amount of the award. Tenant shall deliver to Landlord, upon Landlord's request, a statement of the Leasehold Improvement Costs itemized in reasonable detail. The remainder of the award or other compensation for such Taking will all be paid to Landlord. Notwithstanding the foregoing, Tenant may recover from the condemning authority, but not Landlord, any compensation as may be separately awarded to Tenant on account of moving and relocation expenses.

(b) In the event of a partial Taking which does not result in the termination of this Lease pursuant to Section 9.1, the net award or other compensation for such Taking will be applied to pay the cost of restoration of the Premises with the balance, if any, being paid to Landlord.

## SECTION 10--TITLE ENCUMBRANCES

10.1 Leasehold Title Policy. In connection with the execution of this Lease, Tenant shall have the right, but not the obligation, to purchase on its behalf a Leasehold Policy of Title Insurance issued by Chicago Title Insurance Company insuring Tenant's leasehold interest in and to the Premises, subject to

no exceptions other than the Permitted Exceptions. Landlord, at no cost to Landlord, shall reasonably cooperate with Tenant in connection with issuance of the Leasehold Policy of Title Insurance, including executing customary affidavits as to debts, liens and parties in possession.

10.2 Mortgage Liens and Other Encumbrances. Landlord shall not subject the Premises to any mortgage, deed of trust or other similar encumbrance during the Lease Term. In addition, Landlord shall not place or permit to be placed any other encumbrance on the Premises without the prior written consent of Tenant, which consent may be granted or withheld in Tenant's sole and absolute discretion.

10.3 Tenant Mechanic's Liens. Tenant may not permit any mechanic's liens, materialmen's liens or other liens to be placed upon the Premises for any work performed by or at the request of Tenant, or any assignee, sublessee or licensee of Tenant. If any such lien is attached to the Premises and not discharged by payment, bonding or otherwise within 60 days after notice from Landlord to Tenant, then, in addition to any other right or remedy of Landlord, Landlord may, but is not obligated to, discharge the same. Any amount paid by Landlord for the aforesaid purpose will be paid by Tenant to Landlord on demand as additional Rent and will bear interest at the Default Rate from the date paid by Landlord until reimbursed by Tenant.

10.4 Landlord Mechanic's Liens. Landlord may not permit any mechanic's liens, materialmen's liens or other liens to be placed upon the Premises for any work performed by or at the request of Landlord, or any assignee, sublessee or licensee of Landlord. If any such lien is attached to the Premises and not discharged by payment, bonding or otherwise within 60 days after notice from Tenant to Landlord, then, in addition to any other right or remedy of Tenant, Tenant may, but is not obligated to, discharge the same. Any amount paid by Tenant for the aforesaid purpose will at the election of Tenant either (i) be paid by Landlord to Tenant on demand and will bear interest at the Default Rate from the date paid by Tenant until reimbursed by Landlord, (ii) be deducted from the Base Rent payable by Tenant under this Lease, or (iii) be deducted by Tenant from the purchase price to be paid by Tenant in connection with any exercise of the Purchase Option.

#### SECTION 11--DEFAULT; DISPUTES; REMEDIES

11.1 Default by Tenant. The following events will be deemed to be events of default by Tenant under this Lease (each an "Event of Default"):

(a) Tenant fails to timely pay any Rent and such failure continues for a period of 10 days after written notice of such default has been delivered to Tenant;

(b) Tenant fails to comply with any terms, provisions or covenants of this Lease (other than a failure related to the non-payment of Rent), and such failure continues for a period of 30 days after written notice of such failure has been delivered to Tenant, or if such failure cannot reasonably be cured within such 30-day period, Tenant fails to commence to cure such failure within such 30-day period and/or thereafter fails to prosecute the cure diligently and continuously until cured;

(c) Tenant takes any action to, or notifies Landlord that Tenant or intends to, file a petition under any section or chapter of the United States Bankruptcy Code, as amended from time to time, or under any similar law or statute of the United States or any state thereof; or a petition is filed against Tenant or under any such statute and is not dismissed within 90 days thereafter;

(d) A receiver or trustee is appointed for Tenant's leasehold interest in the Premises or for all or a substantial part of the assets of Tenant; or

(e) A breach of the payment obligations by Texas A&M University ("Texas A&M") pursuant to Sections 3.1(c), 12.9 or 12.10 of the Asset Purchase Agreement dated August 2, 2013 (the "APA"), between Landlord, as "Seller", and Texas A&M, as "Buyer", or the payment obligations with respect to the Contingency Gifts (as defined in the APA) pursuant to Section 12.6 of the APA, which breach has not been cured by Texas A&M within thirty (30) days of receiving written notice from Landlord (collectively, "APA Payment Breach"); provided, however, that an Event of Default shall not be deemed to have occurred under this Section 11.1(e) if Landlord has materially breached the APA (including its obligations under Sections 12.6, 12.9 and 12.10 of the APA), this Lease or the Option Agreement for so long as such breach remains uncured by Landlord.

## 11.2 Landlord's Remedies.

(a) Upon the occurrence of any Event of Default involving (i) any nonpayment of Base Rent or any other amount due and payable hereunder, including, without limitation, any Imposition; (ii) any APA Payment Breach; or (iii) any breach of Tenant's obligations under Sections 5.1- *Use and 5.2(d) – Tenant Restrictions and (e) – Environmental Clean-Up*, 6.4 – *Alterations, Improvements*, 7.1 – *Transfers*, and 10.4 *Tenant Mechanic's Liens* (collectively, a "Material Default"), Landlord may, at its option and without further notice to Tenant and without judicial process, in addition to all other remedies given hereunder or by law or equity, do any one or more of the following: (1) terminate this Lease, in which event Tenant will immediately surrender possession of the Premises to Landlord; (2) enter upon and take possession of the Premises and expel or remove Tenant therefrom, with or without having terminated this Lease; (4) change or re-key all locks to entrances to the Premises, and Landlord will have no obligation to give Tenant a new key to the Premises until such Event of Default is cured; and (5) remove from the Premises any furniture, fixtures, equipment or other personal property of Tenant, without liability for trespass or conversion, and store such items either in the Premises or elsewhere at the sole cost of Tenant and without liability to Tenant. Any of such furniture, fixtures, equipment or personal property not claimed within 30 days from the date of removal will be deemed abandoned. Upon the occurrence of any Event of Default which is not a Material Default, Landlord may pursue an action against Tenant for damages, an action against Tenant for specific performance in connection with such Event of Default, or an action against Tenant for injunctive relief.

(b) Exercise by Landlord of any one or more remedies hereunder will not constitute forfeiture or an acceptance of surrender of the Premises by Tenant. Such surrender can be effected only by the written agreement of Landlord and Tenant.

(c) If Landlord terminates this Lease by reason of a Material Default, Tenant must pay to Landlord the sum of (1) the cost of recovering the Premises (including attorney's fees and costs), (2) the unpaid Rent and other indebtedness accrued to the date of such repossession (including, without limitation, the Roof Funds Escrow, to the extent such funds have not already been refunded to Landlord or otherwise used to repair the Premises' roof as contemplated by Section 6.3(b) above), (3) the total Rent which Landlord would have received under this Lease for the remainder of the Lease Term minus the Fair Market Rental Value (hereinafter defined) of the Premises for the same period, both discounted to present value at the Prime Rate (hereinafter defined) in effect upon the date of determination, and (4) any other damages or relief which Landlord may be entitled to at law or in equity. For the purposes of this section, "Fair Market Rental Value" will be the rental rate that would be received from a comparable tenant for a comparable lease for premises and other properties of equivalent quality, size, condition and location as the Premises, taking into account any free rent or other concessions that are generally prevailing in the marketplace at the time of Tenant's default, market conditions and the period of time the Premises may reasonably be expected to remain vacant before Landlord is able to re-let the Premises to a suitable new tenant. For purposes of this section, "Prime Rate" will mean the per annum rate of interest announced or

published from time to time by Bank of America, N.A., Dallas, Texas (or its successors or assigns) as its prime commercial lending rate.

(d) If Landlord repossesses the Premises without terminating this Lease as a result of a Material Default, then Tenant must pay to Landlord the sum of (1) the cost of recovering the Premises (including attorney's fees and costs), (2) the unpaid Rent and other indebtedness accrued to the date of such repossession, and (3) the total Rent that Landlord would have received under this Lease for the remainder of the Lease Term minus any net sums thereafter received by Landlord through reletting the Premises during said period after deducting expenses incurred by Landlord in connection with such reletting for advertising costs, brokerage commissions, architectural fees, tenant improvement costs and allowances and any other allowances or concessions provided by Landlord (amortized pro rata over the term of such new lease). Re-entry by Landlord will not affect the obligations of Tenant for the unexpired Lease Term. Tenant will not be entitled to any excess of rent obtained by reletting over the Rent required to be paid by Tenant hereunder. Actions to collect amounts due by Tenant may be brought one or more times, without the necessity of Landlord's waiting until the expiration of the Lease Term. In addition, Landlord may, at any time following repossession of the Premises without termination of the Lease, elect to terminate the Lease and pursue the remedies available to Landlord pursuant to Section 11.2(c) above in lieu of the remedies available to Landlord pursuant to this Section 11.2(d).

(e) If Tenant fails to make any payment, perform any obligation, or cure any default hereunder within 10 days after receipt of written notice thereof (or such earlier time as Landlord determines is reasonably necessary in the event of an emergency), Landlord, without obligation to do so and without thereby waiving such failure or default, may make such payment, perform such obligation, and/or remedy such other default for the account of Tenant (and enter the Premises for such purpose); provided, however, if such default cannot be cured by the payment of money, then Tenant shall have 30 days after written notice of such failure has been delivered to Tenant to cure such default, but if such failure cannot reasonably be cured within such 30-day period, then Tenant may have a reasonable time to cure such default if it commences to cure such failure within such 30-day period and thereafter prosecutes the cure diligently and continuously until cured. Tenant must pay all costs, expenses and disbursements (including attorneys' fees) incurred by Landlord in taking such remedial action, plus, at the option of Landlord, interest thereon at the Default Rate.

11.3 Default by Landlord. Landlord will be in default under this Lease if Landlord fails to perform any of its obligations hereunder and such failure continues for a period of 30 days after Tenant delivers written notice of such failure to Landlord. If such failure cannot reasonably be cured within the 30 day period, Landlord will not be in default hereunder as long as Landlord or such holder(s) commences the remedying of such failure within the 30-day period and diligently prosecutes the same to completion.

11.4 Limitation on Landlord's Liability. Except to the extent such limitation is prohibited under the Constitution and the laws of the State of Texas, Tenant will be entitled to look solely to Landlord's equity in the Premises for the recovery of any judgment against Landlord, and Landlord will not be personally liable for any deficiency with respect to the recovery of such judgment. This recourse limitation will not limit any right that Tenant might otherwise have to obtain specific performance of Landlord's obligations under this Lease.

11.5 Attorney's Fees. If Landlord or Tenant employs an attorney to assert or defend any action arising out of the breach of any term, covenant or provision of this Lease, or to bring legal action for the unlawful detainer of the Premises, the prevailing party will be entitled to recover from the non-prevailing party attorney's fees and costs of suit incurred in connection therewith, except to the extent that Tenant's obligation to pay attorney's fees is prohibited under the Constitution and the laws of the

State of Texas. For purposes of this Section 11.5, a party will be considered to be the "prevailing party" if (a) such party initiated the litigation and substantially obtained the relief which it sought (whether by judgment, voluntary agreement or action of the other party, trial, or alternative dispute resolution process), (b) such party did not initiate the litigation and either (1) received a judgment in its favor, or (2) did not receive judgment in its favor, but the party receiving the judgment did not substantially obtain the relief which it sought, or (c) the other party to the litigation withdrew its claim or action without having substantially received the relief which it was seeking.

11.6 Waiver of Landlord's Lien. Landlord hereby waives, releases and negates any and all contractual liens and security interests, constitutional liens and security interests, statutory liens and security interests, and/or any and all other liens and security interests arising by operation of law or otherwise, to which Landlord might now or hereafter be entitled upon all equipment, furnishings, furniture, supplies, inventory or other personal property which may be placed in or upon the Premises.

11.7 **LIMITATION ON DAMAGES. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY LOST PROFITS OR INDIRECT, CONSEQUENTIAL, INCIDENTAL, COLLATERAL, EXEMPLARY OR PUNITIVE DAMAGES, REGARDLESS OF THE FORM OF THE ACTION OR THE THEORY OF RECOVERY, EVEN IF THE DEFAULTING PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

#### SECTION 12--MISCELLANEOUS

12.1 Notices. Any notice under this Lease must be in writing and must be sent to the appropriate Notice Address by (a) personal delivery, (b) a recognized overnight courier, (c) United States mail, postage prepaid, certified mail, return receipt requested, or (d) facsimile with either electronic or telephonic verification of receipt, so long as the original of the facsimile notice is deposited in the United States mail within 3 days after the fax notice is sent. Notice by personal delivery or overnight courier will be effective upon receipt, notice by mail will be effective upon deposit in the United States mail in the manner above described and notice by facsimile will be effective upon electronic or telephonic verification of receipt. Any party may change its Notice Address by delivering appropriate written notice to the other party in the manner described above. The change in Notice Address will be effective 10 days after the effective date of the notice.

12.2 Estoppel Agreements. Tenant will, from time to time, within 10 days after written request by Landlord, execute and deliver to such persons as Landlord will designate, an estoppel agreement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as so modified), stating the dates to which Rent and other charges payable under this Lease have been paid, stating that, to Tenant's knowledge, the Landlord is not in default hereunder (or if Tenant alleges a default, stating the nature of such alleged default) and further stating such other matters as Landlord will reasonably require.

12.3 No Implied Waiver. The failure of either party to insist at any time upon the strict performance of any covenant or agreement in this Lease or to exercise any right, power or remedy contained in this Lease will not be construed as a waiver or a relinquishment thereof for the future.

12.4 Independent Obligations. The obligation of Tenant to pay Rent hereunder and the obligation of Tenant to perform Tenant's other covenants and duties hereunder constitute independent, unconditional obligations to be performed at all times provided for hereunder and are independent of the Landlord's performance of Landlord's duties and obligations hereunder.

12.5 Severability. If any term or provision of this Lease, or the application thereof to any person or circumstance will, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected thereby, and each term and provision of this Lease will be valid and enforced to the fullest extent permitted by law.

12.6 Memorandum of Lease. Concurrently with the execution of this Lease, Landlord and Tenant agree to execute a Memorandum of Lease in the form attached hereto as Exhibit "C" evidencing the existence of this Lease in form and substance reasonably acceptable to Landlord and Tenant for recording in the appropriate records of Tarrant County, Texas. In the event the terms of the Memorandum of Lease conflict with the terms of this Lease, the terms of this Lease shall control.

12.7 Governing Law. This Lease will be governed by the laws of the State in which the Premises are located. This Lease is performable in, and the exclusive venue for any action brought with respect hereto, will be in the county and state in which the Premises are located; provided that pursuant to Section 85.18 of the Texas Education Code, any suit against Tenant shall be in the County where the primary office of Tenant's chief executive officer is located.

12.8 Force Majeure. Whenever a period of time is herein prescribed for the taking of any action by Landlord or Tenant, the party responsible for taking such action will not be liable or responsible for any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions, or any other cause whatsoever (other than financial inability) beyond the control of the party responsible for taking such action. The period of time for taking action will be extended by the number of days of delay. However, the provisions of this Section 12.8 will never be construed as allowing an extension of time with respect to Tenant's obligation to pay Rent when and as due under this Lease.

12.9 Time of Performance. Except as otherwise expressly provided herein, time is of the essence under this Lease.

12.10 Brokers. Landlord and Tenant agree that no broker has been involved in the procurement and negotiation of this Lease.

12.11 Merger of Estates. The voluntary or involuntary surrender of this Lease by Tenant, or a mutual cancellation thereof, will not constitute a merger of the Landlord's fee estate in the Property and the leasehold interest created hereby. In that event, Landlord will have the option, in Landlord's sole discretion, to either terminate or assume all or any existing subleases or subtenancies.

12.12 Survival of Indemnities and Covenants. All indemnities and all covenants not fully performed on the date of the expiration or termination of this Lease will survive such expiration or termination.

12.13 Headings. Descriptive headings are for convenience only and will not control or affect the meaning or construction of any provision of this Lease.

12.14 Entire Agreement. This Lease, including the exhibits listed in this Section, embodies the entire agreement between the parties hereto with relation to the Premises. There are no covenants, agreements, representations, warranties or restrictions between the parties hereto, other than those specifically set forth in this Lease. The following exhibits are attached hereto and incorporated herein and made a part of this Lease for all purposes:

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<u>Exhibit "A"</u>	-	Property Description
<u>Exhibit "B"</u>	-	Permitted Exceptions
<u>Exhibit "C"</u>	-	Memorandum of Lease

12.15 Amendment. To be effective, any amendment or modification of this Lease must be in writing and signed by Landlord and Tenant.

12.16 Multiple Counterparts. This Lease may be executed in multiple counterparts, each of which will constitute an original instrument, but all of which will constitute one and the same agreement.

12.17 Determination of Charges. Landlord and Tenant hereby each acknowledge and agree that they are knowledgeable and experienced in commercial transactions and further hereby acknowledge and agree that the provisions of this Lease for determining charges, amounts and additional rent payable by Tenant are commercially reasonable and valid even though such methods may not state precise mathematical formulae for determining such charges. ACCORDINGLY, TO THE EXTENT NOT PROHIBITED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, TENANT HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ALL RIGHTS AND BENEFITS TO WHICH TENANT MAY BE ENTITLED UNDER SECTION 93.012 OF THE TEXAS PROPERTY CODE, AS SUCH SECTION NOW EXISTS OR AS SAME MAY BE HEREAFTER AMENDED OR SUCCEEDED.

12.18 Construction. No inference or presumption shall be drawn in the interpretation of this Lease by virtue of the preparation or drafting thereof by either party or its attorney.

12.19 Limitation. Landlord acknowledges that Tenant is an agency of the State of Texas and under the laws of the State of Texas possesses certain rights and privileges, is subject to certain limitations and restrictions, and only has such authority as is granted to it under the laws of the State of Texas.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the Effective Date.

**LANDLORD:**

**TEXAS WESLEYAN UNIVERSITY, a Texas  
nonprofit corporation**

By: 

Frederick G. Slabach, President

**TENANT:**

**BOARD OF REGENTS OF THE TEXAS A&M  
UNIVERSITY SYSTEM,  
an agency of the State of Texas**

By: \_\_\_\_\_

John Sharp, Chancellor



IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the Effective Date.

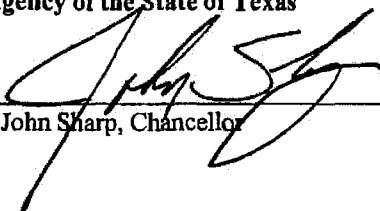
**LANDLORD:**

**TEXAS WESLEYAN UNIVERSITY, a Texas  
nonprofit corporation**

By: \_\_\_\_\_  
Frederick G. Slabach, President

**TENANT:**

**BOARD OF REGENTS OF THE TEXAS A&M  
UNIVERSITY SYSTEM,  
an agency of the State of Texas**

By:  \_\_\_\_\_  
John Sharp, Chancellor

**EXHIBIT "A"**

**PROPERTY DESCRIPTION**

Tract 1:

Lot 1R, Block D-2, DAGGETT'S ADDITION to the City of Fort Worth, Tarrant County, Texas, according to plat recorded in Cabinet B, Slide 1544, Deed Records of Tarrant County, Texas.

Tract 2, Lot A:

Being Lot A, Block E-2, of the resubdivision of Blocks E-1 and E-2, of DAGGETT'S ADDITION, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat thereof recorded in Volume 388-96, Page 16, Deed Records of Tarrant County, Texas, being that same tract of land designated as tract II in a deed to Texas Wesleyan University as recorded in Volume 12789, Page 38 of the Deed Records of Tarrant County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a set pk nail at the intersection of the northeast line of Calhoun Street (60 foot right-of-way) and the southeast line of Fourteenth Street (60 foot right-of-way), and being the west corner of this tract;

THENCE North 60 degrees 00 minutes 00 seconds East, a distance of 200.00 feet along the said southeast line of Fourteenth Street to a set pk nail, said pk nail being on the southwest line of Jones Street 60 foot right-of-way) and being the north corner of this tract;

THENCE South 30 degrees 00 minutes 00 seconds East, a distance of 100.00 feet along the said southwest line of Jones Street to a point, said point being the east corner of this tract;

THENCE South 30 degrees 00 minutes 00 seconds West, a distance of 200.00 feet to a point, said point being on the aforesaid northeast line of Calhoun Street and being the west corner of this tract;

THENCE South 30 degrees 00 minutes 00 seconds West, a distance of 100.00 feet along the said northeast line of Calhoun Street to the POINT OF BEGINNING and containing 20,000 square feet or 0.459 of one acre of land.

Tract 2, Lot B:

Being Lot B, Block E-2, of DAGGETT'S ADDITION, an addition to the City of Fort Worth, Tarrant County, Texas, according to the Map or Plat thereof recorded in Volume 388-96, Page 16, Map Records, Tarrant County, Texas, being that same tract of land designated as tract II in a deed to Texas Wesleyan University as recorded in Volume 12567, Page 702 of the Deed Records of Tarrant County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a set pk nail at the intersection of the northeast line of Calhoun Street (60 foot right-of-way) and the northwest line of Fifteenth Street (60 foot right-of-way), said pk nail being the south corner of this tract;

THENCE North 30 degrees 00 minutes 00 seconds East, a distance of 100.00 feet along the said northeast line of Calhoun Street to a point, said point being the west corner of this tract;

THENCE North 30 degrees 00 minutes 00 seconds East, a distance of 200.00 feet to a point, on the southeast line of Jones Street (60 foot right-of-way), said point being the east corner of this tract;

THENCE South 30 degrees 00 minutes 00 seconds East, a distance of 100.00 feet along the said southeast line of Jones Street to a set "x" in concrete, said "x" being on the aforesaid northwest line of Fifteenth Street and being the east corner of this tract;

THENCE South 60 degrees 00 minutes 00 seconds West, a distance of 200.00 feet along the said northwest line of Fifteenth Street to the POINT OF BEGINNING and containing 20,000 square feet or 0.459 of one acre of land.

Tract 3:

Being Lots 1 through 16, Block E-3, DAGGETT'S ADDITION, an unrecorded addition in the City of Fort Worth, Tarrant County, Texas, being that same tract of land designated as tract I in a deed to Texas Wesleyan University as recorded in Volume 12789, page 38 of the Deed Records of Tarrant County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a found "x" in concrete at the intersection of the northeast line of Calhoun Street (60 foot right-of-way) and the southeast line of Thirteenth Street (60 foot right-of-way), said "x" being the west corner of this tract;

THENCE North 60 degrees 00 minutes 00 seconds East, a distance of 200.04 feet along the said southeast line of Thirteenth Street to a found "x" in concrete, said "x" being on the southwest line of Jones Street (60 foot right-of-way) and being the north corner of this tract;

THENCE South 30 degrees 00 minutes 00 seconds East, a distance of 200.09 feet along the said southwest line of Jones Street to a set "x" in concrete, said "x" being on the northwest line of Fourteenth Street (60 foot right-of-way) and being the east corner of this tract;

THENCE South 60 degrees 00 minutes 00 seconds West, a distance of 200.04 feet along the said northwest line of Fourteenth Street to a found "x" in concrete, said "x" being on the aforesaid northeast line of Calhoun Street and being the south corner of this tract;

THENCE North 30 degrees 00 minutes 00 seconds West, a distance of 200.09 feet along the said northeast line of Calhoun Street to the POINT OF BEGINNING and containing 40,026 square feet or 0.919 of one acre of land.

Tract 4 – Parcel A, in Block K-1:

Being 0.436 acres of land known as Lots 1 through 8, Block K-1, DAGGETT ADDITION to the City of Fort Worth, Tarrant County, Texas, an unrecorded subdivision, said 0.436 acres also being all the Tracts of land conveyed to G. C. Carmichael by the deeds recorded in Volume 1949, Page 89, Volume 3887, Page 246, and Volume 4959, Page 494, of the Deed Records of Tarrant County, Texas, and also all of the Tract of land conveyed to G. C.

Carmichael and Madeline Carmichael by the deed recorded in Volume 4218, Page 358, of the Deed Records of Tarrant County, Texas, being that same tract of land designated as tract one in a deed to Texas Wesleyan University as recorded in Volume 12891, Page 248 of the Deed Records of Tarrant County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a point at the intersection of the northeast line of Calhoun Street (60 foot right-of-way) and the southeast line of Sixteenth Street (60 foot right-of-way), said "x" being the west corner of this tract;

THENCE North 60 degrees 00 minutes 00 seconds East, a distance of 95.00 feet along the said southeast line of Sixteenth Street to a point, said point being on the southwest line of a 10-foot alley, said point being the north corner of this tract;

THENCE South 30 degrees 00 minutes 00 seconds East, a distance of 200.00 feet along the said southwest line of 10-foot alley to a point, said point being east corner of this tract;

THENCE South 60 degrees 00 minutes 00 seconds West, a distance of 95.00 feet point, said point being on the aforesaid northeast line of Calhoun Street and being the south corner of this tract;

THENCE North 30 degrees 00 minutes 00 seconds West, a distance of 200.00 feet along the said northeast line of Calhoun Street to the POINT OF BEGINNING and containing 19,000 square feet or 0.436 of one acre of land.

Tract 4 – Parcel B, in Block K-1:

Being 0.436 acres of land known as Lots 9 through 16, Block K-1, DAGGETT ADDITION to the City of Fort Worth, Tarrant County, Texas, an unrecorded plat and also being the same property designated as Tract 1 and Tract 2 in the deed to G. C. Carmichael and Madeline Carmichael Trust, recorded in Volume 7612, Page 2152, of the Deed Records of Tarrant County, Texas, being that same tract of land designated as tract two in a deed to Texas Wesleyan University as recorded in Volume 12891, Page 248 of the Deed Records of Tarrant County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a point on the southwest line of Jones Street (60 foot right-of-way) said point being the east corner of this tract;

THENCE South 60 degrees 00 minutes 00 seconds West, a distance of 95.00 feet point, said point being on the northwest line of a 10-foot alley and being the south corner of this tract;

THENCE North 30 degrees 00 minutes 00 seconds West, a distance of 200.00 feet along the said northeast line of 10-foot alley to a point, said point being on the southwest line of Sixteenth Street (60 foot right-of-way) and being the north corner of this tract;

THENCE North 60 degrees 00 minutes 00 seconds East, a distance of 95.00 feet along the said southeast line of Sixteenth Street to a point, said point being on the aforesaid southwest line of Jones Street and being the north corner of this tract;

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THENCE South 30 degrees 00 minutes 00 seconds East, a distance of 200.00 feet along the said southwest line of Jones Street to the POINT OF BEGINNING and containing 19,000 square feet or 0.436 of one acre of land.

**EXHIBIT "B"**

**PERMITTED EXCEPTIONS**

1. Standby fees, taxes, and assessments by any taxing authority for the year 2013 and subsequent years.
2. Terms, conditions and stipulations of Consent Agreement City Secretary Contract No. 22035, by and between the CITY OF FORT WORTH and SOUTHWESTERN BELL TELEPHONE COMPANY, recorded in Volume 12585, Page 1202, Deed Records of Tarrant County, Texas. (Tract 1)
3. Easement for existing utilities and sanitary sewer facilities reserved by City of Fort Worth Ordinance No. 7088, a certified copy of which is recorded in Volume 5736, Page 15, Deed Records, Tarrant County, Texas. (Tract 2)
4. Easement for right-of-way filed for record under Clerk's File No. D205356023, Deed Records of Tarrant County, Texas. (Tract 2)
5. Terms, conditions and stipulations of City of Fort Worth Ordinance No. 2689, a copy of which is recorded in Volume 2100, Page 399, Deed Records of Tarrant County, Texas, permitting certain improvements to remain in Jones Street. (Tract 3)
6. The existence of a sanitary sewer across the property, as shown by the files of the City of Fort Worth, page 2048-392. (Tracts 1, 2 and 3).
7. The existence of a sanitary sewer across the property, as shown by the files of the City of Fort Worth, Page 2054-392. (Tract 4)

**EXHIBIT "C"**

**MEMORANDUM OF LEASE**

STATE OF TEXAS           §  
  §           KNOW ALL MEN BY THESE PRESENTS THAT:  
COUNTY OF TARRANT   §

This MEMORANDUM OF LEASE is made and entered into as of the 12<sup>th</sup> day of August 2013, by and between TEXAS WESLEYAN UNIVERSITY, a Texas nonprofit corporation ("Landlord"), and the BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM, an agency of the State of Texas ("Tenant").

WITNESSETH

Pursuant to that certain Triple Net Lease Agreement (the "Lease"), dated August 12, 2013, by and between Landlord and Tenant, Landlord has leased to Tenant those certain tracts or parcels of land (the "Land") which are described on Exhibit A, attached hereto and incorporated herein by reference for all purposes, together with any improvements now or hereafter located thereon, including, without limitation that certain approximately 106,486 square foot building located at 1501 Commerce Street, Fort Worth, Texas, and the three (3) related parking lots on such real property (the Land and such other rights and interests being hereinafter referred to collectively as the "Property").

The Lease expires on August 11, 2018; subject to the terms of the Lease.

This Memorandum of Lease is executed pursuant to the provisions of the Lease, and is not intended to vary or supersede the terms and conditions of the Lease. In the event any conflict exists between this Memorandum of Lease and the Lease, the provisions of the Lease shall control.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease as of the day and year first above written.

EXECUTED on this the \_\_\_\_ day of August, 2013 by Tenant.

**TENANT:**

**BOARD OF REGENTS OF THE TEXAS A&M  
UNIVERSITY SYSTEM,  
an agency of the State of Texas**

By: \_\_\_\_\_  
John Sharp, Chancellor

STATE OF TEXAS           §  
  §  
COUNTY OF \_\_\_\_\_§

This instrument was ACKNOWLEDGED before me, on the \_\_\_ day of August, 2013, by John Sharp, the Chancellor of the Board of Regents of the Texas A&M University System, an agency of the State of Texas, on behalf of said agency.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Printed Name of Notary Public

EXECUTED on this the \_\_\_\_ day of August, 2013 by Landlord.

**LANDLORD:**

**TEXAS WESLEYAN UNIVERSITY,**  
a Texas nonprofit corporation

By: \_\_\_\_\_  
Frederick G. Slabach, President

STATE OF TEXAS           §  
  §  
COUNTY OF TARRANT §

This instrument was ACKNOWLEDGED before me, on the \_\_\_\_ day of August, 2013, by Frederick G. Slabach, the President of Texas Wesleyan University, a Texas nonprofit corporation, on behalf of said Texas nonprofit corporation.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Printed Name of Notary Public