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GENERAL APPEALS BOARD MEETING  
1002 Washington Avenue, Houston, Texas 77002  
Basement Level, Training Room B2  
Thursday, January 28, 2016

CONSIDERATION OF SIGN APPEAL FOR  
BRETT BERTRAND

BE IT REMEMBERED that on Thursday, the 28th day  
of January, 2016, commencing at 5:23 p.m. the following  
proceeding was had and transcribed as follows:

REPORTED BY: SHERRI A. ANDREWS, CSR NO. 1387  
Expiration Date 12-31-17  
JOB NO. 204243

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A P P E A R A N C E S

BOARD MEMBERS:

- Reginald L. Mack (Co-Chair)
- Leslie B. Davidson
- Gitesh Desai
- Bobby Oakes (for Building Official)
- Solomon Silva
- Michael Dishberger

SIGN ADMINISTRATION:

- Misael Benitez

BUILDING INSPECTIONS:

- Byron King

FLOOD MANAGEMENT:

- Choyce Morrow

LEGAL REPRESENTATIVE:

- David Red

- Nneka Kanu

FOR THE APPLICANT:

- Jon M. Stautberg
- 3100 Edloe Street, Suite 335
- Houston, Texas 77027
- (713) 621-7303

APPLICANT:

- Brett Bertrand

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21		
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1  
2 MR. MACK: The last item is consideration  
3 of a sign appeal. It's Brett Bertrand?

4 MR. BERTRAND: Yes, sir, Brett Bertrand.

5 MR. MACK: And I guess you've got several  
6 other people with you, so all need to be sworn in, and  
7 then the city's representative.

8 (Whereupon, Brett Bertrand and Misael  
9 Benitez were duly sworn on oath.)

10 MR. RED: First, I would inform the Board  
11 that we are here today regarding the sign violation  
12 noted at 312 Main Street, Suite 200, and that is a  
13 business which is TexasDirectAuto.com.

14 DIRECT EXAMINATION OF MR. BENITEZ

15 BY MR. RED:

16 Q And Mr. Benitez, would you please state your  
17 name for the record?

18 A Misael Benitez.

19 Q And how are you employed, sir?

20 A Employed by the City of Houston Sign  
21 Administration as the administrative manager.

22 Q And how long have you been in that position?

23 A For about a year and a half.

24 Q How long have you been working in Sign  
25 Administration?



1 A I'm on my tenth year.

2 Q As a part of your duties with the Sign  
3 Administration, do you perform inspections of various  
4 premises where signs are located or are to be located?

5 A Yes.

6 Q In connection with your duties with the Sign  
7 Administration, have you had occasion to inspect the  
8 property located at 312 Main Street, Suite 200,  
9 Houston, Texas?

10 A Yes, I did.

11 Q Am I correct when I say that the business  
12 there, TexasDirectAuto.com, received approval in  
13 September, 2015, for an on-premises sign based on the  
14 application and the documentation submitted to the Sign  
15 Administration in support of that permit application?

16 A Yes, they did.

17 Q The sign for which they sought a permit, is  
18 this the type of sign which the sign code defines as an  
19 on-premises sign as permitted?

20 A As permitted, no.

21 Q Okay. What would you define it as?

22 A Off-premises.

23 Q Okay. If the conditions which were put in the  
24 permit were actually in existence, would the sign be an  
25 on-premises sign?

1 A It would be.

2 Q And that would be an on-premises sign as  
3 defined by Section 4603(a) of the Sign Code; is that  
4 correct?

5 A That is correct, yes.

6 Q And that are some provisions of the Sign Code  
7 in the materials that I provided for the Board and for  
8 the appellant.

9 In order for a sign to be an on-premises  
10 sign under the Sign Code, does the code require that  
11 that sign be erected in connection with a business  
12 purpose?

13 A Yes, it is required.

14 Q And that's in Section 4611(d) of the Sign Code;  
15 is that correct?

16 A That is correct.

17 Q Does Section 4602 of the Sign Code define  
18 business purpose to mean, "The erection or use of any  
19 property, building, or structure, permanent or  
20 temporary, for the primary purpose of conducting in  
21 said building or structure or on said property a  
22 legitimate commercial enterprise in compliance with all  
23 ordinances and regulations of the city governing such  
24 activity; a business purpose shall not include any  
25 property, building, or structure erected or used for

1 the primary purpose of securing a permit to erect a  
2 sign;" is that correct?

3 A That is correct.

4 Q All right. Thus, under the Code, if there is  
5 no business purpose at the location where the sign is  
6 erected, does that make that sign an off-premise sign?

7 A That is correct.

8 Q And that's under Section 4603(a) of the Code,  
9 correct?

10 A That is correct.

11 Q Does Section 4612 of the Sign Code prohibit  
12 new off-premises signs being constructed or installed  
13 after the effective date of the Code?

14 A Yes.

15 Q And is the effective date of the Code May 8th  
16 of 1980?

17 A That is correct.

18 Q And that would be found in Section 4602; is  
19 that correct?

20 A Yes, that is correct.

21 Q Have you, since the sign was permitted, had  
22 occasion to visit the premises at 312 Main, Suite 200?

23 A Yes, we have visited the location on multiple  
24 times.

25 Q Can you tell the members of the Board the dates

1 that you were there to the best of your recollection?

2 I show from some records that it was on or about

3 December 1st of 2015?

4 A Right.

5 Q December 7th of 2015?

6 A That is correct.

7 Q And January 25th of 2016?

8 A Yes, that is correct.

9 Q All right. Are those the three visits that you  
10 personally made?

11 A Yes.

12 Q At any of those visits were you able to gain  
13 access to the premises at 312 Main, Suite 200?

14 A No. Each one of the visits, both doors of the  
15 premises were locked and we were unable to gain access.

16 Q When you were there on any one of these three  
17 visits, did you notice anyone from Texas Direct Auto on  
18 the premises conducting business?

19 A No.

20 Q When you were there, did you see any sign or  
21 placard or markings on the door that would indicate to  
22 a customer when they could come there to conduct  
23 business with TexasDirectAuto.com?

24 A No.

25 Q Was there any posting of hours or date of

1 operation or anything like that?

2 A No.

3 Q Did you observe anyone attempting to do  
4 business with Texas Direct Auto at that location during  
5 your three visits there?

6 A No.

7 Q All right. Have you checked whether or not a  
8 Certificate of Occupancy has been issued by the City of  
9 Houston for TexasDirectAuto.com at 312 Main, Suite 200?

10 A Yes, I checked and it was applied for but it  
11 has not been issue.

12 Q Was there any indication that you found that  
13 the necessary inspection for the issuance of a  
14 Certificate of Occupancy had been conducted?

15 A No. Actually, when I went out there December  
16 the 7th, there was a red tag on the door by Occupancy  
17 that they were not able to gain access for inspection.

18 Q All right. And is that shown in one of the  
19 upside down photographs apparently that my assistant  
20 put together for us?

21 A Yes.

22 Q If you will turn behind Tab Number 3, the very  
23 last -- second-to-the-last from the back of the book  
24 and then if you'll rotate it counterclockwise, it will  
25 appear upright when you look at it. Does that show the

1 red tag from the Occupancy folks?

2 A That is correct.

3 Q And that's the one in the middle?

4 A No.

5 Q Okay.

6 A It's the very top one.

7 Q All right. And what were the other two tags,  
8 because they appear to be City-issued?

9 A Correct. The one in the middle was the actual  
10 warning notice that was issued by the Sign  
11 Administration, which it was me that wrote it.

12 And the red tag on the bottom was also a  
13 red tag from the Sign Administration that has indicated  
14 that the location is in violation.

15 Q Okay. And this was on your visit, as noted in  
16 the bottom corner, on December 7th of 2015?

17 A That is correct.

18 Q Looking through the door there, the glass doors  
19 at 312, does is that suite or section of the building  
20 appear to be occupied at all?

21 A No, not at all. Vacant.

22 Q And if you will turn the page, the last  
23 photograph that's in the pamphlet bears the date of  
24 1-25-2016; is that correct?

25 A That is correct.

1 Q Is this a photograph that you took on your  
2 visit to the premises on that day?

3 A Yes, it is.

4 Q I notice another red tag is there. Could you  
5 tell us what that is?

6 A Actually, that is still the Occupancy tag that  
7 was placed back in December that they weren't able to  
8 gain access.

9 Q When you were there on January 25th of 2016,  
10 did it appear that the suite or anyone at 312 at that  
11 building, the suite that you could look into, was  
12 occupied or used for any purpose?

13 A Not at all.

14 Q And if we would turn back, there's another  
15 photograph from 12-7-2015, and that shows the sign --  
16 the yellow sign with the dog at the top, is that the  
17 sign that we're talking about here today?

18 A Yes, it is.

19 Q And did you take that photograph?

20 A I did.

21 Q Okay. If you turn to the next picture forward,  
22 and that's another photograph of the sign; is that  
23 correct?

24 A Yes.

25 Q And you took that on December 1st of 2015; is

1 that correct?

2 A Yes, that's correct.

3 Q And then the last sign -- photograph there,  
4 it's just another shot of the same sign taken on  
5 December 1st of 2015; is that correct?

6 A That is correct.

7 Q You took each of these photographs that's  
8 submitted into evidence here today yourself, did you  
9 not?

10 A I did.

11 Q Do the photographs accurately depict the  
12 conditions contained therein at the date and time that  
13 you took those photographs?

14 A Yes, they do.

15 Q Did you ever have occasion to issue a notice of  
16 sign violation to Texas Direct Auto, which we sometimes  
17 refer to as a 10-day notice?

18 A Yes, I did.

19 Q And would that be the document that's located  
20 behind Tab Number 2 of the materials that have been  
21 provided to the Board?

22 A Yes, that is the one.

23 Q Would you please explain to the Board what this  
24 notice does?

25 A It informs the customer that they're in



1 violation of the Sign Code.

2 Q All right. And under Section or Number 13, the  
3 section marked "Other," you cite Section 4602, which is  
4 the requirement that a business purpose shall not  
5 include any property, building, or structure erected or  
6 used for the primary purpose of securing a permit to  
7 erect a sign; is that correct?

8 A That is correct.

9 Q And then under that you have written "must  
10 remove wall sign;" is that correct?

11 A That is correct.

12 Q And I'm going to assume that those words mean  
13 exactly what they say, that to TexasDirectAuto.com,  
14 must remove the wall sign from that premises; is that  
15 correct?

16 A That is correct.

17 Q What did you base your decision on that there  
18 was not any purpose other than -- at this location  
19 other than a property, building or structure being  
20 erected solely for the purpose of securing a permit to  
21 erect a sign?

22 A My conversation with Mr. Bertrand.

23 Q All right.

24 A He indicated on the phone that the location was  
25 leased specifically to erect that sign.

1 Q All right. And when did you have that  
2 conversation with Mr. Bertrand, if you can recall?

3 A The conversation took place on December 7th,  
4 2015.

5 Q All right. And did you also meet with Mr.  
6 Bertrand on that day?

7 A I did.

8 Q And where did you meet with him?

9 A At his location. At his business location in  
10 Stafford.

11 Q All right.

12 A Which -- do you need the address?

13 Q No, that's fine. But it wasn't at 312 Main  
14 Street, Suite 200, was it?

15 A No, there was nobody there.

16 Q Have you ever in any of your visits seen  
17 anything that would indicate to you that any business  
18 operations at all were being conducted at 312 Main  
19 Street, Suite 200?

20 A All evidence shows that there was no business  
21 being conducted at that address, 312 Main Street.

22 Q All right. When you met with Mr. Bertrand on  
23 the 7th in Stafford, did you explain to him why you  
24 were issuing the 10-day notice?

25 A I did.

1 Q Did he, in fact, sign the notice or did he  
2 refuse to sign the notice?

3 A He refused to sign the notice.

4 Q All right. Whether or not he signed the  
5 notice, signs the notice, has no effect on the  
6 effectiveness of the notice, does it?

7 A That is correct. A notice is still left with  
8 the customer.

9 Q All right. That was on December 7th of 2015.  
10 You waited or, rather, more than 30 days passed since  
11 you went back to the property on the 25th of January;  
12 is that correct?

13 A Yes, that is correct.

14 Q In the meantime, between the 7th of December of  
15 2015, and the 25th of January of 2016, did you notice  
16 any material change in the activities that were going  
17 on at the location of 312 Main Street, Suite 200?

18 A No, no changes were done.

19 Q So when you were there on the 7th, there was  
20 not, in your opinion, any business activity being  
21 conducted at that address?

22 A No business activity.

23 Q When you were there just the other day on the  
24 25th of January, did you notice any business activity  
25 being carried on at that location?

1 A No business activity.

2 Q All right. Is it your understanding that given  
3 the lack of business activity at that location on that  
4 premises for which the sign was permitted, that thus  
5 makes this an off-premises sign?

6 A That is correct.

7 Q All right. And just to clarify and remove any  
8 doubt, off-premises signs of this type are banned by  
9 the Code; is that correct --

10 A That's correct.

11 Q -- or prohibited by the Code?

12 A It's prohibited by the Code.

13 MR. RED: I'll pass the witness.

14 MR. MACK: Questions from the Board?

15 MR. DISHBERGER: So you were unable to go  
16 into the building on all these visits you made? You  
17 were unable to get inside the building to see if  
18 somebody's working there?

19 MR. BENITEZ: That's correct. The doors  
20 -- there's two doors on that frontage, and I was unable  
21 to access either one.

22 MR. DISHBERGER: Was there electricity  
23 inside as far as you know?

24 MR. BENITEZ: I did not witness any  
25 electricity inside. The only thing I witnessed through

1 the windows were construction material.

2 MR. RED: What do you mean by

3 "construction material"?

4 MR. DISHBERGER: Yeah. When you say

5 "construction material," when you were there on

6 December 1st and you came back, it look like, three

7 days ago, it was exactly the same? Any change?

8 MR. BENITEZ: The only difference I --

9 the only difference that I witnessed is on picture -- I

10 think the one picture -- I think it's the last one --

11 yeah, the last one -- if you'll notice, there's a

12 political sign.

13 MR. DISHBERGER: Oh, but there's a sign

14 also added about there's going to be a bar or something

15 in there?

16 MR. BENITEZ: The variance sign?

17 MR. DISHBERGER: About the alcohol, yeah.

18 Okay. Thank you.

19 MR. MACK: Any other questions from the

20 Board?

21 Okay. Mr. Stautberg?

22 MR. STAUTBERG: It's Stautberg. Yes, I

23 have a few questions.

24 DIRECT EXAMINATION OF MR. BENITEZ

25 BY MR. STAUTBERG:

1 Q And I'm sorry if I mispronounce your name. Is  
2 it Mr. Benitez?

3 A That is correct.

4 Q Okay. Thank you. Mr. Benitez, would you agree  
5 with me that it would be improper for Texas Direct Auto  
6 to occupy the premises without an occupation permit?

7 A Yes, I agree with you.

8 Q Do you know how many times the inspector for  
9 the occupation permit came to that premises and looked  
10 at the premises?

11 A No, I don't have any idea.

12 Q So when you say that there's no business being  
13 conducted, it may be impossible for them to conduct any  
14 business there, would it not be, if they don't have an  
15 occupation permit?

16 A Well, based on my experience, a lot of  
17 businesses in the city start conducting business  
18 without a Certificate of Occupancy.

19 Q But you just said that would be improper.

20 A It's improper.

21 Q So if Texas Direct Auto decided to be proper  
22 and not occupy the premises until they completed  
23 construction and gotten an occupancy permit, would that  
24 change your testimony or opinion regarding whether or  
25 not this could be an on or off-premise sign?

1       A       Based on my -- based on my visits to the  
2 location, I was never able to gain access, and it does  
3 not look like there was any business being conducted at  
4 that location.

5                       When I visited the gentleman, Mr.  
6 Bertrand, I asked him if I could go in there and he  
7 says that I can do an appointment but that he did not  
8 have a key for the location.

9       Q       And that was on December 7th?

10      A       That is correct.

11      Q       Okay. But again, are you contending that Texas  
12 Direct Auto, who cannot start doing business without an  
13 occupancy permit, that you can make an assessment as to  
14 what their business is or what they're doing out there  
15 at the premises if they're not able to occupy the  
16 building?

17      A       Well, the fact is that I went out and there was  
18 no business being conducted on my inspections.

19      Q       Other than that, you have no evidence as to  
20 what business is being conducted or wants to be  
21 conducted out there?

22      A       Only based on the conversation with Mr.  
23 Bertrand, which led me to think also that there was no  
24 business being conducted, since not even he has access  
25 to the building.

1 Q Do you know if he has access to the building  
2 now?

3 A I have not spoken to Mr. Bertrand.

4 Q How many times did you speak with Mr. Bertrand?

5 A Once on the phone and once when I went to his  
6 location.

7 Q Did you ask him what the intended use for that  
8 location was?

9 A Yes. My telephone conversation with him is he  
10 stated that his intent was for advertising only.

11 Q Okay. You mentioned earlier that you observed  
12 construction materials in the premises; is that  
13 correct?

14 A In the bottom floor through the windows, yes, I  
15 could see some construction material.

16 Q And when was that?

17 A That was on all three visits.

18 Q And do you know if the premises has been  
19 completed?

20 A I'm sorry?

21 Q Do you know if the premises inside has been  
22 completed?

23 A I wasn't able to gain access.

24 Q So you don't know if there's been any progress  
25 or not?



1 A No, I don't.

2 Q Okay. Did you see any furniture in the  
3 premises?

4 A I did not.

5 Q You said -- made a comment earlier that  
6 something in the application for the sign was untrue.  
7 Can you tell us what you felt was untrue?

8 MR. RED: I don't -- can we have the  
9 court reporter locate that?

10 Are you capable of doing that?

11 THE COURT REPORTER: I can search for  
12 that particular word, but I cannot find what's not  
13 there.

14 MR. RED: That's what I'm saying. I mean  
15 --

16 THE COURT REPORTER: If that exact word  
17 isn't there, I would have to read the whole transcript  
18 to see if something similar to that word is there.

19 MR. STAUTBERG: Let me re-ask it.

20 MR. RED: Okay.

21 MR. MACK: No, don't do that.

22 MR. RED: I just don't remember that  
23 word, but, you know, my memory's as fallible as anyone  
24 else's so --

25 Q (By Mr. Stautberg) Well, let me ask it this

1 way. Do you recall testifying that there was something  
2 untrue in the application for the sign?

3 A No, I don't recall that.

4 Q Okay. So as far as you know, everything was  
5 then true in the application?

6 A Yes.

7 Q Okay.

8 MR. STAUTBERG: I'll pass the witness.

9 MR. RED: Brief redirect.

10 REDIRECT EXAMINATION OF MR. BENITEZ

11 BY MR. RED:

12 Q The Code does not concern itself with the  
13 intended use of a particular premises, does it? It  
14 concerns itself, rather, with the actual use of the  
15 premises; is that correct?

16 A That is correct.

17 Q And if there is -- if the premises is not being  
18 used for the actual use which is stated that it will be  
19 used for in the permit, does that make the on-premises  
20 sign become an off-premises sign under the definitions  
21 in the Code?

22 A That is correct.

23 Q So that's what happened here; is that correct?

24 A That is correct.

25 Q That's your understanding?

1 A Yes.

2 Q They sought a permit for an on-premises sign  
3 but since they have yet to occupy, by their own  
4 admission, the premises or to conduct any business  
5 there, that, under the Code, renders that sign an off-  
6 premises sign, correct?

7 A That is correct.

8 Q And just to make it crystal clear, off-premises  
9 signs are not permitted in the City of Houston?

10 A That is correct.

11 Q Thank you.

12 MR. MACK: Question from the Board?

13 MR. DISHBERGER: I have a question. Just  
14 to clarify that again, so what you're saying then, if  
15 somebody obtains a sign permit -- and I'll just go a  
16 little further -- they're building a brand-new  
17 building, they cannot place their sign on that property  
18 until the building is ready for occupancy and they  
19 start conducting business there. So they start  
20 building a brand-new building, no signs can go up  
21 advertising? Is that the Sign --

22 MR. RED: Well, are you wanting -- I'm  
23 the attorney. Are you asking me?

24 MR. DISHBERGER: I'm sorry. I'm asking  
25 Sign -- I'm look at you, but I'm asking Mr. Benitez.

1 MR. RED: Well, I just have to state in  
2 response to your question before Benitez responds, the  
3 Sign Administration doesn't give advisory opinions.  
4 That being said, knock it out.

5 MR. BENITEZ: Yes, actually we do issue  
6 permits and we make sure that the location is  
7 ~~conducting business or its intent is to conduct~~  
8 business at the times that we do our inspections.

9 MR. DISHBERGER: So how much time do you  
10 give them? Because I see here they applied and got a  
11 sign permit it looks like in September maybe of 2015.  
12 They're supposedly working on it -- you're saying  
13 they're not -- working on the interior, they can't put  
14 that sign up until they've got a guy at a desk or  
15 somebody has to be inside there working, correct?

16 MR. BENITEZ: Correct. Now -- the  
17 history, if we receive any kind of complaint -- we are  
18 complaint-driven -- we will go out there and check and  
19 see if the location is actual conducting business. And  
20 if it's not, we'll begin the procedure to issue a  
21 notice.

22 MR. DISHBERGER: With your experience  
23 you're saying that somebody to flaunt the Sign  
24 Administration could get a permit, say they're going to  
25 remodel the inside and take five years to do the

1 remodeling and leave their sign up, that to flirt with  
2 the Sign Code by having their sign posted, "Yes, we're  
3 still working on the inside," and that's what this is  
4 trying to get around?

5 MR. BENITEZ: Exactly, exactly.

6 MR. DISHBERGER: Okay.

7 MR. DESAI: Was there a reason that you  
8 were not granted access to the office?

9 MR. BERTRAND: The reason why is I didn't  
10 have a key to the building at the time. We -- the  
11 landlord actually re-keyed the door there, and so I  
12 didn't have a key to access that space. And I do  
13 today.

14 MR. MACK: From that, who actually owns  
15 the building?

16 MR. BERTRAND: A gentleman by the name of  
17 Theodore Brakatlosas.

18 MR. MACK: So you have a lease agreement?

19 MR. BERTRAND: Yes, sir. It's inside the  
20 application.

21 MR. MACK: So is your lease agreement  
22 under a representative of TexasDirectAuto.com?

23 MR. BERTRAND: Yes, sir.

24 MR. MACK: Okay. And I don't -- I'm not  
25 familiar with the business, per say, so is this

1 operation something that someone mans this location and  
2 they work through the Internet or how does that --

3 MR. BERTRAND: Correct, yes. We're  
4 Internet-driven.

5 MR. MACK: Okay. Please explain the  
6 notice for the alcohol on the door.

7 MR. BERTRAND: Okay. So the first level  
8 there, that's Suite 100.

9 MR. MACK: Okay. So you're just one --

10 MR. BERTRAND: One of the tenants.

11 MR. MACK: -- one of the tenants of the  
12 building?

13 MR. BERTRAND: Yes, sir. So the Suite  
14 200 is actually that door to the right there. So any  
15 activity taking place on the first floor is Suite 100  
16 and not the suite that I'm in. Suite 200 is upstairs.

17 MR. MACK: And you're representing Suite  
18 200?

19 MR. BERTRAND: That's correct, yes, sir.

20 MR. MACK: So actually, you're saying  
21 that we cannot see your location from outside this  
22 glass here?

23 MR. BERTRAND: Right, because there's a  
24 narrow hallway or stairway there.

25 MR. MACK: But you're up in the solid

1 part of the building?

2 MR. BERTRAND: Yes, sir.

3 MR. DISHBERGER: Now, the drawing in the  
4 lease shows -- it's a little blurb saying 80 square  
5 feet.

6 MR. BERTRAND: It's -- actually, it's 180  
7 square feet, and it's just for office space.

8 MR. DISHBERGER: It looks like it's in  
9 the middle of a hallway. That's all -- I don't -- it's  
10 hard to tell by this diagram. I mean, it's a stairway  
11 coming up one end. There's no page numbers. It's just  
12 that drawing.

13 MR. STAUTBERG: We have a picture of the  
14 space, if that would be helpful.

15 MR. DISHBERGER: That would be helpful.

16 MR. BERTRAND: He's referring to this  
17 space right here.

18 MR. MACK: Well, is your space occupied?  
19 I mean, are you using the space?

20 MR. BERTRAND: I am not using the space  
21 currently. I was told that I cannot apply for a  
22 Certificate of Occupancy again while we're in sign  
23 violation or in the sign violation, so that is why we  
24 haven't pursued any kind of business activity.

25 MR. MACK: Okay.

1 MS. DAVIDSON: Do you intend to take the  
2 sign down?

3 MR. BERTRAND: No, ma'am. We intend to  
4 operate out of that building and, you know, keep the  
5 sign with it so that customers can see and find where  
6 we are.

7 MR. MACK: So have you done any other  
8 kind of advertising or will you do any other kind of  
9 advertising to give this location?

10 MR. BERTRAND: Absolutely, yes, sir. We  
11 haven't put it on our website because we're in this  
12 violation notice; and until we can know for sure that  
13 we're going to operate business here, we didn't want to  
14 advertise or market any further.

15 MR. MACK: So if I were to go online and  
16 get a car tonight --

17 MR. BERTRAND: You can do you that.

18 MR. MACK: -- where would that person be  
19 at the present time? I know they're not in this  
20 building, but I'm saying are you located nationwide?

21 MR. BERTRAND: We are located in  
22 Stafford. That is our dealership there. But we have  
23 nine other area locations throughout Houston and then  
24 two in Dallas that are similar to this.

25 MS. DAVIDSON: So don't you think that



1 you should take the sign down if you want to go ahead  
2 and get the occupancy?

3 MR. BERTRAND: No, ma'am. I prefer to  
4 get the occupancy and remain -- keep the sign there.

5 MS. DAVIDSON: So you're going to -- if  
6 this is denied, you're going to go to City Council and  
7 hope that they understand this catch-22 thing?

8 MR. BERTRAND: Well, we put the sign up  
9 thinking we would get a Certificate of Occupancy so we  
10 can operate out of the building.

11 MR. MACK: I guess my question, you have  
12 or you have not ever made the request for a Certificate  
13 of Occupancy?

14 MR. BERTRAND: No, we have.

15 MR. MACK: You have?

16 MR. BERTRAND: Yes, sir.

17 MR. MACK: Before you put the sign up?

18 MR. BERTRAND: Yes, sir. Yes, sir. In  
19 fact, our contractor wouldn't even begin production on  
20 the sign until the CO was applied for so that they  
21 could have a project number to apply for a sign permit.

22 MR. MACK: Okay.

23 MR. BERTRAND: Which is, you know, it's a  
24 prerequisite for that.

25 MR. MACK: Okay. All right.

1 MR. DISHBERGER: A question on the  
2 Certificate of Occupancy, I thought you had to -- you  
3 apply for that once all the work is done? You get a  
4 permit -- you've not included, I don't think I can find  
5 it, there's a lot of documents -- a permit to build out  
6 the space. There would be a permit for that.

7 And then once all those items are checked  
8 off on the permit, then you apply for the Certificate  
9 of Occupancy saying everything is fine now. So is  
10 there any permit for that in here?

11 MR. STAUTBERG: I think I can answer  
12 that. The space was built out before the lease was  
13 signed. The build-out -- the construction materials  
14 that they're referring to are for the bar. It doesn't  
15 have anything to do with Texas Direct Auto's space.

16 MR. DISHBERGER: Okay. So this is the  
17 space you were talking about here?

18 MR. BERTRAND: That is my desk, yes, sir.  
19 That's --

20 Mr. STAUTBERG: There's more space than  
21 that.

22 MR. BERTRAND: There's more space than  
23 that.

24 MR. DISHBERGER: It would be nice if you  
25 had actually given us that twenty minutes ago.

1 MR. BERTRAND: Sorry about that.

2 MR. DISHBERGER: No, I'm seeing the  
3 downstairs with all the raw sheetrock --

4 MR. BERTRAND: Right, right. And again,  
5 that is Suite 100 and that is for the bar. That is not  
6 for our space.

7 MR. OAKES: Have you called for the final  
8 inspection?

9 MR. BERTRAND: No, sir. Again, I haven't  
10 done anything since being given the violation.

11 MR. OAKES: Did you ever call them? If  
12 everything was built out, did you ever call for the  
13 final inspection?

14 MR. BERTRAND: No, sir.

15 MR. STAUTBERG: I thought you did.

16 MR. BERTRAND: Well, when you apply for a  
17 CO, they schedule an inspection for you.

18 MR. OAKES: Did you schedule it?

19 MR. BERTRAND: I -- they automatically  
20 give you two months. It's about two months or so.

21 MR. STAUTBERG: Did they ever come out?

22 MR. BERTRAND: They did come out, yes.

23 MR. OAKES: They can come out in two  
24 weeks. They can come out --

25 MR. BERTRAND: They could come sooner,

1 sure, yes.

2 MR. OAKES: If you're done, I don't know  
3 why you wouldn't call this in.

4 MR. BERTRAND: Well, I wasn't around for  
5 the inspection. I wasn't able to -- I was out of the  
6 city, so I was not able to meet anybody there.

7 MR. OAKES: And just for clarification,  
8 on the CO, when you go through the Occupancy  
9 Department, you have 180 days and we have -- as Mr.  
10 Benitez said, there are many businesses around town,  
11 they're existing businesses, they apply for a CO,  
12 you've got 180 days to get it. We do not shut them  
13 down, so...

14 MS. DAVIDSON: Well, let me ask you this.  
15 When Mr. Benitez met with you, Mr. Bertrand, why did  
16 not you tell him that, "The office is upstairs"? Did  
17 you tell him that, with all this furniture you have,  
18 that this was up there and so it wasn't just a vacant  
19 space?

20 MR. BERTRAND: No, ma'am, I didn't  
21 mention that to him.

22 MS. DAVIDSON: Why wouldn't you have?

23 MR. BERTRAND: It wasn't a question. It  
24 was just -- I was -- I was receiving a violation and --

25 MS. DAVIDSON: Because he obviously

1 thought that it was vacant and that you weren't using  
2 that space.

3 MR. BERTRAND: Again, I didn't ask and we  
4 didn't discuss it. He didn't ask; I didn't ask.

5 MR. BENITEZ: I asked Mr. Bertrand if we  
6 could meet at the location, if I could make an  
7 appointment. That's when he told me that he had no  
8 key, no access to the location.

9 MR. SILVA: It seems to me like if you  
10 were -- had a current lease, you should have access to  
11 the property.

12 MR. BERTRAND: Right. And the landlord  
13 changed locks.

14 MR. SILVA: Well, the landlord could have  
15 also accompanied you there to open it and let the City  
16 in.

17 MR. BERTRAND: That was never discussed.

18 MR. DISHBERGER: I think you would have  
19 done better with your case -- I'm just having  
20 difficulties wondering why, if this is what the space  
21 looks like and the whole deal is about you're not using  
22 it for business purpose, "Come on to my office now, Mr.  
23 Benitez, or somebody else from the Sign Department.  
24 I'll have a key any time you tell me in the next six  
25 days or something. Come meet me there, and we can

1 resolve this whole situation."

2                   Instead -- well, it's coming to the Board  
3 here. We get this picture now, and it's like -- it  
4 seems like this would solve the problem if this really  
5 is -- why wasn't it in here?

6                   I would like to -- am I a threat?

7                   MR. RED: Well, no, you're not a threat.

8 I would need to ask him some questions about this  
9 photograph, such as when was it taken?

10                   DIRECT EXAMINATION OF MR. BERTRAND

11 BY MR. RED:

12       Q       When was this photograph taken?

13       A       Let me look on my phone.

14       Q       Sure.

15       A       My apologies. I have a lot of pictures in my  
16 phone. This picture was taken on December 18th.

17       Q       All right. So does this picture fairly and  
18 accurately represent the conditions of the property as  
19 it was on December 1st of 2015, when Mr. Benitez sought  
20 to examine the property and inspect it?

21       A       That office was there on December 1st as it  
22 sits.

23       Q       All right. And so it would have been there on  
24 December 7th of 2015, as well?

25       A       Yes, sir.

1 Q All right. Why did you not offer to grant Mr.  
2 Benitez access to the premises to see what you have  
3 here?

4 A Because it was never discussed.

5 Q Okay. And does someone report to work here, or  
6 is this just a very nice-looking office that sits  
7 empty?

8 A I would report to work there.

9 Q Okay. No, I didn't ask you "would you report  
10 to work there." Do you report to work there?

11 A I do not report to work there because I do not  
12 have a Certificate of Occupancy.

13 Q Okay. Has anyone ever reported to work for  
14 your company at this address?

15 A No, sir.

16 Q All right. Do you have Internet access?

17 A Yes, sir.

18 Q Or you have Wi-Fi?

19 A Yes, sir.

20 Q All right. How many -- you said this is a  
21 portion of the office. The Certificate of Occupancy  
22 report indicates that the premises is 80 square feet,  
23 and you've testified a few moments ago it was actually  
24 180 square feet. If it's 180 square feet, why does the  
25 Certificate of Occupancy that you applied for show it

1 as 80 square feet?

2 A It was a typo.

3 Q Okay. Have you corrected that with the  
4 Occupancy Department?

5 A I haven't done anything with the Occupancy  
6 Department because of the violation.

7 Q Okay. Are you aware that there was an attempt  
8 to inspect for Certificate of Occupancy on August 6th  
9 of 2015?

10 A Yes, sir.

11 Q All right. And that's when you were out of the  
12 city, right?

13 A That's correct.

14 Q When did you get back to the city?

15 A Immediately after that.

16 Q Did you --

17 A The weekend.

18 Q Did you then call the Occupancy people or  
19 Occupancy folks and say, "Can we reschedule this  
20 inspection?"

21 A No, sir.

22 Q You signed or someone from your company signed  
23 this lease in May of 2015; is that correct?

24 A Yes, sir.

25 Q All right. When did you take possession of the



1 premises?

2 A Immediately after that.

3 Q All right. When did you move the desk and the  
4 chair and the credenza and mirror and stuff in there?

5 A That was all there prior to.

6 Q So you're leasing the office furnished?

7 A Yes, sir.

8 Q Okay. What about the computers and the papers  
9 and that sort of thing?

10 A That is -- that is my personal -- or actually  
11 that's my work computer.

12 Q Okay. So when did you install that in the  
13 office?

14 A That's mobile, so, uh --

15 Q Well, with all due respect, sir, there's a hard  
16 monitor over there against the wall.

17 A Those do not belong to me. Those are also with  
18 the landlord.

19 Q Okay. Do you have -- are you able to use them?

20 A No, sir. They're not for me. I mean, I don't  
21 need them. If I needed them, I could probably use  
22 them.

23 Q Why would they be in your office if you didn't  
24 need the computer equipment? Just curious.

25 A It's just sitting -- it's just there for him.

1 Q So you share the office with him?

2 A No, sir.

3 Q Okay. I don't think I need to ask you any  
4 further questions. My point's been made.

5 MR. MACK: Okay. Well, it looks like  
6 we're on a merry-go-round here so what I think we need  
7 to find out is if this is -- the real question is if  
8 this is going to be a legitimate business or if it's  
9 not going to be a business.

10 MR. RED: With all due respect, Mr. Mack,  
11 the question is, is it a legitimate business, not is it  
12 going to be a legitimate business, because the sign is  
13 already on the outside of the building.

14 MR. MACK: Right. If I understood  
15 correctly, there was some time period that other  
16 businesses have not actually occupied the space but  
17 they've already been given the opportunity to have a  
18 sign. Now, is that what I heard or was I incorrect?

19 MR. BENITEZ: Yes, they were given the  
20 opportunity.

21 MR. MACK: Okay. So I guess basically, I  
22 mean from the Board's perspective -- and you all can  
23 tell me if I'm wrong -- we just need to confirm if this  
24 is an issue of a violation being issued that on one  
25 hand stops the Certificate of Occupancy, but if you get

1 the Certificate of Occupancy, the violation will go  
2 away. So it's sounds like it's just one thing blocking  
3 another. And if anybody's got any questions?

4 MR. STAUTBERG: Can I make a short  
5 statement?

6 MR. MACK: Just a second. Just a second.

7 MR. DISHBERGER: They can probably take  
8 the sign down.

9 Just my -- just my looking at this, I'm  
10 wondering -- I'm glad he asked all the questions the  
11 right way, that's what I was trying to get around -- is  
12 if this was like this on August 1st, a Certificate of  
13 Occupancy, it was applied for in August and for some  
14 reason for five more months nothing happened, when you  
15 said you don't use the computer there, I think it's a  
16 sham business. That's just my opinion, just because  
17 the way it looks. Things don't seem right here. For a  
18 legitimate business, you would be doing things a  
19 certain way.

20 You apply for a Certificate of Occupancy  
21 in August and you don't pass or the door was locked or,  
22 you know, given a red tag, you would be calling the  
23 next day or three days later you get back into town in  
24 August or in September, you call the Certificate of  
25 Occupancy people again, schedule an inspection, have it

1 open for them, get it done, and have your sign put up.

2           So yes, it may be a merry-go-round here,  
3 but they seem to back it into a very -- since August,  
4 six months, not doing anything and got their sign up  
5 and so I would say, yes, something could happen. They  
6 could take the sign down or -- I don't know if the Sign  
7 Department allows them to cover the sign with something  
8 --

9           Do you allow that, where they can --

10           MR. BENITEZ: No.

11           MR. DISHBERGER: Okay. Anyway, this is  
12 my opinion from what I'm seeing.

13           MR. MACK: Well, I think really all we  
14 can do is respond to their request. Do we approve or  
15 disapprove?

16           MR. DISHBERGER: Well, I'm just telling  
17 you my opinion. I would definitely not approve.

18           MR. STAUTBERG: If we could address, one,  
19 the issue of what the space was going to be used for  
20 and then the problem with getting a Certificate of  
21 Appropriateness if we do take the sign down and, two, I  
22 have some follow-up questions for the gentleman here  
23 about what time period is in the statute to allow  
24 people to get the Certificate of Occupancy?

25           MR. BENITEZ: I'm sorry. What was the

1 question? I think that's an Occupancy question.

2 MR. RED: That's an Occupancy question.

3 He's Sign Administration. He doesn't work Occupancy.

4 MR. STAUTBERG: That's my point.

5 MR. RED: Well, yeah, so he can't answer  
6 your question as to how much time is permitted. He can  
7 just simply testify what he knows, and that's what he's  
8 done.

9 DIRECT EXAMINATION OF BRETT BERTRAND  
10 BY MR. STAUTBERG.

11 Q So Brett, could you explain to them what the  
12 space is going to be used for?

13 A Yes. It will be used for purchasing or selling  
14 vehicles through a kiosk. We have a kiosk for  
15 customers to come in and look at our inventory which we  
16 have a lot of online.

17 Q What'S your inventory?

18 A 2,000 units. We have 2,000 cars. And this  
19 gives them an opportunity to look on the kiosk at all  
20 of our inventory to make a purchase.

21 Q And why did you choose that location for an  
22 office?

23 A Because downtown has a lot of growth. There  
24 are a lot of people moving into downtown. It's  
25 surrounded by very -- the bar scene there is starting

1 to grow and the commerce around it is starting to grow.  
2 Transportation, bus lines, train lines, it's starting  
3 to grow. Market Square's there. It's a viable  
4 location for us to accommodate customers from the  
5 downtown area.

6 Q And how many other buy centers does Texas  
7 Direct Auto have in Houston?

8 A We have nine other buying centers in Houston.

9 Q So this is not something new you're doing?

10 A No, sir.

11 MR. DESAI: If you take down your sign --  
12 can he cover his sign and get an occupancy certificate?

13 MR. BENITEZ: No, sir. You're not  
14 allowed to cover it.

15 MR. RED: It's an up or down. If the  
16 sign is up, it's in violation.

17 MR. DESAI: Did you get an occupancy  
18 certificate?

19 MR. STAUTBERG: I don't know.

20 MR. MACK: If the Board denies the  
21 request, they would have to take it down. They can  
22 appeal to City Council.

23 That would be the net results of us  
24 disapproving your appeal.

25 At this point I guess we need to take a

1 motion to --

2 MR. DESAI: I make a motion to  
3 disapprove.

4 MR. MACK: You're making it?

5 MR. DESAI: I am.

6 MR. MACK: Okay. There's a motion to  
7 disapprove.

8 MS. DAVIDSON: I second it.

9 MR. MACK: It's been moved and seconded.  
10 Any discussion?

11 MR. STAUTBERG: Can I just point out one  
12 thing for the record?

13 MR. MACK: Okay.

14 MR. STAUTBERG: We had submitted four  
15 exhibits, along with the other exhibit which Mr.  
16 Bertrand just testified to. I would like to offer that  
17 they be included in the record.

18 MR. RED: Well, no, I think they were  
19 submitted with the application?

20 MR. STAUTBERG: They were.

21 MR. RED: Then they're already part of  
22 the record.

23 MR. STAUTBERG: Okay.

24 MR. RED: It's a little different than  
25 you and I are used to doing it.

1 MR. STAUTBERG: I understand.

2 MR. MACK: All right. It's been moved  
3 and seconded to deny the appeal. All those in favor?

4 THE BOARD: (All members raise their  
5 hands.)

6 MR. MACK: Those opposed?

7 (Mr. Desai raises hand.)

8 MR. MACK: No, no, you voted against  
9 yourself.

10 It's been moved to deny the appeal.

11 That was your motion?

12 MR. DESAI: Yes, sir.

13 MR. MACK: All those in favor of that?

14 (All board members raise hands.)

15 MR. MACK: So it has been denied.

16 MR. STAUTBERG: I understand.

17 MR. MACK: Meeting adjourned.

18 (The hearing concluded at 6:07 p.m.)

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2

## GENERAL APPEALS BOARD HEARING

CITY OF HOUSTON

3

28 JANUARY 2016

4

5 THE STATE OF TEXAS:

COUNTY OF HARRIS:

6

7 I, Sherri A. Andrews, a Certified Shorthand Reporter  
8 in and for the State of Texas, do hereby certify that  
9 the statements in the caption hereto are true; that the  
10 above and foregoing transcript of the proceedings was  
11 taken by me in machine shorthand and same were reduced  
12 to typewriting under my direction; that the above and  
13 foregoing transcript as set forth in typewriting is a  
14 full, true, and correct transcript of the proceedings  
15 had at the time of taking said hearing.

16 GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this, the  
17 2nd day of February, 2016.

18

19

20



SHERRI A. ANDREWS, CSR 1387

21

Expiration Date: 12/31/17

22

U.S. LEGAL SUPPORT, INC.

Firm Registration No. 122

23

363 North Sam Houston Parkway East,  
12th Floor

24

Houston, Texas 77060

(713) 653-7100

25

JOB NO. 204243





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8:13 9:9 14:14,19	<b>77002</b> 1:2		
15:17 26:14,16,18	<b>77027</b> 2:19		
<b>2015</b> 5:13 8:3,5 10:16	<b>77060</b> 45:24		
11:25 12:5 14:4	<b>7th</b> 8:5 9:16 10:16		
15:9,15 24:11 34:19	14:3,23 15:9,14,19		
34:24 36:9,23	19:9 34:24		
<b>2016</b> 1:4,12 8:7 11:9	<u>8</u>		
15:15 45:3,17	<b>80</b> 27:4 35:22 36:1		
<b>204243</b> 1:24 45:25	<b>8th</b> 7:15		
<b>22</b> 3:7			
<b>25th</b> 8:7 11:9 15:11			
15:15,24			
<b>28</b> 1:4 45:3			
<b>28th</b> 1:11			
<b>2nd</b> 45:17			
<u>3</u>			
<b>3</b> 9:22			
<b>30</b> 15:10			
<b>3100</b> 2:19			
<b>312</b> 4:12 5:8 7:22			
8:13 9:9 10:19			
11:10 14:13,18,21			
15:17			
<b>335</b> 2:19			
<b>34</b> 3:10			
<b>363</b> 45:23			
<u>4</u>			
<b>4</b> 3:4			
<b>41</b> 3:11			
<b>45</b> 3:13			
<b>4602</b> 6:17 7:18 13:3			
<b>4603(a)</b> 6:3 7:8			
<b>4611(d)</b> 6:14			
<b>4612</b> 7:11			
<u>5</u>			
<b>5:23</b> 1:12			
<u>6</u>			
<b>6:07</b> 44:18			
<b>653-7100</b> 45:24			







# GENERAL APPEALS BOARD HEARING

28 JANUARY 2016

**TEXAS DIRECTAUTO.COM**

Tab 1 Sign Code Provisions

Tab 2 Notice for Sign Violation

Tab 3 Photographs









**SECTION 4603--CLASSIFICATIONS**

(a) **On-premise Signs and Off-premise Signs.** For the purposes of this chapter and the regulations and provisions hereof, a sign shall be first classified as either an "on-premise sign" or an "off-premise sign."

**ON-PREMISE SIGN** shall mean any sign identifying, advertising, or providing information about the business, person, activity, goods, products or services primarily sold or offered for sale on the premises where the sign is installed and maintained when such premises is used for business purposes.

**OFF-PREMISE SIGN** shall mean any sign that advertises a business, person, activity, goods, products or services not usually located on the premises where the sign is installed and maintained, or that directs persons to any location not on the premises.

(b) **Types of Signs.** All signs shall further be classified into one of the following types of signs:

**BANNER SIGN** shall mean any sign constructed of cloth, canvas, light fabric or other light material, not to exceed 40 square feet in size; provided that portable signs, flag signs, and awning signs shall not be considered banner signs.

**GROUND SIGN** shall mean a sign that is supported by uprights or braces in or upon the ground, including portable signs.

**MARQUEE SIGN** shall mean a sign attached to or hung from a canopy or covered structure projecting from and supported by a frame or pipe support extending beyond a building.

**PROJECTING SIGN** shall mean any sign that is affixed to any building wall or structure and extends beyond the building wall or structure more than 12 inches.

**ROOF SIGN** shall mean any sign or portion of a sign erected, constructed or maintained above the roofline of any building.

**WALL SIGN** shall mean any sign affixed to or painted upon the wall of any building.

(c) **Special Function Signs.** Any on-premise or off-premise sign of any type may also be included within one or more of the following additional classifications according to special functions:



## Section 4611

- (3) Spectacular signs shall be prohibited, except as provided in Section 4608(m).

**(c) Residential Rights-of-way, Scenic and Historical Rights-of-way and Districts.** All on-premise signs on residential rights-of-way and scenic and historical rights-of-way and districts shall conform in all respects to the requirements set forth in Section 4611(b) for general rights-of-way and shall be subject to the following additional restrictions:

- (1) Ground signs shall comply with the height and size provisions of Table 4609.
- (2) Spectacular signs shall be prohibited.
- (3) Electrical signs shall be limited to not more than 10 bulbs of 100 watts or less, shall be limited to 120 volts in the lighting circuit and may be illuminated only indirectly.

**(d) Business Purpose Required.** An on-premise sign must be erected in connection with a "business purpose," as that term is defined in this chapter; any sign not connected with a business purpose shall be considered an off-premise sign.

**(e) Relocation of Certain On-premise Signs.** Notwithstanding the provisions of Section 4605(e)(3), any on-premise sign that has a valid operating permit and that exceeds the height and size limitations contained in Section 4609 may be relocated on the same premises without having to conform with such height and size limitations, if the sign meets the following requirements and conditions:

- (1) The sign is required to be removed from its present location because of the acquisition of the property upon which the sign is located by the city, the state, or any political subdivision of the state through eminent domain or purchase; and
- (2) The sign is relocated at the height and size indicated on the sign's current permit and without any substantial alterations in the construction materials of the sign; and
- (3) The sign otherwise conforms with all other provisions of this chapter at the time of relocation.



**SECTION 4602--DEFINITIONS**

In this chapter, the following terms shall have the meanings herein ascribed to them, unless the context of their usage clearly indicates another meaning:

**ADVERTISING** shall mean to seek the attraction of or to direct the attention of the public to any goods, services or merchandise whatsoever.

**BUSINESS PURPOSES** shall mean the erection or use of any property, building or structure, permanent or temporary, for the primary purpose of conducting in said building or structure or on said property a legitimate commercial enterprise in compliance with all ordinances and regulations of the city governing such activity; a business purpose shall not include any property, building or structure erected or used for the primary purpose of securing a permit to erect a sign.

**CABINET** shall mean that portion of a sign structure containing the advertising display.

**CANDELA** shall mean a unit of luminous intensity equal to 1/60 of the luminous intensity per square centimeter of a blackbody radiating at the temperature of solidification of platinum (2,046°K). Also called *candle*.

**CHANGEABLE MESSAGE SIGN** shall mean any on-premise sign that is capable of changing its message, copy or appearance by electronic processes, and shall include but not be limited to those on-premise signs employing changeable message light emitting diode technology, commonly referred to as LED signs.

**CITY CODE** shall mean the Code of Ordinances of the City of Houston, Texas, as amended.

**CURB LINE** shall mean an imaginary line drawn along the edge of the pavement on either side of a public street.

**COMMERCIAL OR INDUSTRIAL ACTIVITY** shall mean property that is devoted to use for commercial or industrial purposes and not for residential purposes. "Commercial or industrial activity" shall not include the following:

- (1) Signs;
- (2) Agricultural, forestry, ranching, grazing, farming and related activities, including but not limited to temporary wayside fresh produce stands;





**SECTION 4612--OFF-PREMISE SIGNS**

**(a) Off-premise Sign Provisions.** The provisions of this section shall apply only to "off-premise signs," as that term is defined in Section 4603(a), within the sign code application area.

**(b) Prohibition of New Off-premise Signs.**

- (1) From and after the effective date, no new construction permits shall be issued for off-premise signs within the sign code application area. This prohibition shall apply to all classifications of signs, types of signs, and special function signs, and all other signs used as off-premise signs, including portable signs, with the exception that off-premise signs that advertise the sale or rental of real property or direct persons to the location of real property for sale or rental, which signs shall be limited to 40 square feet in area, shall continue to be permitted for a single three-year term.
- (2) Electronic and off-premise high technology signs are prohibited. This prohibition shall include the construction, reconstruction, upgrading, or conversion of an existing off-premise sign to an electronic or off-premise high technology sign, such that no electronic or off-premise high technology signs are permitted.

**(c) General Location.**

- (1) All off-premise signs shall be located within 800 feet of a commercial or industrial activity.
- (2) No off-premise sign shall be located in a predominantly residential area.
- (3) No off-premise sign shall be erected, constructed or established such that the face of the structure may be viewed from a scenic or historical right-of-way or district.
- (4) All off-premise signs other than those located on the Interstate and Freeway Primary System shall be subject to the following spacing requirements from other off-premise signs on the same side of the public right-of-way (see Table 4612):
  - a. No off-premise sign having a face area in excess of 300 square feet shall be located within 400 feet of another off-premise sign.



## Section 4602

- (3) Activities not housed in a permanent building or structure;
- (4) Activities not visible from the traffic lanes of the main-traveled way;
- (5) Activities conducted in a building primarily used as a residence; and
- (6) Railroad right-of-way.

**CONSTRUCTION CODE** shall mean the City of Houston Building Code, the City of Houston Plumbing Code, the City of Houston Mechanical Code and the City of Houston Electrical Code. This Chapter 46, which is sometimes referred to as the Houston Sign Code, constitutes a chapter of the City of Houston Building Code.

**EFFECTIVE DATE.** Except as otherwise provided herein, the meaning of the term "effective date" depends upon the location of a sign or proposed sign within the sign code application area, and it shall be determined as follows:

- (1) With respect to any area within the corporate limits of the City of Houston as the corporate limits existed on May 8, 1980: May 8, 1980.
- (2) With respect to any area annexed into the corporate limits of the City of Houston between May 8, 1980, and May 31, 1985: the date of the first publication of notice for a public hearing regarding the proposed annexation as required pursuant to Section 6 of former Article 970 (a), Texas Revised Civil Statutes Annotated.
- (3) With respect to the area of extraterritorial jurisdiction of the City of Houston as defined by Section 42.021 of the Local Government Code, as the area of extraterritorial jurisdiction existed on May 31, 1985: May 31, 1985.
- (4) With respect to any area annexed into the corporate limits of the City of Houston after May 31, 1985, and any extension of the area of extraterritorial jurisdiction of the City of Houston that resulted from such an annexation: the date of the first publication of notice for a public hearing regarding the proposed annexation as required pursuant to Section 6 of former Article 970 (a), Texas Revised Civil Statutes Annotated







832: 39 49085

SANDRA MESA · APPEAL COURT ·



City of Houston
Department of Public Works & Engineering
Planning and Development Service Division
Sign Administration Group
1002 Washington Ave. 4th Floor
Houston, Texas 77002

NOTICE FOR SIGN VIOLATION

YOU ARE HEREBY NOTIFIED THAT YOU ARE IN VIOLATION OF CHAPTER 46.
YOU ARE BEING ISSUED A NOTICE TO OBTAIN COMPLIANCE WITHIN THE SPECIFIED PERIOD OF

( ) 24-Hours ( ) 72-Hours (✓) 10-Days

FOR THE VIOLATION(S) INDICATED BELOW

TEXAS DIRECT AUTO / 832. 375. 5128
Business Name Business Phone Number
312 MAIN ST #200 / HOUSTON TX / 77002
Address City State Zip

- 1. ( ) PUBLIC RIGHT-OF-WAY: Your sign(s) is/are located on Public Right-Of-Way and must be removed. Sec. 4608 (c).
2. ( ) INTERFERING WITH THE VIEW:
( ) Your sign is obstructing the view of approaching traffic and must be removed. Sec. 4608 (k).
( ) Your sign is located in the 45 feet visibility triangle and is obstructing the view. Sec. 4608 (n)
3. ( ) UNSAFE SIGN: Your sign poses an immediate threat to public safety and must be repaired or removed. Sec. 4607 (b).
4. ( ) STOP ORDER: You are directed to cease work. Sec. 4604 (c) (3). (Explain below under "OTHER".)
5. ( ) SPECTACULAR SIGN: Are prohibited as stated in Section 4608(m).
6. ( ) LIMITED USE BANNER: Section 4608(p) One (1) banner sign is allowed however may not exceed 40 square feet per premise and may be displayed for 7 consecutive days out of a 30 day period ( ) requires permit registration ( ) banner is not secure to building wall. ( ) exceeds allowable number; ( ) exceeds the size limit, ( ) therefore it must be removed.
7. ( ) OFF-PREMISE: Section 4612 prohibits new off-premise advertising in the city limits and the extra-territorial jurisdiction must remove/cease immediately.
8. ( ) PORTABLE SIGN: Effective October 14, 1993, new permits cannot be issued for portable signs; therefore the portable sign must be removed. Sec 4609(n)
9. ( ) DELINQUENT PAYMENT: ( ) Operating permit renewal. ( ) Notice of Unpermitted Sign (Survey). Project Number(s) and payment amount is listed below. Fees must be paid or sign(s) removed.
10. ( ) PERMIT REQUIRED: ( ) Yes. ( ) You may apply for the permit. ( ) A licensed sign contractor must apply for the sign permit.
11. ( ) PERMIT CANNOT BE ISSUED: ( ) Exceeds sign limit. ( ) Exceeds height. ( ) Exceeds 25% of the wall.
12. ( ) CHANGEABLE MESSAGE AND HIGH TECHNOLOGY SIGN: ( ) Section 4611 (h) and/or Section 4611 (i)(6)
( ) Explain below under "OTHER"

13. OTHER: SECTION 4602.. A BUSINESS PURPOSE SHALL NOT INCLUDE ANY PROPERTY, BUILDING OR STRUCTURE

ERECTED OR USED FOR THE PRIMARY PURPOSE OF SECURING A PERMIT TO ERECT A SIGN.

TYPE OF SIGN: MUST REMOVE WITH SIGN
( ) Ground/Monument (✓) Wall ( ) Banner ( ) Other
( ) Changeable Message ( ) Awning ( ) Portable ( ) Illum.
( ) High Technology ( ) Projecting ( ) Spectacular ( ) Non-illum.
( ) Fence ( ) Bandit ( ) Attention Getting Device ( ) Roof
( ) Flags ( ) Mobil Off-Premise ( ) Off-premise ( ) Product

You are hereby notified that you are in violation of Chapter 46 of the Building Code, The Houston Sign Code, for the reason(s) indicated and failure to correct the violation(s) within the prescribed time of this notice could result in further action as provided by Section 4604 of the code. A citation may be issued which could result in a maximum fine of \$500.00. Each day in which any violation shall occur shall constitute a separate offense. A decision of the Sign Administrator on the grounds that the decision mis-construes or wrongly interprets this chapter may be appealed in accordance with Section 4604 of the code.

M. BENITEZ / 949 / 12. 7. 15 / 11:15 AM / (832) 394-8890
Inspector Name Number Issue Date Time Office Phone #

BRETT BERTRAND / MANAGER / 12. 7. 15 /
Received By/Signature Print Name Title of Date Time
BUSINESS DEVELOPMENT

Owner Name and Address if Different Than Received By

Office Use Only:

24 Hour Project Number Follow-up Date
72 Hour Project Number Follow-up Date
10-Day Project Number 15133896 Follow-up Date 12. 21. 2015











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AND CONSUME ALCOHOLIC  
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FOR THIS LOCATION.  
TYPE OF LICENSE/APPLICANT  
NAME OF APPLICANT  
ADDRESS OF APPLICANT

01/25/2016

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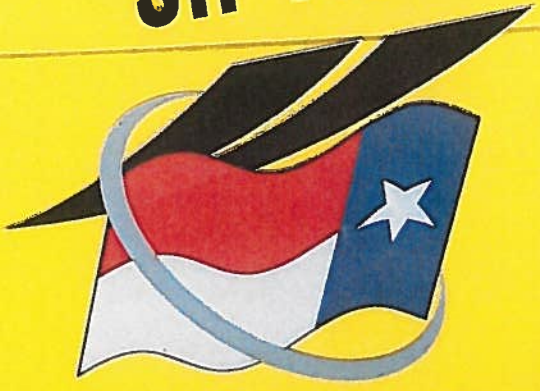
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TEXASDIRECTAUTO.COM



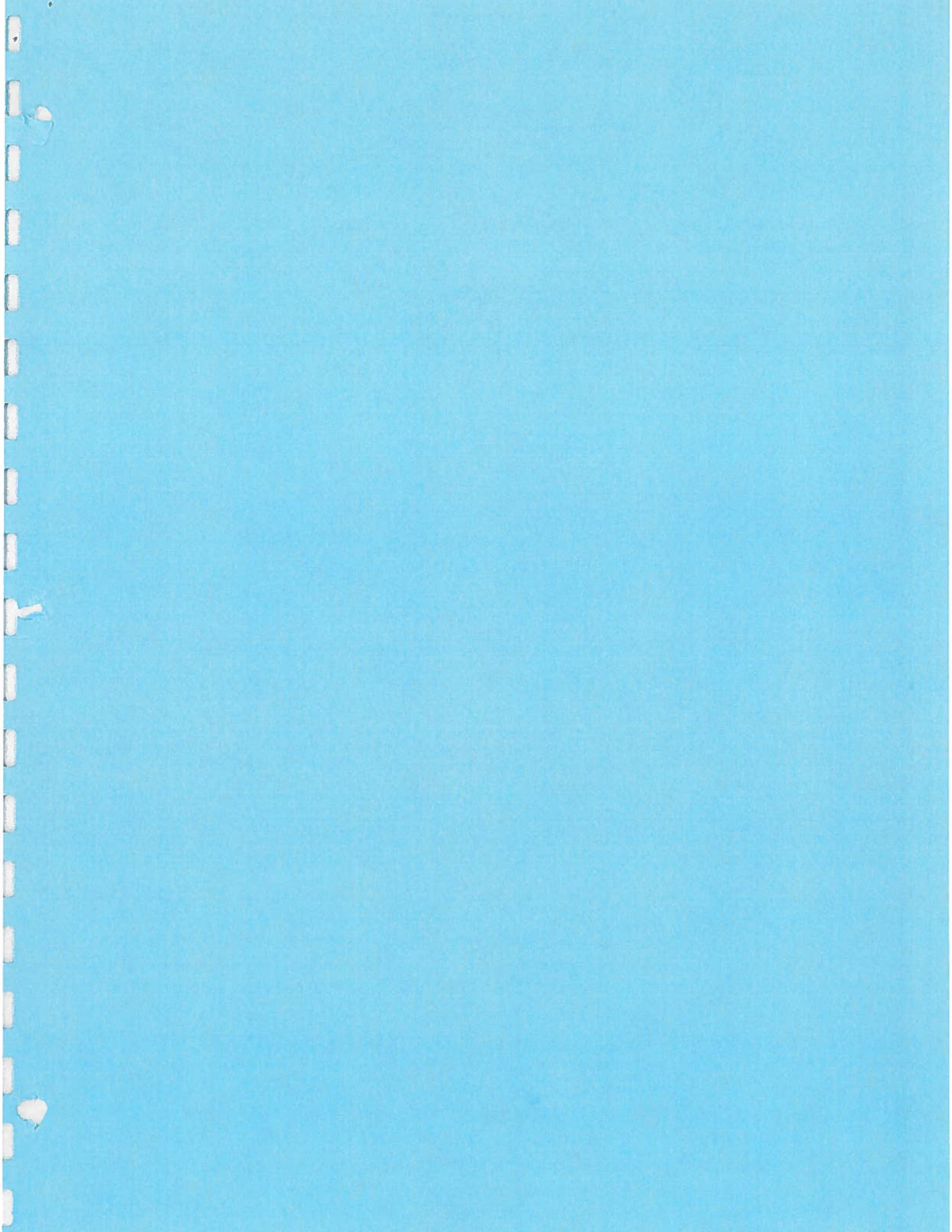
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# REQUEST FOR APPEAL OF DECISION OR INTERPRETATION

TO: CITY OF HOUSTON  
GENERAL APPEALS BOARD  
1002 WASHINGTON AVENUE  
HOUSTON, TEXAS 77002

For Office Use Only Date Rec'd: _____
--

FROM:

NAME OF APPLICANT: Brett Bertrand

PROPERTY ADDRESS: 312 Main St, Houston, TX 77002  
(City, State, Zip)

MAILING ADDRESS: 12053 Southwest Freeway, Stafford, TX 77477  
(If different from above) (City, State, Zip)

CONTACT NUMBER(S): 832-375-5128

SIGNATURE OF APPLICANT: 

INDIVIDUAL/FIRM REPRESENTING: Jon M. Stautberg

BUSINESS ADDRESS: 3100 Edloe St. Suite 335

CITY, STATE, ZIP: Houston, TX

CONTACT NUMBER(S): 713-621-7303

REFERENCE:

SECTION	<u>4602 SIGN CODE DEFINITIONS</u>	PAGE	<u>3</u>
	<u>4603(i) SIGN CODE ORDINANCE</u>		<u>25</u>
	_____		_____
	_____		_____

LIST OTHER CHAPTERS AND SECTIONS OF BUILDING CODE AFFECTED BY REQUEST:

REQUEST FOR:  
**Reversal of Notice of Sign Violation**

DESCRIBE IN DETAIL THE REASON FOR THE REQUEST:

**Please see the attached documents**

## INSTRUCTIONS AND APPLICATION TO REQUEST APPEAL BEFORE THE GENERAL APPEALS BOARD

1. All requests shall be in writing.
2. **Original and ten (10) copies** of the completed application and supporting documents must be submitted to the address below:

City of Houston  
Office of the Building Official  
1002 Washington Avenue, 4<sup>th</sup> Floor  
Houston, Texas 77002  
Attn: Sandra Meza

---

3. The request must be submitted ten (10) business days prior to the next scheduled Board meeting. Meetings are held the fourth Thursday of the month. (Petitioner will be notified by mail when the hearing has been scheduled.)
4. Petitioner's name, mailing address and phone number shall be included on the application. (If petitioner will be represented by someone else, include both petitioners and representative information.)
5. The Section of the Building Code/Ordinance for which an interpretation or decision is requested shall be properly identified.
6. Petition shall contain a statement as to what Petitioner understands to be the interpretation of the Building Official of the subject Section(s).
7. The petition shall clearly set forth what he/she believes should be the interpretation or decision.
8. Petitioner shall present evidence and cite other authority, if any, that would tend to substantiate the Petitioner's request.
9. If the Board denies the request, the petitioner may appeal such decision to the City Council within ten (10) days of the date of the Board's decision; however,
  - a) A court reporter is required to prepare a record for there to be an appeal to City Council and
  - b) The petitioner must pay all costs of the transcript prepared by the court reporter.
10. The petition application shall be signed. All appeals as per Section L110.0 of the Life Safety Appendix shall be signed and sworn to by the building owner.
11. If you have any questions regarding application and instructions please contact Sandra Meza at (832) 394-9085 or [sandra.meza@houstontx.gov](mailto:sandra.meza@houstontx.gov)

DATE: 12-17-2015



REQUEST FOR APPEAL OF DECISION OR INTERPRETATION

TO: The City of Houston  
Office of The Building Official  
1002 Washington Ave, 4<sup>th</sup> Floor  
Houston, TX 77002  
Attention Sandra Meza

FROM: Rhino LPH, LLC/Texas Direct Auto  
NAME OF APPLICANT; Brett Bertrand, Member/Agent  
PROPERTY ADDRESS: 312 Main Street  
Houston, TX 77002

MAILING ADDRESS: 12053 Southwest Freeway  
Stafford, TX 77477

CONTACT NUMBER: 832-375-5128

SIGNATURE OF APPLICANT

  
Brett Bertrand

REPRESENTED BY: Jon M. Stautberg  
Attorney at Law

BUSINESS ADDRESS: 3100 Edloe Ste. 335  
Houston, TX 77027

CONTACT NUMBER: (Tel) 713-621-7303

REFERENCE: Section Sign Ordinance 4602, Page 3

OTHER SECTIONS EFFECTED: Section Sign Ordinance 4603(i) Page 25

REQUEST FOR: Reversal of Notice of Sign Violation.

DESCRIBE IN DETAIL THE REASON FOR THE REQUEST:

Petitioner would assert that it has been cited for violation of Section 4602 of the Sign Code, entitled "Definitions", wherein business purposes is defined as follows"

"Business purposes shall mean the erection or use of any property, building or structure, permanent or temporary, for the primary purpose of conducting in said building or structure

or on said property a legitimate commercial enterprise in compliance with all ordinances and regulations of the City governing such activity; a business purpose shall not include any property, building or structure erected or used for the primary purpose of securing a permit to erect a sign”.

That the building official has ruled that the sign in question and as an indirect result the Lease relating to same, were not for a proper business purpose stating “a business purpose shall not include any property, building or structure erected or used for the primary purpose of securing a permit to erect a sign”.

The Lease of office space and sign serve a legitimate business purpose.

---

Petitioner would object and request a reversal of the above finding as noted on Notice of Sign Violation and would state that the Lease of the property at 312 Main St. by Rhino LPH, LLC is for a legitimate business purpose as will be shown below. A copy of the Lease is attached.

The following is an explanation of how the Lease and sign are a legitimate commercial enterprise as defined in the definitions of business purpose in the Sign Code.

Rhino LPH, LLC has leased the office space (subsequently assigned to Texas Direct Auto) in order to have a central location for its employee Brett Bertrand (employee of Texas Direct Auto) to manage the real estate and buyer reporting requirements of the “buying centers” of Texas Direct Auto. Rhino LPH, LLC was owned by the same individuals who own Texas Direct Auto. As part of the employment obligations of Brett Bertrand, Agent for Petitioners herein, Mr. Bertrand must travel to the various locations throughout the city. Rhino LPH, LLC leased the property in the Lease attached hereto in order to have a central location, computer, internet and phone available for the management and record keeping of the buying centers of Texas Direct Auto, and to supervise the development of a new downtown buying center located at 1301 Leeland, Suite 100 Houston TX 77002. Attached hereto is also a true and correct copy of the Lease for the downtown buying center which is currently being planned, between Cyrus Properties, LLC and Rhino LPH, LLC (assigned to Texas Direct Auto).

Mr. Bertrand manages eleven buying centers throughout the city and the travel time to the main location will be significantly reduced by use of the present Main Street location. Based on the forgoing Petitioner would assert that the Lease and appropriate signage was executed and erected respectively, as part of a Legitimate Commercial Enterprise, wherein the Petitioner selected a centralized hub to monitor and report of purchasing operations and ongoing development.

Petitioner had obtained approval of the city of Houston Department of Public Works and Engineering Sign Administration, and the Houston Archeological and Historical Commission prior to posting the sign. Copies of these documents are attached hereto.

The sign was erected prior to occupying the space which is the normal procedure of the company.

Petitioner would further assert that the sign is an "on premise" sign pursuant to Section 4603(a). An on premise sign is defined as follows:

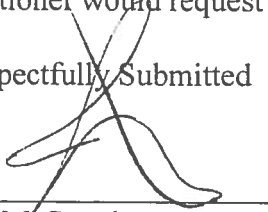
"On premise sign shall mean any sign identifying or advertising the business, person, activity, goods, products or services primarily sold or offered for sale on the premises where the sign is installed or maintained when such premises is used for business purposes".

Texas Direct Auto as managed by Rhino LPH, LLC, sells used cars as its primary business. The office was leased primarily to promote the business of Rhino LPH, LLC and Texas Direct Auto, the real estate management arm of Texas Direct Auto. Attached to the Lease is a site plan for the Lease.

Mr. Bertrand will be spending a majority of his time at the location.

Petitioner would request upon hearing hereof that the finding regarding Section 4602 be reversed.

Respectfully Submitted



---

Jon M. Stautberg  
Attorney At Law  
State Bar No: 190085700  
3100 Edloe Ste 335  
Houston TX 77027  
713-621-7303 (Tel)  
713-621-8706 (Fax)  
[jmslaw@att.net](mailto:jmslaw@att.net) (Email)

THE STATE OF TEXAS

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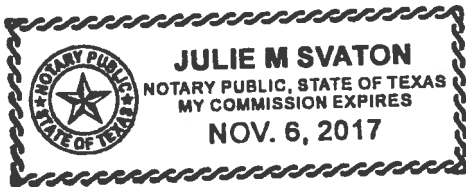
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Brett Bertrand as Agent for Rhino LPH, LLC, and Texas Direct Auto and being by me first duly sworn stated that he has read the forgoing Request for Appeal of Decision or Interpretation and that the facts and statements made therein are to his knowledge true and correct.



Brett Bertrand as Agent for Rhino LPH, LLC,  
And Texas Direct Auto

SUBSCRIBED AND SWORN TO before me by BRETT BERTRAND, as Agent for Rhino LPH, LLC, and Texas Direct Auto known to me to be the person whose name is subscribed to the foregoing Instrument on this 17<sup>th</sup> day of December 2015.



NOTARY PUBLIC IN AND FOR  
THE STATE OF TEXAS

EXHIBIT LIST  
TO REQUEST FOR APPEAL OF DECISION OR INTERPRETATION

- |             |  |
|-------------|--|
| Exhibit "A" | Standard Building Lease Agreement between Theodore E. Brakatselos and Rhino LPH, LLC |
| Exhibit "B" | Commercial Lease between Cyrus Properties, LLC and Rhino, LPH, LLC                   |
| Exhibit "C" | City of Houston Department of Public Works & Engineering Sign Administration         |
| Exhibit "D" | Houston Archaeological & Historical Commission Certificate of Appropriateness        |

**STANDARD BUILDING LEASE AGREEMENT**

LEASE AGREEMENT dated the \_\_\_\_\_ day of May 2015, by and between the hereinafter specified Landlord and Tenant.

**I.  
DEFINITIONS AND BASIC TERMS**

1.1 Definitions: For the purpose of this Lease the following terms shall be defined and have the meanings hereinafter specified:

1.1.1 Landlord: THEODORE E. BRAKATSELOS, INDIVIDUALLY

Landlord's Mailing Address: 312 Main Street, Suite 200  
Houston, Texas 77002

Tenant: RHINO LPH, LLC

Tenant's Texas Taxpayer Number #: ( 46-5314605 )

Tenant's Mailing Address: 12053 Southwest Freeway, Houston, Texas 77477

1.1.3 Entire Premises: The tract described in Exhibit "B" attached hereto and incorporated herein and depicted on the drawing attached hereto as Exhibit "A" which is attached and incorporated herein.

1.1.4 Building: The building located on the Entire Premises as said Building is constituted from time to time and commonly known as: 312 MAIN STREET, HOUSTON, TEXAS 77002

1.1.5 Demised Premises: 312 MAIN STREET, SUITE 200; An apx. 80 RSF section of Suite 200, being defined within Exhibit "A" and to be more particularly identified by the final floor plan to be hereinafter approved by the parties. For the purposes of this Lease it is understood and agreed that the exact location of said 180 RSF shall be determined solely by the Landlord from time to time and the Landlord reserves the right to relocate Tenant from time to time as needed by providing Tenant with 1 day written notification.

1.1.5A Commencement Date: MAY 21, 2015

Term: (2) YEARS, and (10) days.

Expiration Date: MAY 31, 2017

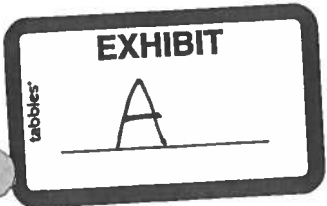
1.1.6 Base Rent: The annual base of minimum rent payable for the Lease Term shall be as follows:

- (a) Minimum Guaranteed Rental (SPer Schedule Below)
- (b) Common Area Maintenance Charge (SPer Schedule Below)
- (c) Taxes and Insurance Charge (SPer Schedule Below)
- Total (a), (b), and (c) (SPer Schedule Below)

Term	(A) Minimum Guaranteed Rental Per Month	(B) Common Area Maintenance Charge Per Month*	(C) Taxes and Insurance Charge Per Month*	Total Payment Per Month (A), (b), and (c)
*05/21/15-05/31/15	██████	██████	██████	██████
*06/01/16-05/31/17	██████	██████	██████	██████
*06/01/17-05/31/18	██████	██████	██████	██████

**\*IT IS UNDERSTOOD AND AGREED THAT LANDLORD MAY TERMINATE THIS STANDARD BUILDING LEASE AGREEMENT FOR ANY REASON WHATSOEVER BY PROVIDING THE PARTY BEING TERMINATED WITH 30 DAYS PRIOR WRITTEN NOTICE.**

~~\*Tenant agrees Common Area Maintenance Charges and Taxes and Insurance Charges are based on estimates and Tenant shall pay 50% of all pass-through for 312 Main Street, as it's pro-rata share of all actual expenses for the property. Tenant Agrees that it will install a separate sub-meter to calculate its electrical usage and will be solely responsible for acquiring and paying for its own electrical service. Tenant will also be allowed to use Landlord's power for its use of power associated with their lighting system after determining an estimated amount. Said estimated amount to be determined by comparing the average of the last 4 electrical bills to the actual power associated with any lighting installed by tenant for its signage and Landlord will reserve the right to request a Security Deposit for any said utility use.~~



In the event Tenant's pro rata share of the common area maintenance, taxes and/or insurance expenses hereinafter referred to as the expenses, upon the Building of which the Leased Premises are a part shall, in any calendar year during the term of this Lease, exceed the sum of the amounts paid to Landlord per Subsections 1.1.6(a), (b), and (c) for any calendar year, Tenant agrees to pay the excess expenses. Tenant's pro rata share of the expenses shall be the product of the sum of all common area maintenance charges, taxes and insurance costs for the Building times the ratio that the number of rentable square feet in Tenant's space bears to the rentable square footage of the Building. The excess expenses shall be further defined as the difference between Tenant's actual pro rata expenses for a given calendar year and the sum of the amounts paid per the per Subsections 1.1.6(a), (b), and (c) for a given calendar year, the difference of which shall be pro rated for any partial calendar year in which the Lease commences and/or terminates. In the event Tenant's pro rata share of the expenses is less than the sum of the amounts paid in the per Subsections 1.1.6(a), (b), and (c) for any calendar year, Tenant shall be due a credit. Computation of excess expenses under this paragraph shall operate as follows: On or before the beginning of each calendar year, Landlord shall estimate Tenant's pro rata share of estimated building operating costs above the expense stop for that calendar year. One twelfth (1/12) of Tenant's pro rata share of estimated building operating costs shall be due on the first of each month as provided above. Landlord may from time to time during the term thereof, and any renewal thereof, adjust the estimated amount of Tenant's share of building operating costs on actual or reasonably anticipated costs to be incurred. After each calendar year of the lease term, Landlord shall calculate Tenant's pro rata share of actual building operating costs for that calendar year. If it is then determined that Tenant's pro rata payments of estimated building operating costs were more than Tenant's pro rata share of actual building operating costs, Landlord shall promptly refund to Tenant the excess amount paid by Tenant, or at Landlord's option, Landlord may credit Tenant's next rental payment(s) with said adjustment amount. If it is determined that Tenant's pro rata payments of estimated building operating costs were less than Tenant's pro rata share of actual building operating costs, Landlord shall invoice Tenant for the amount of underpayment, and payment by Tenant shall be due within ten (10) days after delivery of invoice to Tenant. The foregoing calculations and adjustments may also be made at any time during the year, at Landlord's option. Tenant shall have the right, at its own expense and at a reasonable time, to audit Landlord's books relevant to the excess expenses or credits due under this Section. Should Tenant fail to object in writing to any excess expenses charged or credit applied within thirty (30) days of notice thereof, Tenant shall be deemed to have agreed to such increase or credit.

Notwithstanding anything contained herein, in no event shall the minimum guaranteed rental be less than the amount as stated in Subsection 1.1.6(a), and in no event shall there be any deduction from percentage rent with respect to taxes, insurance, common area maintenance charges or any other payment made by Tenant to Landlord.

The term expenses as used above includes common area: (i) maintenance and repair costs, (ii) electricity, gas, water and sewer, (iii) security, (iv) janitorial, trash and snow removal, (v) landscaping and pest control, (vi) management fees. The term expenses includes wages and fringe benefits payable to employees of Landlord whose duties are connected with the operation and maintenance of the common area of the Building, all services, supplies, replacements or other expenses for maintaining and operating the Building common area including parking area and plaza area maintenance. The term expenses also includes all real property taxes and installments of special assessments due to deed restrictions and owner's associations, which assess against the Building of which the Leased Premises are a part during the term of the Lease as well as all insurance premiums Landlord is required to pay or deems necessary to pay, including public liability insurance, with respect to the Building. The term expenses does not include any capital improvements to the Building of which the Leased Premises are a part, nor shall it include repairs, restorations or other work occasioned by fire, windstorm or other casualty, income and franchise taxes of Landlord expenses for the renovation of space for new Tenant's interest or principal payments on any mortgage or other indebtedness of Landlord compensation paid to any employee of Landlord above the grade of building manager nor depreciation allowance or expense.

1.1.7 ~~Percentage Rent: (0%) of Gross Liquor Sales as defined in Sections 5.2 & 5.3.~~

1.1.8 Purpose of Tenancy: General Office Purposes for not more than 1 occupant and/or invitee of Tenant.

1.1.9 Name of Tenant's Business: RHINO LPH, LLC

1.1.10 Security Deposit: \$ [REDACTED] (To Be Paid At Signing Via Cashier's Business Check.)

1.1.11 First Months Rent & (1) ONE MONTH PRE-PAID RENT: [REDACTED]  
Cashier's Check

The security deposit shall be payable on the date of Tenant's execution of this Lease and shall be held by Landlord without liability for interest and as security for the performance by Tenant of Tenant's obligations under this Lease. It is expressly understood that the security deposit shall not be considered an advance payment of rental or a measure of Landlord's damages in case of default by Tenant or upon termination of this Lease. Landlord may commingle the security deposit with Landlord's other funds. Landlord may, from time to time, without prejudice to any other remedy, use the security deposit to the extent necessary to make good any arrearages of rent or to satisfy any other obligation of Tenant hereunder. Following any such application of the security deposit, 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 in default at the termination of this Lease, the balance of the security deposit remaining after any such application shall be returned by Landlord to Tenant. If Landlord transfers its interest in the Leased Premises during the term of this Lease, Landlord may assign the security deposit to the transferee and shall have no further liability for the return of such security deposit.

1.2 Basic Terms. For the purposes of this Lease the following terms shall have the meanings hereinafter specified:

1.2.1 Common Facilities: Such parking areas, streets driveways, isles, sidewalks, curbs, delivery passages, loading areas, lighting facilities and other common and service areas situated on the Entire Premises as are designated by Landlord from time to time for use by all tenants of the Building in common.

1.2.2 Proportionate Part: The portion, expressed as a percentage, that the Demised Premises bears to the total number of constructed gross leasable square feet in the Building as of the date that the computation is made. The computation shall be made by dividing the number of square feet in the Demised Premises, as indicated by Landlord, by the total number of constructed gross leasable square feet in the Building as determined by Landlord. The computation shall be adjusted by Landlord if additional square footage is added and Landlord shall give Tenant a written copy of the adjusted computation within a reasonable time after such computation is made.

1.2.3 Rental Installment Date As defined in Section 5.1

~~1.2.4 Gross Liquor Sales As defined in Section 5.2.~~

~~1.2.7 Common Area Costs As defined in Section 7.5.~~

## II. GRANTING CLAUSE, TERM AND RESERVED RIGHTS

2.1 Grant. Landlord hereby demises and leases to Tenant and Tenant hereby takes from Landlord, for the consideration and upon the terms and conditions herein set forth, the Demised Premises for the Lease Term specified in Subsection 1.1.5A commencing on the date fixed by Section IV.

2.2 Short Form Lease. Landlord and Tenant shall each, at the request of the other, execute and promptly deliver a short form of lease, specifying the date of commencement and expiration of the Lease Term.

2.3 Rights Reserved. Landlord reserves the right to install, maintain, use, repair and replace ducts, pipes, wires and conduits through the walls, floors and ceilings of the Demised Premises serving other parts of the Building, and the right to install, maintain, use, repair and replace equipment, signs, antennas, displays and other objects upon the roof of the Demised Premises.

## III. CONDITION IMPROVEMENTS

3.1 Tenant accepts the premises in its current "AS IS" & "WHERE IS" condition without any representations or warranties by Landlord. The space has no electrical service, restrooms and no H.V.A.C. and no warranties are being provided by the Landlord whatsoever on any existing equipment or improvements. Tenant has had the opportunity to walk in and inspect the property. By taking possession of the premises, Tenant agrees that the premises are in good order and satisfactory condition and Tenant understands that he is solely responsible for acquiring any Certificates of Occupancy at its sole cost and expense.

## IV. COMMENCEMENT OF TERM

4.1 This Lease shall commence on the date that Tenant opens for business in the Demised Premises, the date stated as the commencement date in Subsection 1.1.5A, whichever is earlier.

4.2 Effective Date of Other Provisions. Notwithstanding the provisions of Section 4.1, the following specific terms of this Lease shall become effective and fully enforceable by Landlord and Tenant as of the date of execution of this Lease by both Landlord and Tenant: Section II--Granting Clause, Term and Reserved Rights, Section III--Improvements, Section XIII--Indemnity, Nonliability and Insurance, Section XV--Assignment, Subletting and Holding Over, Section XVI--Default by Tenant, Subsection 1.1.13--Security Deposit, Section XVII--Default by Landlord, Section XVIII--Landlord's Lien, Section XIX--Personal Property Taxes, Section XXIV--Notices, Section XXV--Right of Entry by Landlord, Section XXVI--Representations of Tenant, and Section XXVII--Miscellaneous Provisions.

## V. RENTAL

5.1 Base Rent. Tenant shall pay to Landlord, as Base Rent, the sum or sums per annum specified in Subsection 1.1.6, payable in equal monthly installments, in advance, on the first day of each calendar month ("Rental Installment Date") throughout the Lease Term without any right of setoff or deduction whatsoever, provided, however, that the first such installment, as well as the Security Deposit set forth in Subsection 1.1.13 hereof, shall be due and payable upon the execution hereof. On the date of execution hereof Tenant shall also pay the Base Rent due for any portion of the preceding calendar month that may be included in the Lease Term. Notwithstanding any other remedy set forth in this Lease, in the event Landlord has made rent concessions of any type or character, or waived any Base Rent or other rental payments, and Tenant either fails to take possession of the leased premises on the commencement or completion, date of otherwise defaults at any time during the term of this Lease, the rent concessions including any waived Base Rent and/or Percentage Rent shall be canceled and the amount of the Base Rent and/or Percentage Rent or other rental concessions shall be due and payable immediately as if no rent concessions or waiver of any Base Rent had ever been granted. A rent concession or waiver of the Base Rent shall not relieve Tenant of any obligation to pay any other charge due and payable under this Lease including without limitation any sum due under Section 7.5. XX and XXI.

~~5.2 Percentage Rent. Tenant shall pay to Landlord, in the manner and upon the condition set forth in this Section 5.2, as a Percentage Rent a sum equal to the amount, if any, by which (8.5%) percent of all gross liquor sales as defined by the State of Texas and as defined in Section 5.2 that exceeds THE MINIMUM GUARANTEED RENTAL PER MONTH 1.16.a OF THE THEN BASE RENTAL AMOUNT AS OUTLINED ON PAGE 1. Such Percentage Rent shall be and is in addition to the Base Rent provided for in Section 5.1 above and shall be payable, without any setoff or deduction whatsoever, on or before the fifteenth (15<sup>th</sup>) day of each month. Tenant shall pay this additional rent for each preceding month in which the monthly amount is exceeded. A copy of the gross liquor receipts as provided to TABC will be submitted monthly to Landlord. If, at the end of any Lease Year, the total amount of Percentage Rent paid by Tenant was less than the total amount that should have been paid under Section 5.2, then Tenant shall pay to Landlord the amount of this deficiency not later than thirty (30) days after such deficiency is determined.~~

~~5.2 Gross liquor sales. The term "Gross liquor sales" as used herein, shall include the entire amount of the sales price, whether for cash or otherwise, of all sales of LIQUOR conducted in or from the Demised Premises, including mail or telephone orders received or filled at the Demised Premises, deposits not refunded to purchasers, orders taken (although said orders may be filled elsewhere), sales to employees, sales through vending machines or other devices and sales by any sublessee, concessionaire or licensee or otherwise in said premises. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale was made, irrespective of the time when Tenant shall receive payment from its customer. No deduction shall be allowed for uncollected or uncollectible accounts. Gross liquor sales shall not include, however, any sum collected and paid for any sales or excise tax imposed by any duly constituted governmental authority where the amount of such tax is separately charged to the customer, 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 at, in, from or upon the Demised Premises and/or for the purpose of depriving Landlord of the benefit of a sale which otherwise would be made at, in, from or upon 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 where merchandise sold, or some part thereof is thereafter returned by the purchaser and accepted by Tenant, nor sums collected from the sale of Tenant's fixtures.~~

5.4 Location for Rental Payment. All rent due hereunder shall be paid to Landlord at the address specified in Subsection 1.1.1 hereof or such other address as may be specified by Landlord by notice given to Tenant in accordance with Section XXIV



5.5 Late Charges. If any rent due Landlord (whether Base Rent, additional rent, fees, Percentage Rent or otherwise) is not paid within two (02) days from the date due hereunder, then there shall be due as an additional rental an amount equal to five percent (5%) of the delinquent rental due hereunder. Such amount shall be in addition to, and not in lieu of, any amounts due hereunder or any remedy available to Landlord hereunder and shall be payable with the required rent payments. A \$50.00 charge will be assessed by Landlord for every returned check.

VI.  
SALES RECORDS AND REPORTS

~~6.1 Reporting Requirements. On or before the fifteenth (15th) days of each calendar month during the Lease Term, Tenant shall prepare and deliver to Landlord, at the place where the rent is then payable, a statement of Gross liquor sales made during the preceding calendar month. Tenant shall furnish similar statements for its licensees, concessionaires and subtenants, if any. All such statements shall be in such form and contain such detail as Landlord may reasonably require. Tenant shall be further required to furnish Landlord with copies of Tenant's latest filed State Sales Tax Reports, at the time or times the monthly sales report are delivered to Landlord and upon immediate demand by Landlord. In addition, within sixty (60) days after the expiration of each calendar year and within sixty (60) days after the termination of this Lease (if this Lease does not terminate at the end of a calendar year) Tenant shall prepare and deliver to Landlord, at the place where the rent is then payable, an audited statement of Gross liquor sales made during such calendar year (or partial calendar year), preceding the due date of such statements, certified to be correct by an officer of Tenant or an independent certified public accountant.~~

~~6.2 Maintenance of Records. Tenant, and each subtenant, licensee or concessionaire of Tenant, shall keep in the Demised Premises permanent accurate set of books and records of all sales of merchandise and revenue derived from business conducted in the Demised Premises, including: cash register tapes, sales slips, order records, records of transactions with subtenants, concessionaires and licensees, shipping records, records of merchandise returned, tax reports, banking records and such other records as may be needed to permit an effective audit of sales. All such records shall be retained and preserved for at least twenty-four (24) months after the end of the calendar year to which they relate and shall be subject to inspection, copying and audit by Landlord and Landlord's representatives at all reasonable times.~~

~~6.3 Landlord's Right to Audit. In the event Landlord is dissatisfied with the statement of Gross liquor sales as submitted by Tenant, Landlord shall have the right to have a certified public accountant make a special audit of all books and records, wherever located, pertaining to sales made in or from the Demised Premises. If such statements are found to be incorrect to an extent of more than two (2%) percent over the figures submitted by Tenant, Tenant shall pay for such special audit; otherwise, the cost of such audit shall be paid by Landlord. Tenant shall promptly pay to Landlord any deficiency plus interest thereon on the maximum lawful rate from the date of the erroneous report(s) until paid in full. In the event of an overpayment, Landlord shall promptly pay to Tenant any overpaid sums established by such audit. Any willful and substantial inaccuracies in the reporting of Gross liquor sales shall be deemed an event of default and grounds for immediate cancellation of their Lease by Landlord.~~

VII.  
COMMON FACILITIES AND REIMBURSEMENT BY  
TENANT FOR COMMON AREA COSTS

7.1 Completion of Building Areas & Signage. Landlord reserves the right to change, from time to time, the dimensions and location, identity and type of use of the Building, and to construct additional buildings or additional stories on existing buildings or other improvements on or within vacant areas of the building, including construction of the second floor &/or the modification &/ or complete demolition of the facia of the building and signage as deemed necessary by Landlord.

7.2 Use of Common Corridor. Tenant and its employees, customers, subtenants, licensees and concessionaires shall have the nonexclusive right to use the Common Facilities, as constituted from time to time, such use to be in common with Landlord, other Tenant of the Building and other persons entitled to use the same by virtue of Landlord's express permission, and subject to such reasonable rules and regulations governing use as Landlord may, from time to time, prescribe. Tenant shall not solicit business or display merchandise within the Common Corridor, or distribute handbills therein, or take any action which would interfere with the rights of their persons to use the Common Facilities. Landlord may close any part of the Common Corridor for such periods of time as may be necessary to make repairs or alterations or use for construction purposes.

7.3 Parking Regulations. Landlord may, from time to time, designate specific areas in which automobiles owned by Tenant, its employees, subtenants, licensees and concessionaires shall be parked, and Tenant shall use best efforts to see that such automobiles are parked in such areas. Upon request, Tenant shall furnish to Landlord a complete list of the license numbers of all automobiles operated by Tenant, its employees, subtenants, licensees and concessionaires. Landlord may charge reasonable parking fees for all such automobiles not parked in the designated area.

7.4 Responsibility for Common Facilities. The Common Facilities shall be and remain under Landlord's sole operation and control, and Landlord shall adequately maintain and repair the same by utilizing those funds described in Section 7.6. Provided, however, Tenant specifically agrees to be responsible for and to indemnify and hold Landlord harmless from any damages arising out of or caused by the Tenant, its employees, subtenants, licensees, concessionaires, agents, suppliers, vendors, or service contractors, to the Common Facilities, the parking lots or to the entire premises whether such damages be structural or nonstructural in nature.

7.5 Common Area Costs. As used in this Lease, the term "Common Area Costs" shall mean the total of all items of expense relating to operating, managing, equipping, policing and protecting (if Landlord so elects), lighting, repairing, replacing, and maintaining the utility of the Common Facilities in the same condition as when originally installed (normal wear and tear excepted and excluding items of a capital nature). Such costs and expense shall include, but not be limited to, removal of rubbish, dirt, and debris; costs of planting, replanting, and replacing flowers and landscaping, and supplies required therefor; costs of seasonal and permanent decorating; costs of painting and striping the lot and curbing, and all costs of utilities used in connection therewith, including, but not limited to, all costs of maintaining speed ramps (if any), lighting facilities, and storm drainage systems; the costs of heating and cooling the enclosed malls (if any), and all premiums for liability, property damage, and Workmen's Compensation insurance, wages, unemployment taxes, social security taxes, and personal property taxes; fees for required licenses and permits, all services, supplies, replacements or other expenses for maintaining and operating the building and/or project.

7.6 Tenant's Proportionate Share of Costs. Effective upon the date on which rental payments shall be determined to commence under the provisions hereof, and as additional rent (payable at the same time or times as Base Rent), Tenant shall pay to Landlord Tenant's Proportionate Part of the estimated Common Area Costs based upon Landlord's estimates made prior to or at the commencement date of this Lease and from time to time thereafter, subject to adjustment as hereinafter provided.

7.7 Excess or Deficiency of Tenant's Proportionate Share. Within sixty (60) days following the end of each calendar year, Landlord shall furnish to Tenant a statement showing the total actual Common Area Costs for the calendar year just expired, the amount of Tenant's Proportionate Part of such Common Area Costs, and payments made by Tenant during such calendar year under the preceding Section. If Tenant's payments shall exceed Tenant's share of such actual Common Area Costs as shown on such statement, Tenant shall be entitled to offset the excess against payments next thereafter becoming due under this Section. The actual Common Area Costs shall be

~~subject to reasonable audit by Tenant, at Tenant's expense. Landlord shall use diligent efforts to minimize such costs of operation and maintenance in a manner consistent with good building practices in the community where the Building is located. No portions of these Common Area Costs paid by Tenant under the terms of this Section VII shall be credited against the Percentage Rent or any other rental obligations hereunder.~~

#### VIII. USE OF DEMISED PREMISES AND COMPETITION

~~Use of Demised Premises. The Demised Premises may be used and occupied only for the purpose or purposes specified in Subsection 1.1.9 and for no other purpose or purposes. Tenant shall not at any time leave the Demised Premises vacant, but shall in good faith continuously throughout the Lease Term conduct and carry on in the Demised Premises the type of business for which the Demised Premises are leased under the name specified in Subsection 1.1.9 or under such other name approved in advance in writing by Landlord.~~

8.2 Prohibited Uses of Premises. Tenant shall not conduct within the Demised Premises any fire, auction or bankruptcy sale. Tenant shall not permit any objectionable or unpleasant odors to emanate from the premises; not place or permit any radio, television, loud speaker or amplifier or signs or devices emitting flashing lights or odors on the roof or outside the Demised Premises or where the same can be heard, seen or smelled from outside the building, nor place any antenna, awning or other projection on the exterior of the Demised Premises. Tenant shall not place any temporary or mobile signs in the Common Facilities without the prior written consent of Landlord.

8.3 Location of Garbage. All garbage and refuse shall be kept in an area designated by Landlord and in the kind of container specified by Landlord and shall be placed outside of the Demised Premises daily, prepared for collection in the manner and at the times and places specified by Landlord. If Landlord shall provide or designate a service for collection of refuse and garbage, Tenant shall use same, at Tenant's expense, provided the cost thereof is competitive to any identical service available to Tenant.

8.4 Use Affecting Insurance Cost. Tenant shall not, without the Landlord's prior written consent, keep anything within the Demised Premises nor use such premises for any purposes which might increase the insurance premium cost or invalidate any insurance policy carried on the Demised Premises or other parts of the Building. If Landlord should consent to such use and occupancy by Tenant, Tenant shall pay on demand, as additional rent, the additional insurance premiums resulting from such use and occupancy. All property and contents kept or stored or maintained within the Demised Premises by Tenant shall be a Tenant's sole risk.

8.5 Permits and Licenses. Tenant shall procure at its own 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, as well as all requirements from time to time imposed by Landlord's Fire and Extended Coverage Insurance carriers that are directly related to Tenant's type of business and that are necessary to retain Landlord's insurance rates.

8.6 Non-Competition by Tenant. Tenant and any person or corporation, directly or indirectly controlling, controlled by, or under control with Tenant, shall not, directly or indirectly, engage in any business similar to or competing with the business in which Tenant is engaged on the Demised Premises within a radius of three (3) miles therefrom. Upon violation of this Section, then, in addition to any other remedies of Landlord, the Gross liquor sales of such other business shall be included in Gross liquor sales from the Demised Premises in computing Percentage Rent due hereunder. In addition, in view of the speculative nature of the damages such competition may cause, Landlord shall be entitled to an injunction to halt the competing activity in addition to any other remedies provided for herein.

~~8.7 Hours of Operation. For so long as Tenant occupies the Demised Premises, Tenant shall keep the Demised Premises open for business, at a minimum, (5) days per week.~~

8.8 Advertising by Tenant. All advertising by Tenant, or by those who control or are controlled by Tenant, by any medium whatsoever, related to the business conducted on the Demised Premises by the Tenant shall include the name of the Building therein.

8.9 Third Party Interference. Landlord shall not be responsible for acts or omissions of any other tenant or third party that may interfere with Tenant's use and enjoyment of the Demised Premises as more fully set forth in Section XIII hereof.

8.10 Theft or Burglary. Landlord shall not be liable to Tenant for losses due to theft or burglary, or for damages done by unauthorized persons to the Demised Premises or the Building as more fully set forth in Section XIII hereof.

#### IX. MAINTENANCE, REPAIRS AND ALTERATIONS

9.1 Landlord's Maintenance Responsibility. Landlord shall maintain and keep in good repair the following:

9.1.1 The roof of the Demised Premises;

9.2 Tenant shall maintain and keep in good repair (including replacement when necessary) the following:

9.2.1 The interior of the Demised Premises, including the foundation, interior walls, exterior walls, structure, windows, stairs, floors and ceilings;

9.2.2 All windows and doors, including frames, glass, molding and hardware;

9.2.3 All wires and plumbing within the Demised Premises which serve the Demised Premises as distinguished from the Building generally;

9.2.4 Any damage to the roof and its structure caused during the course of repairing, maintaining, removing, or the replacement of any telephone, HVAC equipment, and or other utility or equipment installation. All work to be performed by qualified contractors.

9.2.5 All signs, air conditioning and heating equipment, mechanical doors and other mechanical equipment situated on or in the Demised Premises or serving the Demised Premises, as distinguished from the Building generally;

~~(i) Tenant agrees to enter into and maintain through the term of the Lease, a regularly scheduled preventative maintenance/service contract for servicing all hot water, heating and air conditioning systems and equipment within the Premises. The Landlord requires a qualified HVAC contractor perform this work. A certificate must be provided to the Landlord upon occupancy of the Premises. The service contract must become effective within thirty (30) days of occupancy, and service visits should be performed on a quarterly basis. We suggest that you send the following list to a qualified HVAC contractor to be assured that these items are included in the maintenance contract:~~

1. ~~Adjust belt tension;~~
2. ~~Lubricate all moving parts, as necessary;~~
3. ~~Inspect and adjust all temperature and safety controls;~~
4. ~~Check refrigeration system for leaks and operation;~~
5. ~~Check refrigeration system for moisture;~~
6. ~~Inspect compressor oil level and crankcase heaters;~~
7. ~~Check head pressure, suction pressure and oil pressure;~~
8. ~~Inspect air filters and replace when necessary;~~
9. ~~Check space conditions;~~
10. ~~Check condensate drains and drain pans and clean, if necessary;~~
11. ~~Inspect and adjust all valves;~~
12. ~~Check and adjust dampers;~~
13. ~~Run machine through complete cycle.~~

9.2.6 All utility facilities.

9.2.7 The sewage, electric and water facilities which service the Demised Premises from the property line of the entire premises to the meter box, in the event such utilities are separately metered; and from the property line of the entire premises to the point of their entry into the Demised Premises in the event such utilities are not separately metered. Note: The building does not have gas.

9.2.8 The building has no gas utilities.

9.3 Assignment of Warranties. In the event Landlord shall have furnished or installed any of the equipment referred to in Subsection 9.2.4, Landlord, at Tenant's request, shall assign to Tenant all applicable warranties or guaranties made or given to Landlord by manufacturers or installers of such equipment to the extent such warranties or guaranties are assignable.

9.4 Alterations to Demised Premise Prohibited. Tenant shall not make any alterations, additions or improvements to the Demised Premises without the prior written consent of Landlord, except for the work described in Section 3.1 and the installation of unattached movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Demised Premises. All fixtures installed by Tenant shall be new or newly and completely reconditioned. All alterations, additions and improvements and fixtures, including but not limited to, carpet (other than unattached, movable trade fixtures) which may be made or installed by either party hereto upon the Demised Premises shall remain upon and be surrendered with the premises and become the property of Landlord at the termination of this Lease unless Landlord requests their removal, at which time Tenant shall remove the same and restore the Demised Premises to their original condition at Tenant's sole cost and expense. Any asphalt tile or other floor covering of similar character which may be cemented or otherwise adhesively affixed to the floor of the Demised Premises shall become the property of the Landlord, all without credit or compensation to Tenant.

9.5 Roof Penetrations. If at any time during the Lease Term Tenant needs to make roof penetrations over the Demised Premises, and such penetrations are approved by the Landlord, Tenant, at Tenant's expense, shall use Landlord or Landlord's contractor (as directed by Landlord) to make such penetrations, in order to maintain existing roofing warranties held by Landlord.

## X. SIGNS

10.1 Sign Compliance By Tenant with City of Houston-Historical District-Landlord. If Tenant desires to, it shall, at Tenant's sole cost and expense, erect, install and maintain a sign on the Demised Premises in the specific area on the exterior of the building designated by the Landlord ( EXHIBIT "G" DESIGNATED SIGN AREA) area compliance with such the sign specifications as Landlord, the City Of Houston, and Historical District may require where said property is located within. Such sign must be erected and installed by Tenant prior to opening the Demised Premises for business and with Landlord's written consent in a location to be mutually agreed to by both the Landlord and Tenant. Subject to the provisions of Section 10.4, Landlord's sign specifications shall be as set forth by Landlord from time to time and as outlined within the Building Rules and Regulations #4. It is understood and agreed that Tenant shall not be charged any fees by the Landlord for displaying a sign on the building exterior.

10.2 Exterior Signs. Tenant shall not place or permit on any exterior door, window or wall of the Demised Premises any other sign, awning, canopy, advertising matter, decoration, lettering or thing of any kind which does not comply with the sign specifications required by the Landlord, without Landlord's prior written consent.

10.3 Temporary Signs. Tenant shall not be permitted, without the prior written consent of Landlord, to place or erect (or cause to be placed or erected) any temporary or mobile signs in the common area.

10.4 Landlord Approval and Sign Specifications. Nothing contained herein shall be construed to limit Landlord's right to approve signs or to modify or amend the provisions related to signage from time to time. Landlord reserves the right, in Landlord's sole discretion, to permit any Tenant to install a sign or signs which deviate from the criteria set forth at that time by Landlord. Such permission by Landlord to any Tenant or tenants shall not give rise to any rights in any other tenants to object thereto or to require Landlord to permit such other Tenant to deviate from Landlord's said criteria.

10.5 Lighting of Signs. Tenant shall keep all fascia signs used by them, and erected in accordance with this Section X, lighted until the hour of 10:00 p.m. seven (7) days a week, regardless of whether the Tenant's business is open at such time.

## XI UTILITIES

11.1 Utility Facilities and Hookups. Tenant at its sole cost and expense shall be responsible for providing the mains, conduits and other facilities necessary to supply water, gas, electricity, telephone service and sewage service to the Demised Premises. Additionally, Tenant shall be responsible, at its sole cost and expense, to make provisions for connecting or "hooking up" to such utilities, directly with the appropriate utility company furnishing same.

11.2 Deposits & Payments. Tenant shall promptly pay all charges and deposits for electricity, water, gas, telephone service, sewage service and other utilities furnished to the Demised Premises. Landlord may, if it 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 the rates established therefor by Landlord which shall not exceed the rates which would be charged for the same services if furnished to Tenant directly by the local public utility furnishing the same to the public at large. 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.

11.3 Building Utilities. Tenant at its sole cost and expense shall be responsible for paying all of the utilities associated with the portion of the Leased Premises it occupies.

11.4 Interruption of Services. Landlord shall not be liable for any interruption whatsoever in utility services not furnished by it, nor for interruptions in utility services furnished by it which are due to fire, accident, strikes, acts of God or other causes beyond the control of Landlord or in order to make alterations, repairs or improvements.

## XII. CASUALTY DAMAGE

12.1 Total Destruction. In the event the Demised Premises are damaged or destroyed by fire or other casualty, Tenant shall give immediate notice to Landlord and Landlord shall proceed with reasonable diligence to restore the same at Landlord's expense; provided, however if the Demised Premises are destroyed or are so damaged that the Landlord's cost of restoring the same would exceed eighty (80%) percent of their then insurable value, then Landlord may, at Landlord's option, elect to terminate this Lease at any time within one hundred twenty (120) days after the occurrence of the casualty.

12.2 Partial Destruction. In the event thirty-three (33%) percent or more of the ground floor area of the Building should be damaged or destroyed by casualty not covered by the standard broad form of fire and extended coverage insurance then in common use in the State of Texas, or should be damaged to such extent that the Landlord's cost of restoring the same would exceed eighty (80%) percent of the then insurable value of such portion of the Building, then Landlord, at Landlord's option, may elect to terminate this Lease whether or not the Demised Premises, as such, shall suffer any damages.

12.3 Landlord's Obligation to Rebuild. Landlord's obligation to rebuild or restore under this Section shall in any event be limited to restoring Landlord's original work to substantially the condition in which the same existed prior to tenant entering this Lease & prior to the casualty; and Tenant shall, promptly after the completion of such work by Landlord, proceed with reasonable diligence and at Tenant's sole cost and expense to restore Tenant's original work to substantially the condition in which the same existed prior to the casualty and to otherwise make the Demised Premises suitable for Tenant's business.

12.4 Continuation of Tenant's Business. Tenant shall continue the operation of its business within the Demised Premises to the extent practical during any period of reconstruction or restoration. During the period from the occurrence of the casualty until the restoration and completion of Landlord's work, the Base Rent shall be reduced to such extent as may be fair and reasonable under the circumstances; however, there shall be no abatement of Minimum Rent, Percentage Rent, additional rents and other charges provided for herein.

## XIII. INDEMNITY, NONLIABILITY AND INSURANCE

13.1 Nonliability of Landlord for Tenant Breaches. Landlord shall not be liable to Tenant or to Tenant's employees, agents, guests or invitees, or to any other person whomsoever, for any injury to persons or damage to property on or about the Demised Premises or the Common Facilities caused by the negligence or misconduct of Tenant, its employees, subtenants, licensees and concessionaires or of any other person entering the entire premises under the Demised Premises by invitation of Tenant or arising out of the use of the Demised Premises by Tenant and the conduct of its business therein or arising out of the breach or default by Tenant in the performance of its obligations hereunder, and Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from any loss, expense or claims arising out of such damage or injury. Tenant specifically agrees to be responsible for and indemnify and hold Landlord harmless from any damages or expenses, structural or nonstructural, arising out of or caused by a burglary, theft, vandalism, malicious mischief or other illegal acts performed in, at or from the Demised Premises.

13.2 Insurance Requirements. Tenant shall procure and maintain throughout the Lease Term a policy or policies of insurance, at its sole cost and expense, insuring Tenant and Landlord against any and all liability for injury to or death of a person or persons, and for damage to or destruction of property occasioned by or arising out of or in connection with the use or occupancy of the Demised Premises, or by the condition of the Demised Premises, the limits of such policy or policies to be in an amount not less than One Million (\$1,000,000.00) Dollars in respect to injuries to or death of any number of persons or in respect to property damaged or destroyed in any one occurrence. Tenant also agrees to carry insurance against fire and such other risks as are from time to time included in Standard Extended Coverage Insurance (including vandalism and malicious mischief endorsements) for the full insurable value of Tenant's merchandise, trade fixtures, furnishings, wall covering, carpeting, drapes, equipment and all items of personal property of Tenant located on or within the Demised Premises and all property made part of the Demised Premises as "Tenant Build-Out or Tenant Improvements. Tenant shall be responsible for the maintenance of the plate glass in or on the Demised Premises but shall have the option either to insure the risk or to self-insure same. Tenant understands and agrees to provide Landlord with a Certificate of Insurance naming Landlord as additional insured in addition to Houston Site Acquisitions, Inc. prior to taking possession of the Demised Premises.

( PLEASE ALSO SEE EXHIBIT F )

13.3 Nonliability of Landlord for Other Injuries. Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to person or damage to property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in the Demised Premises or on the entire premises, including, but not limited to, injury or damage; including, but not limited to, consequential damage caused by the Demised Premises or other portions of the entire premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or by broken glass, or 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); nor shall Landlord be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of the Building or of any other persons whomsoever, excepting only duly authorized employees and agents of Landlord. Tenant indemnifies Houston Site Acquisitions, Inc. and Landlord; their employees, agents, principals and assignees from all claims of bodily injury and property damage of any kind arising out of the use of the premises.

13.4 Boiler Insurance. At all times when a "boiler," as that term is defined for the purposes of boiler insurance, is located within the Demised Premises, Tenant shall carry, at its expense, boiler insurance with policy limits of not less than One Hundred Thousand (\$100,000.00) Dollars insuring both Landlord and Tenant against loss or liability caused by the operation or malfunction of such boiler.

13.5 Subrogation of Rights. All fire and extended coverage insurance and boiler insurance carried either by Landlord or Tenant covering losses arising out of the destruction or damage to the Demised Premises or its contents or to other portions of the Building

shall provide for a waiver of rights of subrogation against Landlord and Tenant on the part of the insurance carrier and to the extent, but only to the extent, that such insurance shall require a release of the claim of the insured against the other party for losses arising out of the hazard covered, thereby such claim shall be deemed released.

13.6 Remedy for Failure to Provide Insurance. Tenant prior to entering said Lease and at all times shall deliver to Landlord certificates of all insurance required hereunder. All insurance policies required of Tenant hereunder shall contain a written obligation on the part of the insurance company to notify Landlord at least ten (10) days prior to cancellation of such insurance. If Tenant shall fail to comply with any of the requirements herein contained relating to insurance, Landlord may obtain such insurance, and Tenant shall pay to Landlord, on demand, as additional rent hereunder, the premium cost thereof.

13.7 Discharge of Claims. Landlord and Tenant, and all parties claiming under them, mutually release and discharge each other from all claims and liabilities arising from or caused by any casualty or hazard covered or required hereunder to be covered, in whole or in part, by insurance on the Demised Premises or in connection with property on or activities conducted on the Demised Premises; and waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided, that such release shall not operate in any case where the effect is to invalidate or increase the cost of such insurance coverage (provided, that in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost, thereby keeping such release and waiver in full force and effect).

#### XIV. EMINENT DOMAIN

14.1 Condemnation. If ten (10) percent or more 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 Base Rent shall be abated during the unexpired portion of this Lease, effective on the date physical possession is taken by the condemning authority.

14.2 Partial Condemnation. If less than ten (10%) percent 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 not terminate; however, the Base Rent (but not Percentage Rent or additional rental) payable hereunder during the unexpired portion of this Lease shall be reduced in proportion to the area taken, effective on the date physical possession is taken by the condemning authority, and Landlord shall make all necessary repairs or alteration within the scope of the original Landlord's Work necessary to make the Demised Premises an architectural whole.

14.3 Condemnation of Common Areas. If any part of the Common Facilities 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 not terminate, nor shall the rent payable hereunder be reduced, nor shall Tenant be entitled to any part of the award made for such taking, except, that either Landlord or Tenant may terminate this Lease if the parking area remaining following such taking plus any additional parking area provided by Landlord by constructing multi-level and/or ground level parking facilities in reasonable proximity to the Building shall be less than seventy (70%) percent of the original parking area.

14.4 Time Period for Termination. Any election to terminate this Lease following condemnation shall be made within thirty (30) days after the date on which physical possession is taken by the condemning authority.

14.5 Compensation Award. All compensation awarded for any taking (or the proceeds of private sale in lieu thereof), whether for the whole or a part of the Demised Premises, shall be the property of Landlord (whether such award is compensation for damages to Landlord's or Tenant's interest in the Demised Premises), and Tenant hereby assigns all of its interest in any such award to Landlord, provided, however, Landlord shall have no interest in any award made to Tenant for loss of business or for the taking of Tenant's fixtures and other property within the Demised Premises if a separate award for such items is made to Tenant.

#### XV. ASSIGNMENT, SUBLETTING, HOLDING OVER AND ESTOPPEL CERTIFICATES

15.1 Prohibition of Assignment and Subletting. Neither the Tenant nor the Tenant's legal representatives or successors in interest by operation of law or otherwise shall assign or mortgage this Lease or sublet the whole or any part of the Demised Premises or permit the Demised Premises or any part thereof to be used or occupied by others without providing Landlord with (60) days prior written notice of its intent for Landlord to consent, and by paying Landlord a processing and administration fee of \$5,000.00 along with providing any subsequent notice of its intent. Such consent by Landlord shall not be unreasonably withheld. Any consent by Landlord to an assignment or subletting of the Demised Premises shall not be construed as a waiver of the duty of the Tenant, or the legal representatives or assigns of the Tenant, to obtain from Landlord consent to any other or subsequent assignment or subletting, or as modifying or limiting the rights of Landlord under the foregoing covenant by the Tenant not to assign or sublet. If Tenant sublets, assigns, encumbers or otherwise transfers its rights or interests in this Lease, or in the Demised Premises or the improvements on the Demised Premises, Landlord may, at its option, declare this Lease terminated. Tenant shall not be allowed to sublease the demised premises if he is or has been in default of this Lease Agreement.

(SEE SPECIAL CONDITIONS, RIDER 27 A. & RIDER 27 B.)

15.2 Lease Violations by Assignees and Subtenants. Any violation of any provision of this Lease, whether by act or omission by any assignee, subtenant or occupant, shall be deemed a violation of such provision by the Tenant, it being the intention and meaning of the parties hereto that the Tenant shall assume and be liable to the Landlord for any and all acts and omissions of any and all assignees, subtenants and occupants. If this Lease is assigned, the Landlord may, and is hereby empowered to collect rent and any other additional charges or assessments provided for herein from the assignee; if the Demised Premises or any part thereof be sublet or occupied by any person other than the Tenant, Landlord, in the event of Tenant's default, may, and is hereby empowered to collect rent and any other additional charges or assessments provided for herein from the subtenant or occupant; in either of such events, the Landlord may apply the net amount received by it to the rent herein reserved, and no such collection shall be deemed a waiver of the covenant herein against assignment and subletting or the release of Tenant from the further performance of the covenants herein contained on the part of the Tenant.

15.3 Subletting Defined. As used herein, the term "sublet" shall be deemed to include the granting of licenses, concessions and any other rights of occupancy of any portion of the Demised Premises, excepting only customary leased department arrangements under which such leased department is not operated under a separate name but is held out to the public as an integral part of the Demised Premises.

15.4 Disposition of Corporate Stock. Any transfer, sale, merger into another corporation or other disposition, of all or substantially all of the corporate stock of a corporate Tenant shall be deemed an assignment for the purposes of this Section XV.

15.5 Partnership Interests. The formation of a partnership (whether general or limited) by a Tenant related to the ownership of the business conducted in the Demised Premises, the transfer, sale or other disposition of an aggregate of more than fifty (50%) percent of the partnership interests during the Lease Term, or the admission of a new general partner, shall be deemed an assignment.

15.6 Holding Over. If after the expiration of the Lease Term, Tenant shall remain in possession of the Demised Premises and continue to pay rent without any express agreement as to its possession, then such possession shall be deemed to be a tenancy from month to month and shall be subject to all terms and conditions of this Lease on the part of Tenant to be observed and performed and at a Base Rent equivalent to two hundred (200%) percent of the then current monthly installment of Base Rent plus Tenant's Proportionate Part of the increase in operating expenses payable in advance on the first day of each calendar month. In the event the Tenant fails to surrender, the Demised Premises upon termination or expiration of this Lease or such month to month tenancy, then Tenant shall also indemnify Landlord against loss or liability resulting from any delay of Tenant in not surrendering the Demised Premises, including, but not limited to, any amounts required to be paid to third parties who were to have occupied the Demised Premises and any attorney's fees related thereto.

15.7 Estoppel Certificates. Tenant agrees to furnish, from time to time, within ten (10) days after receipt of a request from Landlord, a statement certifying, if applicable, that Tenant is in possession of the Demised Premises; the Demised Premises are acceptable; the Lease is in full force and effect; the Lease is unmodified; Tenant claims no present charge, lien or claim of offset against any rent; the rent is paid for the current month, but is not prepaid for more than one month and will not be prepaid for more than one month in advance; there is no existing default by reason of some act or omission by Landlord; and such other matters as may be reasonably required by Landlord.

## XVI. DEFAULT BY TENANT AND SECURITY DEPOSIT

16.1 Events of Default. Tenant or its successors, sublessees, assigns or transferees (as permitted under the terms of this Lease) shall be deemed in default hereof in the event Tenant or its successors, sublessees, assigns or transferees should:

16.1.1 Default in the prompt payment of any rent payment or other charges when the same is due;

16.1.2 Vacate or abandon the Demised Premises, or any portion thereof;

16.1.3 Fail to continuously conduct and carry on in good faith the type of business for which the Demised Premises are leased for a period of five (5) consecutive business days. For this purpose, the phrase "continuously conduct and carry on" means that Tenant shall maintain regular business hours five (5) days per week at which times Tenant is open for business to the general public;

16.1.4 File a voluntary petition in bankruptcy, be adjudged bankrupt, be placed in or subjected to receivership, make an assignment for benefit of creditors or become financially unable to meet Tenant's debts in the ordinary course of business, as determined by Landlord;

16.1.5 Fail to open for business within (90) days from the Commencement Date of this Lease if Tenant has not opened for business on or before the Commencement Date; or

16.1.6 Remain in violation of any other of the covenants performable by Tenant hereunder after the expiration of five (5) days following the receipt of notice of such violation.

16.2 Landlord's Remedies. Upon default by Tenant, Landlord shall have all remedies against Tenant available in law or equity as well as those provided in this Lease which remedies shall include without limitation the following:

16.2.1 Landlord may immediately re-enter the Demised Premises by summary proceedings, or by force, or otherwise, without being liable for prosecution therefor; take possession of the Demised Premises and remove all persons therefrom. Upon the re-entering of said Demised Premises, Landlord may remove all or any part of the personal property of Tenant remaining on the Demised Premises and store the same at Tenant's expense. If said personal property remaining on the Demised Premises is not claimed by Tenant within three (3) days after such entry, title to the same shall vest in Landlord. Tenant shall be obligated to return all keys to the Demised Premises to Landlord upon Landlord's re-entering of said Demised Premises;

16.2.2 With or without re-entry by Landlord, Landlord may terminate this Lease and declare all rentals through the remaining Lease Term of this Lease immediately due and payable by Tenant, such rentals being computed at the Base Rent then in effect as set out in this Lease;

16.2.3 With or without re-entry by Landlord, Landlord may elect to keep this Lease in full force and effect and relate the Demised Premises as agent for Tenant or otherwise, and receive the rent therefor, applying the same first to the payment of such expenses as the Landlord may be put to in entering and letting and then to the payment of the rent payable under this Lease and the fulfillment of Tenant's covenants hereunder, the balance, if any, to be paid to Tenant, who shall remain liable for any deficiency;

16.2.4 Landlord may elect to keep this Lease in full force and effect and have Tenant remain in possession of the Demised Premises and may sue Tenant for Landlord's damages and expenses, including Landlord's attorney's fees, resulting from the breach by Tenant; or

16.2.5 Upon default by Tenant, if Landlord elects any remedy which does not terminate this Lease, Landlord shall have the right, upon giving five (5) days written notice to Tenant, to increase the Base Rent to one hundred fifty (150%) percent of the amount of the Base Rent set out in this Lease, which increased Base Rent shall remain in effect until Tenant has cured all of tenant's defaults under this Lease to the satisfaction of Landlord.

## XVII. DEFAULT BY LANDLORD

17.1 Tenant's Remedies. If Landlord defaults in the performance of any term, covenant or condition required to be performed by Landlord under this Lease and if Landlord shall remain in default and is not diligently procuring said remedy after the expiration of thirty (30) days following the receipt of notice of such violation, Tenant may elect as Tenant's sole and exclusive remedy one of the following:

17.1.1 (i) Landlord shall fail to perform any of its obligations (Landlord's Default) as set forth in this Lease, (ii) Landlord fails to commence to cure Landlord's Default within a reasonable time (not to exceed thirty (30) days) after written notice thereof from tenant to Landlord and to pursue with reasonable diligence the curing of Landlord's Default or (iii) the Landlord's Default results in damages to Tenant or in the Leased Premises becoming untenable. If Landlord shall be in default under this Lease and, if as a consequence of such default, Tenant shall recover a money judgement against Landlord, such judgement shall be satisfied only out of the right, title and interest of Landlord in the Building as the same may then be encumbered and Landlord shall not be liable for any deficiency.

In no event shall Tenant have the right to levy or execute against any property of Landlord other than its interest in the Building

XVIII.  
LIENS

18.1 Landlord's Lien. Landlord shall have a lien upon and security interest in all of the fixtures, furniture, equipment, stock, goods and other property placed on the Demised Premises during the Lease Term to secure the payment of all rents and other sums due hereunder for the entire Lease Term. In addition to the remedies granted by law, Landlord shall have and may exercise with respect to said collateral, all of the rights, remedies and powers of a secured party under the Texas Business and Commerce Code, including, without limitation, the right and power to sell at public or private sale or sales, or otherwise dispose of, lease or utilize, the collateral and any part or parts thereof in any manner authorized or permitted under said code upon default by Tenant. At Landlord's request, Tenant shall execute and deliver to Landlord a financing statement appropriate for use under the Texas Business and Commerce Code or a signed counterpart of this agreement or the short form thereof may be used as such financing statement if Tenant is not then in default hereunder.

18.2 Uniform Commercial Code. This Lease is intended as and constitutes a security agreement within the meaning of the Uniform Commercial Code of the state in which the Demised Premises are situated and, Landlord, in addition to the rights prescribed in this Lease, shall have all the rights, titles, liens and interests in and to the Tenant's property now or hereafter located upon the Demised Premises which are granted a secured party, as that term is defined, under the Uniform Commercial Code to secure to Landlord payment of all sums due under the Lease and the full performance of all Tenant's covenants under this Lease. Tenant will on request execute and deliver to Landlord a financing statement for the purpose of perfecting Landlord's security interest under this Lease or Landlord may file this Lease, a copy thereof or a Memorandum of Lease as a financing statement. Unless otherwise provided by law and for the purpose of exercising any right pursuant to this Section 18.2, Landlord and Tenant agree that reasonable notice shall be met if such notice is given by ten (10) days written notice, certified mail, return receipt requested to Landlord or Tenant at the addresses specified herein.

XIX.  
PERSONAL PROPERTY TAXES AND RELATED MATTERS

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 for which Tenant is liable 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 the Tenant is primarily liable hereunder.

XX.  
TAXES TO BE REIMBURSED BY TENANT

~~20.1 Liability for Taxes. In addition to the Base Rent provided for in Section V, Tenant agrees to pay to Landlord additional rent as follows:~~

~~20.1.1 Tenant shall pay its Proportionate Part of all real property taxes and assessments which may be levied or assessed by any lawful authority for each calendar year or tax year during the Lease Term against the land and improvements comprising the Building. Should the State of Texas or any political subdivision thereof or any other governmental authority having jurisdiction there over, impose a tax and/or assessment (other than an income or franchise tax) upon or against the rentals payable by tenants in the Building to Landlord, either by way of substitution for the taxes and assessments levied or assessed against such land and such buildings, or in addition thereto, such new tax and/or assessment shall be covered by this Section XX, and~~

~~20.1.2 Tenant shall pay its Proportionate Part of all real property taxes and assessments during the Lease Term in monthly installments on or before the first day of each calendar month, in advance, in an amount estimated by Landlord; provided, that in the event Landlord is required under a mortgage covering the Building to escrow real estate taxes, Landlord may, but shall not be obligated to, use the amount required to be escrowed as a basis for its estimate of the monthly installments due from Tenant hereunder or it may use its experience in the building industry to estimate same. Said funds may be commingled with the funds of Landlord and/or deposited with said mortgagee as an escrow deposit, and Tenant shall be entitled to no interest thereon. Upon receipt of all tax bills and assessment bills attributed to any calendar year or tax year during the Lease Term, Landlord shall furnish Tenant with a written statement of the actual amount of Tenant's Proportionate Part of the taxes and assessments for such year. If the total amount paid by Tenant under this Section for any calendar year or tax year during the Lease Term shall be less than the actual amount due from Tenant for such year as shown on such statement, Tenant shall pay to Landlord the deficiency within thirty (30) days after demand therefor by Landlord; and if the total amount paid by Tenant hereunder for any such calendar year or tax year is in excess of the actual amount due, such excess shall be credited by Landlord to the monthly installment(s) next thereafter becoming due from Tenant under this Section XX. For the calendar years and tax years in which this Lease commences and terminates, the provisions of this Section shall apply, and Tenant's liability for its Proportionate Part of any tax assessments for such year shall be subject to a pro rata adjustment. A copy of a tax bill or assessment bill submitted by Landlord to Tenant shall at all times be sufficient evidence of the amount of taxes and/or assessments levied or assessed against the property to which such bill relates. Prior to or at the commencement of the Lease Term and from time to time thereafter throughout the Lease Term, Landlord shall notify Tenant in writing of Landlord's estimate of Tenant's monthly installments due hereunder. Landlord's and Tenant's obligations under this Section shall survive the expiration of the Lease Term. No portion of the taxes paid by Tenant under the terms of this Section XX shall be credited against the Percentage Rent or any other rental obligation hereunder.~~

XXI.  
INSURANCE PREMIUMS TO BE REIMBURSED BY TENANTS

In addition to the Base Rent provided in Section V hereof, the Tenant agrees to pay Landlord, as additional rent, Tenant's Proportionate Part of all premiums (including any increases thereof) paid by Landlord for fire and extended coverage insurance for the Building and all improvements thereon, whether or not existing at the date of execution of this Lease. Tenant will pay such sum within ten (10) days after Landlord presents a statement to Tenant of its Proportionate Part of any such premiums for fire and extended coverage. No portion of the premiums paid by Tenant under the terms of this Section shall be credited against the Percentage Rent or any other rental obligation hereunder.

XXII.  
SUBORDINATION AND MORTGAGEE'S REQUIREMENTS

22.1 Lease Subordination. Tenant accepts this Lease subject and subordinate to any mortgage presently existing upon the Demised Premises or upon the entire premises and to any renewals and extensions thereof, but Tenant agrees that any mortgagee shall have the right at any time to subordinate such mortgage to this Lease on such terms and subject to such conditions as the mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably invested with full power and authority, if it so elects at any time, to subordinate



this Lease to any mortgage hereafter placed upon the Demised Premises or upon the entire premises, and Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request. Such subordination shall be upon the express condition that upon foreclosure, exercise of power of sale or other exercise of the mortgagee's rights, Tenant's possession of the Demised Premises shall not be disturbed so long as Tenant shall continue to perform all of the covenants and conditions of this Lease and that Tenant's obligations to perform such covenants and conditions shall not be in any way diminished thereby.

22.2 Mortgagee's Requirements. In the event a mortgagee or prospective mortgagee, should so require, Tenant shall deliver to Landlord, from time to time, for delivery to such mortgagee:

22.2.1 An acknowledgment of the assignment of rentals and other sums due hereunder to the mortgagee and agreement to be bound thereby;

22.2.2 An agreement requiring Tenant to advise the mortgagee of damage to or destruction of the Demised Premises by fire or other casualty requiring its reconstruction and/or requiring Tenant to give the mortgagee written notice of Landlord's default hereunder and to permit the lender to cure such default within a reasonable time after such notice before exercising any remedy Tenant might possess as a result of such default; and

22.2.3 An acceptance or estoppel letter to be executed only upon the commencement of the lease term, accepting the premises as completed in accordance with the Lease specifying that all conditions to the commencement of the Lease Term have been met and that Landlord is not in default of its obligations thereunder, if such be the case, and containing such other information as is customarily contained in such acceptance or estoppel letters.

22.3 Lease in Full Force and Effect. In the event Landlord should so request, Tenant shall deliver to Landlord, from time to time, a statement in recordable form certifying that the 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), and further stating the dates to which rent and other charges payable under the Lease have been paid.

XXIII  
NOTICES

Wherever any notice, election, consent, approval, request, permission, etc. is required or permitted hereunder, such shall be made in writing and shall be deemed to be delivered when actually delivered, or whether actually received or not, when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the parties hereto at the respective addresses set forth in Subsections 1.1.1 and 1.1.2 hereof, and/ or in the case of Tenant at the Demised Premises, or at such other addresses as the parties may have thereafter designated by notice.

<p>If to Landlord:</p> <p><u>THEODORE E. BRAKATSELOS</u>  <u>312 MAIN STREET, SUITE 200</u>  <u>HOUSTON, TEXAS 77002</u></p> <p>Fax#:</p> <p>With a copy to:</p> <p>713-781-8700</p> <p>Email: <a href="mailto:ted@hsacq.com">ted@hsacq.com</a></p>	<p>If to Tenant:</p> <p><u>RHINO LPH LLC</u></p> <p><u>12053 Southwest Freeway</u>  <u>Houston, Texas 77477</u></p> <p>Fax#:</p> <p>With a copy to:</p>
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Either party may change its address as designated above by written notice to the other party. Notices, requests, or agreements to, from or with one of multiple Tenants shall be deemed to be from or with all such Tenants.

XXIV  
RIGHT OF ENTRY BY LANDLORD

Landlord shall have the right to enter upon the Demised Premises at anytime during an emergency and at all reasonable times during the Lease Term as needed, including any renewals or extensions thereof, for the purposes of accessing building storage areas, inspection, maintenance, repair and alteration and to show the same to prospective tenants or purchasers. If Tenant shall at any time during the Lease Term change the locks to any exterior doors to the Demised Premises, Landlord shall be notified in writing immediately upon such lock change and Tenant shall immediately deliver to Landlord keys to the new locks.

XXV  
REPRESENTATIONS OF TENANT

25.1 Financial Condition. Tenant represents to Landlord that, as of the date of execution of this Lease by Tenant, that the financial statements of Tenant which have been presented to Landlord prior to or simultaneously with the execution of this Lease presents fairly the financial condition of Tenant as of the dates and for the periods indicated therein. Furthermore, such financial statements are true and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements included therein not misleading. There has been no material adverse change in the financial condition or business prospects of the Tenant since the respective dates of such financial statements.

25.2 Changes in Financial Condition. Tenant covenants and agrees that in the event of a material adverse change in the financial condition of Tenant, Tenant will give immediate notice of such material adverse change in financial condition to Landlord. If Tenant fails to give such immediate notice to Landlord of a material adverse change in Tenant's financial condition, such failure to give notice shall be deemed an event of default under this Lease.



XXVI  
MISCELLANEOUS

- 26.1 Parties Bound. This agreement and all of the terms, provisions and covenants contained therein, shall apply to, be binding upon and inure to the benefit of the parties hereto, their respective heirs, assigns, successors, executors and administrators, except as otherwise herein expressly provided.
- 26.2 Joint and Several Liability. If more than one person, entity or corporation is named as Tenant in this Lease and executes the same as such, then and in such event, the liability of such persons, or entities or corporations for compliance with the performance of all of the terms, covenants and provisions of this Lease shall be joint and several. It is expressly understood that any one of the named Tenants shall be empowered to execute any modification, amendment, exhibit, floor plan, or other document herein referred to and bind all of the named Tenants thereto; and Landlord shall be entitled to rely on same to the extent as if all of the named Tenants had executed same.
- 26.3 Attorney's Fees. In the event Landlord should find it necessary to employ attorneys for the purpose of collecting any sum due hereunder then shall be entitled to recover reasonable attorney's fees which shall in no event be less than ten (10%) percent of any sum recovered as well as all costs incurred. In the event Landlord should find it necessary to employ an attorney to enforce any of its rights hereunder Landlord shall be entitled to collect and recover from Tenant all attorney's fees incurred in connection therewith along with all costs incurred.
- 26.4 Time of the Essence. Time is of the essence in this Lease.
- 26.5 Landlord and Tenant Relationship. Nothing herein contained 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 or rent, nor any other provisions contained herein, nor any of the acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than that of Landlord and Tenant.
- 26.6 Waiver of Breach. One or more waivers of any covenant, term or condition of this Lease 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. Neither the acceptance of rent nor the passage of time shall be deemed to constitute a waiver of any of Landlord's rights hereunder including but not limited to the right of Landlord to declare a default by virtue of any act or omission of Tenant hereunder.
- 26.7 Captions in Lease. The captions employed in this Lease are for convenience only and are not intended to in any way limit or amplify the terms and provisions of this Lease. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender wherever the context requires. This Lease shall not be construed against either party more or less favorably by reason of authorship or origin of language.
- 26.8 Sale or Assignment by Landlord. In the event of any sale or exchange of the Demised Premises by Landlord and assignment by Landlord of this Lease, Landlord shall be and is hereby entirely free and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Demised Premises or this Lease occurring after the consummation of such sale or exchange and assignment.
- 26.9 Entire Agreement. This Lease contains the entire agreement between the parties, and no agreement shall be effective to change, modify or terminate this Lease in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought. It is understood and agreed by Tenant that Landlord and Landlord's agents have made no representations or promises with respect to the Demised Premises or the making or entry into this Lease, except as in this Lease expressly set forth, and that no claim or liability or cause for termination shall be asserted by Tenant against Landlord for, and Landlord shall not be liable by reason of, the breach of any representations or promises not expressly stated in this Lease.
- 26.10 Texas Law to Apply. This Lease and all terms and provisions hereof shall be construed under the laws of the State of Texas and shall be performable in Harris County, Texas, and shall be enforceable by either party in a court of competent jurisdiction in the said county.
- 26.11 Legal Construction. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the Lease, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been included in the Lease.
- 26.12 Landlord's Rights and Remedies Cumulative. The rights and remedies provided by this Lease to Landlord are cumulative, and the use of any one right or remedy by Landlord shall not preclude or waive Landlord's right to use any or all other remedies. These rights and remedies are given in addition to any other rights Landlord may have by law, statute, ordinance, or otherwise.
- 26.13 Force Majeure. Notwithstanding anything else contained herein to the contrary, if a period of time is herein provided for Landlord to do or perform any act or thing, Landlord shall not be liable or responsible for, and there shall be excluded from the computation of such periods of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, national emergency, acts of the public enemy, governmental restrictions, laws or regulations or any other cause or causes, whether similar or dissimilar to those enumerated, beyond Landlord's reasonable control.
- 26.14 Limitation of Warranties. Landlord and Tenant expressly 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.
- 26.15 Laws and Regulations. Throughout the term of this Lease and any renewal term hereof, Tenant shall prevent the presence, use, generation, release, discharge, storage, disposal or transportation of any "Hazardous Materials" (as hereinafter defined) on, under, in, above, to or from the Leased Premises other than in strict compliance with all applicable federal, state and local laws, rules, regulations and orders. For purposes of this provision, the term "Hazardous Materials" shall mean and refer to any wastes, chemicals, materials or other substances of any kind or character which are or become regulated as hazardous or toxic wastes, chemicals or substances and/or which are prohibited or require notification, reporting or special handling or treatment in their presence, use, generation, release, discharge, storage, disposal or transportation under any applicable federal, state or local law, rule, regulation or order. Tenant will immediately notify Landlord of (i) any enforcement, clean up, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Regulations (defined below), (ii) any claim made or threatened by any person against Tenant, Landlord or the Leased Premises relating to damages, contribution, cost recovery compensation, loss or injury resulting from or claimed to result from any Hazardous Materials and (iii) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in

or removed from the Leased Premises, including any complaints, notices, warnings or asserted violations in connection therewith. Tenant also will supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant receives or sends the same, copies of all claims, reports, complaints, notices or warnings of asserted violations, relating in any way to the Leased Premises or Tenant's use thereof. Tenant will deliver promptly to Landlord copies of hazardous waste manifests reflecting the legal and proper disposal of Hazardous Materials from the Leased Premises. Tenant shall indemnify, defend and hold Landlord harmless from and against (i) any fines, penalties, liabilities or other sums or charges levied or imposed under any applicable federal, state or local law, rule, regulation or order, or by any governmental agency, authority or political subdivision having jurisdiction over the Leased Premises, arising in connection with the presence, use, generation, release, discharge, storage, disposal or transportation of any Hazardous Materials on, under, in, above, to or from the Leased Premises, (ii) any loss, cost, expense, claim or liability arising out of any investigation, monitoring, cleanup, containment, removal, storage or restoration work (for convenience, referred to herein as "Remedial Work") required by, or incurred by Landlord or any other person or party in a reasonable belief that such Remedial Work is required by, any applicable federal, state or local law, rule, regulation or order, or by any governmental agency, authority or political subdivision having jurisdiction over the Leased Premises, insofar as such Remedial Work pertains or relates to the presence, use, generation, release, discharge, storage, disposal or transportation of any Hazardous Materials on, under, in, above, to or from the Leased Premises and (iii) any claims of third parties for loss, injury, expense or damage arising out of the presence, use, generation, release, discharge, storage, disposal or transportation of any Hazardous Materials on, under, in, above, to or from the Leased Premises, in the event any Remedial Work is so required under any applicable federal, state or local law, rule, regulation or order, or by any governmental agency, authority or political subdivision having jurisdiction over the Leased Premises. Tenant shall promptly notify Landlord and, unless Landlord elects, in its sole and absolute discretion, to perform the Remedial Work at Tenant's expense. Tenant shall promptly perform or cause to be performed such Remedial Work in strict compliance with such law, rule, regulation or order, or in strict compliance with the requirements of such governmental agency, authority or political subdivision. In the event Tenant shall fail to commence the Remedial Work in a timely fashion, or shall fail to prosecute and diligently perform the Remedial Work to its completion, such failure shall constitute an event of default on the part of Tenant under the terms of this Lease and Landlord, in addition to any other rights or remedies afforded it hereunder or at law or in equity, may, but shall not be obligated to, cause the Remedial Work to be performed, and Tenant shall promptly reimburse Landlord for the cost and expense thereof upon demand.

Tenant acknowledges that there are in effect federal, state and local laws, rules, regulations and orders (collectively referred to in this paragraph as the "Regulations") and that additional Regulations may hereinafter be enacted or go into effect relating to or affecting the Leased Premises and/or the building or project of which the Leased Premises are a part and concerning the impact on the environment of construction, land use, maintenance and operation of structures and conduct of business. 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 said Regulations. Moreover, Tenant shall have no claim against Landlord by reason of any changes Landlord may make in the Leased Premises and/or the building or project of which the Leased Premises are a part pursuant to said Regulations or any charges imposed upon Tenant, Tenant's customers or other invitees pursuant to same. The provisions of this section shall survive the termination of this Lease.

26.16 Limitation of Warranties. Landlord and Tenant expressly 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.

26.17 Leasing Agent Commissions. Tenant represents that it has not had any dealings with any real estate broker or other person with respect to this Lease in any manner, except for Theodore E. Brnkatselos, Landlord & Houston Site Acquisitions, Inc. representing himself only.

26.18 Representations and Warranties by Landlord. Landlord warrants that Landlord is the sole owner of the land and improvements comprising the building and that Landlord has full right to enter into this Lease. Landlord's duties and warranties are limited to those expressly stated in this Lease and shall not include any implied duties or implied warranties, now or in the future. No representations or warranties have been made by Landlord other than those expressly contained in this Lease. Landlord expressly disclaims any warranty of suitability that may otherwise have arisen by operation of law. Landlord does not warrant that there are no latent defects in the facilities that are vital to the Tenant's use of the premises for their intended commercial purpose and that these essential facilities will remain in a suitable condition. Tenant expressly agrees to the property As-Is, whether suitable or not, and expressly waives the implied warranty of suitability.

26.19 Representations and Warranties by Tenant. Tenant warrants to Landlord that (1) the financial statements of Tenant heretofore furnished to Landlord are true and correct to the best of Tenant's knowledge, (2) there has been no significant adverse change in Tenant's financial condition since the date of the financial statements, (3) the financial statements fairly represent the financial condition of Tenant upon those dates and at the time of execution hereof, (4) there are no delinquent taxes due and unpaid by Tenant, and (5) Tenant and none of the officers or partners of Tenant (if Tenant is a corporation or partnership) have ever declared bankruptcy. Tenant warrants that Tenant has disclosed in writing to Landlord all lawsuits pending or threatened against Tenant, and Tenant has made no material misrepresentation or material omission of facts regarding Tenant's financial condition or business operations. All financial statements must be dated and signed by Tenant. Tenant acknowledges that Landlord has relied on the above information furnished by Tenant to Landlord and that Landlord would not have entered into this lease otherwise.

26.20 No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, will not work a merger, and, at the option of Landlord, will terminate all or any existing subleases or subtenancies or operate as an assignment to Landlord of any or all of such subleases or subtenancies.

26.21 No Light, Air or View Easement. Any diminution or shutting off of light, air or view of any structure that may be erected on lands adjacent to the Building in no way will affect this Lease or impose any liability on Landlord.

26.22 Certificate of Occupancy, Governmental Laws. It is understood and agreed that Tenant at his sole cost and expense is responsible for securing, obtaining, and all costs associated with a Certificate of Occupancy for its use of the premises in addition to meeting all governmental rules and laws as required by the city and or federal government from time to time.

26.23 Authority. Each person executing this Lease on behalf of the Tenant hereby covenants and warrants that: (i) the entity on whose behalf such person is signing is duly organized and validly existing under the laws of its state of organization; (ii) such entity has and is qualified to do business in Texas; (iii) such entity has full right and authority to enter into this Lease and to perform all of Tenant's obligations hereunder; and (iv) each person executing this Lease on behalf of Tenant is duly and validly authorized to do so.

26.24 Tax Protest Waiver. Notwithstanding anything to the contrary contained in the Lease, Tenant hereby waives all rights to protest the appraised value of the building or the project or to appeal the same. Tenant further waives all rights to receive notices of reappraisals as set forth in sections 41.413 and 42.015 of the Texas Tax Code.

XXVII.  
SPECIAL CONDITIONS

RIDER 27 A : (RIDER TO SECTION 15.1 - 15.4):

IN THE EVENT THE TENANT, ASSIGNS THE LEASE, MERGES, TRANSFERS, SUBLETS, OR SELLS THE BUSINESS TO ANOTHER ENTITY THEN, THE THEN MINIMUM BASE RENTAL BEING PAID AT SUCH TIME SHALL AUTOMATICALLY INCREASE BY \$15,000.00/MONTH OVER THE THEN CURRENT BASE RENTAL AMOUNT BEING PAID.

**RIDER 27 B: (RIDER TO SECTION 15.1 – 15.4):**

SUBJECT TO LANDLORD'S APPROVAL OF A SUBLEASE AGREEMENT WHICH REFLECTS THOSE RENT INCREASES OUTLINED IMMEDIATELY ABOVE IN RIDER 27A: (RIDER TO SECTION 15.1-15.4), IN THE EVENT THE SPACE IS SUBLEASED WITH LANDLORD'S PRIOR WRITTEN CONSENT BEING RECEIVED BY TENANT, PRIMARY TENANT, SUBTENANT, & LESSOR SHALL ENTER A SUB-LEASE AGREEMENT. THE RENT SHALL BE MADE PAYABLE DIRECTLY TO THE LANDLORD. ADDITIONALLY, IN THE EVENT THE SUBTENANT ENTERS AN AGREEMENT TO PAY MORE THAN THE MINIMUM GUARANTEED RENTAL, SUCH DIFFERENCE SHALL ALSO BE DUE TO THE OWNER IN ADDITION TO THE MINIMUM GUARANTEED RENTAL, ANY ADDITIONAL RENT, AND INCLUDING INSURANCE AND TAXES.

**RIDER 27 C. DROP DEAD DATE:**

IT IS UNDERSTOOD AND AGREED BY BOTH TENANT & LANDLORD THAT THE TENANT SHALL BEGIN PAYING LANDLORD THE RENT OUTLINED HEREIN WITHOUT DEMAND ON JULY 01, 2015 (07/01/2015), PURSUANT TO THE TERMS OF THIS LEASE AGREEMENT REGARDLESS OF WHETHER OR NOT THE CONSTRUCTION OF THE LEASED PREMISES HAS BEEN COMPLETED, HAS BEEN DELAYED, &/OR WHETHER OR NOT A CERTIFICATE OF OCCUPANCY HAS BEEN RECEIVED BY TENANT, OR FOR ANY OTHER REASON WHATSOEVER.

**RIDER 27 D. EXCLUSIVE STREET LEVEL PRIVATE ENTRANCE AREAS, STAIRWELLS, AND UTILITY AREAS:**

LANDLORD SHALL HAVE THE EXCLUSIVE USE OF THE PRIVATE STAIRWELLS LOCATED AT THE FRONT OF THE BUILDING AND ON THE MEZZANINE OF THE BUILDING CONNECTING TO THE SECOND FLOOR, SUITE 200. LANDLORD SHALL HAVE AND MAINTAIN IT'S PRIVATE EXTERIOR ENTRY DOOR FROM THE STREET WHICH IS CONNECTED TO THE EXISTING STAIRWELL ON THE FIRST FLOOR AND SHALL HAVE EXCLUSIVE USE OF THE FIRST FLOOR AND SECOND FLOOR UTILITY AREA IN ADDITION TO ALL AREAS OF THE BUILDING, AT ALL TIMES AND FOR EMERGENCY PURPOSES. ADDITIONALLY, WITH LANDLORD'S PRIOR WRITTEN APPROVAL TENANT WILL BE ALLOWED TO REDESIGNATE UTILITY ROOMS TO BE SHARED.

**RIDER 27 E. ELECTRICAL –GAS- UTILITIES-SERVICE:**

TENANT UNDERSTANDS IT WILL HAVE TO OPEN ELECTRICAL SERVICE IN IT'S NAME FOR SUITE 100. THE LEASED PREMISES AND THAT IT SHALL BE RESPONSIBLE FOR PAYING IT'S OWN ELECTRICAL AND ALL OF ITS OWN UTILITIES. IT IS UNDERSTOOD AND AGREED THAT CURRENTLY NO EXISTING GAS SERVICE IS PROVIDED TO THE DEMISED PREMISES OR TO THE BUILDING. HOWEVER, WITH LANDLORD'S PRIOR WRITTEN CONSENT TENANT SHALL HAVE THE RIGHT TO RUN GAS SERVICE TO THE BUILDING AND TO INSTALL A GAS METER IN SUITE 100, AT TENANT'S SOLE COST AND EXPENSE. IN THE EVENT TENANT ELECTS TO RUN GAS TO THE DEMISED PREMISES HE SHALL BE RESPONSIBLE FOR PAYING FOR IT'S OWN SERVICE.

**RIDER 27 F. WATER & SEWAGE SERVICE:**

~~IT IS UNDERSTOOD AND AGREED THAT THERE IS (1) ONE WATER METER SERVICING THE BUILDING. AT THIS TIME, TENANT SHALL BE RESPONSIBLE FOR THE INSTALLATION AND ALL COSTS ASSOCIATED WITH SAID INSTALLATION OF ITS OWN SEPARATE WATER METER AND FOR TRANSFERRING THE WATER AND SEWER FROM THE CITY OF HOUSTON INTO TENANT'S NAME PRIOR TO TAKING POSSESSION OF LEASED PREMISES AND AGREES TO MAINTAIN THE ACCOUNT IN GOOD STANDING. LANDLORD AGREES TO APPLY A \$60.00 MONTHLY CREDIT TO BE APPLIED AGAINST THE MONTHLY RENT DUE FROM TENANT AS HIS SHARE OF WATER & SEWAGE CONSUMPTION FOR THE PERIOD PRIOR TO THE INSTALLATION OF TENANT'S NEW METER BEING INSTALLED. IT IS UNDERSTOOD AND AGREED THAT WITH THE LANDLORD'S PRIOR WRITTEN APPROVAL THAT TENANT SHALL HAVE THE RIGHT TO INSTALL HIS OWN SEPARATE WATER METER AND SERVICE TO THE BUILDING AT TENANT'S SOLE COST AND EXPENSE. ADDITIONALLY, IN THE EVENT TENANT ELECTS TO INSTALL SAID NEW WATER METER IT SHALL NOT INTERFERE WITH THE EXISTING METER CONTINUING TO SERVE THE SECOND FLOOR OF THE BUILDING. IN THE EVENT TENANT DOES NOT PAY THE WATER BILL FOR THE BUILDING LANDLORD SHALL HAVE THE OPTION WITH OR WITHOUT NOTICE TO HAVE THE WATER SERVICE TRANSFERRED OUT OF TENANT'S NAME AND BACK INTO LANDLORD'S NAME WITH OR WITHOUT NOTICE. ADDITIONALLY, TENANT SHALL REIMBURSE LANDLORD \$10.00 PER DAY FOR SAID INCONVENIENCE.~~

**RIDER 27 G. 2<sup>nd</sup> FLOOR & ROOF LEVEL Existing & All Entry Door Advertisement USE BY LANDLORD :**

IT IS UNDERSTOOD AND AGREED THAT THE LANDLORD RESERVES ALL RIGHTS INCLUDING BUT NOT LIMITED TO LEASING AND USING THE 2<sup>nd</sup> FLOOR OF THE BUILDING IN ADDITION TO THE ROOF AREA AND ACCESS. Additionally, the Landlord shall retain the rights to use of all the existing entry door advertisement area.

**RIDER 27 H. INTERIOR BRICK & EXTERIOR FACADE OF BUILDING:**

IT IS UNDERSTOOD AND AGREED THAT TENANT SHALL NOT PAINT, REPLACE, OR DAMAGE THE BRICK WALLS ON THE INTERIOR OF THE BUILDING OR THE FAÇADE ON THE EXTERIOR OF THE BUILDING.

**RIDER 27 I. LIENS:** TENANT MAY NOT DO ANYTHING THAT WILL CAUSE THE TITLE OF THE PROPERTY OR LEASED PREMISES TO BE ENCUMBERED IN ANY WAY. IF TENANT CAUSES A LIEN TO BE FILED AGAINST THE PROPERTY OR LEASED PREMISES, THEN TENANT WILL BE IN DEFAULT, AND TENANT WILL WITHIN 3 DAYS AFTER RECEIPT OF LANDLORD'S DEMAND: (1) PAY THE LIEN AND HAVE THE LIEN RELEASED OF RECORD. TENANT WILL PROVIDE LANDLORD A COPY OF ANY RELEASE TENANT OBTAINS PURSUANT THIS PARAGRAPH. RIDER

**RIDER 27 J. PERCENTAGE RENT:** WITH REGARD TO "SECTION 5.2 PERCENTAGE RENT " IT IS UNDERSTOOD AND AGREED BY BOTH TENANT AND LANDLORD THAT TENANT SHALL NOT PAY LANDLORD PERCENTAGE RENT.

**RIDER 27 K. 2<sup>nd</sup> FLOOR ELECTRICAL & WATER UTILITIES** TENANT SHALL NOT INTERFERE, DISRUPT, OR MOVE ANY EXISTING ELECTRICAL, WATER, OR OTHER UTILITY SERVICES CURRENTLY SERVICING THE 2<sup>nd</sup> FLOOR OF THE BUILDING WITHOUT THE PRIOR WRITTEN APPROVAL OF THE LANDLORD AND TENANT AGREES TO RESTORE AND PAY ANY COSTS ASSOCIATED WITH RESTORING SAID SERVICES FOR THE SECOND FLOOR TO LANDLORD IMMEDIATELY UPON RECEIPT OF A WRITTEN INVOICE RECEIVED FROM THE LANDLORD REFLECTING SAID EXPENSES.

**RIDER 27 L. EXTERIOR WALL SIGNAGE:** PURSUANT TO TENANT INSTALLING A SIGN ON THE EXTERIOR WALL OF THE BUILDING AND ALL OF THOSE TERMS CONDITIONS SET FORTH WITHIN SECTION X. OF THIS LEASE AGREEMENT TENANT AGREES TO REPAIR ANY DAMAGE CAUSED BY THE INSTALLATION OF A SIGN ON THE EXTERIOR OF THE BUILDING AND IT SHALL BE LANDLORDS CHOICE AS TO HAVE TENANT AT HIS SOLE COST AND EXPENSE REMOVE ANY SIGN INSTALLED OR NOT UPON THE TERMINATION OF THIS CONTRACT. UPON TERMINATION OF THIS AGREEMENT THE LANDLORD WILL HAVE THE OPTION OF REQUIRING THE TENANT TO REMOVE SAID SIGN AND REPAIRING ANY DAMAGED CAUSED BY SAID SIGN INCLUDING BUT NOT LIMITED TO PAINTING THE EXTERIOR OF THE BUILDING IN A COLOR TO BE DETERMINED BY THE LANDLORD. PURSUANT TO EXHIBIT "G" IT IS UNDERSTOOD AND AGREED BY BOTH THE LANDLORD AND TENANT THAT ANY SIGNAGE INSTALLED BY TENANT SHALL NOT BE LOCATED ON, OVER, OR SHALL IN ANYWAY OBSTRUCT THE VIEW OF THE EXISTING WINDOW LOCATED ON THE LEVEL OF THE SECOND FLOOR. ADDITIONALLY, TENANT AGREES NOT TO INSTALL ANYTHING OTHER THAN A PANEL SIGN UPON THE EXTERIOR OF THE BUILDING AND IT SHALL BE INSTALLED ON THE EXERIOR OF THE BUILDING LOCATED ABOVE THE EXISTING BAND SEPARARATING THE SECOND FLOOR SIGNAGE AREA FROM THE FIRST FLOOR STRORE FRONT SIGNAGE AREA. (THE EXISTING BAND TRAVELS THE WIDTH OF THE BUILDING IS LOCATED ABOVE THE STOREFRONT WINDOWS OF THE FIRST FLOOR AND BELOW THE EXISTING WINDOW OF THE SECOND FLOOR AND IS FURTHER REFLECTED IN EXHIBIT "G.")

**RIDER 27 M. DEMISED PREMISES. USE. 30 DAY NOTICE OF TERMINATION** IN ADDITION TO THOSE TERMS AND CONDITIONS OUTLINED WITHIN THIS LEASE IN SECTIONS 1.1.5 , SECTION 1.1.6 AND 1.1.8 REGARDING THE DEMISED PREMSISES AND USE IT IS UNDERSTOOD AND AGREED THAT THE TENANT SHALL HAVE THE RIGHT TO USE THE DEMISED PREMISES ONLY BETWEEN THE HOURS OF 10AM -11AM NOT TO EXCEED 1X PER MONTH AND BY PROVIDING LANDLORD WITH NOTICE OF ITS INTENT TO USE ITS DESIGNATED PORTION OF THE PREMISES AS MAY BE ESTABLISHED BY THE LANDLORD FROM HIS SUBSEQUENTLY RELOCATING THE TENANT FROM TIME TO TIME. IT IS FURTHER UNDERSTOOD AND AGREED THAT IN THE EVENT TENANT WOULD LIKE TO USE THE PORTION OF THE LEASED PREMISES THAT IT WILL FIRST PROVIDE LANDLORD WITH 30 DAYS WRITTEN NOTICE OF ITS INTENT TO UTILIZE THE PREMISES AND IN THE EVENT IT IS NOT ALLOWED ACCESS ON THE DATE OR DATES REQUESTED THAT IT SHALL NOT BE CONSIDERED ANY ACT OF DEFAULT BY THE LANDLORD AND THAT LANDLORD SHALL INCURR NO LIABILITY FROM NOT ALLOWING SAID ACCESS . TENANT ALSO AGREES THAT IT SHALL HAVE NO CLAIM AGAINST THE LANDLORD RESULTING FROM NOT BEING ALLOWED ACCESS AND OR ANY TERMINATION OF THE LEASE AGREEMENT. LANDLORD RESERVES THE RIGHT TO TERMINATE THIS LEASE FOR ANY REASON WHATSOEVER BY PROVIDING TENANT WITH 30 DAYS PRIOR WRITTEN NOTICE.

XXVIII  
EXHIBITS

The following exhibits are attached hereto and incorporated herein and made a part of this Lease for all purposes:  
Rules and Regulations  
Exhibit "A" - Floor Plan  
Exhibit "B" - Legal Description  
Exhibit "C" - Acknowledgement of Non-Applicability Of DTPA  
Exhibit "D" - Americans With Disabilities Act & Texas Architectural Barriers Act  
Exhibit "E" - Tenant Construction Standards 312 Main Street  
Exhibit "F" - Minimum Insurance Requirements (Tenant)  
Exhibit "G" - EXHIBIT "G" DESIGNATED SIGN AREA

EXECUTED on the date first set forth herein.

LANDLORD:  
THEODORE E. BRAKATSELOS

Date: \_\_\_\_\_

By: \_\_\_\_\_  
THEODORE E. BRAKATSELOS

Title: LANDLORD

TENANT:  
RHINO LPH, LLC

Date: \_\_\_\_\_

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

PRINT NAME: \_\_\_\_\_

STATE/DRIVER'S LICENSE #: \_\_\_\_\_  
/

Title: \_\_\_\_\_

TENANT:

Date: \_\_\_\_\_

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

PRINT NAME: \_\_\_\_\_

STATE/DRIVER'S LICENSE #: \_\_\_\_\_  
/

Title: \_\_\_\_\_

EACH SIGNATORY REPRESENTS AND WARRANTS THAT THEY HAVE THE AUTHORITY OF THE REPRESENTED PARTY TO EXECUTE THE LEASE OF THE PARTY/ ENTITY WITH RESPECT TO THIS LEASE AGREEMENT. LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES. THE PARTIES ARE URGED TO: 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL CONSEQUENCES OF THIS LEASE. 2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY OF THE BUILDING, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

CORPORATE ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )
COUNTY OF \_\_\_\_\_ )

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_, whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of said \_\_\_\_\_, a TEXAS \_\_\_\_\_, a company and that he/she executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, 2015

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

INDIVIDUAL ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )
COUNTY OF \_\_\_\_\_ )

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

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

EXECUTED on the date first set forth herein.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )
COUNTY OF \_\_\_\_\_ )

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

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

EXECUTED on the date first set forth herein.

EACH SIGNATORY REPRESENTS AND WARRANTS THAT THEY HAVE THE AUTHORITY OF THE REPRESENTED PARTY TO EXECUTE THE LEASE OF THE PARTY/ ENTITY WITH RESPECT TO THIS LEASE AGREEMENT. LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES. THE PARTIES ARE URGED TO: 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL CONSEQUENCES OF THIS LEASE. 2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY OF THE BUILDING, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE

## PREMISES FOR LESSEE'S INTENDED USE.

### BUILDING RULES AND AGREED REGULATIONS

1. Landlord will initially provide one (1) key of leased space at no cost to Tenant. Tenant agrees to make deposit, in an amount fixed by Landlord from time to time, for each additional key, or card key access, if applicable, issued by Landlord to Tenant for its suite, and upon termination of the Lease contract, to return all keys to Landlord. Landlord will refund amount deposited on each key returned.
2. Tenant will refer all contractors, contractor's representatives and installation technicians rendering any service to Tenant to Landlord for Landlord's supervision, approval and control before performance of any contractual service. This provision shall apply to all work performed in the building, including installations of telephones, telegraph equipment, electrical devices and attachments, and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment, or any other physical portion of the building.
3. Movement in or out of the building of furniture or office equipment, or dispatch or receipt by Tenant of any merchandise or materials which requires use of elevators or stairways, or movement through building entrances or the lobby shall be restricted to hours designated by Landlord. All such movement shall be under supervision of Landlord and in the manner agreed between Tenant and Landlord by prearrangement before performance. Such prearrangement initiated by Tenant will be subject to Landlord's decision and control as to time, method, 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 building. Tenant is to assume all risk as to damage to articles moved and injury to persons or public engaged or not engaged in such movement, including equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for Tenant from time of entering property to completion of work; and Landlord shall not be liable for acts of any person engaged in, or any damage or loss of any of said property or persons resulting from, any act in connection with such service performed for Tenant.
4. No signs will be allowed in any form on the exterior of the building or on windows inside or outside of the building, except as Landlord may permit in its sole discretion. All signs will be contracted for by Landlord for Tenant at the rate fixed by Landlord from time to time, and Tenant will be billed and pay for such service accordingly.
5. No portion of Tenant's area or any other part of building shall at any time be used or occupied as sleeping or lodging quarters.
6. Tenant shall not place, install or operate on the Leased Premises, or in any part of the building, any engine, stove or machinery or conduct mechanical operations or cook thereon or therein, or place or use in or about the Leased Premises any explosives, gasoline, kerosene, oil, acids, caustics or any other flammable, explosive or hazardous material without the prior written consent of Landlord. Tenant is responsible for the cost and installation of any fire extinguishers required by the fire marshal.
7. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from Tenant's area or from public rooms, regardless of whether such loss occurs when area is locked against entry or not.
8. No birds or animals shall be brought into or kept in or about the building.
9. Employees of Landlord shall not receive or carry messages for or to Tenant or other person, nor contract with or render free or paid services to Tenant or Tenant's agents, employees, or invitees.
10. Landlord will not permit entrance to Tenant's offices by use of pass keys controlled by Landlord to any person at any time without written permission by Tenant, except employees, contractors, or service personnel directly supervised by Landlord. Lessee may not add locks, change locks, or rekey locks without written permission of Landlord. Locks may be changed at Tenants request and expense. If locks to the retail space are changed, Landlord may specify kind and brand of locks, placement, installation, master key compability, etc.
11. None of the entries, passages, doors, elevators, elevator doors, 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 areas be used at any time.
12. Landlord desires to maintain the highest standards of environmental comfort and convenience for the tenantry. It will be appreciated if any undesirable conditions or lack of courtesy or attention are reported directly to the management.
13. Tenant shall permit Landlord six (6) months prior to the termination of this Lease to show Demised Premises during business or nonbusiness hours to prospective Tenants and the advertised Demised Premises for rent; however, Landlord shall not unreasonably disturb Tenant's business.
14. Tenant shall notify Landlord in writing sixty (60) days prior to Lease termination of Tenants intention to vacate the premises.
15. The parties of this Lease Agreement do hereby acknowledge that this is A Clean Air Facility, and specifically that no smoking is permitted within the building itself and no closer than fifteen feet (15') from an exit or entrance of the building. Any violation of this A No Smoking policy will be considered an action of default under the terms of the Lease Agreement.
16. Landlord shall have access to all areas of the building from time to time including but not limited to storage and utility closets located on the 1<sup>st</sup> floor and mezzanine areas of the building.

EXHIBIT "A"  
FLOOR PLAN

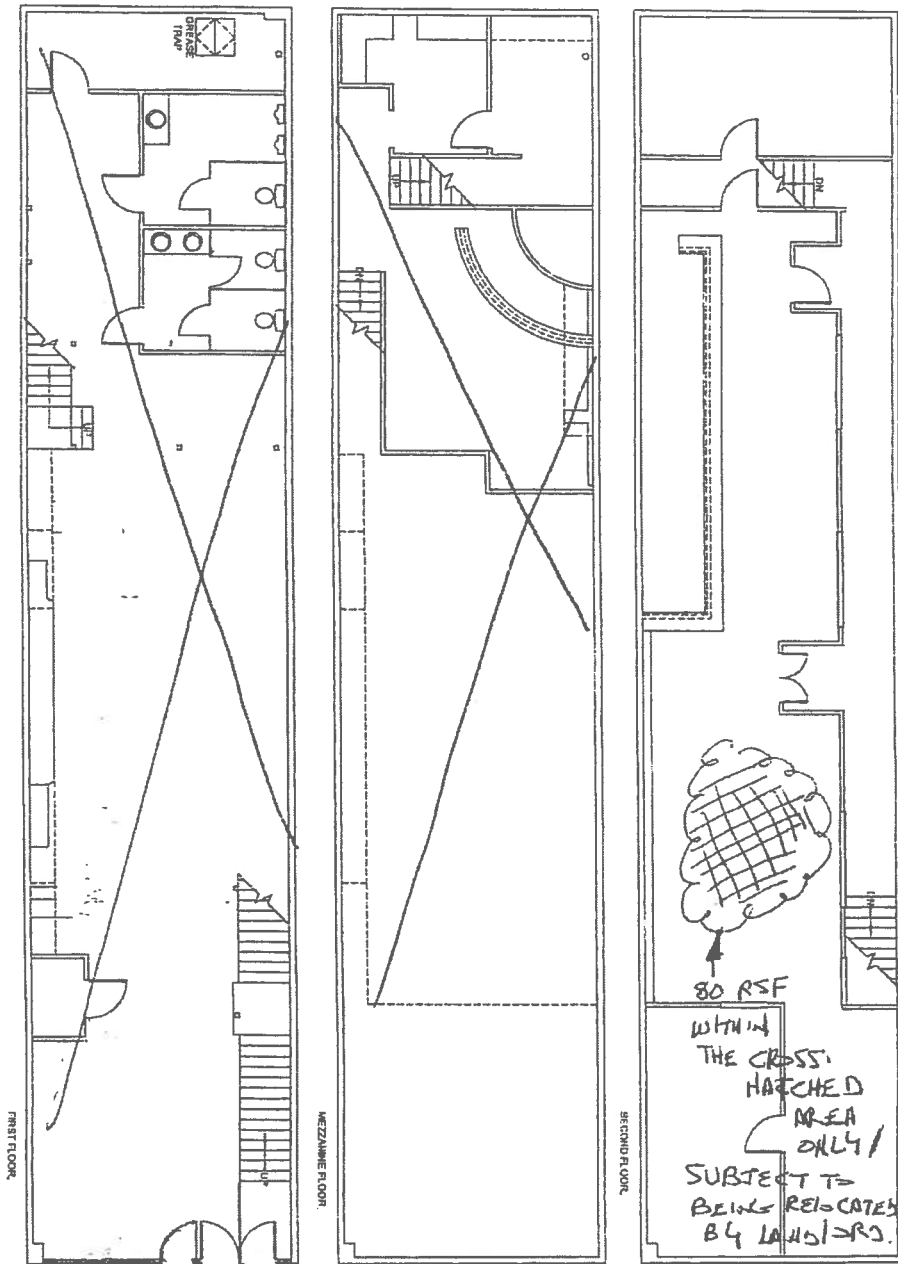
312 MAIN STREET, SUITE 200

The Leased Premises consist of an apx. 80 RSF portion of the CROSS-HATCHED AREA SHOWN ON THE SECOND FLOOR Suite 200 the office of Theodore Brakatselos, Landlord and the exact location of the 80 RSF is subject to change at anytime and Tenant maybe relocated by the Landlord to any area of the 312 Main Street building consisting of 80 RSF.

**312 MAIN STREET**  
**HOUSTON SITE ACQUISITIONS**  
TENANT REPRESENTATION • LEASING • BROKERAGE

For Leasing Information:  
Tel: 713 789 8700  
WWW.HSACQ.COM

CDI DOUGLASS • PYE  
COMPUTER DOCUMENTATION  
APRIL 26, 2006



2ND FLOOR



**EXHIBIT "B"**  
**LEGAL DESCRIPTION**

SITUATED IN HOUSTON, TEXAS, HARRIS COUNTY:  
THE NORTH 12 FEET BY 100 FEET OF LOT TWO (2), AND THE ADJOINING SOUTH 9-1/2 FEET BY 100 FEET OF LOT THREE (3), IN BLOCK THIRTY-THREE (33), S.S.B., IN THE CITY OF HOUSTON, HARRIS COUNTY, TEXAS, ACCORDING TO THE GENERALLY RECOGNIZED MAP OR PLAT THEREOF, KNOWN AS 312 MAIN STREET.

EXHIBIT "C"

ACKNOWLEDGMENT OF NON-APPLICABILITY OF DTPA:

IT IS THE UNDERSTANDING AND INTENTION OF THE PARTIES THAT TENANT'S RIGHTS AND REMEDIES WITH RESPECT TO THE TRANSACTIONS PROVIDED FOR AND CONTEMPLATED IN THIS LEASE AGREEMENT (COLLECTIVELY, THIS "TRANSACTION" AND WITH RESPECT TO ALL ACTS FOR PRACTICES OF LANDLORD, PAST, PRESENT, OR FUTURE, IN CONNECTION WITH THIS TRANSACTION, ARE AND SHALL BE GOVERNED BY LEGAL PRINCIPLES OTHER THAN THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT (THE "DTPA"). ACCORDINGLY, TENANT HEREBY (a) AGREES THAT UNDER SECTION 17.49(f) OF THE DTPA THIS TRANSACTION IS NOT GOVERNED BY THE DTPA AND (b) CERTIFIES, REPRESENTS AND WARRANTS TO LANDLORD THAT (i) TENANT HAS BEEN REPRESENTED BY LEGAL COUNSEL IN CONNECTION WITH THIS TRANSACTION WHO HAS NOT BEEN DIRECTLY OR INDIRECTLY IDENTIFIED, SUGGESTED OR SELECTED BY THE LANDLORD AND TENANT HAS CONFERRED WITH TENANT'S COUNSEL CONCERNING ALL ELEMENTS OF THIS LEASE AGREEMENT (INCLUDING, WITHOUT LIMITATION, THE SPECIAL CONDITIONS/ SECTION 27. ) AND THIS TRANSACTION AND (ii) THE LEASED PREMISES WILL NOT BE OCCUPIED BY TENANT AS TENANT'S FAMILY RESIDENCE. TENANT EXPRESSLY RECOGNIZES THAT THE TOTAL CONSIDERATION AS AGREED TO BY LANDLORD HAS BEEN PREDICATED UPON THE INAPPLICABILITY OF THE DTPA TO THIS TRANSACTION AND THAT THE LANDLORD, IN DETERMINING TO PROCEED WITH ENTERING INTO OF THIS LEASE AGREEMENT, HAS EXPRESSLY RELIED ON THE INAPPLICABILITY OF THE DTPA TO THIS TRANSACTION.

EXHIBIT "D"

AMERICANS WITH DISABILITIES ACT  
AND TEXAS ARCHITECTURAL BARRIERS ACT

Subject to any changes in either Act, Tenant agrees to comply with all requirements of the Americans With Disabilities Act of 1990 (Public Law 101-336 (July 26, 1990)) ("ADA") and the Texas Architectural Barriers Act ( Article 9102, Tex. Rev. Civ. St. (1990)) ("TABAA") applicable to the Premises and the property to accommodate its employees, invitees, and customers. Tenant acknowledges that it shall be wholly responsible for any accommodations or alterations which need to be made to the Premises. No provision in this Lease should be construed in any manner as permitting, consenting to or authorizing Tenant to violate requirements under either such Act and any provision to the Lease which could arguably be construed as authorizing a violation of either Act shall be interpreted in a manner which permits compliance with such Act and is hereby amended to permit such compliance.

EXHIBIT "E"

TENANT CONSTRUCTION STANDARDS  
312 MAIN STREET

TENANT SPACE DRAWINGS AND SPECIFICATION REQUIREMENTS

Tenant agrees that it's architect shall prepare drawings and specifications prepared by a licensed Architect and shall bear his registration seal, number, and signature. All documents must be reviewed and approved by Landlord and his Architect prior to the start of construction. The cost of this review is at the Tenant's expense. The Tenant is required, upon completion of the construction, to provide the Landlord with a marked up blue line complete set of prints showing the conditions as built and a reproducible mylar complete set of drawings with changes in ink with a copy of the building permit and certificate of occupancy.

BUILDING CODES AND STANDARDS

All plans, specifications and construction for the Tenant's space must conform to the following codes and standards and any other applicable codes, standards, ordinances, and regulations. In the event that the City of Houston has no applicable building codes, their approval of the plans shall not be needed.

1. Uniform Building Code
2. National Electrical Code
3. City of Houston, Electrical Utility Department
4. Uniform Mechanical Code
5. City of Houston Health Department
6. Department of Labor - Occupational Safety and Health Standards
7. Consumer Product Safety Commission
8. State of Texas Architectural Barriers Requirements
9. Fire Marshall Requirements
10. Uniform Plumbing Code.
11. Harris County Historical Commission.

BONDS

Tenant's contractor shall provide Landlord prior to the start of construction with a copy of the performance and payment bond in the amount of the construction contract hereby required of Tenant by Landlord in a form and written by a company reasonably satisfactory to Landlord

CONSTRUCTION ACCESS

Tenant shall use only the area immediately in front of his lease space for construction access. Adjoining spaces shall not be used for any purpose. Tenant shall be responsible for the repair of any damages done to the building by Tenant's construction of its own lease space.

TEMPORARY UTILITIES

Tenant and/or his contractors and/or subcontractors are responsible for temporary toilets and temporary utilities for their work, including payment of all utility charges. All arrangements shall be made with City of Houston, Entex Gas, and Southwestern Bell as applicable.

CONSTRUCTION TRASH

Trash, surplus construction materials, boxes, crates, debris, etc., from the Tenant's construction shall be removed daily from the premises and hauled off the project site. Trash left on the project will be hauled off at the Tenant's expense.

TENANT SEPARATION

Walls which abut another Tenant's space must be a minimum 1 hour rated extending from floor to the roof deck with insulation. In the case where the space is vacant adjacent to Tenant's demising wall(s), such a wall shall be constructed of 2 1/2" metal studs spaced at 16" o.c. with minimum 1 layer of 5/8" thick type X gypsum wallboard on the Tenant's side with staggered 2' joints. All penetrations to the demising wall(s) shall be treated to maintain the minimum 1 hour rating. However, the local building code shall dictate whether the demising wall(s) shall be 1 or 2 hour rated and this shall be the responsibility of the Tenant.

TELEPHONE

It is each tenant's responsibility to procure the telephone service to his lease area. If any telephone equipment or equipment room is required by the Tenant, then it must be located within his lease space. Tenant shall be responsible for routing their telephone service through the raceway system provided by Landlord in the shell building.

HVAC

Space above ceilings may not be used as a return air plenum. All return air shall be ducted from the conditioned space. The Landlord has the right to approve or disapprove the HVAC design, and Tenant shall select the HVAC equipment from Landlord's standards. Location of roof top units shall be on pads as provided in the shell building with the location approved by the Landlord. Tenant shall indicate the actual weights and dimensions on their working drawings for review and approval by the Landlord of roof mounted equipment. Condensate lines shall drain into each Tenant's sewer.

ROOF PENETRATIONS

All roof penetrations, equipment supports, pitch pans, flashing, curbing, and roofing repairs shall be as approved by Landlord and performed by Landlord's subcontractors at Tenant's expense. All roof penetrations shall occur within the boundaries of the lease space.

PAINTED OR ROOF MOUNTED EQUIPMENT

All roof mounted equipment shall be painted with paint and the approved color as selected by the Landlord at Tenant's expense.

ELECTRICITY

Each Tenant shall furnish and install his meter at the appropriate meter wire way or within the space as approved by Landlord. Empty conduit is provided from the meter to the Tenant's lease space and shall be used to provide electrical service to the lease space. If the wattage density exceeds that provided in the shell for Tenant's lease space, the Tenant will pay the additional cost for larger service to be installed by Landlord. Total power requirements shall be tabulated on the Tenant's working drawings submitted for approval.

STRUCTURAL/FLOOR SLAB WORK

Tenant shall furnish and install any floor slab concrete work according to specifications provided by Landlord. Verify appropriate sea level elevation with Landlord.

INSURANCE

Tenant's contractor shall purchase and maintain insurance as outlined below during the period of construction of the improvements to the Leased Premises. Certificates of Insurance acceptable to the Landlord shall be filed with the Landlord prior to commencement of the work.

Contractor's Liability Insurance shall be furnished with the following minimum limits:

MINIMUM INSURANCE REQUIREMENTS

NOTE:

ALL INSURANCE POLICIES ARE REQUIRED TO LIST THEODORE BRAKATSELOS -AND- HOUSTON SITE ACQUISITIONS, INC. AS ADDITIONAL INSURED.

Workers' Compensation:

The following applies to all contractors/vendors of Theodore Brakatselos. Contractor agrees to comply with Workers' Compensation laws of the state of Texas and to maintain a Workers' Compensation and Employers Liability policy. This policy shall be endorsed to provide Voluntary Compensation and Occupational Disease.

Workers' Compensation: Statutory

Employers Liability:

Bodily Injury by Accident	\$ 500,000	Each Accident
Bodily Injury by Disease	\$ 500,000	Each Employee
Bodily Injury by Disease	\$ 500,000	Policy Limit

General Liability:

All suppliers, vendors and subcontractors shall maintain General Liability insurance, endorsed to provide coverage for explosion, collapse and underground damage to property of others; Contractual Liability; and Products and Completed Operations coverage.

Bodily Injury and Property Damage \$1,000,000 Combined Single Limit

Automobile Liability:

Automobile Liability insurance which shall include coverage for all owned, non-owned and hired vehicles.

Bodily Injury and Property Damage \$1,000,000 Combined Single Limit Each Accident

Umbrella Liability:

Bodily Injury and Property Damage \$1,000,000 Combined Single Limit

Additional Requirements:

Contractor shall submit to Theodore Brakatselos at the time Contractor executes this Contract or purchase order, a Certificate of Insurance evidencing that satisfactory coverage of the type and limits set forth herein above are in effect. Policies providing such coverage shall contain provisions that no cancellation or material change in the policies shall become effective except upon thirty (30) days advance written notice thereof to Theodore Brakatselos.

Contractor agrees to require any policies of insurance, except the Workers' Compensation policy, to include Theodore Brakatselos as Additional Insured.

Contractor agrees to require that all policies of insurance to include clauses providing that each shall waive its rights of recovery, under subrogation or otherwise, against Theodore Brakatselos, its parent and affiliated companies and their directors, officers, employees and agents.

EMPLOYERS LIABILITY:	\$100,000.00
COMPREHENSIVE GENERAL LIABILITY:	\$2,000,000.00 Aggregate
INDEPENDENT CONTRACTORS:	(Same as limits above)
CONTRACTUAL LIABILITY:	(Same as limits above)

Tenant's contractor shall also furnish Property Insurance upon the entire work in the Leased Premises to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include "all risk" insurance for physical loss or damage including, without duplication, theft, vandalism, malicious mischief, collapse and water damage.

Tenant's contractor shall either (i) require his subcontractors to procure and to maintain during the life of his subcontract the above coverages in the same amounts as specified or (ii) insure the activity of his subcontractors in his own policies.

#### EXHIBIT "F"

#### TENANT'S MINIMUM INSURANCE REQUIREMENTS

##### NOTE:

ALL INSURANCE POLICIES ARE REQUIRED TO LIST THEODORE BRAKATSELOS -AND- HOUSTON SITE ACQUISITIONS, INC. AS ADDITIONAL INSURED.

##### Workers' Compensation:

The following applies to all tenants of Theodore Brakatselos. Tenant agrees to comply with Workers' Compensation laws of the state of Texas and to maintain a Workers' Compensation and Employers Liability policy. This policy shall be endorsed to provide Voluntary Compensation and Occupational Disease.

Workers' Compensation; Statutory

Employers Liability:

Bodily Injury by Accident	\$ 500,000	Each Accident
Bodily Injury by Disease	\$ 500,000	Each Employee
Bodily Injury by Disease	\$ 500,000	Policy Limit

##### General Liability:

Tenant shall maintain General Liability insurance, endorsed to provide coverage for explosion, collapse and underground damage to property of others; Contractual Liability; and Products and Completed Operations coverage. Liquor Liability of \$1,000,000.00 limit must be included. Policy must include an additional insured endorsement in favor of Theodore Brakatselos -AND- Houston Site Acquisitions, Inc. and coverage must be written to be primary and non-contributory to other insurance.

Bodily Injury and Property Damage \$1,000,000 Combined Single Limit

##### Automobile Liability:

Automobile Liability insurance which shall include coverage for all owned, non-owned and hired vehicles.

Bodily Injury and Property Damage \$1,000,000 Combined Single Limit Each Accident

##### Umbrella Liability:

Bodily Injury and Property Damage \$1,000,000 Combined Single Limit

##### Additional Requirements:

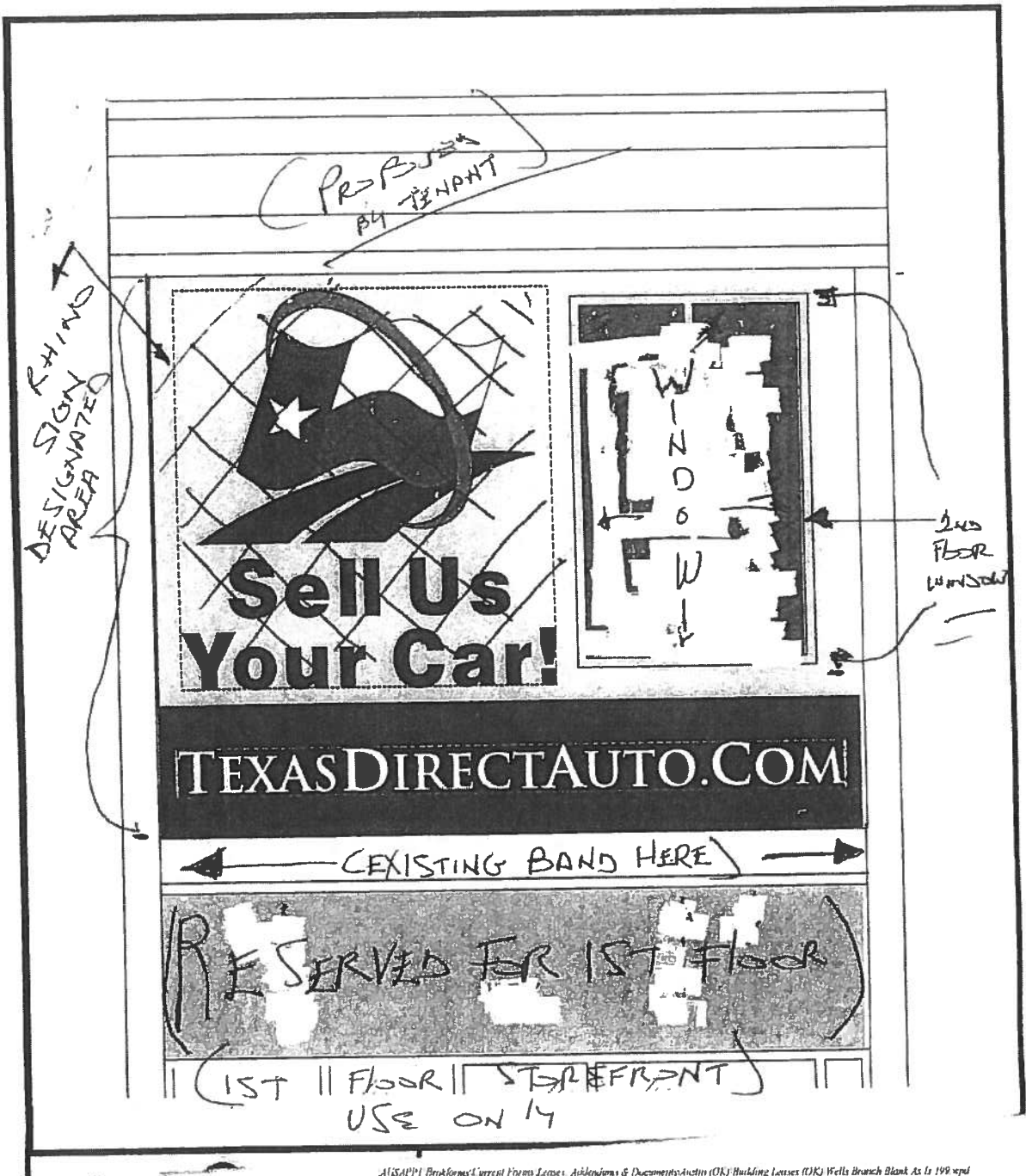
Tenant shall submit to Theodore Brakatselos -AND- Houston Site Acquisitions, Inc. at the time Tenant executes this Lease, a Certificate of Insurance, evidencing that satisfactory coverage of the type and limits set forth herein above are in effect. Policies providing such coverage shall contain provisions that no cancellation or material change in the policies shall become effective except upon thirty (30) days advance written notice thereof to Theodore Brakatselos.

Tenant agrees to require any policies of insurance, except the Workers' Compensation policy, to include Theodore Brakatselos -AND- Houston Site Acquisitions, Inc. as Additional Insured.

Tenant agrees to require that all policies of insurance to include clauses providing that each shall waive its rights of recovery, under subrogation or otherwise, against Theodore Brakatselos -AND- Houston Site Acquisitions, Inc., its parent and affiliated companies and their directors, officers, employees and agents.

EXHIBIT "G"

DESIGNATED SIGN AREA. PLEASE NOTE THAT SAID SIGN AREA DEDICATED FOR TENANT'S USE DOES NOT INCLUDE THE WINDOW AREA AND IN NO EVENT SHALL ANY SIGN COVER, OBSTRUCT THE VIEW OR BE LOCATED IN FRONT OF THE EXISTING WINDOW LOCATED ON THE 2<sup>ND</sup> FLOOR. SUBJECT TO PRIOR WRITTEN APPROVAL BY LANDLORD TENANT SHALL BE ALLOWED TO INSTALL A DECAL IN THE WINDOW WHICH DOES NOT BLOCK THE VIEW FROM THE WINDOW AND LANDLORD EXCLUSIVELY RESERVES THE RIGHT TO APPROVE IT OR NOT AND IT IS SUBJECT TO MEETING ALL AND ANY SIGNAGE CRITERIA HEREIN REFERENCED. SAID DECAL SHALL NOT BLOCK THE VIEW FROM THE WINDOW OR ANY SUBSEQUENT ACCESS TO OR THROUGH SAID WINDOW AS NEEDED BY LANDLORD. IT IS UNDERSTOOD THAT LANDLORD IS DESIGNATING THIS AREA FOR THE TENANT'S USE AND THAT HE HAS NO RESPONSIBILITY TO GUARANTEE ANY TENANTS SIGN TO BE INSTALLED, AND THAT TENANT SHALL RELY ON HIS SIGN COMPANY AND THOSE SIGN CRITERIA PROFESSIONALS THAT HE DESIGNATES AND RELEASES LANDLORD FROM ANY AND ALL RESPONSIBILITY ASSOCIATED WITH SIGN. TENANT ALSO AGREES TO IMMEDIATELY PAY ANY FINES IMPOSED BY THE CITY ASSOCIATED WITH IT INSTALLING ANY SIGN OR ADVERTISEMENT IN THE DESIGNATED AREA PROVIDED BY THE LANDLORD ABOVE THE BAND TRAVELLING THE WIDTH OF THE BUILDING AND LOCATED IN BETWEEN THE EXISTING 2<sup>ND</sup> FLOOR WINDOW AND THE EXISTING FIRST FLOOR STOREFRONT WINDOWS. (DESIGNATED SIGN AREA.)



21'-4"

2

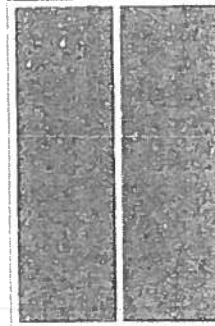
8'-3"

11'-3"

A



18" **SELL US  
YOUR CAR!**



B

37'

15"

TEXAS DIRECT AUTO.COM

RECOMMENDED BY HISTORIC PRESERVATION OFFICE  
PLANNING AND DEVELOPMENT  
DATE: 8/31/15  
BY: [Signature]

19'

WALL 37' X 21.33' - 789 SQ FT  
X .25 = 197.25 ALLOWABLE

SIGN A 8'-3" x 11'-3" = 92.8 SQ FT  
SIGN B 1.25' X 19' = 23.75 SQ FT  
116.55 SQ FT



**COASTSIGNS.COM**  
P 281.499.9721 F 281.595.2052  
16811 FM 521, PO Box 546, Rosharon, TX 77583  
www.coastsigns.com / info@coastsigns.com  
**COAST GRAPHICS & SIGNS, INC.**

**312 MAIN ST**

SCALE: 3/16" = 1'

APPROVED BY:

DATE: 8/31/15

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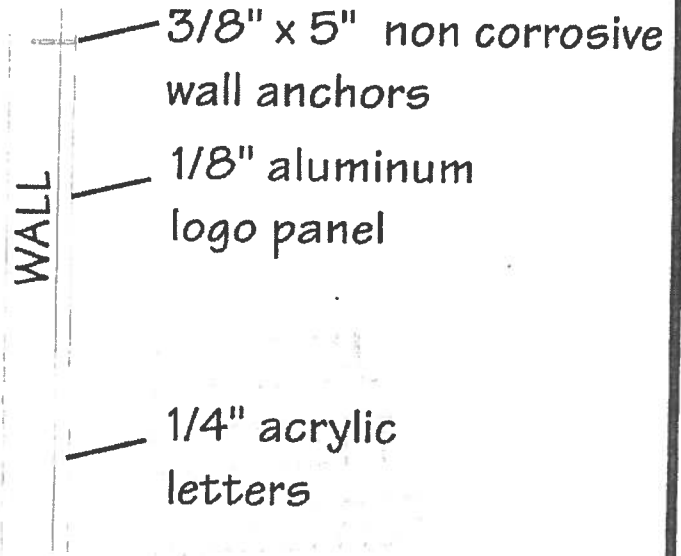




Anchors positioned aprox. every 24" around perimeter

**SELL US YOUR CAR!**

2 anchors per letter



section view

*Matthew J*



**COASTSIGNS.COM**

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16811 FM 521, PO Box 546, Rosharon, TX 77583  
www.coastsigns.com / info@coastsigns.com  
COAST GRAPHICS & SIGNS, INC.

**312 MAIN ST**

SCALE: 3/8" = 1'

DATE: 6/30/15

APPROVED BY:

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## AMENDMENT TO STANDARD BUILDING LEASE AGREEMENT


Pursuant to the express terms and conditions of the Lease Agreement dated September 3, 2015 between *Landlord: Theodore E. Brakatselos* and *Tenant: Rhino LPH, LLC* (hereinafter referred to as "The Lease Agreement"), this Amendment to the Lease Agreement will document the terms of the assignment of the agreement and other modifications, and upon completion shall constitute an assignment and amendment of the Lease Agreement.

1. Assignment and Consent: As of the assignment date (defined below), Landlord agrees to transfer and assign to Assignee and Assignee agrees to assume all of the Assignor's rights, liabilities, benefits, and obligations with respect to the lease agreement arising on and after the assignment date ("The Assignment"). As of the assignment date, Assignee accepts assignment of the Lease Agreement effective on and after the assignment date, and Landlord consents to such assignment and agrees to look to Assignee for performance of the agreement on and after the assignment date. Provided, however, nothing herein shall be meant to release assignor of its liabilities, performance obligations, or duties pursuant to the agreement for services rendered prior to the assignment date.
  
2. Amendment: As of the assignment date, the Lease Agreement shall be amended as follows:
  - a. All references to Rhino LPH, LLC in any capacity are deleted in their entirety and replaced with Assignee Left Gate Property Holding, LLC d/b/a Texas Direct Auto, a Texas Limited Liability Company ("Assignee").
  - b. The contact information in this Lease Agreement entitled "Notices" is deleted and replaced with the contact information provided in the signature block of this agreement.
  - c. Under Section 1.1.11 of the Lease Agreement, the parties agree and it is acknowledged that the one (1) month prepaid rent was never collected by Landlord, and Landlord is waiving the right to collect that payment from Assignee.
  - d. Under Rider 27C of the Lease Agreement, the date is changed to September 3, 2015.
  - e. Under Rider 27E of the Lease Agreement, entitled "Electrical-Gas-Utilities-Service", that section is deleted in its entirety.
  - f. Under Rider 27A of the Lease Agreement, entitled "Rider to Section 15.1-15.4", the reference to \$15,000.00 increase in monthly rent in the event Tenant assigns the lease, merges, transfers, sublets, or sells the business to another entity, shall be modified whereby the \$15,000.00 shall now be \$1,500.00.
  
3. Theodore E. Brakatselos as Lessor hereby consents to said assignment and further warrants that as of the date of the Assignment herein, Rhino LPH, LLC is not in default and is fully performing under the above referenced Lease Agreement. Likewise, Rhino LPH, LLC warrants that Theodore E. Brakatselos as the Landlord is fully performing and is not in default in the Lease Agreement referenced above.

4. **Confidentiality:** Tenant agrees to keep all of the terms and conditions of the Lease Agreement and in this Amendment agreement strictly confidential, and shall not disclose any of the terms or conditions of the agreements between the parties to anyone other than financial advisors and/or taxing authorities.
5. Attached as Exhibit A to the assignment agreement is a personal financial statement. The Landlord requests the Tenant fill out the financial statement on behalf of Tenant.

Except as expressly amended hereby, the Lease Agreement shall remain in full force and effect according to its terms. This assignment agreement shall not become effective until the latest date this document is executed by Landlord and Tenant/Assignor and Assignee (the "Assignment date").

**LANDLORD,**

  
 Theodore E. Brakatselos  
 312 Main Street, Suite 200  
 Houston, Texas 77002

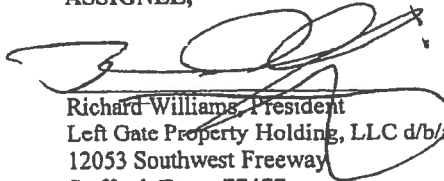
11/09/15  
 Date

**TENANT/ASSIGNOR,**

  
 Rhino LPH, LLC

11-4-2015  
 Date

**ASSIGNEE,**

  
 Richard Williams, President  
 Left Gate Property Holding, LLC d/b/a Texas Direct Auto  
 12053 Southwest Freeway  
 Stafford, Texas 77477

11-4-2015  
 Date

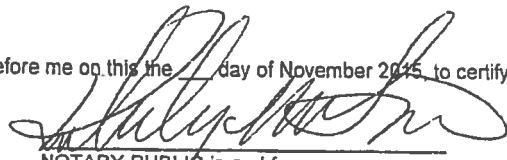
STATE OF TEXAS §  
 COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Richard Williams known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.



SUBSCRIBED AND SWORN TO before me on this the \_\_\_\_\_ day of November 2015, to certify which,  
witness my hand and seal of office.



  
NOTARY PUBLIC in and for  
the State of Texas  
My commission expires: May 12, 2017





# PERSONAL FINANCIAL STATEMENT

Return completed form to: **THEODORE BRAKATSELOS, Broker/Owner**  
312 Main Street, Houston, Texas 77002

Name Richard Williams Name \_\_\_\_\_  
 SS# \_\_\_\_\_ DOB \_\_\_\_/\_\_\_\_/\_\_\_\_ DL# \_\_\_\_\_ SS# \_\_\_\_\_ DOB \_\_\_\_/\_\_\_\_/\_\_\_\_ DL# \_\_\_\_\_  
 Current Home Address 12053 Southwest Freeway City Stafford State TX Zip 77477  
 Phone (Bus) (281) 499-8200 Phone (Hm) (\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_) \_\_\_\_\_  
 Name of Business Texas Direct Auto Type Business/Occupation Automotive  
 State Where Incorporated Texas Corporate Tax I.D. # 76-0692406  
 Are any assets pledged? Yes \_\_\_\_\_ No  If yes, explain \_\_\_\_\_  
 Have you ever claimed bankruptcy? Yes \_\_\_\_\_ No  If yes, explain \_\_\_\_\_

ASSETS		LIABILITIES AND NET WORTH	
Cash on Hand and in Banks (Schedule 1)	\$	Notes Payable to Banks	\$
U.S. Government Securities		Notes Payable	
Accounts, Loans & Notes Receivable (Schedule 2)		Rents Due	
Inventory & Fixtures		Taxes Due (Schedule 4)	
Stocks & Bonds (Schedule 3)		Liens on Real Estate (Schedule 4)	
Real Estate (Schedule 4)		Other Liabilities	
Automobiles - Number ( )			
Other Assets			
		TOTAL LIABILITIES	\$
		NET WORTH	\$
<b>TOTAL ASSETS</b>	<b>_____</b>	<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>_____</b>

SOURCE OF INCOME		CONTINGENT LIABILITIES	
Salary	\$	As Endorser	\$
Bonus & Commissions		On Leases or Contracts	
Dividends & Interest		Legal Claims	
Real Estate Income			
<b>TOTAL INCOME</b>	<b>_____</b>	<b>TOTAL CONTINGENT LIABILITIES</b>	<b>_____</b>

SCHEDULE 1 - BANKING RELATIONS						
Name & Location	Account Number	Cash Balance	Amount of Loan	Maturity of Loan	How Endorsed, Guaranteed or Secured	Loan Officer & Phone Number
		\$	\$			

SCHEDULE 2 - ACCOUNTS, LOANS & NOTES RECEIVABLE					
Name & Address of Debtor	Amount Owning	Age of Debt	Description or Nature of Debt	Description of Security Hold	Date Payment Expected
	\$				

*[Signature]*

SCHEDULE 3 - STOCKS & BONDS				SCHEDULE 4 - REAL ESTATE			
No. of Shares	Name of Security	Registered In Name of	Present Market Value	Address of Premises	Description	Present Market Value	Mortgage Balance
			\$			\$	\$

The undersigned certifies that the above information has been carefully read and is true and correct; and permission is hereby granted for Theodore Brakatselos, its agents, affiliates and/or assigns to investigate the information contained herein by communicating with names of creditors supplied hereunder and/or by inquiring of an independent credit reporting service in order to verify and/or supply credit information.

Signed:  \_\_\_\_\_

Date: 11-2-2015

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_





TEXAS ASSOCIATION OF REALTORS®  
COMMERCIAL LEASE

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.  
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(TAR-2101) 1-26-10

Initialed for Identification by Landlord \_\_\_\_\_ and Tenant \_\_\_\_\_

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Austinanous Properties LLC 131 S Des Plaines St Chicago, IL 60601  
Phone: 312-689-5740

Fax: 312-207-0813 Rene Gonzalez

Produced with Zillow by zillow 18076 Fifteen Mile Road Fraser, Michigan 48026 www.zillow.com

Untitled





TEXAS ASSOCIATION OF REALTORS®  
**COMMERCIAL LEASE**

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**1. PARTIES:** The parties to this lease are:

Landlord. CYRUS PROPERTIES LLC  
 Tenant RHINO LPH, LLC ; and

**2. LEASED PREMISES:**

A. Landlord leases to Tenant the following described real property, known as the "leased premises," along with all its improvements (Check only one box):

(1) **Multiple-Tenant Property:** Suite or Unit Number \_\_\_\_\_ containing approximately \_\_\_\_\_ square feet of rentable area in \_\_\_\_\_ (project name) at 301 LEE LAND ST 100 (address) in HOUSTON (city), HARRIS 77002 (county), Texas, which is legally described on attached Exhibit \_\_\_\_\_ or as follows: \_\_\_\_\_

(2) **Single-Tenant Property:** The real property at: \_\_\_\_\_ (address) in \_\_\_\_\_ (city) \_\_\_\_\_ (county), Texas, which is legally described on attached Exhibit \_\_\_\_\_ or as follows: \_\_\_\_\_

B If Paragraph 2A(1) applies:

- (1) "Property" means the building or complex in which the leased premises are located, inclusive of any common areas, drives, parking areas, and walks; and
- (2) the parties agree that the rentable area of the leased premises may not equal the actual or useable area within the leased premises and may include an allocation of common areas in the Property. The rentable area  will  will not be adjusted if re-measured.

**3. TERM:**

A. **Term:** The term of this lease is 24 months and \_\_\_\_\_ days, commencing on: 08/01/2015 (Commencement Date) and ending on 09/01/2017 (Expiration Date).



Commercial Lease concerning: 1301 LEE LAND

- B **Delay of Occupancy:** If Tenant is unable to occupy the leased premises on the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Landlord will not be liable to Tenant for such delay and this lease will remain enforceable. In the event of such a delay, the Commencement Date will automatically be extended to the date Tenant is able to occupy the Property and the Expiration Date will also be extended by a like number of days, so that the length of this lease remains unchanged. If Tenant is unable to occupy the leased premises after the 90th day after the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Tenant may terminate this lease by giving written notice to Landlord before the leased premises become available to be occupied by Tenant and Landlord will refund to Tenant any amounts paid to Landlord by Tenant. This Paragraph 3B does not apply to any delay in occupancy caused by cleaning or repairs.
- C Unless the parties agree otherwise, Tenant is responsible for obtaining a certificate of occupancy for the leased premises if required by a governmental body.

4. RENT AND EXPENSES:

- A **Base Monthly Rent:** On or before the first day of each month during this lease, Tenant will pay Landlord base monthly rent as described on attached Exhibit \_\_\_\_\_ or as follows:

Dates		Rate per rentable square foot (optional)		Base Monthly Rent \$
From	To	\$ Monthly Rate	\$ Annual Rate	
08/01/2015	08/01/2017	/ rsf / month	/ rsf / year	\$ 4500.00
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	

- B **Additional Rent:** In addition to the base monthly rent, Tenant will pay Landlord all other amounts, as provided by the attached (Check all that apply.):

- (1) Commercial Lease Addendum for Expense Reimbursement (TAR-2103)  
 (2) Commercial Lease Addendum for Percentage Rent (TAR-2106)  
 (3) Commercial Lease Addendum for Parking (TAR-2107)  
 (4) \_\_\_\_\_

All amounts payable under the applicable addenda are deemed to be "rent" for the purposes of this lease.

- C **First Full Month's Rent:** The first full monthly rent is due on or before \_\_\_\_\_

- D **Prorated Rent:** If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord as prorated rent, an amount equal to the base monthly rent multiplied by the following fraction: the number of days from the Commencement Date to the first day of the following month divided by the number of days in the month in which this lease commences. The prorated rent is due on or before the Commencement Date.

- E **Place of Payment:** Tenant will remit all amounts due Landlord under this lease to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

Name: INSURANCE SUPERSTORE LLC  
Address: 2416 MANGUM RD #100  
HOUSTON TX 77092

Commercial Lease concerning 1301 LEE LAND

- F. Method of Payment: Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this lease. If Tenant fails to timely pay any amounts due under this lease or if any check of Tenant is returned to Landlord by the institution on which it was drawn, Landlord after providing written notice to Tenant may require Tenant to pay subsequent amounts that become due under this lease in certified funds. This paragraph does not limit Landlord from seeking other remedies under this lease for Tenant's failure to make timely payments with good funds.
- G. Late Charges: If Landlord does not actually receive a rent payment at the designated place of payment within 5 days after the date it is due, Tenant will pay Landlord a late charge equal to 5% of the amount due. In this paragraph, the mailbox is not the agent for receipt for Landlord. The late charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 20.
- H. Returned Checks: Tenant will pay \$ 45.00 for each check Tenant tenders to Landlord which is returned by the institution on which it is drawn for any reason, plus any late charges until Landlord receives payment.

5. SECURITY DEPOSIT:

- A. Upon execution of this lease, Tenant will pay \$ 4500.00 to Landlord as a security deposit
- B. Landlord may apply the security deposit to any amounts owed by Tenant under this lease. If Landlord applies any part of the security deposit during any time this lease is in effect to amounts owed by Tenant, Tenant must, within 10 days after receipt of notice from Landlord, restore the security deposit to the amount stated.
- C. Within 60 days after Tenant surrenders the leased premises and provides Landlord written notice of Tenant's forwarding address, Landlord will refund the security deposit less any amounts applied toward amounts owed by Tenant or other charges authorized by this lease.

6. TAXES: Unless otherwise agreed by the parties, Landlord will pay all real property ad valorem taxes assessed against the leased premises.

7. UTILITIES:

A. The party designated below will pay for the following utility charges to the leased premises and any connection charges for the utilities. (Check all that apply.)

	N/A	Landlord	Tenant
(1) Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Sewer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4) Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(5) Telephone	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(7) Cable	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(8) Trash	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(9) <u>ALARM, GATE PHONE</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(10) All other utilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B. The party responsible for the charges under Paragraph 7A will pay the charges directly to the utility service provider. The responsible party may select the utility service provider except that if Tenant selects the provider, any access or alterations to the Property or leased premises necessary for the utilities may be made only with Landlord's prior consent, which Landlord will not unreasonably withhold. If Landlord incurs any liability for utility or connection charges for which Tenant is responsible to pay and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount.

(TAR-2101) 1-26-10 Initialed for Identification by Landlord: AC and Tenant: \_\_\_\_\_

Commercial Lease concerning 1301 LEE LAND

C. **Notice:** Tenant should determine if all necessary utilities are available to the leased premises and are adequate for Tenant's intended use.

D. **After-Hours HVAC Charges:** "HVAC services" means heating, ventilating, and air conditioning of the leased premises. (Check one box only.)

(1) Landlord is obligated to provide the HVAC services to the leased premises only during the Property's operating hours specified under Paragraph 9C.

(2) Landlord will provide the HVAC services to the leased premises during the operating hours specified under Paragraph 9C for no additional charge and will, at Tenant's request, provide HVAC services to the leased premises during other hours for an additional charge of \$ \_\_\_\_\_ per hour. Tenant will pay Landlord the charges under this paragraph immediately upon receipt of Landlord's invoice. Hourly charges are charged on a half-hour basis. Any partial hour will be rounded up to the next half hour. Tenant will comply with Landlord's procedures to make a request to provide the additional HVAC services under this paragraph.

(3) Tenant will pay for the HVAC services under this lease.

8. **INSURANCE:**

A. During all times this lease is in effect, Tenant must, at Tenant's expense, maintain in full force and effect from an insurer authorized to operate in Texas.

(1) public liability insurance naming Landlord as an additional insured with policy limits on an occurrence basis in a minimum amount of: (check only (a) or (b) below)

(a) \$1,000,000; or

(b) \$2,000,000.

If neither box is checked the minimum amount will be \$1,000,000.

(2) personal property damage insurance for the business operations being conducted in the leased premises and contents in the leased premises in an amount sufficient to replace such contents after a casualty loss; and

(3) business interruption insurance sufficient to pay 12 months of rent payments.

B. Before the Commencement Date, Tenant must provide Landlord with a copy of insurance certificates evidencing the required coverage. If the insurance coverage is renewed or changes in any manner or degree at any time this lease is in effect, Tenant must, not later than 10 days after the renewal or change, provide Landlord a copy of an insurance certificate evidencing the renewal or change.

C. If Tenant fails to maintain the required insurance in full force and effect at all times this lease is in effect, Landlord may:

(1) purchase insurance that will provide Landlord the same coverage as the required insurance and Tenant must immediately reimburse Landlord for such expense; or

(2) exercise Landlord's remedies under Paragraph 20.

D. Unless the parties agree otherwise, Landlord will maintain in full force and effect insurance for: (1) fire and extended coverage in an amount to cover the reasonable replacement cost of the improvements of the Property and (2) any public liability insurance in an amount that Landlord determines reasonable and appropriate.

E. If there is an increase in Landlord's insurance premiums for the leased premises or Property or its contents that is caused by Tenant, Tenant's use of the leased premises, or any improvements made by or for Tenant, Tenant will, for each year this lease is in effect, pay Landlord the increase immediately after Landlord notifies Tenant of the increase. Any charge to Tenant under this Paragraph 8E will be equal to the actual amount of the increase in Landlord's insurance premium.

Commercial Lease concerning: 1301 LEE LAND

**9. USE AND HOURS:**

- A. Tenant may use the leased premises for the following purpose and no other: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- B. Unless otherwise specified in this lease, Tenant will operate and conduct its business in the leased premises during business hours that are typical of the industry in which Tenant represents it operates.
- C. The Property maintains operating hours of (specify hours, days of week, and if inclusive or exclusive of weekends and holidays). \_\_\_\_\_  
\_\_\_\_\_

**10. LEGAL COMPLIANCE:**

- A. Tenant may not use or permit any part of the leased premises or the Property to be used for:
  - (1) any activity which is a nuisance or is offensive, noisy, or dangerous;
  - (2) any activity that interferes with any other tenant's normal business operations or Landlord's management of the Property;
  - (3) any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, owners' association rules, tenants' association rules, Landlord's rules or regulations, or this lease;
  - (4) any hazardous activity that would require any insurance premium on the Property or leased premises to increase or that would void any such insurance;
  - (5) any activity that violates any applicable federal, state, or local law, including but not limited to those laws related to air quality, water quality, hazardous materials, wastewater, waste disposal, air emissions, or other environmental matters;
  - (6) the permanent or temporary storage of any hazardous material; or
  - (7) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- B. "Hazardous material" means any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, solvent, or oil as defined by any federal, state, or local environmental law, regulation, ordinance, or rule existing as of the date of this lease or later enacted.
- C. Landlord does not represent or warrant that the leased premises or Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Tenant's intended use. Tenant must satisfy itself that the leased premises may be used as Tenant intends by independently investigating all matters related to the use of the leased premises or Property. Tenant agrees that it is not relying on any warranty or representation made by Landlord, Landlord's agent, or any broker concerning the use of the leased premises or Property.

**11. SIGNS:**

- A. Tenant may not post or paint any signs or place any decoration outside the leased premises or on the Property without Landlord's written consent. Landlord may remove any unauthorized sign or decorations, and Tenant will promptly reimburse Landlord for its cost to remove any unauthorized sign or decorations.
- B. Any authorized sign must comply with all laws, restrictions, zoning ordinances, and any governmental order relating to signs on the leased premises or Property. Landlord may temporarily remove any authorized sign to complete repairs or alterations to the leased premises or the Property.

Commercial Lease concerning: 1301 LEE LAND

- C. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all signs that were placed on the Property or leased premises by or at the request of Tenant. Any signs that Landlord does not require Tenant to remove and that are fixtures, become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

**12. ACCESS BY LANDLORD:**

- A. During Tenant's normal business hours Landlord may enter the leased premises for any reasonable purpose including but not limited to purposes for repairs, maintenance, alterations, and showing the leased premises to prospective tenants or purchasers. Landlord may access the leased premises after Tenant's normal business hours if: (1) entry is made with Tenant's permission; or (2) entry is necessary to complete emergency repairs. Landlord will not unreasonably interfere with Tenant's business operations when accessing the leased premises.
- B. During the last 30 days of this lease, Landlord may place a "For Lease" or similarly worded sign in the leased premises.

**13. MOVE-IN CONDITION:** Tenant has inspected the leased premises and accepts it in its present (as-is) condition unless expressly noted otherwise in this lease or in an addendum. Landlord and any agent have made no express or implied warranties as to the condition or permitted use of the leased premises or Property.

**14. MOVE-OUT CONDITION AND FORFEITURE OF TENANT'S PERSONAL PROPERTY:**

- A. At the time this lease ends, Tenant will surrender the leased premises in the same condition as when received, except for normal wear and tear. Tenant will leave the leased premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.
- B. If Tenant leaves any personal property in the leased premises after Tenant surrenders possession of the leased premises, Landlord may: (1) require Tenant, at Tenant's expense, to remove the personal property by providing written notice to Tenant; or (2) retain such personal property as forfeited property to Landlord.
- C. "Surrender" means vacating the leased premises and returning all keys and access devices to Landlord. "Normal wear and tear" means deterioration that occurs without negligence, carelessness, accident, or abuse.
- D. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all fixtures that were placed on the Property or leased premises by or at the request of Tenant. Any fixtures that Landlord does not require Tenant to remove become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

**15. MAINTENANCE AND REPAIRS:**

- A. Cleaning: Tenant must keep the leased premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles.  Landlord  Tenant will provide, at its expense, janitorial services to the leased premises that are customary and ordinary for the property type. Tenant will maintain any grease trap on the Property which Tenant uses, including but not limited to periodic emptying and cleaning, as well as making any modification to the grease trap that may be necessary to comply with any applicable law.

(TAR-2101) 1-26-10 Initialed for Identification by Landlord: A.E., and Tenant: \_\_\_\_\_ Page 7 of 15

B. Repairs of Conditions Caused by a Party: Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party's guests, patrons, invitees, contractors or permitted subtenants.

C. Repair and Maintenance Responsibility: Except as otherwise provided by this Paragraph 15, the party designated below, at its expense, is responsible to maintain and repair the following specified items in the leased premises (if any). The specified items must be maintained in clean and good operable condition. If a governmental regulation or order requires a modification to any of the specified items, the party designated to maintain the item must complete and pay the expense of the modification. The specified items include and relate only to real property in the leased premises. Tenant is responsible for the repair and maintenance of its personal property. (Check all that apply.)

	N/A	Landlord	Tenant
(1) Foundation, exterior walls, roof, and other structural components	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Glass and windows	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(3) Fire protection equipment and fire sprinkler systems	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4) Exterior & overhead doors, including closure devices, molding, locks and hardware	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(5) Grounds maintenance, including landscaping and irrigation systems	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(6) Interior doors, including closure devices, frames, molding, locks, and hardware	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) Parking areas and walks	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(8) Plumbing systems, drainage systems and sump pumps	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(9) Electrical systems, mechanical systems	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(10) Ballast and lamp replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(11) Heating, Ventilation and Air Conditioning (HVAC) systems	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(12) Signs and lighting.			
(a) Pylon	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Facia	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) Monument	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) Door/Suite	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(13) Extermination and pest control, excluding wood-destroying insects	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(14) Fences and Gates	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(15) Storage yards and storage buildings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(16) Wood-destroying insect treatment and repairs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(17) Cranes and related systems	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(18)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(19)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(20) All other items and systems.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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D. Repair Persons: Repairs must be completed by trained, qualified, and insured repair persons.

E. HVAC Service Contract. If Tenant maintains the HVAC system under Paragraph 15C(11), Tenant  is  is not required to maintain, at its expense, a regularly scheduled maintenance and service contract for the HVAC system. The maintenance and service contract must be purchased from a HVAC maintenance company that regularly provides such contracts to similar properties. If Tenant fails to maintain a required HVAC maintenance and service contract in effect at all times during this lease, Landlord may do so and Tenant will reimburse Landlord for the expense of such maintenance and service contract or Landlord may exercise Landlord's remedies under Paragraph 20.

- F. Common Areas: Landlord will maintain any common areas in the Property in a manner as Landlord determines to be in the best interest of the Property. Landlord will maintain any elevator and signs in the common area. Landlord may change the size, dimension, and location of any common areas, provided that such change does not materially impair Tenant's use and access to the leased premises. Tenant has the non-exclusive license to use the common areas in compliance with Landlord's rules and regulations. Tenant may not solicit any business in the common areas or interfere with any other person's right to use the common areas. This paragraph does not apply if Paragraph 2A(2) applies.
- G. Notice of Repairs: Tenant must promptly notify Landlord of any item that is in need of repair and that is Landlord's responsibility to repair. All requests for repairs to Landlord must be in writing.
- H. Failure to Repair: Landlord must make a repair for which Landlord is responsible within a reasonable period of time after Tenant provides Landlord written notice of the needed repair. If Tenant fails to repair or maintain an item for which Tenant is responsible within 10 days after Landlord provides Tenant written notice of the needed repair or maintenance. Landlord may: (1) repair or maintain the item, without liability for any damage or loss to Tenant, and Tenant must immediately reimburse Landlord for the cost to repair or maintain; or (2) exercise Landlord's remedies under Paragraph 20.
16. **ALTERATIONS:**
- A. Tenant may not alter (including making any penetrations to the roof, exterior walls or foundation), improve, or add to the Property or the leased premises without Landlord's written consent. Landlord will not unreasonably withhold consent for the Tenant to make reasonable non-structural alterations, modifications, or improvements to the leased premises.
- B. Tenant may not alter any locks or any security devices on the Property or the leased premises without Landlord's consent. If Landlord authorizes the changing, addition, or rekeying of any locks or other security devices, Tenant must immediately deliver the new keys and access devices to Landlord.
- C. If a governmental order requires alteration or modification to the leased premises, the party obligated to maintain and repair the item to be modified or altered as designated in Paragraph 15 will, at its expense, modify or alter the item in compliance with the order and in compliance with Paragraphs 16A and 17.
- D. Any alterations, improvements, fixtures or additions to the Property or leased premises installed by either party during the term of this lease will become Landlord's property and must be surrendered to Landlord at the time this lease ends, except for those fixtures Landlord requires Tenant to remove under Paragraph 11 or 14 or if the parties agree otherwise in writing.
17. **LIENS**: Tenant may not do anything that will cause the title of the Property or leased premises to be encumbered in any way. If Tenant causes a lien to be filed against the Property or leased premises, Tenant will within 20 days after receipt of Landlord's demand: (1) pay the lien and have the lien released of record; or (2) take action to discharge the lien. Tenant will provide Landlord a copy of any release Tenant obtains pursuant to this paragraph.
18. **LIABILITY**: To the extent permitted by law, Landlord is NOT responsible to Tenant or Tenant's employees, patrons, guests, or invitees for any damages, injuries, or losses to person or property caused by:
- A. an act, omission, or neglect of: Tenant; Tenant's agent; Tenant's guest; Tenant's employees; Tenant's patrons; Tenant's invitees; or any other tenant on the Property.
- B. fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery, assault, vandalism, other persons, environmental contaminants, or other occurrences or casualty losses.



Commercial Lease concerning

1301 LEE LAND

19. **INDEMNITY:** Each party will indemnify and hold the other party harmless from any property damage, personal injury, suits, actions, liabilities, damages, cost of repairs or service to the leased premises or Property, or any other loss caused, negligently or otherwise, by that party or that party's employees, patrons, guests, or invitees.
20. **DEFAULT:**
- A. If Landlord fails to comply with this lease within 30 days after Tenant notifies Landlord of Landlord's failure to comply, Landlord will be in default and Tenant may seek any remedy provided by law. If, however, Landlord's non-compliance reasonably requires more than 30 days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.
- B. If Landlord does not actually receive at the place designated for payment any rent due under this lease within 5 days after it is due, Tenant will be in default. If Tenant fails to comply with this lease for any other reason within 10 days after Landlord notifies Tenant of its failure to comply, Tenant will be in default.
- C. If Tenant is in default, Landlord may, with at least 3 days written notice to Tenant: (i) terminate this lease, or (ii) terminate Tenant's right to occupy the leased premises without terminating this lease and may accelerate all rents which are payable during the remainder of this lease or any renewal period. Landlord will attempt to mitigate any damage or loss caused by Tenant's breach by using commercially reasonable means. If Tenant is in default, Tenant will be liable for:
- (1) any lost rent;
  - (2) Landlord's cost of reletting the leased premises, including brokerage fees, advertising fees, and other fees necessary to relet the leased premises;
  - (3) repairs to the leased premises for use beyond normal wear and tear;
  - (4) all Landlord's costs associated with eviction of Tenant, such as attorney's fees, court costs, and prejudgment interest;
  - (5) all Landlord's costs associated with collection of rent such as collection fees, late charges, and returned check charges;
  - (6) cost of removing any of Tenant's equipment or fixtures left on the leased premises or Property;
  - (7) cost to remove any trash, debris, personal property, hazardous materials, or environmental contaminants left by Tenant or Tenant's employees, patrons, guests, or invitees in the leased premises or Property;
  - (8) cost to replace any unreturned keys or access devices to the leased premises, parking areas, or Property;
  - (9) any other recovery to which Landlord may be entitled under this lease or under law.
21. **ABANDONMENT, INTERRUPTION OF UTILITIES, REMOVAL OF PROPERTY, AND LOCKOUT:** Chapter 93 of the Texas Property Code governs the rights and obligations of the parties with regard to: (a) abandonment of the leased premises; (b) interruption of utilities; (c) removal of Tenant's property; and (d) "lock-out" of Tenant.
22. **HOLDOVER:** If Tenant fails to vacate the leased premises at the time this lease ends, Tenant will become a tenant-at-will and must vacate the leased premises immediately upon receipt of demand from Landlord. No holding over by Tenant, with or without the consent of Landlord, will extend this lease. Tenant will indemnify Landlord and any prospective tenants for any and all damages caused by the holdover. Rent for any holdover period will be 150% of the base monthly rent plus any additional rent calculated on a daily basis and will be immediately due and payable daily without notice or demand.



Commercial Lease concerning:

1301 LEE LAND

23. **LANDLORD'S LIEN AND SECURITY INTEREST:** To secure Tenant's performance under this lease, Tenant grants to Landlord a lien and security interest against all of Tenant's nonexempt personal property that is in the leased premises or on the Property. This lease is a security agreement for the purposes of the Uniform Commercial Code. Landlord may file a financing statement to perfect Landlord's security interest under the Uniform Commercial Code.

24. **ASSIGNMENT AND SUBLETTING:** Landlord may assign this lease to any subsequent owner of the Property. Tenant may not assign this lease or sublet any part of the leased premises without Landlord's written consent. An assignment of this lease or subletting of the leased premises without Landlord's written consent is voidable by Landlord. If Tenant assigns this lease or sublets any part of the leased premises, Tenant will remain liable for all of Tenant's obligations under this lease regardless if the assignment or sublease is made with or without the consent of Landlord.

25. **RELOCATION:**

- A. By providing Tenant with not less than 90 days advanced written notice, Landlord may require Tenant to relocate to another location in the Property, provided that the other location is equal in size or larger than the leased premises then occupied by Tenant and contains similar leasehold improvements. Landlord will pay Tenant's reasonable out-of-pocket moving expenses for moving to the other location. "Moving expenses" means reasonable expenses payable to professional movers, utility companies for connection and disconnection fees, wiring companies for connecting and disconnecting Tenant's office equipment required by the relocation, and printing companies for reprinting Tenant's stationary and business cards. A relocation of Tenant will not change or affect any other provision of this lease that is then in effect, including rent and reimbursement amounts, except that the description of the suite or unit number will automatically be amended.
- B. Landlord may not require Tenant to relocate to another location in the Property without Tenant's prior consent.

26. **SUBORDINATION:**

- A. This lease and Tenant's leasehold interest are and will be subject, subordinate, and inferior to:
- (1) any lien, encumbrance, or ground lease now or hereafter placed on the leased premises or the Property that Landlord authorizes;
  - (2) all advances made under any such lien, encumbrance, or ground lease;
  - (3) the interest payable on any such lien or encumbrance;
  - (4) any and all renewals and extensions of any such lien, encumbrance, or ground lease;
  - (5) any restrictive covenant affecting the leased premises or the Property; and
  - (6) the rights of any owners' association affecting the leased premises or Property.
- B. Tenant must, on demand, execute a subordination, attornment, and non-disturbance agreement that Landlord may request that Tenant execute, provided that such agreement is made on the condition that this lease and Tenant's rights under this lease are recognized by the lien-holder.

27. **ESTOPPEL CERTIFICATES & FINANCIAL INFORMATION:**

- A. Within 10 days after receipt of a written request from Landlord, Tenant will execute and deliver to Landlord an estoppel certificate that identifies the terms and conditions of this lease.
- B. Within 30 days after receipt of a written request from Landlord, Tenant will provide to Landlord Tenant's current financial information (balance sheet and income statement). Landlord may request the financial information no more frequently than once every 12 months.

Commercial Lease concerning:

1301 LEE LAND

28. CASUALTY LOSS:

- A. Tenant must immediately notify Landlord of any casualty loss in the leased premises. Within 20 days after receipt of Tenant's notice of a casualty loss, Landlord will notify Tenant if the leased premises are less than or more than 50% unusable, on a per square foot basis, and if Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss.
- B. If the leased premises are less than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord will restore the leased premises to substantially the same condition as before the casualty. If Landlord fails to substantially restore within the time required, Tenant may terminate this lease.
- C. If the leased premises are more than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord may: (1) terminate this lease; or (2) restore the leased premises to substantially the same condition as before the casualty. If Landlord chooses to restore and does not substantially restore the leased premises within the time required, Tenant may terminate this lease.
- D. If Landlord notifies Tenant that Landlord cannot substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss, Landlord may: (1) choose not to restore and terminate this lease; or (2) choose to restore, notify Tenant of the estimated time to restore, and give Tenant the option to terminate this lease by notifying Landlord within 10 days.
- E. If this lease does not terminate because of a casualty loss, rent will be reduced from the date Tenant notifies Landlord of the casualty loss to the date the leased premises are substantially restored by an amount proportionate to the extent the leased premises are unusable.

29. CONDEMNATION: If after a condemnation or purchase in lieu of condemnation the leased premises are totally unusable for the purposes stated in this lease, this lease will terminate. If after a condemnation or purchase in lieu of condemnation the leased premises or Property are partially unusable for the purposes of this lease, this lease will continue and rent will be reduced in an amount proportionate to the extent the leased premises are unusable. Any condemnation award or proceeds in lieu of condemnation are the property of Landlord and Tenant has no claim to such proceeds or award. Tenant may seek compensation from the condemning authority for its moving expenses and damages to Tenant's personal property.

30. ATTORNEY'S FEES: Any person who is a prevailing party in any legal proceeding brought under or related to the transaction described in this lease is entitled to recover pre-judgment interest, reasonable attorney's fees, and all other costs of litigation from the nonprevailing party.

31. REPRESENTATIONS:

- A. Tenant's statements in this lease and any application for rental are material representations relied upon by Landlord. Each party signing this lease represents that he or she is of legal age to enter into a binding contract and is authorized to sign the lease. If Tenant makes any misrepresentation in this lease or in any application for rental, Tenant is in default.
- B. Landlord is not aware of any material defect on the Property that would affect the health and safety of an ordinary person or any environmental hazard on or affecting the Property that would affect the health or safety of an ordinary person, except: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Commercial Lease concerning 1301 LEE LAND

C. Each party and each signatory to this lease represents that: (1) it is not a person named as a Specially Designated National and Blocked Person as defined in Presidential Executive Order 13224; (2) it is not acting, directly or indirectly, for or on behalf of a Specially Designated and Blocked Person; and (3) it is not arranging or facilitating this lease or any transaction related to this lease for a Specially Designated and Blocked Person. Any party or any signatory to this lease who is a Specially Designated and Blocked person will indemnify and hold harmless any other person who relies on this representation and who suffers any claim, damage, loss, liability or expense as a result of this representation.

32. BROKERS:

A. The brokers to this lease are:

Principal Broker	License No.	Cooperating Broker	License No.
Agent		Agent	
Address		Address	
Phone	Fax	Phone	Fax
E-Mail	License No.	E-Mail	License No.

Principal Broker: (Check only one box)  
 represents Landlord only.  
 represents Tenant only.  
 is an intermediary between Landlord and Tenant.

Cooperating Broker represents Tenant.

B. Fees.

- (1) Principal Broker's fee will be paid according to: (Check only one box).
  - (a) a separate written commission agreement between Principal Broker and:
    - Landlord  Tenant.
  - (b) the attached Addendum for Broker's Fee.
- (2) Cooperating Broker's fee will be paid according to: (Check only one box).
  - (a) a separate written commission agreement between Cooperating Broker and:
    - Principal Broker  Landlord  Tenant.
  - (b) the attached Addendum for Broker's Fee.

33. ADDENDA: Incorporated into this lease are the addenda, exhibits and other information marked in the Addenda and Exhibit section of the Table of Contents. If Landlord's Rules and Regulations are made part of this lease, Tenant agrees to comply with the Rules and Regulations as Landlord may, at its discretion, amend from time to time.

34. NOTICES: All notices under this lease must be in writing and are effective when hand-delivered, sent by mail, or sent by facsimile transmission to:

Landlord at: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
 and a copy to: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Landlord also consents to receive notices by e-mail at: \_\_\_\_\_

Commercial Lease concerning: 1301 LEE LAND

Tenant at the leased premises,  
and a copy to: \_\_\_\_\_

Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Tenant also consents to receive notices by e-mail at: \_\_\_\_\_

**35. SPECIAL PROVISIONS:**

**36. AGREEMENT OF PARTIES:**

- A. Entire Agreement: This lease contains the entire agreement between Landlord and Tenant and may not be changed except by written agreement.
- B. Binding Effect: This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.
- C. Joint and Several: All Tenants are jointly and severally liable for all provisions of this lease. Any act or notice to, or refund to, or signature of, any one or more of the Tenants regarding any term of this lease, its renewal, or its termination is binding on all Tenants.
- D. Controlling Law: The laws of the State of Texas govern the interpretation, performance, and enforcement of this lease.
- E. Severable Clauses: If any clause in this lease is found invalid or unenforceable by a court of law, the remainder of this lease will not be affected and all other provisions of this lease will remain valid and enforceable.
- F. Waiver: Landlord's delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed a waiver of any other or subsequent breach by Tenant or any other term in this lease.
- G. Quiet Enjoyment: Provided that Tenant is not in default of this lease, Landlord covenants that Tenant will enjoy possession and use of the leased premises free from material interference.

Commercial Lease concerning: 1301 LEE LAND

H. Force Majeure: If Landlord's performance of a term in this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, flood, or any cause outside Landlord's control, the time for Landlord's performance will be abated until after the delay

I. Time: Time is of the essence. The parties require strict compliance with the times for performance.

Brokers are not qualified to render legal advice, property inspections, surveys, engineering studies, environmental assessments, tax advice, or compliance inspections. The parties should seek experts to render such services. **READ THIS LEASE CAREFULLY.** If you do not understand the effect of this Lease, consult your attorney **BEFORE** signing.

Landlord: Cyber Properties LLC

Tenant: Sell Us Your Car

By: [Signature]

By: [Signature]

By (signature): [Signature]  
Printed Name: \_\_\_\_\_  
Title: MANAGING MEMBER

By (signature): [Signature]  
Printed Name: Brett Bertrand  
Title: Managing Member

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

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

By (signature): \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By (signature): \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

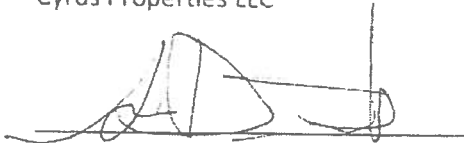
# Amendment Acknowledgment

Demised premises: 1301 Leeland St., Houston, TX, 77002

1. Optional continuous lease: With an agreement of land lord and tenant from 09/01/2017 to 08/01/2020 for a monthly rate of \$5,000 per month.  
Optional continuous lease: From 08/01/2020 to 08/01/2023.
2. This building is "As Is" and "Where Is" with acknowledgment of tenant that this building is not ADA approved.
3. There is not any payment of partial payment for any built up. Tenant is responsible for any build up and changes. Also, responsible for partial payment on alarm and water bill.
4. The rent is due first of each month. There will be a late fee of \$45 after the 5<sup>th</sup> of each month with a 10% penalty for a late payment of each month.

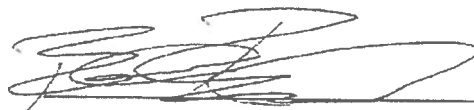
5. Rent Commencement date: 9-1-2015

Cyrus Properties LLC



Date: 07/27/2015

RHINO LPH, LLC



Date: 7-27-15

FDH Draft (16 October 2015)

**AGREEMENT GRANTING AUTHORITY TO OPERATE UNDER  
MOTOR VEHICLE SALES FINANCE LICENSE**

This Agreement, dated as of December [16], 2015, by and among Vroom, Inc., a Delaware corporation (the "Buyer"), Michael D. Welch ("Welch") and Richard D. Williams ("Williams" and, together with Welch, collectively, the "Sellers", and each, a "Seller"), and Left Gate Property Holding, LLC (d/b/a Texas Direct Auto), a Texas limited liability company (the "Company")

WHEREAS, the Buyer, the Company, the Sellers, and Chiron RCAF, LLC are parties to the Equity Purchase Agreement, dated December 2, 2015 (as the same may be amended or modified from time to time in accordance with its terms, the "Purchase Agreement") pursuant to which the Sellers have agreed, subject to the terms and conditions of the Purchase Agreement, to sell all of the outstanding membership interests in the Company to the Buyer (the "TDA Acquisition"), and

WHEREAS, it is a condition to the consummation of the TDA Acquisition (such consummation being referred to herein as the "Closing"), that the Company have received from the Texas Office of Consumer Credit Commissioner approval, in connection with the consummation of the TDA Acquisition, regarding any permit or license issued to the Company by the Texas Office of Consumer Credit Commissioner; and

WHEREAS, in connection with the TDA Acquisition, the Company will apply, at or prior to Closing, for a motor vehicle sales finance license from the Texas Office of Consumer Credit Commissioner

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, the Buyer, the Company and the Sellers agree as follows:

1. This constitutes a written agreement whereby the Sellers and the Company (as owned by the Sellers prior to the Closing, the "pre-Closing Company") grant the Buyer and the Company (as owned by the Buyer from and after the Closing), from and after the Closing, the authority to operate under the pre-Closing Company's motor vehicle sales finance license #48736 pending approval of the Company's license application by the Texas Office of Consumer Credit Commissioner.
2. To the extent required by statute, the Sellers, jointly and severally, accept full responsibility to any customer of the licensed business and to the Office of Consumer Credit Commissioner for the licensed business for any acts of the Company in connection with the operation of the business from and after the Closing.
3. This agreement shall be in force from and after the Closing until such time as a new motor vehicle sales finance license is issued to the Company by the Office of Consumer Credit Commissioner. During such time, only the Company may operate under the license.
4. From and after the Closing, the Buyer hereby agrees to indemnify the Sellers for any and all damages, costs or other liability with regard to any acts of the Company for which the Sellers may be held responsible under Paragraph 2, above.
5. This agreement cannot be amended, restated or otherwise modified without the prior written consent of the Buyer, the Company and the Sellers.

[01168603; 3. 60165-1 ]

6. Nothing in this agreement shall be deemed to modify in any way the representations, warranties, covenants, exclusions and indemnities set forth in the Purchase Agreement. In the event of a conflict between the provisions of this agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall govern.
7. This agreement will be governed by the laws of the State of Texas. This agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same agreement. Transmission of images of signed signature pages by facsimile, e-mail or other electronic means shall have the same effect as the delivery of manually signed documents in person.

[Signature pages follow]

# City of Houston Department of Public Works & Engineering Sign Administration

Applicant, by the making execution and submitting of application to the Public Works & Engineering Department of the City of Houston, Texas represents and warrants that the proposed construction described in said application is not in violation of or contrary to any deed restriction or covenant running with the land relating to the addition or subdivision, if any, in which the herein described lot, tract or parcel of land is situated.

The applicant further represents and warrants to the City of Houston, Texas and to the property owners lying and situated within the addition or subdivision in which the herein tract of land is situated, that such application, and the erection of the herein described construction and the eventual use thereof will not be used for any purpose which is prohibited by the deed restrictions or covenants running with the land within such subdivision or addition.

Applicant accepts this building permit subject to the foregoing representation and warranties and agrees that if such construction or use be in violation of any deed restrictions or covenants running with the land that such building permit shall automatically become void and of no effect without the necessity of any action on the part of the City of Houston, Texas or any property owner.

Date 09-SEP-2015			Receipt No. 6098193			Proj. Type SHELL		Project No. 15097346	
Occupant *TEXAS DIRECT AUTO - SELL US YOUR CAR						Sprinklers % Type			
Address 312 MAIN ST						Space 200		TID No. - - -	
City HOUSTON		Zip Code 77002		County HARRIS		Bldgs 1	Units 2	Story 2	Occ. Gp Zone
Contractor *COAST GRAPHICS & SIGNS						Lic. No. 00001018		Phone 2814999721	
Applicant						Lic. No.		Phone	
Use N3 NON-ILLUM 1FC 8X11X31 LOGO-SELL US YOURCAR									

M U L T I P L E P E R M I T      ADV PAYMENT

\$188.20

Date	Department	Project Comments	
09/03/2015	PLANNING	***** HISTORIC *****	
09/03/2015	PLANNING	PROJECT MUST CONFORM TO CERTIFICATE OF APPROPRIATENESS. Project	
09/03/2015	PLANNING	revisions affecting exterior elements require Planning/Historical	
09/03/2015	PLANNING	review and may require a new Certificate of Appropriateness. For info	
09/03/2015	PLANNING	contact 832-393-6556.	
SIGN CONSTRUCTION PERMIT			TOTAL FEE      105.49
88 ON PREM (SQFT)			Permit Fee      105.49
*GO* SIGN OPERATING			TOTAL FEE      82.71
88 ON PREM (SQFT)			Permit Fee      82.71
11 HEIGHT (FEET)			TOTAL FEE      82.71
31 MAX HEIGHT			Permit Fee      82.71
1 NUMBER FACES			TOTAL FEE      82.71
			Permit Fee      82.71
			TOTAL FEE      82.71
			Permit Fee      82.71
			TOTAL FEE      82.71
			Permit Fee      82.71



Requested from 10/14/15

Approved 10/20/15

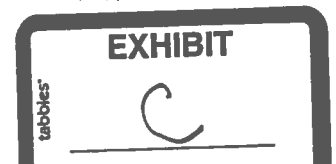
Please participate in this survey <http://www.research.net/s/HWWR7J6>

PERMIT and FEES POST PERMIT ON JOB LOCATION

FOR REINSPECTION CALL:

Sign Administration      832-394-8890      Interactive Voice System      713-222-9922

Any structural work authorized by this permit is issued based on an affidavit stating that the work above does not violate any applicable deed restrictions, or supercede any orders issued by the D. B. Hearing Office.





# City of Houston Department of Public Works & Engineering Sign Administration

Applicant, by the making execution and submitting of application to the Public Works & Engineering Department of the City of Houston, Texas represents and warrants that the proposed construction described in said application is not in violation of or contrary to any deed restriction or covenant running with the land relating to the addition or subdivision, if any, in which the herein described lot, tract or parcel of land is situated.

The applicant further represents and warrants to the City of Houston, Texas and to the property owners lying and situated within the addition or subdivision in which the herein tract of land is situated, that such application, and the erection of the herein described construction and the eventual use thereof will not be used for any purpose which is prohibited by the deed restrictions or covenants running with the land within such subdivision or addition.

Applicant accepts this building permit subject to the foregoing representation and warranties and agrees that if such construction or use be in violation of any deed restrictions or covenants running with the land that such building permit shall automatically become void and of no effect without the necessity of any action on the part of the City of Houston, Texas or any property owner.

Date 03-SEP-2015		Receipt No. 6095255		Proj. Type SHELL		Project No. 15097346	
Occupant *TEXAS DIRECT AUTO - SELL US YOUR CAR				Sprinklers % Type			
Address 312 MAIN ST				Space 200		TID No. - - -	
City HOUSTON		Zip Code 77002		County HARRIS		Bldgs 1	
				Units 2		Story 2	
Contractor *COAST GRAPHICS & SIGNS				Lic. No. 00001018		Phone 2814999721	
Applicant				Lic. No.		Phone	
Use PLANS DROPPED OFF BY CONTRACTOR							

ADV PAYMENT \$186.98  
M U L T I P L E P E R M I T

Date	Department	Project Comments	
09/03/2015	PLANNING	***** HISTORIC *****	
09/03/2015	PLANNING	PROJECT MUST CONFORM TO CERTIFICATE OF APPROPRIATENESS. Project	
09/03/2015	PLANNING	revisions affecting exterior elements require Planning/Historical	
09/03/2015	PLANNING	review and may require a new Certificate of Appropriateness. For info	
09/03/2015	PLANNING	contact 832-391-6556	
SIGN SITE INSPECTION PERMIT			TOTAL FEE 107.25 -
			Permit Fee 79.73 -
			Processing Fee 27.52 -
1 SITE INSPECTN			79.73
SIGN PLAN EXAMINATION			TOTAL FEE 79.73
			Permit Fee 79.73
1 PLAN EXAM FEE			79.73

Please participate in this survey <http://www.research.net/s/HWVR7J6>

### PERMIT and FEES POST PERMIT ON JOB LOCATION

FOR REINSPECTION CALL:

Sign Administration      832-394-8890      Interactive Voice System      713-222-9922

Any structural work authorized by this permit is issued based on an affidavit stating that the work above does not violate any applicable deed restrictions, or supercede any orders issued by the D. B. Hearing Office.

# City of Houston Department of Public Works & Engineering Sign Administration

Applicant, by the making execution and submitting of application to the Public Works & Engineering Department of the City of Houston, Texas represents and warrants that the proposed construction described in said application is not in violation of or contrary to any deed restriction or covenant running with the land relating to the addition or subdivision, if any, in which the herein described lot, tract or parcel of land is situated.

The applicant further represents and warrants to the City of Houston, Texas and to the property owners lying and situated within the addition or subdivision in which the herein tract of land is situated, that such application, and the erection of the herein described construction and the eventual use thereof will not be used for any purpose which is prohibited by the deed restrictions or covenants running with the land within such subdivision or addition.

Applicant accepts this building permit subject to the foregoing representation and warranties and agrees that if such construction or use be in violation of any deed restrictions or covenants running with the land that such building permit shall automatically become void and of no effect without the necessity of any action on the part of the City of Houston, Texas or any property owner.

Date 11-SEP-2015		Receipt No. 6100756		Proj. Type SHELL		Project No. 15098885	
Occupant *TEXAS DIRECT AUTO - SELL US YOUR CAR				Sprinklers % Type			
Address 312 MAIN ST				Space 200		TID No. - - -	
City HOUSTON		Zip Code 77002	County HARRIS	Bldgs 1	Units 2	Story 2	Zone
Contractor *COAST GRAPHICS & SIGNS				Lic. No. 00001018		Phone 2814999721	
Applicant				Lic. No.		Phone	
Use N3 NON-ILLUM 1FC 19X3X19 TEXAS DIRECT AUTO.COM							

M U L T I P L E      A D V   P A Y M E N T  
P E R M I T

\$243.93

Date	Department	Project Comments		TOTAL FEE
09/11/2015	PLANNING	***** HISTORICAL *****		
09/11/2015	PLANNING	Issuance of this permit does not waive compliance with the Historic Preservation Ordinance per City of Houston Municipal Code of Ordinances Chapter 33 Article VII. For more information, contact 832.393.6556		
09/11/2015	PLANNING	Project must conform to the Certificate of Appropriateness. Revisions to a project require Planning/Historical review and/or a new Certificate of Appropriateness. Staff must inspect damaged materials before removal, replacement, or alteration.		
	SIGN CONSTRUCTION PERMIT			79.73
				79.73
	19 ON PREM (SQFT)			79.73
	*GO* SIGN OPERATING			56.95
				56.95
	19 ON PREM (SQFT)	19 WIDTH (FEET)	1 NUMBER FACES	56.95
	1 HEIGHT (FEET)	19 MAX HEIGHT		.00

\*\* CONTINUED ON NEXT PAGE \*\*

Please participate in this survey <http://www.research.net/s/HWVR7J6>

### PERMIT and FEES POST PERMIT ON JOB LOCATION

FOR REINSPECTION CALL:

Sign Administration      832-394-8890      Interactive Voice System      713-222-9922

Any structural work authorized by this permit is issued based on an affidavit stating that the work above does not violate any applicable deed restrictions, or supercede any orders issued by the D. B. Hearing Office.

# City of Houston Department of Public Works & Engineering Sign Administration

Applicant, by the making execution and submitting of application to the Public Works & Engineering Department of the City of Houston, Texas represents and warrants that the proposed construction described in said application is not in violation of or contrary to any deed restriction or covenant running with the land relating to the addition or subdivision, if any, in which the herein described lot, tract or parcel of land is situated.

The applicant further represents and warrants to the City of Houston, Texas and to the property owners lying and situated within the addition or subdivision in which the herein tract of land is situated, that such application, and the erection of the herein described construction and the eventual use thereof will not be used for any purpose which is prohibited by the deed restrictions or covenants running with the land within such subdivision or addition.

Applicant accepts this building permit subject to the foregoing representation and warranties and agrees that if such construction or use be in violation of any deed restrictions or covenants running with the land that such building permit shall automatically become void and of no effect without the necessity of any action on the part of the City of Houston, Texas or any property owner.

Date 11-SEP-2015				Receipt No. 6100756		Proj. Type SHELL		Project No. 15098885	
Occupant *TEXAS DIRECT AUTO - SELL US YOUR CAR						Sprinklers % Type			
Address 312 MAIN ST						Space 200		TID No. - - -	
City HOUSTON		Zip Code 77002		County HARRIS		Bldgs 1	Units	Story 2	Occ. Gp Zone
Contractor *COAST GRAPHICS & SIGNS						Lic. No. 00001018		Phone 2814999721	
Applicant N3 NON-ILLUM 1FC 19X3X19 TEXAS DIRECT AUTO.COM						Lic. No.		Phone	
Use									

\*\* CONTINUED FROM PRIOR PAGE \*\*

SIGN PLAN EXAMINATION	TOTAL FEE	107.25
	Permit Fee	79.73
	Processing Fee	27.52
1 PLAN EXAM FEE		79.73

PERMIT and FEES POST PERMIT ON JOB LOCATION

FOR REINSPECTION CALL:

Sign Administration

832-394-8890

Interactive Voice System

713-222-9922

Any structural work authorized by this permit is issued based on an affidavit stating that the work above does not violate any applicable deed restrictions, or supercede any orders issued by the D. B. Hearing Office.

# Site Verification Sheet

Project # 15097346 15098885  
 Inspector Name: P. PORTER  
 Inspector Number: 968  
 Date of Inspection: SEPT. 10, 2015

COAST GRAPHICS 312 MAIN STREET # 200 77002  
 Sign Company / Applicant Sign Address Suite Zip Code

### Sign Count:

# of signs on application 2 # of existing signs to remain 0 # of signs to be removed 0 # of exempt signs 0

Total New Permitted Signs: Grd 0 Roof 0 Wall 2 Awning 0 Proj 0

Marq 0 Port 0 Dir 0 Exempt 0

Frontage:  Single frontage  Single frontage with more than 350 ft.  Dual frontage

Street Category:  Scenic / Historic  Major Thoroughfare  Freeway  Local / Residential

Central Business District-wall sign maximum height is 42 ft

<b>Powerline Clearance:</b>	<b>Horiz</b>	<b>Vert/Trans</b>		<b>Horiz</b>	<b>Vert/Trans</b>	
<input type="checkbox"/> Communication line	3Ft	3Ft	<input type="checkbox"/> 750V-8 kv(open cond)	10Ft	10Ft	<input checked="" type="checkbox"/> As Per:
<input type="checkbox"/> 0-750V(insulated)	10Ft	10Ft	<input type="checkbox"/> 8 7-22kv(open cond)	10Ft	10Ft	Code of Federal Regulations
<input type="checkbox"/> 0-750V(open cond)	10Ft	10Ft	<input type="checkbox"/> 22kv(open cond)	10Ft	10Ft	Title 29, Part 1910.333

Is Site Approved? YES

### Site Related Comments:

SITE APPROVED FOR SIGN [A] N3 1FC NON-ILLUM 8 X 11 X 31 LOGO - SELL US YOU E CAR AND SIGN [B] N3 1FC NON-ILLUM 19 X 1 X 19 TEXAS DIRECT AUTO COM. BOTH WALL SIGNS TO BE INSTALLED ON THE EAST ELEVATION, FACING MAIN STREET.

If site is not approved, list comments on reverse side/next sheet and enter comments on 103 screen.

### Site Checklist:

#### Ground Sign:

	A	B	C	D	E
1 Does this sign comply with the provisions for the 45 ft. visibility triangle?	<input type="text" value="N/A"/>	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Is there 250 ft. unobstructed view of approaching traffic?	<input type="text" value="N/A"/>	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3. Is the sign wholly contained on private property?	<input type="text" value="YES"/>	<input type="text" value="YES"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Is the sign 3 ft. or more from a fire hydrant?	<input type="text" value="N/A"/>	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Is the address displayed on the ground sign?	<input type="text" value="N/A"/>	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6. Are the underground utilities marked?	<input type="text" value="N/A"/>	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
a If yes, does the sign encroach on the easement or interfere with any utilities?	<input type="text" value="N/A"/>	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1 If yes, has the applicant been notified?	<input type="text" value="N/A"/>	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
b If utilities are not marked, can you determine the ROW?	<input type="text" value="N/A"/>	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1. If no, notify applicant.					
2. If yes, is the sign encroaching into the ROW?	<input type="text" value="N/A"/>	<input type="text" value="N/A"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
a If yes, notify applicant					

Project # 15097346

**Other Signs:**

7. Is the projecting sign 14 ft from finished grade and 2 ft behind curb?

N/A	N/A			
-----	-----	--	--	--

8. Is the marquee sign, 8 ft. from finished grade?

N/A	N/A			
-----	-----	--	--	--

9. Is the sign located within the Harns County Toll Road Authority jurisdiction?

NO	NO			
----	----	--	--	--

a If yes, do you have a copy of the county permit?

N/A	N/A			
-----	-----	--	--	--

10 Is the business enterprise a sexually oriented business?

NO	NO			
----	----	--	--	--

a If yes, has Vice of HPD been notified to your knowledge?

N/A	N/A			
-----	-----	--	--	--

b If no, notify your Section Chief

11 As a result of the above site questionnaire, does the applicant need to be notified of deficiencies?

NO

If yes, who did you notify, time and date

--

**Site Rejection Comments:**

--

\_\_\_\_\_  
Reviewing CDP Supervisor

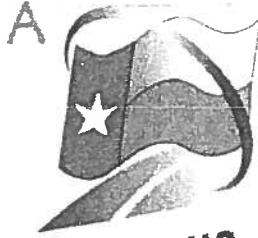
\_\_\_\_\_  
Date

21'-4"

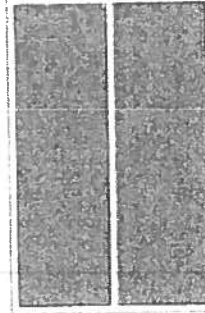
2

8'-3"

11'-3"



SELL US YOUR CAR!



37'

15"

TEXASDIRECTAUTO.COM

APPROVAL  
PLANNING AND DEVELOPMENT  
HISTORIC PRESERVATION OFFICE  
DATE 8-31-2015

19'

WALL 37' X 21.33' - 789 SQ FT  
X .25 = 197.25 ALLOWABLE

SIGN A 8'-3" x 11'-3" = 92.8 SQ FT  
SIGN B 1.25' X 19' = 23.75 SQ FT  
116.55 SQ FT



**COASTSIGNS.COM**  
P 281.499.9721 F 281.595.2052  
16811 FM 521, PO Box 546, Rosharon, TX 77583  
www.coastsigns.com / info@coastsigns.com  
COAST GRAPHICS & SIGNS, INC.

**312 MAIN ST**

SCALE: 3/16" = 1'

APPROVED BY:

DATE: 8/31/15

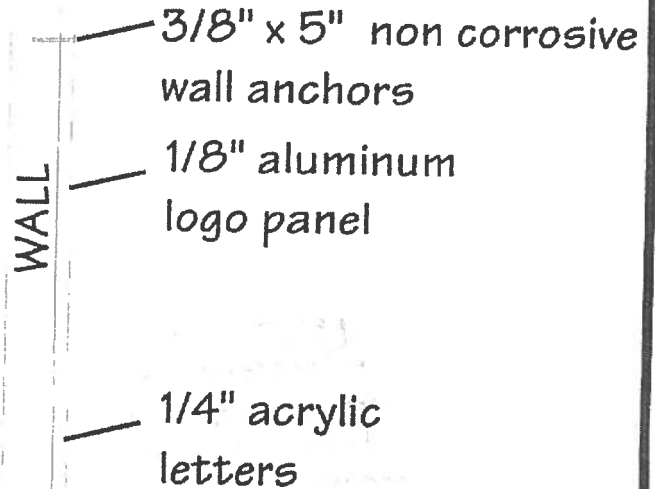
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Anchors positioned aprox. every 24" around perimeter

**SELL US YOUR CAR!**

2 anchors per letter



section view



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www.coastsigns.com / info@coastsigns.com  
COAST GRAPHICS & SIGNS, INC.

**312 MAIN ST**

SCALE: 3/8" = 1'

APPROVED BY:

DATE: 6/30/15

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### CERTIFICATE OF APPROPRIATENESS

**Application Date:** August 5, 2015

**Applicant:** Brett Bertrand, Sell Us Your Car, for Theodore E. Brakatselos, owner

**Property:** 312 Main Street, tracts 2A & 3B, block 33, SSB Subdivision. The property includes a historic two-story commercial building situated on a 2,200 square foot interior lot.

**Significance:** Contributing brick front commercial building, constructed circa 1900, located in the Main Street Market Square Historic District. At the time of its construction circa 1900, the brick front commercial building at 312 Main was three stories. In 1949, the third story and the façade were removed and replaced with a terra cotta tile, aluminum and glass façade with neon signage. The 1949 storefront was removed circa 1970 and replaced, but the second floor tiling and neon were retained. In 2000 the owner of 312 Main received a COA to remove and replace the storefront with a new, partially recessed aluminum and glass storefront. In 2006 the second floor façade was removed and replaced with EIFS and a single window was installed. The 2000 storefront was removed and replaced with a flat aluminum and glass storefront. This work was completed prior to applying for a Certificate of Appropriateness, but a retroactive COA was ultimately granted. The storefront was further altered in 2009 with a change in door locations.

**Proposal:** Alteration - Resubmittal. The applicant was denied a COA last month for a similar sign proposal, and is reapplying with a revised design. Install a non-illuminated sign on the second-story façade. The sign will be comprised of two components, A and B:

- Sign A will be a total of 9'-4" wide and 11'-8" tall and will be comprised of an aluminum logo and individual letters spelling out 'SELL US YOUR CAR' (108 sf)
- Sign B will be comprised of 15" tall 1/4" thick acrylic letters spelling out 'TEXASDIRECTAUTO.COM' (23.75 sf)
- Total signage area will be 131.75 square feet
- Sign will be fastened to the wall with 3/8" x 5" non-corrosive wall anchors
- In July 2015, the applicant was previously denied by the HAHC for a sign with similar dimensions. In this application the Texas Flag logo is larger and the phrase "SELL US YOUR CAR" has been reduced.
- On Sign A, the logo has been enlarged from 9'-0" x 7'-1" to 9'-4" x 8'-0" and the letters have been reduced from 24" to 18".
- Sign B will not be altered.

See enclosed application materials and detailed project description on p. 4-11 for further details. The applicant does not currently have a lease to occupy the space at 312 Main Street; Off-premise signs are not allowed in the City of Houston. The applicant will not be able to secure a

*All materials in exterior walls, including windows, siding, framing lumber, and interior shiplap must be retained except where removal or replacement has been explicitly approved by HAHC. Shiplap is an integral structural component of the exterior wall assembly in balloon framed structures and its removal can cause torquing, twisting and collapse of exterior walls. Shiplap may be carefully shored and removed in small portions to insulate, run wire or plumbing, and should be replaced when the work is complete. Maintenance and minor in-kind repairs of exterior materials may be undertaken without HAHC approval, but if extensive damage of any exterior wall element is encountered during construction, contact staff before removing or replacing the materials. A revised COA may be required.*

### CERTIFICATE OF APPROPRIATENESS

**Basis for Issuance:** HAHC Approval  
**Effective:** August 27, 2015



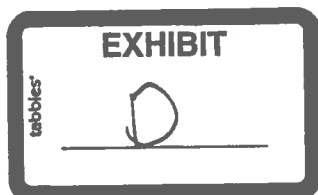
**PLANNING &  
DEVELOPMENT  
DEPARTMENT**

COA valid for one year from effective date. COA is in addition to any other permits or approvals required by municipal, state and federal law. Permit plans must be stamped by Planning & Development Department for COA compliance prior to submitting for building or sign permits. Any revisions to the approved project scope may require a new COA.

Planning Official

Date

1 OF 11





**APPROVAL CRITERIA**

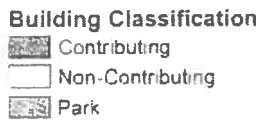
**ALTERATIONS, REHABILITATIONS, RESTORATIONS AND ADDITIONS**

Sec. 33-241(a): HAHC shall issue a certificate of appropriateness for the alteration, rehabilitation, restoration or addition of an exterior feature of (i) any landmark or protected landmark, (ii) any building, structure or object that is contributing to an historic district, or (iii) any building, structure or object that is part of an archaeological site, upon finding that the application satisfies the following criteria, as applicable:

- | S                                   | D                        | NA                                  |   |
|-------------------------------------|--------------------------|-------------------------------------|---|
|                                     |                          |                                     | S - satisfies    D - does not satisfy    NA - not applicable  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (1) The proposed activity must retain and preserve the historical character of the property;  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (2) The proposed activity must contribute to the continued availability of the property for a contemporary use;   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (3) The proposed activity must recognize the building, structure, object or site as a product of its own time and avoid alterations that seek to create an earlier or later appearance;   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (4) The proposed activity must preserve the distinguishing qualities or character of the building, structure, object or site and its environment;   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (5) The proposed activity must maintain or replicate distinctive stylistic exterior features or examples of skilled craftsmanship that characterize the building, structure, object or site;  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (6) New materials to be used for any exterior feature excluding what is visible from public alleys must be visually compatible with, but not necessarily the same as, the materials being replaced in form, design, texture, dimension and scale;   |
| <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | (7) The proposed replacement of missing exterior features, if any, should be based on an accurate duplication of features, substantiated by available historical, physical or pictorial evidence, where that evidence is available, rather than on conjectural designs or the availability of different architectural elements from other structures; |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (8) Proposed additions or alterations must be done in a manner that, if removed in the future, would leave unimpaired the essential form and integrity of the building, structure, object or site;  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (9) The proposed design for any exterior alterations or addition must not destroy significant historical, architectural or cultural material and must be compatible with the size, scale, material and character of the property and the area in which it is located;   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | (10) The setback of any proposed construction or alteration must be compatible with existing setbacks along the blockface and facing blockface(s);  |
| <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | (11) The proposed activity will comply with any applicable deed restrictions.   |



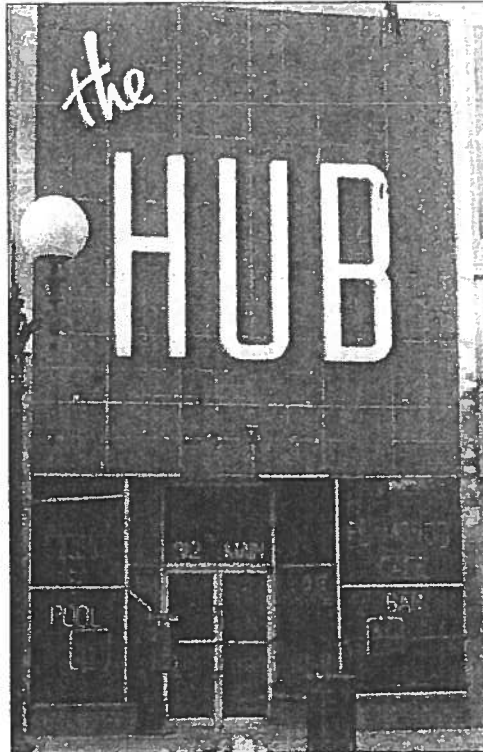
**PROPERTY LOCATION**  
**MAIN STREET MARKET SQUARE HISTORIC DISTRICT**



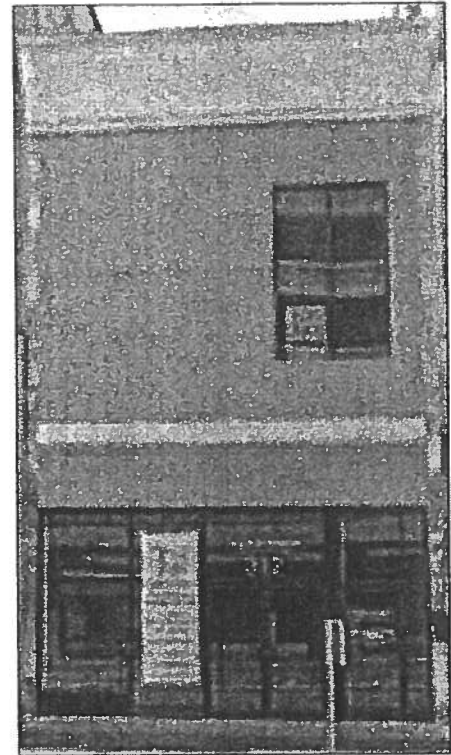
1915 PHOTO



INVENTORY PHOTO



CURRENT PHOTO



CURRENT PHOTO

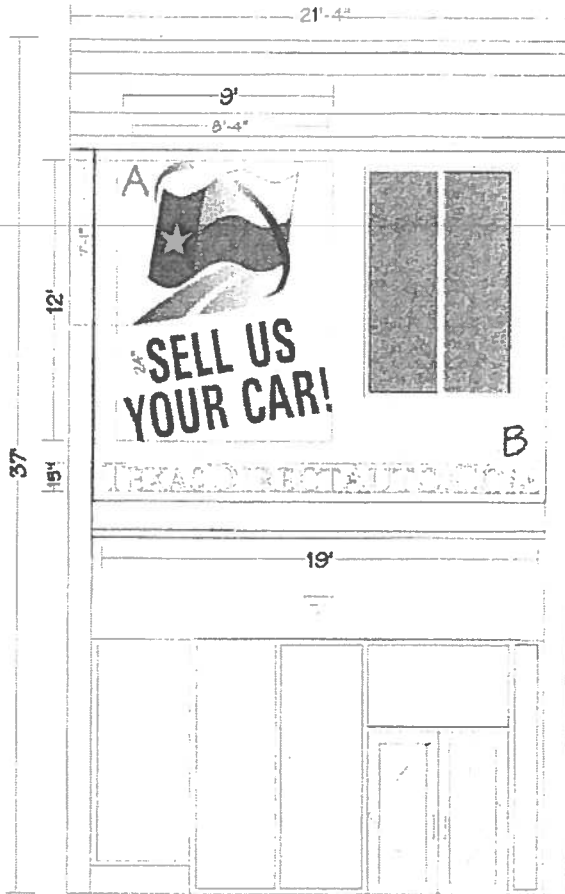


NEIGHBORING PROPERTIES

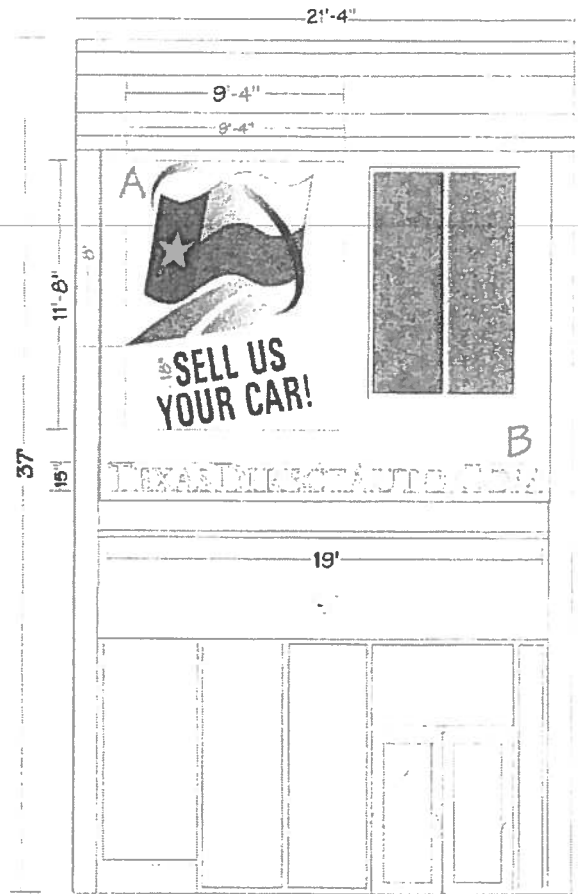


FRONT FACING MAIN STREET

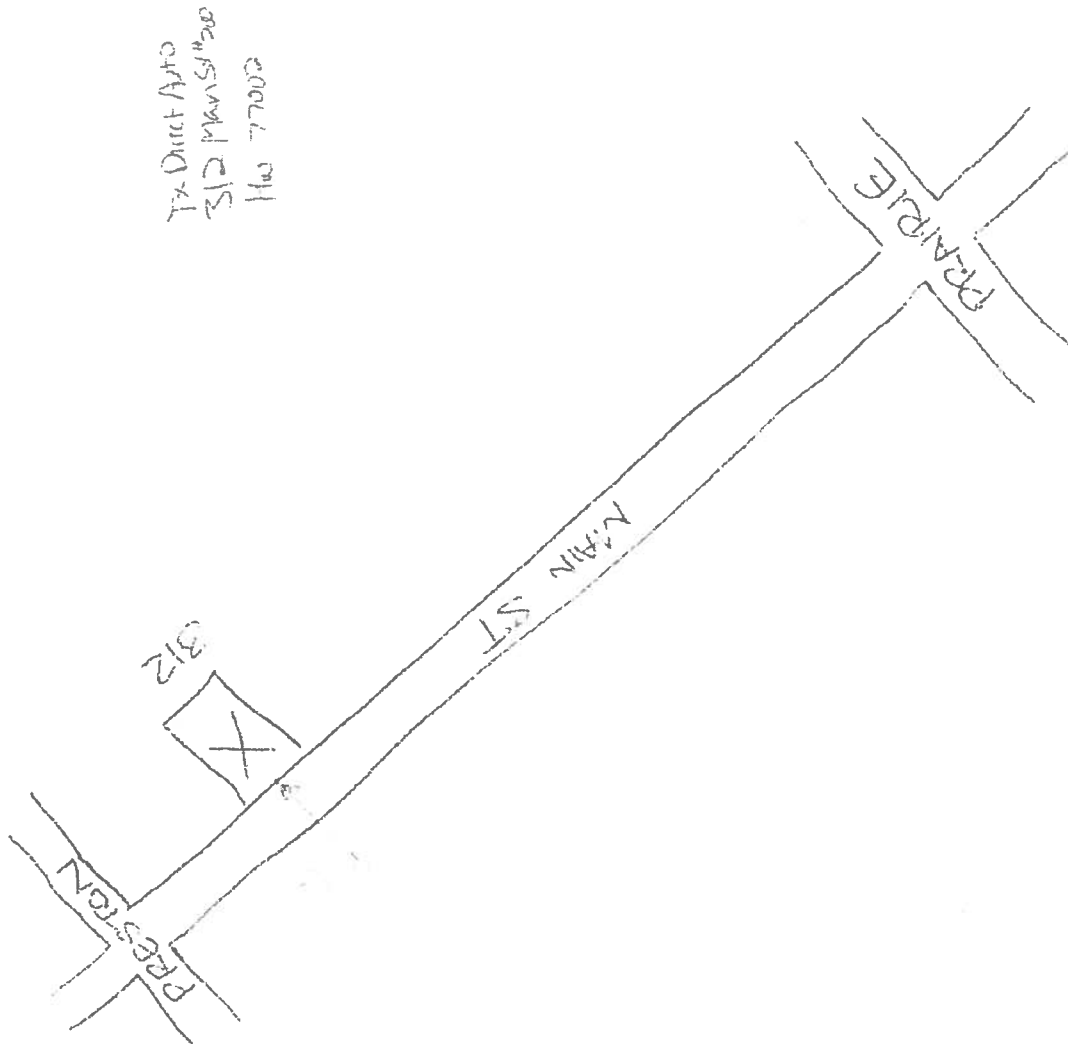
Denied July 2015



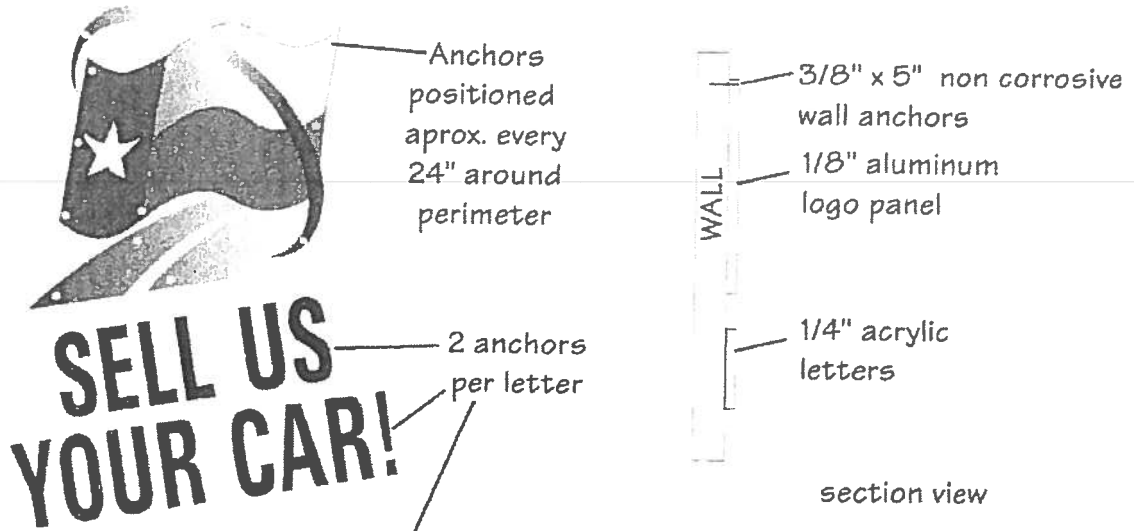
PROPOSED




SITE PLAN



SIGN DETAILS  
PROPOSED



	<b>COASTSIGNS.COM</b> P 281.499.9721 F 281.595.2052 16811 FM 521, PO Box 545, Rothman, TX 77583 www.coastsigns.com / info@coastsigns.com COAST GRAPHICS & SIGNS, INC.	<b>312 MAIN ST</b>
		Scale: 3/8" = 1' Date: 6/30/15

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## PROJECT DETAILS

**Shape/Mass:** July 2015.

Proposed Sign A will be comprised of a 1/8" thick aluminum panel featuring a logo with the Texas Flag. Below the logo will be the phrase 'SELL US YOUR CAR!' comprised of individual metal letters. The Texas Flag logo will be 9'-0" wide and 7'-1" tall while the phrase will have 24" tall letters. Sign A will be a total of 9'-0" wide and 12'-0" tall and have a total area of 180 square feet. Sign B will be comprised of 15" tall 1/4" thick acrylic letters spelling out the phrase 'TEXASDIRECTAUTO.COM'. Sign B will span 19'-0" across the width of the building. Sign B will have a total area of 23.75 square feet. Total signage area will be 131.75 square feet.

August 2015.

Proposed Sign A will be comprised of a 1/8" thick aluminum panel featuring a logo with the Texas Flag. Below the logo will be the phrase 'SELL US YOUR CAR!' comprised of individual metal letters. The Texas Flag logo will be 9'-4" wide and 8'-0" tall while the phrase will have 18" tall letters. Sign A will be a total of 9'-4" wide and 11'-8" tall and have a total area of 180 square feet. Sign B will be comprised of 15" tall 1/4" thick acrylic letters spelling out the phrase 'TEXASDIRECTAUTO.COM'. Sign B will span 19'-0" across the width of the building. Sign B will have a total area of 23.75 square feet. Total signage area will be 131.75 square feet.

See drawings for more detail.

**Exterior Materials:** Sign A will be a 1/8" thick aluminum panel with individual 1/8" thick aluminum letters while Sign B will be 1/4" thick acrylic letters. The sign will be fastened to the building with 3/8" x 5' non-corrosive wall anchors. On Sign A the wall anchors will be installed approximately every 24" around the perimeter and with two anchors per letter. Sign B will have two anchors per letter. See drawings for more detail.

**Front Elevation:** The existing façade features an aluminum and glass storefront with one door on the north portion and a double door in the remaining portion and is clad with EIFS at the second floor. A single two-lite fixed window is located north of center at the second floor.

**(Southeast)**

The proposed sign will be installed above the first story cornice. Sign A will be installed on the south half of the second-story façade. Sign B will be installed above the first story cornice and will span the width of the building. See drawings for more detail.

**CALL TO ORDER**

The meeting was called to order at 3:03 p.m. by Chair, Mr. Maverick Welsh, with a quorum present. The following Commission members noted with "P" were present during all or portions of the meeting and the members noted with "A" were absent.

Edie Archer	P
David Bucek	P
Romulo Tim Cisneros	A
Ann Collum	P
John Cosgrove	P
Douglas Elliott	A
Jorge Garcia-Herreros	P
Rob D. Hellyer	P Arrived at 3:08 during the Director's Report
Kerry L. Goelzer	P
Anna Mod	P
Charles Stava	P
Maverick Welsh	P

**CHAIRMAN'S REPORT**

The Chair's report was given by Chair, Maverick Welsh. Mr. Welsh reviewed the operating procedures and Speaker Rules for the audience. Also, mentioned applications are due 22 days in advance of the monthly HAHC meeting. The HAHC will not accept new material including handouts or revised plans at today's meeting. Submitting new documents at the meeting may cause your application to be deferred another month. Also, announced the meeting was airing live on HTV and asked everyone to speak into the microphone so they could be heard. He also encouraged each Commissioner to participate in each vote and to make motions to help move the meeting along. Due to the long meeting he requested a motion to reduce the speaker's time.

Motion made by Commissioner Collum, seconded by Commissioner Goelzer, to reduce speaker times for applicants to two minutes and non-applicants to one minute. Motion carried unanimously.

**DIRECTOR'S REPORT**

The Director's report was given by Director, Patrick Walsh. Mr. Walsh announced that staff will be reviewing today the final recommendations to the proposed changes to the Historic Preservation Ordinance. The Commission will have the opportunity to vote on the recommendations today or defer the decision for next month. The proposed amendments will be presented to the City Council Quality of Life Committee on Wednesday, September 2. The item will be taken to City Council for approval once the Historical Commission has taken action on the proposed amendments. Announced that Plan Houston the City of Houston's first General Plan was unanimously recommended by the Planning Commission for approval and will now will move forward to City Council for adoption. A public hearing will be held at City Council on September 16. Also announce John Gardosik was leaving the department and thanked him for his service to the city and wished him well with his future endeavors. Also, mentioned that an appeal for 1548 Cortland was overturned last week by the Planning Commission.

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**A. CONSIDERATION OF PROPOSED AMENDMENTS TO THE HISTORIC PRESERVATION ORDINANCE (CHAPTER 33, ARTICLE 7, CITY OF HOUSTON CODE OF ORDINANCE):**

Proposed amendments were presented by Margaret Wallace Brown, Deputy Director, Planning and Development Department


Motion was made by Commissioner Collum, seconded by Commissioner Mod to defer for one month  
Motion carried with Commissioner Hellyer opposing.

Commissioner Bucek and Mod recused themselves and left the room.

**B. CONSIDERATION OF CERTIFICATE OF APPROPRIATENESS APPLICATIONS:**

Motion was made by Commissioner Cosgrove, seconded by Commissioner Collum to consider agenda items B-1, B-2, B-3, B-7, B-8, B-9, B-10, B-13, B-14, B-15, B-16, B-17, B-19, B-20, B-21, B-22, B-23, B-24, B-25, B-26, B-27, B-29, B-30, B-31, B-32, B-33, B-36, B-38, B-40, B-41, B-42 and B-43 together at this time.

1. 6302 Lyons Ave. – Alteration-Roof – PLM / Fire Station #27
2. 1121 Walker St. – Alteration-Storefront/Canopy – LM/ Melrose Building
3. 4000 S. MacGregor Way – Alteration-Addition – LM / Weingarten House
7. 803 Henderson St. – Alteration-Door/Porch – Old Sixth Ward Historic District
8. 204 Stratford St. – Alteration-Addition/Porch – Avondale East Historic District
9. 204 Stratford St. – New Construction-Garage – Avondale East Historic District
10. 401 Sul Ross St. – Alteration-Windows/Cladding – First Montrose Commons Historic District
13. 3618 Burlington St. – Alteration-Windows/Door – Westmoreland Historic District
14. 532 Granberry St. – Alteration-Addition/Windows – Freeland Historic District
15. 3324 Morrison St. – Alteration-Addition *Revision* – Woodland Heights Historic District
16. 3324 Morrison St. – Alteration-Addition *Noncontributing Rev.* – Woodland Heights Historic District
17. 619 Woodland St. – Alteration-Addition – Woodland Heights Historic District
19. 1410 Studewood St. – Alteration-Porch – Norhill Historic District
20. 630 W. Temple St. – Alteration-Addition *Revision* – Norhill Historic District
21. 828 W. Cottage St. – Alteration-Porch – Norhill Historic District
22. 319 W. 15<sup>th</sup> St. – Alteration-Addition/Porch/Windows – Houston Heights West Historic District
23. 319 W. 15<sup>th</sup> St. – New Construction-Carport – Houston Heights West Historic District
24. 1325 Ashland St. – Alteration-Porch *Noncontributing* – Houston Heights West Historic District
25. 1125 Tulane St. – Alteration-Solar Panels *Noncontributing* – Houston Heights West Historic District
26. 1429 Allston St. – New Construction-Garage – Houston Heights West Historic District
27. 1626 Heights Blvd. – New Construction-Garage – Houston Heights East Historic District
29. 1248 Harvard St. – Alteration-Addition *Noncontributing* – Houston Heights East Historic District
30. 540 Columbia St. – Alteration-Addition *Revision* – Houston Heights South Historic District
31. 1021 Harvard St. – Alteration-Porch - Houston Heights South Historic District
32. 716 Arlington St. – Alteration-Addition/Garage – Houston Heights South Historic District
33. 321 Heights Blvd. – New Construction-Garage *Resubmittal* – Houston Heights South Historic District
36. 427 Arlington St. – New Construction-Garage – Houston Heights South Historic District
38. 429 Arlington St. – New Construction-Garage – Houston Heights South Historic District
40. 849 Harvard St. A – Alteration-Siding *Noncontributing* Houston Heights South Historic District



**4. 312 Main St. – Alteration-Signage Resubmittal – Main Street Market Square Historic District**

Motion was made by Commissioner Archer, seconded by Commissioner Hellyer to grant the Certificate of Appropriateness for item B-4 with the conditions the applicant uses a smaller flag and smaller lettering for the sign. Motion carried with Commissioner Collum, Goelzer, Mod and Stava opposing.

Speakers: Brett Bertrand, applicant – supportive.

**5. 1808 Kane St. – Alteration-Siding/Windows – Old Sixth Ward Historic District**

Motion was made by Commissioner Archer, seconded by Commissioner Stava to partially approved the Certificate of Appropriateness as follows: Approval to replace aluminum windows and wood 2-over-2 windows with non-fin-mounted 6-over-6 wood or wood-clad windows within existing openings; approval to replace door on west side with a wood or wood-clad, non-fin-mounted 6-over-6 window in existing opening. Denial to replace existing wood 6-over-6 windows and relocate or alter the size of any window openings. Denial to replace all wood siding with composite wood siding. Approval to remove the rear addition and build rear deck and pergola. for item B-5. Motion carried unanimously.

Speakers: Ryan Boehner and Diane Morin - opposing

**6. 1810 Kane St. – Alteration-Porch – Old Sixth Ward Historic District**

Motion was made by Commissioner Mod, seconded by Commissioner Goelzer to grant the Certificate of Appropriateness with the following conditions: Reinstall the missing header above the porch, install columns to match the existing engaged columns, and replace the wood-grain finish soffit material with smooth-finish or wood to match original for item B-6. Motion carried unanimously.

Speaker: Ryan Boehner – supportive.

**11. 7654 Rockhill St. – Alteration-Windows – Glenbrook Valley Historic District**

Motion was made by Commissioner Archer, seconded by Commissioner Hellyer to grant the Certificate of Appropriateness for item B-11. Motion carried with Commissioner Cosgrove, Commissioner Goelzer, Commissioner Mod and Commissioner Stava opposing; Commissioner Collum abstaining; Chair Maverick Welsh breaks the tie vote for approval.

**12. 1811 Shearn St. – Alteration-Addition/Porch/Foundation – High First Ward Historic District**

Motion was made by Commissioner Garcia-Herreros, seconded by Commissioner Bucek to defer the Certificate of Appropriateness for item B-12 for one month to give the applicant time to work with staff. Motion carried unanimously.

Speaker: Steven Benavides, applicant – supportive.

**18. 908 W. Cottage St. – Alteration-Addition – Norhill Historic District**

Motion was made by Commissioner Mod, seconded by Commissioner Cosgrove to grant the Certificate of Appropriateness with no conditions for item B-18. Motion carried with Commissioner Stava abstaining.

Speaker: Nick Eronko, applicant – supportive.

**28. 1123 Oxford St. – Alteration-Addition Resubmittal – Houston Heights East Historic District**

Motion was made by Commissioner Hellyer, seconded by Commissioner Cosgrove to grant the Certificate of Appropriateness for item B-28. Motion carried with Commissioner Bucek, Commissioner Garcia-Herreros, Commissioner Mod and Commissioner Stava opposing.

Speaker: Emiliano Zazueta, applicant – supportive.

**35. 427 Arlington St. – New Construction-Residence – Houston Heights South Historic District**

**37. 429 Arlington St. – New Construction-Residence – Houston Heights South Historic District**

Motion was made by Commissioner Cosgrove, seconded by Commissioner Mod to grant the Certificate of Appropriateness for items B-35 and B-37. Motion carried with Commissioner Garcia-Herrerros abstaining.

Speaker: Elizabeth Devore, owner - supportive

**39. 612 Arlington St. – Alteration-Siding/Trim – Houston Heights South Historic District**

Motion was made by Commissioner Mod and seconded Commissioner Garcia-Herrerros to deny the Certificate of Appropriateness for item B-39. Motion carried unanimously.

Speaker: Florentino Perez, applicant – supportive.

Commissioner Mod recused herself and left the room.

**44. 1932 South Blvd. – Demolition-Residence – Boulevard Oaks Historic District**

Motion was made by Commissioner Archer and seconded by Commissioner Collum to deny the Certificate of Appropriateness for item B-44. Motion carries with Commissioner Hellyer abstaining.

Speakers: Timothy Kirwin, applicant, Spencer Howard and Henry Segelke - supportive

Commissioner Mod returned.

**C. PUBLIC HEARING AND CONSIDERATION OF A LANDMARK DESIGNATION APPLICATION FOR DR. AND MRS. JAMES G. FLYNN HOUSE AT 2129 BRENTWOOD DRIVE:**

The Chair opened and closed the public hearing. There were no speakers.

Motion made by Commissioner Cosgrove, seconded by Commissioner Mod that the Houston Archaeological and Historical Commission recommend to City Council the Landmark Designation of the Dr. and Mrs. James G. Flynn House at 2129 Brentwood Drive. Motion carried unanimously.

Commissioner Mod recused herself and left the room.

**D. PUBLIC HEARING AND CONSIDERATION OF A PROTECTED LANDMARK DESIGNATION APPLICATION FOR THE CHEEK-NEAL COFFEE COMPANY BUILDING AT 2017 PRESTON AVENUE, A DESIGNATED CITY OF HOUSTON LANDMARK:**

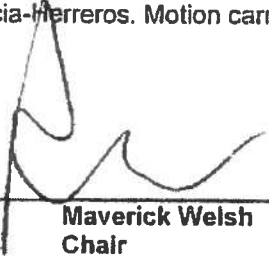
The Chair opened and closed the public hearing. There were no speakers.

Motion made by Commissioner Cosgrove, seconded by Commissioner Garcia-Herrerros that the Houston Archaeological and Historical Commission recommend to City Council the Protected Landmark Designation of the Cheek-Neal Coffee Company Building at 2017 Preston Avenue. Motion carried unanimously.

Commissioner Mod returned.


**F. ADJOURNMENT:**

There being no further business brought before the commission, Chair, Mr. Maverick Welsh, adjourned the meeting at 5:55 p.m. Motion was made by Commissioner Collum and seconded by Commissioner Garcia-Herreros. Motion carried unanimously.



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**Maverick Welsh**  
Chair



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**Patrick Walsh**  
Executive Secretary