

STATE OF TEXAS

COUNTY OF WILLACY

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BOAT STALL LEASE AGREEMENT

This Lease Agreement is made and entered into as of the ___ day of _____, by and between **WILLACY COUNTY NAVIGATION DISTRICT**, a Navigation District organized and existing under Article XVI, Section 59 of the Constitution of the State of Texas, acting through the Chairman of its Port Commission (hereinafter called "Lessor"), and ___ a _____ corporation (hereinafter called "Lessee"), upon the following terms and conditions, to-wit:

1. LEASED PREMISES

Lessor leases to Lessee that real property described as BOAT STALL No. _____ for the purpose of mooring one (1) vessel having a maximum length of _____ feet, Vessel ID No. _____ (the "Leased Premises"), together with (a) access to the Leased Premises via common piers/walkways and (b) the immediately adjacent pier/walkway to the Leased Premises, subject to Lessor's interests and right of access to the Leased Premises as owner of the property.

2. TERM

2.01. Primary Term. The primary term of this lease shall be for a period of one year, beginning on the ___ day of ___ and ending at 11:59 p.m. on the ___ day of _____.

2.02. Renewal Option(s). Provided Lessee is not in default at the end of the primary term, then Lessee shall have the option to renew this lease for additional one (1) year periods, provided Lessee provides written notice to Lessor at least ninety (90) days prior to the expiration of any calendar lease year. In the event Lessee does not timely notify Lessor but remains in possession of the Leased Premises, such tenancy shall constitute a holdover tenancy. Upon the termination of Lessee's tenancy, Lessee shall surrender the Leased Premises to Lessor promptly and in the same condition as when leased, except for any improvements left by the Lessee.

3. RENT

3.01. Rent. Lessee agrees to pay to Lessor as annual rental each year at the time of (1) execution of this Lease for a Primary Term; or (2) at least ninety (90) days in advance of any renewal term; the rental amount as established by the Navigation District and Canal Commissioners of Lessor from time to time. The obligation of Lessee to pay rent is independent of Lessor's obligations under this lease.

4. USE

4.01. Permitted Use. The leased premises are to be used by Lessee as a boat stall for the mooring of the vessel described in Section 1, and for no other use (the "Permitted Use."). Lessee accepts the leased premises and all existing access thereto as suitable for its purposes AS IS, WITH ALL FAULTS, IF ANY, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED.

4.02. Prohibited Use. Lessor will not use or permit the use of the Leased Premises or adjacent areas for any purpose other than the Permitted Use. Additionally, Lessee will not use or cause the Leased Premises or adjacent areas to be used for any unlawful or dangerous act, for acts constituting a nuisance, or in any other manner which might justify any insurance carrier in cancelling or raising the rates of any insurance policies maintained by Lessor and covering the Leased Premises.

4.03. Hazardous Materials. Lessee shall not cause or permit any hazardous materials to be generated, treated, stored on or about the leased premises or transferred to the leased premises in contravention of Lessor's tariffs or any other legal requirement

5. INDEMNITY AND INSURANCE

5.01. Indemnity. Lessee agrees to indemnify and hold and save Lessor harmless from any and all liabilities, costs, demands, claims and expenses, including reasonable attorney's fees and court costs incurred by Lessor in connection with Lessee's use or occupancy of the Leased Premises. The parties expressly acknowledge and agree that Lessee shall be responsible for and shall reimburse Lessor for any and all damage to Lessor's property caused by any person, firm or corporation who uses the Leased Premises.

5.02. Lessor's Exculpation. Lessor shall have no responsibility or liability to Lessee, or to Lessee's officers, directors, shareholders, partners, employees, agents, contractors or invitees, for bodily injury, death, property damage, business interruption, loss of profits, loss of trade secrets or other direct or consequential damages occasioned by (a) force majeure, (b) vandalism, theft, burglary and other criminal acts (other than those committed by Lessor and its employees) or (c) the repair, replacement, maintenance, damage, destruction or relocation of the Leased Premises.

6. MAINTENANCE AND COSTS

6.01. Utilities. In addition to the rent provided herein, Lessee shall pay to Lessor Lessee's pro rata share of the cost of electricity to the leased premises, as determined by Lessor. Such payments shall be made promptly upon receipt by Lessee of Lessor's invoice. Lessor shall, to the extent Lessor is able to do so, provide water to the leased premises at no cost to Lessee.

6.02. Maintenance. Lessee covenants and agrees to at all times maintain the leased premises in a clean and orderly condition, and orderly operation of the Willacy County Navigation District in the interests of Lessor, Lessor's other tenants and the general public. Lessee shall be responsible for maintenance and repair of the docks and piers adjacent to the Leased Premises, and shall provide that they be kept in a safe, usable condition.

7. IMPROVEMENTS

7.01. Construction of Improvements. Lessee shall have the right, at its own expense, to erect, maintain, or replace storage boxes adjacent to the Leased Premises, subject to Lessor's approval of placement and specifications. Lessor shall have the right to require removal, alteration or reconstruction of such storage boxes if such storage boxes deviate from the placement and specifications initially provided to Lessor, become deteriorated or unsightly so as to constitute a nuisance, or in the event Lessor requires use of the area upon which said storage boxes are placed.

7.02. Removal of Improvements. Upon termination of this lease, Lessee shall remove any improvements made by Lessee, and will otherwise restore the surface of the Leased Premises free of all obstacles, slabs, stakes, blocks, lines and other material. All property not so removed from the Leased Premises shall become the property of Lessor.

8. COMPLIANCE WITH LAW

Lessee agrees to be responsible for compliance with any and all codes, ordinances, statutes, regulations or laws of any nature whatsoever promulgated by any governmental subdivision or agency which may exercise jurisdiction or regulatory control over or affecting the Leased Premises.

9. CASUALTY LOSS

9.01. Notice and Obligation to Restore.

(a) Lessee shall notify Lessor in the event of casualty loss or destruction of the Leased Premises and adjacent docks and piers. If the Leased Premises and adjacent areas are wholly destroyed by any casualty, or are so damaged or destroyed that, in Lessor's reasonable judgement, it would be uneconomic to cause the same to be restored, then Lessor shall be obligated to restore improvements and this Lease shall terminate.

(b) All insurance proceeds arising from policies maintained by Lessor for the damages arising from such casualty shall be distributed and paid directly to Lessor. Lessee shall be responsible for securing sufficient insurance to cover Lessee's property installed or placed on or adjacent to the Leased Premises.

10. SECURITY INTEREST

As security for Lessee's payment of rent and performance of all of its other obligations under this lease, Lessee hereby grants to Lessor a lien on and security interest in all property of Lessee now or hereafter placed or installed in or adjacent to the Leased Premises. This Article 10 shall constitute a security agreement under the Uniform Commercial Code of the State of Texas. Lessee appoints Lessor as Lessee's attorney in fact to execute and file such financing statements as Lessor may require.

11. DEFAULT BY LESSEE

11.01. Events of Default. Each of the following occurrences shall constitute an event of default by Lessee under this lease:

- (a) The failure of Lessee to pay rent as and when due hereunder and the continuance of such failure for a period of five days thereafter;
- (b) The failure of Lessee to perform, comply with or observe any other agreement, obligation or undertaking of Lessee, or any other term, condition or provision, in this lease, and the continuance of such failure for a period of 10 days after written notice from Lessor to Lessee;
- (c) The filing of a petition by or against Lessee or any guarantor of Lessee (i) in any bankruptcy or other insolvency proceeding, (ii) seeking any relief under the Code or any similar debtor relief law, (iii) for the appointment of a liquidator or receiver for all or substantially all of Lessee's property or for Lessee's interest in this lease or (iv) to reorganize or modify Lessee's capital structure;
- (d) The admission by Lessee in writing that it cannot meet its obligations as they become due or the making by Lessee (or any guarantor) of an assignment for the benefit of its creditors.

11.02. Remedies of Lessor. Upon any event of default, Lessor may, at Lessor's option and in addition to all other rights, remedies and recourses afforded Lessor hereunder or by law or equity, do any one or more of the following:

- (a) Terminate this lease by the giving of written notice to Lessee, in which event Lessee shall pay to Lessor upon demand the sum of (i) all rent and other amounts accrued hereunder to the date of termination, and (ii) damages in an amount equal to (A) the total rent that Lessee would have been required to pay for the remainder of the term discounted to present value at a discount rate reasonably designated by Lessor minus (B) the then present fair rental value of the leased premises for such period.

- (b) Terminate Lessee's right to possession of the leased premises without terminating this lease by the giving of written notice to Lessee, in which event Lessee shall pay to Lessor upon demand (i) all rent and other amounts accrued hereunder to the date of termination of possession, and (ii) all rent and other sums required hereunder to be paid by Lessee during the remainder of the term, minus any amounts received by Lessor through reletting the leased premises during said period, if applicable, and in which case the Lease shall terminate. Reentry by Lessor in the Leased Premises will not affect the obligations of Lessee hereunder for the unexpired term. Lessor may bring action against Lessee to collect amounts due by Lessee on one or more occasions, without the necessity of Lessor's waiting until expiration of the term. Lessor shall have the right, but not the obligation, at its sole election (but not as its exclusive remedy), to perform or observe the covenants, agreements, or obligations which are asserted to have not been performed or observed at the expense of Lessee and to recover all costs or expenses incurred in connection with the same. Any performance or observance by Lessor pursuant to this Section shall not constitute a waiver of Lessee's Default
- (c) Alter or remove any and all locks and other security devices at the leased premises.

11.03. Payment by Lessee. Upon any event of default, Lessee shall also pay to Lessor all costs and expenses incurred by Lessor, including court costs and reasonable attorneys' fees, in (a) retaking or otherwise obtaining possession of the leased premises, (b) removing and storing Lessee's or any other occupant's property, (c) repairing, restoring, altering, remodeling or otherwise putting the leased premises into its original condition, (d) reletting all or any part of the Leased Premises, (e) paying or performing the underlying obligation which Lessee failed to pay or perform and (f) enforcing any of Lessor's rights, remedies or recourses arising as a consequence of the event of default.

11.04. Reletting. Lessor recognizes its duty to mitigate damages pursuant to Sec. 91.00t of the Texas Property Code, in the event of termination due to Lessee's default under this Lease.

11.05. Injunctive Relief: Remedies Cumulative. The rights, remedies and resources of Lessor for an event of default shall be cumulative and no right, remedy or recourse of Lessor, whether exercised by Lessor or not, shall be deemed to be in exclusion of any other.

11.06. No Waiver; No Implied Surrender. The acceptance of rent by Lessor following an event of default (whether known to Lessor or not), shall not constitute a waiver by Lessor of any event of default under this Lease. Further, the failure by Lessor to complain or notify Lessee of any requirement or default, shall not extinguish, waive or in any way diminish the rights, remedies and recourses of Lessor with respect to such action or inaction.

11.07. Defaults by Lessor. Defaults by Landlord are failing to comply with any provision of this lease within ninety days after written notice from Tenant; provided, however, that if the failure cannot reasonably be cured within the 90 day time period, Lessor shall not be in default hereunder if Lessor commences to cure the failure within the 90 days and thereafter pursues the curing of same to completion. If Lessor in curing its default hereunder is required to advertise for public bids for the work to complete such cure, then Lessor shall deemed to have commenced such cure upon commencement of preparation of specifications to be used in advertising such public bids. Lessee's remedies for a default by Lessor hereunder shall be limited to claims for damages, specific performance and injunctive relief; and in no event shall Lessee be entitled to rescind or terminate this lease or Lessee's obligations hereunder as a consequence of such default by Lessor. Lessor shall not be obligated to impose taxes or any special assessments to satisfy its obligations hereunder.

12. ASSIGNMENT AND SUBLEASE

12.01. Assignment or Sublease Without Consent Prohibited. Provided Lessee is not in default hereunder, this lease agreement may be assigned by Lessee **with the express written consent of Lessor**, provided that (i) the assignment does not otherwise alter the terms and provisions of this lease, and (ii) **Lessee and Sublessee or Assignment execute a sublease or assignment agreement on a form as provided by Lessor**; and (iii) Sublease or Assignee is creditworthy and expressly agrees to assume all of the Lessee's obligations hereunder, including payment of rent.

13. MISCELLANEOUS

13.01. Parties Bound. This Lease Agreement shall be binding upon and shall be enforceable by and inure to the benefit of the parties, their respective heirs, executors, personal representatives, successors.

13.02. Merger. This Lease Agreement contains the sole agreement with respect to the subject matter hereof, and nothing not contained herein, whether oral or written, shall be recognized or enforced. This Agreement may not be modified or amended except by subsequent written agreement executed by all parties.

13.03. Notice. Any notice required or permitted under this lease shall be in writing, and the same shall be deemed to have been delivered (whether received or not) the earlier of receipt, or seventy-two (72) hours after deposit with the United States Postal Service, postage pre-paid, by registered or certified mail, addressed to the party to whom such notice is being directed at the address hereinafter specified. The date of postmark by the United States Postal Service shall be deemed to be the date of deposit. The address for the Lessor for all purposes under this Lease Agreement and for all notices hereunder shall be:

LESSOR:

Willacy County Navigation District
400 W. Hidalgo, Suite 400
Raymondville, TX 78580

LESSEE:

From time to time either party may designate another address for all purposes under this Lease Agreement by delivery to the other party of written notice of such change of address.

13.04. Place of Performance. This Lease Agreement shall be construed under the laws of the State of Texas, and all obligations hereunder are regarded as performable in Willacy County, Texas.

13.05. Execution in Multiple Counterparts. This Lease Agreement is executed in multiple counterparts, each of which counterpart shall be deemed to be an original of such Lease Agreement.

13.06. No Third Party Beneficiaries. This Lease Agreement does not create and any rights enforceable by any person not a party to this Lease Agreement.

13.07. Severability. If any provision of this Lease Agreement is invalid, illegal, or unenforceable, the balance of this Lease Agreement shall remain in effect.

13.08. Incorporation by Reference. Any exhibits to this Lease Agreement whether attached or referred to, are integral parts of this Lease Agreement and are incorporated herein for all purposes.

13.09 Time of Essence. Time is of the essence with respect to each date or time specified in this lease.

13.10. Relation to the Parties. Nothing in this lease shall be construed to make the parties partners or joint venturers or to render either party liable for any obligation of the other.

13.11. Recording. Neither this lease (including any exhibit hereto) nor any memorandum hereof shall be recorded without the prior written consent of Lessor.

13.12. Force Majeure. Lessee shall not be liable to Lessor for loss or damages, nor shall have any right to terminate this lease or perform its obligations therein for any default or delay attributable to any act of God, flood, fire, explosion, strike, labor dispute, shortage of raw materials, casualty, accident, war, civil commotion, blockage or embargo, or any other cause beyond the reasonable control or anticipation of Lessee, if Lessee gives prompt written notice (within five days after the occurrence of the event) of any such cause to Lessor. Lessee must commence performance of its obligation hereunder immediately upon cessation of the event and advise Lessor of same in writing.

13.13. Interpretation. Lessee is aware of the right to have their legal counsel review this lease. Accordingly, no presumption will apply in favor of either Lessor or Lessee in the interpretation of this lease or in the resolution of the ambiguity of any of its provisions.

LESSOR:

WILLACY COUNTY NAVIGATION DISTRICT

BY: _____
Chairman, Board of Navigation and Canal Commissioner

LESSEE:

(Name of organization, if not an individual)

Email:

BY: _____

Phone No:

Signature of individual Less or organization representative

ASSIGNMENT OF LEASE

Boat Stall No. _____
Port Mansfield, Texas

Date: _____

I, _____, do hereby assign, transfer and convey to _____,
the attached lease to have and to hold the same for the remaining portion of the term mentioned in said lease.

ASSIGNOR: _____

I, _____, do hereby assume the obligations of this lease.

ASSIGNEE: _____

ADDRESS: _____

Email and Phone No: _____

ASSIGNMENT APPROVED:
WILLACY COUNTY NAVIGATION DISTRICT

By: _____, Chairman

_____, Secretary

Date: _____