

TERMS AND CONDITIONS FOR OFFICE SERVICE AGREEMENT

These Terms and Conditions are a part of the executed Office Service Agreement ("OSA"), collectively ("Agreement") by and between **Skyline Executive Suites, Ltd.**, a Texas limited partnership, (hereinafter "Licensor") having offices known and numbered as Suite 1300 (the "Facility") in the building located at 11757 Katy Freeway, Houston, Texas 77079 (the "Building") and "Client" with an address, and Term as designated on the OSA.

1. **OFFICE.** Subject to the terms and conditions of this Agreement, Licensor hereby agrees to provide Client for the Term: the exclusive use of such designated furnished private offices as indicated on the OSA, located in the Facility (the "Premises"); and (b) non-exclusive use of the services as described therein. Client acknowledges and agrees that Client is accepting the license of the Premises in its present "**AS IS**," "**WHERE IS**" condition, "**WITH ALL FAULTS**". Client further represents and warrants that it has used all due diligence in conducting such studies, inspections and tests on the Premises that Client deemed necessary or appropriate. Client acknowledges that Licensor has not made and does not make, and Licensor hereby disclaims, any and all warranties, expressed or implied, which in any way relate to the Premises or the condition thereof, including, without limitation, any implied warranty of suitability or habitability.

If for any reason, Licensor cannot deliver possession of the Premises to Client on the Commencement Date, this Agreement will remain in full force and effect; however, there will be an abatement of the Monthly Office Charge for the period between the Commencement Date and the date that the Premises are delivered to Client. If the beginning date is not the first day of the month, then the Monthly Office Charge will be pro-rated for that initial, partial month.

2. **USE.** The Premises will be used by Client solely for office space and for no other purpose whatsoever, in strict accordance with the Rules and Regulations, which are annexed hereto as Schedule "A". Client will not offer at the Premises any services which Licensor provides to its clients, including, but not limited to those services described in the OSA and Schedule "B" attached hereto. Client and its employees will not make nor permit to be made any use of the Premises, Facility or Building which would violate any of the terms of this Agreement or which, directly or indirectly, is forbidden by law, rule or regulation, which may be dangerous to life, limb or property or which could in any way impair, interfere or tend to impair or interfere with the high quality, character, reputation, or appearance of the Premises, Facility, or the Building or with any services performed by Licensor for Client or for others.

3. **MONTHLY OFFICE CHARGE.** For and during the Term of this Agreement, Client will pay in advance without demand or notice to Licensor, on or before the first day of each month from and after the Commencement Date, the sum of indicated on the OSA as a Monthly Office Charge for the Premises. If any payment of the Monthly Office Charge or other charge due under this Agreement is not received within three (3) days after its due date, the Client will also pay, in addition to Monthly Office Charge, a late payment charge which will be an amount equal to the greater of (i) ten percent (10%) of any amount owed to Licensor for such month's Monthly Office Charge and the previous month's unpaid Extra Service Charge and Telephone Service Charge (as defined below), or (ii) \$100.00, such late charge being for the purpose of reimbursing Licensor for the extra cost and expense incurred in connection with the handling and processing of such late payment. The financial terms of this Agreement are strictly confidential, and Client agrees not to knowingly or willfully divulge the financial information to any other client or potential client of Licensor.

The Monthly Office Charge is based on the value of the use of the Premises and services to be used by one (1) person per office only. If Licensor, in its sole discretion, determines that more than one (1) person per office is regularly using the Premises or services, the Monthly Office Charge will be increased in an amount equal to forty percent (40%) of the Monthly Office Charge for each such additional person.

If a Client check is returned for any reason, Client will pay an additional charge of \$50.00 per returned check. If Client's check is returned, the Client shall be deemed to have been in default from the first day of the month for which said payment was made. In the event any payment required to be made by Client hereunder is not received within five (5) business days after its due date for any reason whatsoever, it is agreed that the amount then due shall bear interest at the maximum contractual rate which could legally be charged under applicable law in the event of a loan of such amount to Client (but in no event to exceed 1 1/2% per month), such interest to accrue continuously on the unpaid balance due to Licensor by Client during the period commencing with the aforesaid due date and terminating with the date on which Client makes full payment of all amounts owing to Licensor at the time of said payment.

4. **ADJUSTMENT TO MONTHLY OFFICE CHARGE.** The Monthly Office Charge shall be increased on each "Comparison Date" by the "Percentage CPI Increase". Licensor shall notify Client of each increase by delivering a written statement setting forth the "Index" (hereafter defined) for the "BASE CPI Month" (hereafter defined), the Index for the applicable "Comparison CPI Month" (hereafter defined), the Percentage CPI Increase, and the new Monthly Office Charge payable by Client. The Monthly Office Charge shall not be reduced from the last previous adjustment by reason of any decrease in the Index. If Licensor's notice is given after the effective date of an increase, Client shall nevertheless be obligated to pay the new Monthly Office Charge from its effective date until the next periodic increase. In such event, within ten (10) days of Licensor's notice, Client shall pay Licensor the additional Monthly Office Charge for the period between the effective date of the increase and the Licensor's notice, and thereafter shall pay the new Monthly Office Charge on or before the first (1st) day of each month.

For purposes of this Section 4, the following definitions shall apply:

- (i) The "Index" shall mean the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers (on the basis 1982 1984 = 100). If the format or components of the Index are materially changed after the execution of this Agreement, Licensor shall substitute an index which is published by the Bureau of Labor Statistics or similar agency and which has been determined by independent third party sources to be comparable to the Consumer Price Index for all Urban Consumers in effect on the date of this Agreement. Licensor shall notify Client of the substituted index, which shall be used to calculate the increase in the Monthly Office Charge.
- (ii) The "Comparison Date" shall mean the first (1st) anniversary of the Commencement Date and the same day each year thereafter.
- (iii) The "Comparison CPI Month" for each Comparison Date shall mean the second to last month immediately preceding the month in which such Comparison Date occurs.
- (iv) The "Base CPI Month" shall be the month in which the Commencement Date occurs.
- (v) The "Percentage CPI Increase" shall mean the greater of three percent (3%) of the Current term's Monthly Office Charge, or the percentage increase in the Index which has occurred between the Base CPI Month and the Comparison CPI Month for each Comparison Date..

5. **REFUNDABLE SERVICE RETAINER.** Client will deposit with Licensor the amount denoted in the OSA as a non-interest bearing refundable retainer. Licensor may use the refundable retainer to cure any default of Client under this Agreement, to restore the Premises, including any and all furniture, fixtures and equipment, provided by Licensor to its original condition and configuration, reasonable wear and tear excepted, to pay for repairs for any damage done to the Premises, Facility, and/or Building, caused by Client, Client's guests, or Client's employees, or to pay any Monthly Office Charge or service charges owing under this Agreement.

The refundable retainer (less (i) a charge of \$285.00 per office to clean the carpet and paint the Office, and (ii) any sums deducted by Licensor in accordance with the terms and conditions of this Agreement) will be returned after ninety (90) days after the expiration of the Term. The refundable retainer will not be applied as the final payment(s) of Monthly Office Charge or service charges under this Agreement. Notwithstanding the foregoing, upon termination of this Agreement, Licensor shall be entitled, prior to the return of the service retainer, to deduct from the service retainer any amounts due and owing by Client to Licensor under this Agreement, with any remaining amount being returned to Client as set forth in this Paragraph.

In the event that Licensor applies any of the refundable retainer pursuant to this Agreement, Licensor will have the right to charge the Client, and Client will pay and redeposit, in addition to any Monthly Office Charge, such sums as are necessary to cause the refundable retainer to be repaid to the full retainer amount as set forth above.

6. **SERVICES.** Provided that Client is not in default under this Agreement, Licensor will make available certain services to Client as more particularly described in the OSA. Charges for such services will be included as part of the Monthly Office Charge.

Licensor may make available to Client additional services as Licensor makes such services generally available to its Clients ("Extra Services"), the charges for which will be established as per Licensor's then existing scheduled rates as modified from time to time (the "Extra Service Charge") as determined by Licensor and included in Client's Extra Service Charge. A copy of the current Extra Service Charges is attached hereto as Schedule "C". Payment for Extra Service Charge will be subject to the same terms and conditions as those governing the payment of the Monthly Office Charge. Licensor will have no obligation to provide any services to Client if Client is in default of this Agreement or if the anticipated Extra Service Charge exceed the amount of the refundable retainer. When providing Extra Services to Client that involve third parties, Licensor will have the right to require Client to pay, or to reimburse Licensor for, the fees and expenses of such third party in advance. Client will be responsible for any damage done to any of the furniture and equipment located in any of the conference rooms or other portions of the Facility caused by Client or "Client's Users" (hereafter defined), as well as to any of the furniture which may be provided by Licensor to Client as Extra Services and utilized in the Premises. Client shall be obligated to reimburse Licensor within ten (10) days of receiving an invoice with respect to any such damages caused by Client and/or Client's Users.

Notwithstanding the preceding paragraph to the contrary, Licensor has agreed to make certain Extra Services available to Client as part of the Monthly Office Charge. Those specific Extra Services which will be made available by Licensor to Client as a part of the Monthly Office Charge are specifically defined on the OSA. Client shall be responsible for those charges which correspond to Extra Services and the Extra Service Charges described in Schedule "C" which are not specifically set out in the OSA as being included in the Monthly Office Charge.

7. **TELEPHONE SERVICE.** Provided Client is not in default of this Agreement, Licensor will make available to Client a telecommunications package ("Telephone Service"), as described in Schedule "B", the charges for which will be established as per Licensor's then existing scheduled rates as modified from time to time as determined by Licensor ("Telephone Service Charge"). Payment for these services will be subject to the same terms and conditions as those governing the payment of the Monthly Office Charge and the Extra Service Charge. All telephone numbers used by Client will remain at all times the property of Licensor and Client will acquire no rights in the components of the telecommunication package whatsoever.

Notwithstanding the preceding paragraph to the contrary, Licensor has agreed to make certain Telephone Services available to Client as part of the Monthly Office Charge. Those Telephone Services which will be made available by Licensor to Client as a part of the Monthly Office Charge are specifically defined on the OSA. Client shall be responsible for those charges which correspond to the Telephone Service described in Schedule "B" which are not specifically set out in the OSA as being included in the Monthly Office Charge.

Client hereby agrees to indemnify, hold harmless and to reimburse Licensor for all charges associated with (a) any toll charges traceable to telecommunications service provided by Licensor to Client including, but not limited to, unauthorized use of calling cards or telephone lines, and (b) any advertising costs of Client involving the telephone number assigned to it, including, without limitation, yellow pages advertising.

It is expressly acknowledged and agreed that Licensor will be the sole and exclusive provider of telecommunication services to Client. Client hereby agrees and covenants that it will not use any other telephone service or telephone carrier to provide it with services in the Premises.

Licensor shall not be liable for any interruption or error in the performance of its Telephone Services to Client. Client waives any and all recourse against and agrees to indemnify Licensor and hold it harmless from the provision of such Telephone Services, including, without limitation, any claim of business interruption or for any indirect, incidental, special, consequential or punitive damages, except for claims arising out of the gross negligence or willful misconduct of Licensor.

8. **OPERATING STANDARDS.** The Rules and Regulations attached to this Agreement as Schedule "A" are hereby made an integral part of this Agreement. Client, its employees, agents, guests, invitees, visitors and/or any other persons caused to be present in and around the Premises by the Client ("Client's Users") will perform and abide by the Rules and Regulations then in effect.

9. **COMPLIANCE WITH LAWS.** Client shall procure at its sole expense any permits and licenses required for the transaction of Client's business in the Premises and otherwise comply with all applicable laws, codes, ordinances and governmental rules and regulations applicable to the Premises and the business conducted therein by Client, including without limitation, the Americans With Disabilities Act and the Texas Architectural Barriers Act.

10. **ALTERATIONS.** Client shall not make any alterations, additions or improvements to the Premises without the prior written consent of Licensor.

11. **LIENS.** Client shall neither permit nor suffer any involuntary lien to be filed or affixed against the Premises, Facility or Building, or any part thereof, and shall not voluntarily grant any lien or security interest therein or in Client's interest created by this Agreement. In the event any such involuntary or voluntary lien, including, without limitation, any mechanic's lien, materialman's lien or tax lien, is filed and Client has not caused the same to be released and discharged of record within ten (10) days after notice thereof, same shall constitute a default hereunder. Upon such default, in addition to any other remedies available to Licensor under the terms of this Agreement, Licensor may release and discharge such lien either by paying the amount claimed to be due or by giving security or in such other manner provided by law. If Licensor elects to effect the release and discharge of any such lien, Client shall repay to Licensor immediately upon demand all such sums disbursed or deposited by Licensor for such purpose.

12. **INTERRUPTION IN SERVICE.** Licensor 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, strike, acts of God or other causes beyond the control of Licensor or in order to make alterations, repairs or improvements.

13. **UTILITY DEREGULATION.** Licensor has advised Client that presently Houston Lighting & Power ("Electric Service Provider") is the utility company selected by Licensor to provide electricity service for the Facility and Premises. Notwithstanding the foregoing, if permitted by applicable law, Licensor shall have the exclusive right in its sole discretion at any time and from time to time during the Term or any renewal thereof, to either contract for services from a different company or companies providing electricity service (each such company shall hereinafter be referred to as an "Alternate Service Provider"), or continue to contract for service from the Electric Service Provider. Client shall cooperate with Licensor, the Electric Service Provider and any Alternate Service Provider at all times and, as reasonably necessary, shall allow Licensor, Electric Service Provider, and any Alternate Service Provider reasonable access to the Premises' electric lines, feeders, risers, wiring, and any other machinery and equipment within the Premises as it relates to the electric service provided thereto.

14. **INDEMNITY.** Licensor shall not be liable to Client or to Client's Users for any injury to person or damage to property on or about the Premises, Facility or Building caused by the act, negligence or misconduct of Client or Client's Users or of any other person entering the Premises, Facility or Building under the express or implied invitation of Client, or arising out of the use of the Premises by Client and Client's Users and the conduct of its business therein, or arising out of any breach or default by Client in the performance of its obligations hereunder; and Client hereby agrees to indemnify Licensor and hold Licensor harmless from any loss, liability, expense or claims arising out of such damage or injury or on account of any occurrence in, upon or at the Premises, Facility and/or Building, or resulting from the occupancy or use thereof by Client, or Client's Users or by reason of the use or misuse by Client or Client's Users of the parking area or any other portion of the Premises, Building or Facility, and, without limiting the generality of the foregoing, Client further covenants and agrees to indemnify and save Licensor harmless from and against any penalty, damage or charge incurred or imposed by reason of any violation of law or ordinance by Client. **THE FOREGOING INDEMNITY IS INTENDED TO INDEMNIFY LICENSOR AGAINST THE CONSEQUENCES OF ITS OWN NEGLIGENCE (INCLUDING WITHOUT LIMITATION, LICENSOR'S SOLE OR CONCURRENT NEGLIGENCE) OR MISCONDUCT OR THE NEGLIGENCE (INCLUDING WITHOUT LIMITATION, LICENSOR'S SOLE OR CONCURRENT NEGLIGENCE) OR**

MISCONDUCT OF LICENSOR'S AGENTS, EMPLOYEES, GUESTS, INVITEES OR CONTRACTORS OR THEIR RESPECTIVE AGENTS, EMPLOYEES OR CONTRACTORS, AND SHALL NOT TERMINATE UPON RELEASE OR OTHER TERMINATION OF THIS AGREEMENT WITH RESPECT TO ANY CIRCUMSTANCE OR EVENT EXISTING OR OCCURRING PRIOR TO SUCH RELEASE OR TERMINATION, BUT WILL SURVIVE TERMINATION OF THIS AGREEMENT. In the event of any action or claim against which Licensor is entitled to indemnification hereunder, Client shall immediately notify Licensor of the same and shall furnish Licensor with all relevant information concerning such action or claim, and Licensor shall be entitled, at Client's expense, to participate in, and to the extent that Licensor wishes, to assume the defense thereof, at Client's expense.

15. **INSURANCE.** Client acknowledges that it is the Client's responsibility to maintain liability insurance to cover the risks set forth in this Office Service Agreement. Client agrees to purchase and maintain liability insurance covering all reasonable risks arising from this Agreement. Such insurance policy shall be in the amount of not less than \$1,000,000.00 and shall name Licensor as additional insured. Such insurance policy shall also require the Carrier to notify Licensor thirty (30) days prior to the termination of any insurance coverage. Client further agrees to take out and maintain at all times during the Term a policy of fire and extended coverage insurance on all of its property and equipment placed in the Premises.

16. **WAIVER OF SUBROGATION.** Licensor and Client hereby release each other and their respective agents, employees, partners, shareholders, officers and directors from any claims or actions for damage to any person or to the Premises or the Facility that are caused by or result from risks actually insured or which are required to be insured by the parties hereto under the terms of this Agreement or are in force at the time of any such damage. Licensor and Client each covenant and agree that no insurer shall hold any right of subrogation against the other with respect to any such damage or loss. Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all rights of recovery by way of subrogation against the other party in connection with any damage covered by any such policy.

17. **LICENSOR'S LIABILITY.** Licensor and Licensor's agents and employees shall not be liable to Client for injury to person or damage to property caused by the Premises or other portions of the Facility or Building being out of repair or by defect or failure of any structural element of the Premises, Facility and/or Building or of any equipment, pipes or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Premises and/or Facility, nor shall Licensor be liable to Client for any loss or damage that may be occasioned by or through the acts or omissions of other clients of the Facility or of any other persons whomsoever. Licensor shall have no liability for damage, loss or disappearance of any of the contents from the Premises from whatever cause, whether by casualty, theft, riot or otherwise. Licensor shall not be responsible or liable for any loss or damage to any property or person on the Premises or the Facility occasioned by theft, fire, acts of God, public enemy, injunction, riot, strike, insurrection, court order, requisition or order of governmental authority, or any other manner beyond Licensor's control, or the acts or omissions of Client, or Client's Users.

18. **ACCESS.** Licensor and its agents will have the right of access to the Premises at all times for the purpose of (i) making any repairs, alterations and/or inspections which it deems necessary in its sole discretion for the preservation or safety of the Premises, and (ii) to show the Premises to prospective clients, without in any way being deemed or held to have committed an eviction (constructive or otherwise) of or trespass against Client, or breached the Client's right to quiet enjoyment in any way. Licensor will use reasonable efforts to notify Client in advance of such access, when possible.

19. **RELOCATION.** Client agrees that Licensor may, in its sole discretion, relocate Client from its present Premises to a like or similar office space within the same Facility upon ten (10) days' notice to Client. In the event that Licensor requires Client to relocate, Licensor will bear the reasonable moving costs of any such relocation. All of the terms and conditions of this Agreement, other than the designation of the Premises provided herein, will remain unaffected and remain in full force and effect. Upon exercise of the option by Licensor pursuant hereto, Client shall vacate and surrender the Premises and shall occupy the substitute premises after Licensor has substantially completed any work required to the substituted premises. Client shall not be entitled to any compensation for any inconvenience or interference with Client's business due to the relocation of Client, nor to any abatement or reduction of the Monthly Office Charge.

20. **ASSIGNMENTS AND SUBLETTING.** No assignment or subletting of the Premises, this Agreement or any part thereof will be made by Client without Licensor's prior written consent; such consent to be in Licensor's sole discretion. Licensor may assign its rights and its obligations under this Agreement in whole or in part without Client's consent.

21. **TERMINATION.** Should Client wish for the Agreement to terminate upon the expiration of the then current Term, Client is required to give Licensor written notice not less than sixty (60) days prior to the scheduled expiration of the then current Term setting out Client's decision not to continue with the Agreement beyond the then current Term ("Termination Notice"). If the Termination Notice is not received by Licensor within the timely manner set forth herein, then at Licensor's election, the Term of this Agreement shall automatically renew for a period of twelve (12) months (the "Extension Term") at Licensor's then prevailing rate for the Premises and services provided by Licensor under this Agreement. Licensor shall notify Client thirty (30) days prior to the scheduled expiration date of the then current Term of the Agreement as to whether or not Licensor has elected to renew the Agreement at Licensor's then prevailing rate and included in that notification will be then prevailing rate for the Extension Term ("Renewal Notice"). In the event Licensor fails to send Client the Renewal Notice, Licensor shall have deemed to have elected not to renew the Agreement. Time is of the essence in the delivery of the Termination Notice. The Extension Term shall be self-operative without the need of any further written instrument necessary. The previous sentence notwithstanding, Licensor, at its option, may require Client to evidence the Extension Term by way of a written agreement setting out the terms of the Extension Term as herein set forth (the "Extension Term Agreement") and in such event Client agrees to execute and return the Extension Term Agreement to Licensor within seven (7) business days from the date Licensor delivers the Extension Term Agreement to Client for execution. In the event Client timely provides Licensor the Termination Notice, then, on the expiration or earlier termination of the scheduled Term, Client will, without demand, promptly surrender and deliver the Premises, including any furniture, fixtures and equipment

provided by Licensor, to Licensor in its original condition and configuration, reasonable wear and tear excepted. If Client fails to so surrender and deliver the Premises, Client agrees to pay Licensor, as liquidated damages, a sum equal to twice the Monthly Office Charge and all other charges required to be paid pursuant to this Agreement for each month that the Client retains possession of the Premises. No holding over by Client after the expiration and termination of this Agreement shall be construed to extend the Term or in any other manner be construed as permission by Licensor to holdover. Client shall indemnify Licensor (i) against all claims for damages by any other client to whom Licensor may have licensed all or any part of the Premises effective upon the termination or expiration of the Term, and (ii) for all of the losses, expenses, including reasonable attorneys' fees, incurred by Licensor by reason of such holding over. Notwithstanding anything contained in this Agreement to the contrary, Licensor shall have the right to terminate this Agreement at any time upon ninety (90) days prior written notice to Client in the event Licensor has elected to cease operating the Facility as executive suites and proceeds to exercise similar termination rights with respect to other clients occupying offices in the Facility.

22. **DEFAULT.** Client shall be deemed to be in default under this Agreement: (a) if Client defaults in the payment of the Monthly Office Charge, Service Charges, Telephone Service Charge, or any other sums due to Licensor hereunder or (b) if Client defaults in the prompt and full performance of any other provision of this Agreement and any such default continues in excess of ten (10) days after written notice by Licensor or (c) the entry of a decree or order by a court having jurisdiction adjudging Client to be bankrupt or insolvent or approving as properly filed a petition seeking reorganization of Client under the United States Bankruptcy Code, or any other similar applicable Federal or State law, or a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or a trustee or assignee in bankruptcy or insolvency of Client or its property or for the winding up or liquidation of its affairs; or Client shall institute proceedings to be adjudicated a voluntary bankrupt or shall consent to the filing of any bankruptcy, reorganization, receivership or other proceeding against Client, or any such proceedings shall be instituted against Client and the same shall not be vacated within thirty (30) days after the same are commenced.

Should Client be in default hereunder, Licensor shall have the option to pursue any one or more of the following remedies without any additional notice or demand whatsoever and without limitation upon Licensor in the exercise of any remedy:

- (1) Licensor may, without any notice to Client, terminate Client's use of all services, Extra Services and/or Telephone Service.
- (2) Licensor may, at its own election, change all locks and access codes to the Facility, provided that a new key and/or access code is available in Licensor's administrative office during normal business hours.
- (3) Licensor may, if Licensor so elects, without any additional notice of such election or demand to Client, either forthwith terminate this Agreement and the license to use any portion of the Facility, and may enter into the Premises and take and hold possession of the contents thereof, without releasing Client, in whole or in part, from the Client's obligations hereunder. In the event of such termination, Licensor may, at its option, declare the entire amount of the Monthly Office Charge, which would become due and payable during the remainder of the Term, to be due and payable immediately, in which event, Client agrees to pay the same at once.
- (4) Pursue any other remedy now or hereafter available to Licensor. Licensor's exercise of any right or remedy shall not prevent it from exercising any other right or remedy.

Client shall indemnify and hold Licensor harmless from any and all claims, causes of action, damages, losses and/or liabilities, costs and expenses (including reasonable attorneys' fees) resulting from or related to Client's default under this Agreement and any actions taken by Licensor as a result of Client's default.

23. **LEASE.** Licensor's interest in the Facility is pursuant to a certain Lease Agreement ("Lease") by and between the then current Landlord and Licensor as Lessee/Tenant. This Agreement is expressly made subordinate and subject to all the terms and conditions of the Lease. Client shall not do anything or admit to do anything which would cause a breach of any of the terms and conditions of the Lease. If the Lease is terminated, at the election of Licensor and upon written notice to Client, this Agreement shall terminate simultaneously therewith and Licensor and Client shall be released from all other respective liabilities and obligations under this Agreement; provided, however, Client shall be responsible to satisfy all of its obligations which accrue hereunder through and including the date of termination of this Agreement and any obligations which survive the termination or expiration of this Agreement. Client is not deemed to be a party to nor shall Client have any rights under the Lease.

24. **ENVIRONMENTAL PROTECTION.** During the Term, Client represents, warrants and covenants that it and Client's Users will not store or use any "Hazardous Materials" (hereafter defined) in the Premises. Client shall conduct its operations on the Premises in compliance with all applicable limitations, restrictions, conditions, standards, prohibitions, obligations and requirements with respect to any and all "Environmental Laws" (hereafter defined). For purposes hereof, the term "Environmental Law" shall mean any federal, state or local statute, law, ordinance, code, rule, regulation, order, policy, decree or common law, in effect on the date hereof (and as hereafter amended from time to time) or hereafter enacted or imposed, pertaining to health, safety, use or possession of Hazardous Materials (as herein defined), or environmental protection, restoration or reclamation, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 6901, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1201, et seq.; the Safe Drinking Water Act, 42 U.S.C. § 3808, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601, et seq.; the Clean Air Act, as amended, 42 U.S.C. § 7401, et seq.; the Texas Solid Waste Disposal Act, Tex. Health & Safety Code Ann. § 361.001, et seq.; the Texas Oil Spill Prevention and Response Act, Tex. Nat. Res. Code Ann. § 40.001, et seq.; and the Texas

Water Code. Further, the term "Hazardous Materials" shall mean any substance which at any time shall be listed as or meet the criteria of a "hazardous waste", "hazardous substance", "hazardous material", "pollutant", "contaminant", "toxic material", "toxic pollutant" or "toxic substance," or words of similar import, in any Environmental Law. The term "Hazardous Materials" shall also include, without limitation, (a) petroleum or petroleum products and fractions thereof, natural gas or natural gas products, radioactive materials, asbestos or asbestos containing materials in any form, urea formaldehyde foam insulation, radon gas and polychlorinated biphenyls ("PCBs") and transformers or other equipment that contain dielectric fluid containing PCBs; (b) any flammable, combustible, explosive, infectious, corrosive, reactive, caustic, irritant, carcinogenic, mutagenic or teratogenic substances or materials; and (c) any other chemical, material, waste or substance which is any way regulated by any federal, state or local government authority, agency or instrumentality, including mixtures thereof with other materials, and including any regulated building materials such as asbestos and lead.

25. **RESTRICTION ON HIRING.** Client agrees that it will not, during the Term of this Agreement and for a period of one (1) year thereafter, directly or indirectly, employ or offer to employ any person who is or has been an employee of Licensor without prior written consent from Licensor. If Client hires either an employee of Licensor or any person who has been an employee of Licensor within six (6) months prior to the time such person is hired by Client, Client will be liable to Licensor for liquidated damages equal to six months wages of the employee at the rate last paid that employee by Licensor. The provisions of this Paragraph will survive the Term of this Agreement.

26. **MISCELLANEOUS.**

A. All amendments to this Agreement shall be in writing and signed by all parties. Any other attempted amendment shall be void. The invalidity or unenforceability of any provision hereof shall not affect the remainder hereof.

B. All waivers must be in writing and signed by the waiving party. Licensor's failure to enforce any provision of this Agreement or its acceptance of fees shall not be a waiver and shall not prevent Licensor from enforcing any provision of this Agreement in the future. No receipt of money by Licensor shall be deemed to waive any default of Client or to extend, reinstate or continue the Term hereof.

C. All Schedules and Addenda attached hereto are hereby incorporated herein by this reference.

D. All parties signing this Agreement as a partnership or cosigning individuals shall be jointly and severally liable for all obligations of Client.

E. Wherever any notice is required or permitted hereunder such notice shall be in writing. Any notice required or permitted to be delivered hereunder shall be delivered by hand, sent electronically via email, or by United States Registered or Certified Mail, Return Receipt Requested, adequate postage prepaid and, for purposes of the calculation of the various time periods referred to herein, shall be deemed received when delivered to the place or address for giving notice to a party referred to herein in the case of delivery by hand or upon the earlier to occur of (i) actual receipt as indicated on the signed receipt, (ii) one (1) day after posting as herein provided, in the case of delivery by mail in the manner provided above, or (iii) on the date sent by email (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; provided, however, notices from Client to Licensor given by email must be accompanied by hand delivery or a confirmation copy sent that same day by commercial courier for overnight delivery as provided herein. All notices given hereunder shall be addressed to the parties hereto at the following addresses:

Licensor hereby designates its address as:

Skyline Executive Suites, Ltd.
11757 Katy Freeway, Suite 1300
Houston, Texas 77079
Attn: Mr. Kevin Poynter

Client hereby designates its address as noted in the Office Service Agreement

F. THIS AGREEMENT IS NOT INTENDED TO CREATE A LEASE OR ANY OTHER INTEREST IN REAL PROPERTY IN FAVOR OF THE CLIENT, BUT MERELY CREATES A REVOCABLE LICENSE IN ACCORDANCE WITH THE TERMS HEREOF. This Agreement grants Client the license to use the Licensor Facility and the Premises for the specific purposes herein set forth without diminution of the legal possession or control thereof by Licensor and shall be revocable at the option of Licensor upon the destruction of the Facility or the breach by Client of any term or condition herein set forth.

G. Client acknowledges that each Licensor Facility will comply with U.S. Postal Service regulations regarding Client mail and, upon termination of this Agreement; it will be Client's responsibility to notify all parties of termination of the use of the above described address, assigned telephone number and facsimile numbers. For a period of thirty (30) days after the termination of this Agreement, Licensor will, at Client's written request and cost, provide Client's new telephone number and address to all incoming callers and will hold or forward to Client once a week all mail, packages, and facsimiles.

H. Client shall pay to Licensor all attorneys' fees, costs of court, and other expenses incurred by Licensor as the result of any actions taken by Licensor to enforce this Agreement.

I. This Agreement shall be construed under the laws of Texas, and any local action initiated by Client or Licensor relating to this Agreement shall be brought in the court with appropriate jurisdiction located in Houston, Harris County, Texas.

J. Client shall not for any reason withhold or reduce Client's required payments of the Monthly Office Charges and other charges provided in this Agreement, it being agreed that the obligations of Licensor hereunder are independent of Client's obligations except as may be otherwise expressly provided. In this regard it is specifically understood and agreed that in the event Licensor commences any proceedings against Client for non-payment of the Monthly Office Charges or any other sum due and payable by Client hereunder, Client will not interpose any counterclaim or other claim against Licensor of whatever nature or description in any such proceedings; and in the event that Client interposes any such counter-claim or other claim against Licensor in such proceedings, Licensor and Client stipulate and agree that, in addition to any other lawful remedy of Licensor, upon motion of Licensor, such counterclaim or other claim asserted by Client shall be severed out of the proceedings instituted by Licensor and the proceedings instituted by Licensor may proceed to final judgment separately and apart from and without consolidation with or reference to the status of such counterclaim or any other claim asserted by Client.

K. Under no circumstances whatsoever shall Licensor ever be liable hereunder for consequential damages, punitive damages or special damages. Notwithstanding anything in this Agreement to the contrary, the liability of Licensor to Client for any default by Licensor under the terms of this Agreement shall be limited to the proceeds of sale on execution of the interest of Licensor in the Facility; and Licensor shall not be personally liable for any deficiency, nor shall Licensor, its agents, employees, officers, directors, shareholders, partners, successors and assigns ever be personally liable hereunder.

L. Except as may be otherwise herein provided, in all circumstances under this Agreement where prior consent or permission of one party ("First Party"), whether it be Licensor or Client, is required before the other party ("Second Party") is authorized to take any particular type of action, the matter of whether to grant such consent or permission shall be within the sole and exclusive judgment and discretion of the First Party; and it shall not constitute any nature of breach by the First Party hereunder or any defense to the performance of any covenant, duty or obligation of the Second Party hereunder that the First Party delayed or withheld the granting of such consent or permission, whether or not the delay or withholding of such consent or permission was, in the opinion of the Second Party, prudent or reasonable or based on good cause.

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

N. CLIENT HEREBY WAIVES AND RELEASES ANY AND ALL OF ITS RIGHTS, REMEDIES, CLAIMS, DEMANDS AND CAUSES OF ACTION UNDER THE TEXAS DECEPTIVE TRADE PRACTICES CONSUMER PROTECTION ACT AS DESCRIBED IN SECTIONS 17.41, ET. SEQ., OF THE TEXAS BUSINESS AND COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS AS THE SAME PERTAINS OR MAY PERTAIN TO THIS AGREEMENT OR ANY OTHER TRANSACTIONS CONTEMPLATED HEREIN, TO THE MAXIMUM EXTENT THAT SUCH RIGHTS, REMEDIES, CLAIMS, DEMANDS AND CAUSES OF ACTION MAY LAWFULLY BE WAIVED. AFTER CONSULTATION WITH AN ATTORNEY OF ITS OWN SELECTION, CLIENT VOLUNTARILY CONSENTS TO THIS WAIVER.

27. **Parking.** Subject to the terms and conditions of this Agreement, Licensor hereby agrees to provide Client for the Term: Parking Space(s) at the cost designated in the Office Service Agreement per space, per month plus any applicable tax. The cost of all Parking Spaces shall be in addition to any Monthly Office Charge described in section 3. **MONTHLY OFFICE CHARGE.** In the event Client's parking requirements exceed the denoted parking space(s), such additional parking spaces shall be considered "Excess Parking Spaces". Licensor shall have the right to designate specific parking areas in the attached garage for each Excess Parking Space.

28. **BROKER.** Client represents and warrants that Client dealt with and only with Licensor in connection with this Agreement, and that, insofar as Client knows, no broker or other party negotiated this Agreement or is entitled to any commission in connection herewith and Client shall indemnify and hold harmless Licensor from and against all claims (and costs of defending against and such claims) of any broker or other parties claiming by, through, or under Client, in connection with this Agreement.

SCHEDULE "A"
RULES AND REGULATIONS

1. Clients and their guests will conduct themselves in a businesslike manner; proper attire will be worn at all times; and the noise level will be kept to a level so as not to interfere with or annoy other clients.
2. Client will not provide or offer to provide any services to Licensor's customers if such services are available from Licensor.
3. Client will not prop open any corridor doors, exit doors or doors connecting corridors during or after business hours.
4. Clients using public areas may only do so with the consent of Licensor, and those areas must be kept clean, neat and attractive at all times.
5. Client will not conduct any activity within the Premises, Facility or Building which in the sole judgment of Licensor will create excessive traffic or is inappropriate to a shared office environment.
6. Client shall not conduct business or use telephones in the corridors, reception or other common areas.
7. All corridors, halls, elevators and stairways will not be obstructed by Client or used for any purpose other than normal egress and ingress.
8. No advertisements, identifying signs or other notices will be inscribed, painted or affixed on any part of the corridors, doors, windows or public areas.
9. Without Licensor's prior written consent, Client is not permitted to place a "mass market", direct mail or advertising (i.e., newspaper, classified advertisements, yellow pages, billboards) using Licensor's assigned telephone number or take any such action that would generate an excessive number of incoming calls or visitors.
10. Conference Rooms Use;
 - 10.1. All use of conference room time is strictly for the sole purpose of Client. Client may not assign any portion of its allotted hours to any third party, in any manner, whatsoever.
 - 10.2. All use of conference rooms must be scheduled in advance with Licensor. The use will be scheduled on a first come, first serve basis. Immediately following Client's use of conference rooms, Client will clean up and return the conference rooms to a clean condition, to avoid the assessment of a cleaning fee.
 - 10.3. All conference reservations must be made for the appropriate room, in order to accommodate the group size in attendance. In the event the appropriate size room is not available, the next size room will be allocated for such reservation, taking into consideration, that in the event the appropriate conference room becomes available, the reservation will be moved to such room. Should Client reserve a room not in accordance with its group size, Licensor retains the right to relocate Client's reservation to the appropriate room.
 - 10.4. The furniture and fixtures in each conference room may not be moved or removed from such room.
 - 10.5. Amplified sound from presentation equipment is to be kept at a level that does not disturb other clients.
 - 10.6. Food and beverage may be served in the conference rooms. Beverages with permanent dyes (e.g., red punch, black tea, cranberry, blueberry, raspberry juices/drinks, etc.) are NOT to be served in the Conference room. An additional cleaning fee may be charged if areas require cleaning beyond normal end of day janitorial service (e.g. carpet cleaning, etc.)
 - 10.7. Client may use a caterer of its choice to provide food services. All caterers are required to remove and pick up their equipment from the facility immediately after the event they catered has ended. Should Client elect to self-cater, and bring its own food and beverages, please be advised that a food preparation area is NOT available and Client is responsible for clean-up. Client must make necessary provisions for trash overflow and remove any and all food trash from the conference room, should the reservation end any time prior to the end of the business day, in order to avoid foul smell build up for subsequent reservations.
 - 10.8. Cancellation notice is required as follows;
Main Street: 48 hours in advance
Esperson: 12 hours in advance
San Jacinto: 2 hours in advance

Reservations cancelled with less than the above prescribed time frame will be charged for the time originally scheduled at the full room rental or against any conference hours available to Client.

11. All of the additional services provided by Licensor are subject to the availability of the center's staff at the time it is requested. Licensor will make every effort to schedule each request at the earliest opportunity to fulfill such request, but will not be held responsible for any delay.
12. If in Licensor's opinion, it is decided that an additional service request is excessive, Licensor reserves the right to charge an additional fee over the published rates based on the time taken to complete the service. Such fee will be discussed with Client upon the assessment of the request.
13. Client will not, without Licensor's prior written consent, store or operate any computer (except a desktop/laptop computer, desktop printer, or fax machine) or any other large business machines, copier and postage equipment, heating equipment, stove, radios, stereo equipment or other mechanical amplification equipment, refrigerator or coffee equipment, or conduct a mechanical business, do any cooking, or use or allow to be used on the Premises, oil, burning fluids, gasoline, kerosene for heating, warming or lighting. No articles deemed extra hazardous on account of fire or any explosives will be brought into said Premise or Facility. No offensive gases, odors or liquids will be permitted.
14. Client will bring no animals into the Premises or Facility except for those assisting disabled individuals. No portion of the Client's designated office(s) shall at any time be used or occupied as sleeping or lodging quarters.
15. Client will not remove furniture, fixtures or decorative material from offices or common areas without the prior written consent of Licensor.
16. Any moving or relocation of office furniture by Client shall be conducted in such a manner as Licensor deems appropriate. Each Client assumes all risks of and shall be liable for all damage to articles moved and injury to persons or public engaged or not engaged in such movement.
17. Client must take good care of all areas of the Premises utilized, its equipment, fittings and furnishings and must not alter any part of it. All plumbing shall be used only for its designed purpose, no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. Damage resulting to any fixtures or appliances from misuse by Client, its agents, employees or guests, shall be paid by Client.
18. Any alterations to the Premises requested by Client, including affixing anything to the walls of the Premises, will be done only (i) with the written permission of Licensor and (ii) by an agent of Licensor's choosing at Client's sole cost and expense.
19. All Client equipment stored in Licensor's Telecommunication room is stored at Client's own risk. Licensor disclaims any and all liability for such equipment and shall not be liable for any losses or damage to such equipment.
20. Client will not make any additional copies of any Licensor issued keys. All keys and security cards are the property of Licensor and must be returned upon request or by the close of business on the expiration or sooner termination of the Agreement term. Any lost or unreturned keys or card keys will incur a \$25.00 per item charge and the cost to re-key the office or replace the card key.
21. It is the Client's sole responsibility to lock the doors to its designated office space upon leaving. Licensor will not be responsible for lost or stolen personal property, money or jewelry from Client's designated office(s), public or common areas regardless of whether such loss occurs when the area is locked against entry or not.
22. In the event Client fails to remove any property belonging to Client from its designated office suite(s) by the Termination date in the Office Service Agreement, Licensor at its option, may presume Client to have conveyed and abandoned such property at auction or private sale and retain the proceeds therefrom, or may, but shall not be obliged to, remove and store the same and Client shall remunerate all costs in connection with such removal and storage, upon demand.
23. Client will not smoke nor allow smoking in the Premises or any area of the Facility or Building and will comply with all governmental regulations and ordinances concerning smoking.
24. Client's parking rights (if any) are defined by the Office Service Agreement. Licensor reserves the right to modify parking arrangements if required to do so by Building Management.
25. Client will cooperate and be courteous with all other occupants of the Facility and Licensor's staff and personnel. Client and its officers, directors, employees, shareholders, partners, agents, representatives, contractors, customers or invitees shall be prohibited from participating in any type of harassing or abusive behavior to Licensor's staff, other clients or invitees, whether verbally or physically for any reason.
26. Licensor shall not be held responsible to Client for the violation or non-performance by any other client of any of the Rules and Regulations, but shall use reasonable efforts to uniformly enforce all Rules and Regulations set forth herein.
27. Licensor reserves the right, without prior notice, to modify any of the foregoing and to make such other reasonable rules and regulations as in its sole discretion may from time to time be needed for the safety, care, operation and cleanliness of the Facility.

SCHEDULE "B"

TELEPHONE SERVICES AND CHARGES

Business Lines (Included in Total Monthly Office Charge)

Two (2) Lines (Recommended).....	\$120.00
High Speed Internet Connection	\$ 50.00
<i>Unlimited Internet Access</i>	
<i>Unfiltered Access to World Wide Web</i>	

Installation (One Time Charge to be invoiced on 1st month's statement)

Business Lines:	
Single Line	\$100.00
Each Additional Line.....	\$ 50.00
Fax/Modem Lines.....	\$ 50.00
High Speed Internet Connection	\$100.00

Additional Services (Monthly)

Screening Phone Calls.....	\$ 25.00
Each Additional Line.....	\$ 60.00
Fax Line	\$ 58.00

Included with business lines at no additional charge:

Additional Phone Instrument (One (1) included with office).....	\$ 00.00
Speaker Phone	\$ 00.00
Display Speaker Phone.....	\$ 00.00
Call Forwarding	\$ 00.00
8-Way Conferencing	\$ 00.00

SCHEDULE "C"

EXTRA SERVICES AND CHARGES

Building Amenities No Charge

Access and use of Licensor's then available amenity services or facilities provided by Landlord for the use and benefit of all tenants in the Building.

Conference Room No Charge

Up to the allotted hours/month. Any conference room hours overtime shall be subject to the then prevailing rate as established by Licensor from time to time.

Copying/Printing Charges B/W

1 - 500/month.....\$.15/copy
501 - 1,000/month\$.12/copy
1,001+/month.....\$.10/copy

Color Copying/ printing\$.60/copy

Daily Mail Processing

IncomingIncluded
Outgoing (includes supplies/metering)Postage + 25%

Notary (Per Signature) \$6.00

Typing/Word Processing and Secretarial Services

Secretarial Services/Clerical.....\$25.00/hour/Ten (10) Minute Increments
Word Processing..... \$6.00 - \$12.00/Page

Advanced Computer Support/IT Assistants

Publishing, PC Assistance, Spread Sheets, Enhanced Word
Processing \$40.00/Hour
Design \$60.00/Hour

Administrative Assistance

Mailing Services, Filing, Binding, General Assistance \$20.00/Hour
Additional Charge of 50% of Full Project Charge If Needed Within Three (3) Hours
Additional Charge of 100% of Full Project If Needed Immediately
Overtime Charge 50% of Full Project

Courier, DeliveriesCost + 15%

Federal Express, Airborne, etc.....Cost + 15%

Office Supplies Discounted

Directory Listing (One Time Charge)..... \$35.00

FLOOR PLAN

