

LEASE

THIS LEASE is made and entered into as of this 15th day of December, 2016, by and between **1018 NORTH MOUND, LLC**, a Texas limited liability company (hereinafter called “Lessor”) and **NACOGDOCHES COUNTY HOSPITAL DISTRICT**, a Texas governmental unit d/b/a Nacogdoches Memorial Hospital (hereinafter called “Lessee”).

WITNESSETH:

1. Demised Premises. For the rents and upon the terms and conditions hereinafter set forth, Lessor hereby leases to Lessee certain premises located in the City of Nacogdoches, County of Nacogdoches and State of Texas, and more particularly described on Exhibit A, attached hereto and incorporated herein by reference, commonly known as the Earl Elliott Medical Center, 1018 North Mound Street, Nacogdoches, Texas 75961, and the building(s) and any and all other improvements thereon and appurtenances thereto, all of which shall hereinafter be referred to as the “Demised Premises.”

2. Term; Possession. Lessee shall hold the Demised Premises for the term of fifteen (15) years, commencing on the 15th day of December, 2016, and terminating on the 14th day of December, 2031, unless the term hereby demised shall be sooner terminated or extended as hereinafter provided.

3. Rent; Late Payment. In consideration of said demise, Lessee covenants and agrees to pay to Lessor, without deduction or setoff of any kind, as rent for the use of the Demised Premises for the term hereof, as may be extended, such sums indicated on Exhibit B, attached hereto and incorporated herein, in equal monthly installments, payable in current legal tender of the United States of America, as the same is then by law constituted. All such sums are due and payable in advance, on the first day of each and every calendar month during said term, at 33870 Crown Colony Drive, Avon, Ohio 44011, or at such other place as Lessor may in writing designate. If the rent or any other sum due Lessor hereunder is not received by Lessor by the third (3rd) day of each month, then Lessee shall pay to Lessor a late fee equal to five percent (5%) of the amount then due as liquidated damages, such amount being stipulated to by the Lessee as the amount necessary to compensate Lessor for Lessor’s reasonable damages. Such late fee shall be immediately payable. Commencing thirty (30) days after an event of default hereunder, the entire amount of unpaid rent and any other sums owed to Lessor hereunder, including late fees, shall thereafter accrue interest at the rate of five percent (5%) per annum on the entire unpaid amount owed to Lessor.

4. Option to Renew. The Lessee shall have the option to extend the term of this lease for two (2) additional terms of fifteen (15) years, provided that Lessee is not in default of any and all of the terms, covenants and conditions of this lease either on the date that notice of extension is given or on the commencement date of the extended term. Such option to extend shall be exercised by the Lessee by giving written notice to the Lessor not less than six (6) months prior to the expiration date of the original or renewal term of the lease then in effect. The extension of this lease shall be upon the same terms, covenants and conditions as are contained in the lease except

that the annual rental shall be increased by two percent (2%) each year over the prior year's annual rental.

5. Use; Condition. The Demised Premises shall be used solely as a medical and administrative office building, and for no other purpose. **LESSEE ACKNOWLEDGES THAT LESSEE IS CURRENTLY IN POSSESSION OF THE DEMISED PREMISES AND IS FAMILIAR WITH THE CURRENT CONDITION THEREOF. LESSEE ACCEPTS THE DEMISED PREMISES IN ITS "AS IS," "WHERE IS" CONDITION WITH ALL FAULTS, AND LESSOR IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES (EITHER EXPRESS OR IMPLIED) REGARDING THE CONDITION OR USE OF THE DEMISED PREMISES, ALL OF WHICH, INCLUDING THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, IS HEREBY DISCLAIMED. LESSEE'S CONTINUED POSSESSION OF THE DEMISED PREMISES SHALL BE CONCLUSIVE EVIDENCE OF LESSEE'S ACCEPTANCE THEREOF.**

6. Compliance With Laws. The Lessee shall throughout the term of this lease, at the Lessee's sole cost and expense, but subject to Lessee's right to contest the validity thereof, promptly comply with all laws and ordinances and the orders, rules, regulations or requirements of all applicable governmental authorities and their agencies, and appropriate departments, commissions, boards and officers thereof, and the orders, rules and regulations of the applicable Board of Fire Underwriters, or any other body now or hereafter constituted exercising similar functions, foreseen or unforeseen, ordinary as well as extraordinary, and whether or not the same require structural repairs or alterations, which may be applicable to the Demised Premises, the fixtures thereof, and the sidewalks, curbs and fences, if any, adjoining the Demised Premises or the use or manner of use of the Demised Premises, except as provided elsewhere in this lease. The Lessee shall likewise observe and comply with the requirements of all policies of public liability, fire and all other policies of insurance at any time in force with respect to the buildings and improvements on the Demised Premises and the equipment thereof.

7. Net Lease Provisions. This lease shall be deemed and construed to be an "absolute triple net lease" and the Lessor shall receive all rental, and all payments hereunder to be made by Lessee free from any charges, taxes, assessments, impositions, expenses or deductions of any and every kind and nature whatsoever including, without limitation, costs and expenses related to insurance, maintenance repairs, replacements, and capital improvements.

8. Utilities. The Lessee shall, during the continuance of this lease, pay for all heat, electric current, water, sewer, gas, telephone and other utilities furnished to or used by Lessee in or upon the Demised Premises, together with all taxes, levies, or other charges on such utilities and governmental charges based on utility consumption, such payment to be made directly to the utility company or department furnishing the same. The Lessee shall also at Lessee's sole cost and expense procure any and all necessary permits, licenses or other authorizations required for the lawful and proper installation and maintenance upon the Demised Premises of wires, pipes, conduits, tubes and other equipment and appliances for use in supplying any such service to and upon the Demised Premises. Lessor shall not be liable to anyone for cessation of any services, including but not limited to public utility services, heating and air conditioning, due to inability to

obtain fuel, electricity, service or supplies from the sources from which they are usually obtained, due to failures in the equipment used to provide such services, or for any other reason beyond the control of the Lessor. Any such interruption of any of the above services shall never be deemed an eviction or disturbance of the Lessee's use of the Demised Premises or any part thereof, or render the Lessor liable to the Lessee for damages, or relieve the Lessee from performance of the Lessee's obligations under this lease.

9. Taxes and Assessments.

(a) Lessee shall pay on or before the last day on which they may be paid without penalty or interest all real estate taxes and assessments (both general and special), all charges and other taxes, duties and charges, fees or payments imposed by any governmental, quasi-governmental or public authority, which shall be imposed, assessed, levied or become a charge or lien upon, or arise in connection with the use, occupancy or possession of, the Demised Premises or any part thereof or any appurtenances thereto for any portion of the term hereby granted; provided, however, that any such real estate taxes and assessments or other charges relating to a fiscal period of the taxing authority, a portion of which is included in the term of this lease and a portion of which is included in a period of time prior to or after the term of this lease, shall be prorated based on the applicable portion of the fiscal period coinciding with the term of this lease. The Lessee shall in each instance submit to Lessor, within thirty (30) days after the last day upon which the same may be paid without penalty or interest, a receipt or receipts showing the payment thereof. In the event that Lessor receives real estate tax bills which Lessee is obligated to pay, Lessor shall immediately deliver such tax bills to Lessee.

Upon the termination of this lease on the last day of a real estate tax year, the Lessee shall deposit with the Lessor a sum equal to a full year's tax obligation based on the last available tax duplicate, including any amount due pursuant to Paragraph 7, hereof, as security for the payment of the actual tax obligation of the Lessee for the real estate taxes and assessments applicable to the year of termination. Said deposit shall be applied against said obligation as it becomes due, any deficiency in said amount to be paid by the Lessee when due, and any excess in said amount to be refunded to the Lessee when said tax obligation has been fulfilled.

Upon the termination of this lease on a day other than the last day of a real estate tax year, the taxes and assessments applicable to the year of termination shall be prorated to the date of termination. Upon such date of termination, Lessee shall deposit with the Lessor a prorated sum based on the last available tax duplicate, including any amount due pursuant to Paragraph 7, as security for the payment of the actual prorated tax obligation of the Lessee for the real estate taxes and assessments applicable to the year of termination. Said deposit shall be applied against said obligation as it shall become due, any deficiency or excess in the amount deposited to be handled as stated above.

(b) Lessee's obligation to pay any assessments shall apply only to assessments, or installments thereof, which shall become due or payable concurrently with real estate

taxes for any portion of the term hereof. Should an interest charge be added by any governmental authority to any assessment by reason of Lessee's election to pay said assessment in installments instead of in a lump sum, Lessee may nevertheless take the benefit of the provisions of any statute or ordinance permitting any such assessments to be paid in installments over a period of time, and Lessee shall be obligated to pay only such installments of such assessments and interest as shall become due and payable concurrently with real estate taxes for any portion of the term hereof, provided, however, Lessor may at Lessor's option pay said assessments in a lump sum, in which event Lessee shall pay to Lessor such amounts and at such times as Lessee would have been required to pay the levying authority, had the Lessor not elected to pay said assessments in a lump sum.

10. Insurance. Lessee shall at Lessee's cost and expense secure and keep in effect during the term of this lease and any extension thereof insurance policies in the amounts and covering the following risks:

(a) With respect to the buildings and improvements at any time forming a part of the Demised Premises, insurance against loss or damage by fire and such other risks as are from time to time included in a standard form of fire and extended coverage and additional perils policy of insurance available in the State of Texas. Said buildings and improvements shall be insured for the benefit of Lessor and Lessee in an amount not less than the full replacement cost thereof as determined from time to time by the insurance company. These insurance provisions shall in no way limit or modify any of the obligations of the Lessee under any provisions of this lease to restore the Demised Premises.

(b) For the protection of Lessor, comprehensive general public liability insurance against claims for bodily injury or death occurring upon, in or under the Demised Premises, including the sidewalks and parking areas adjacent thereto, to the extent of not less than Two Million Dollars (\$2,000,000.00) in respect to bodily injury or death to any one person, and to the extent of not less than Five Million Dollars (\$5,000,000.00) for bodily injuries or death to any number of persons arising out of one accident or disaster, and property damage with limits of not less than Five Hundred Thousand Dollars (\$500,000).

All insurance carried by Lessee as required by this paragraph shall be carried in favor of Lessor and/or Lessee as may be appropriate, as their respective interests may appear, and shall, whenever appropriate and if requested by Lessor, include the interest of the holders of any mortgages on the Demised Premises. All policies of insurance shall, to the extent obtainable, provide that any loss shall be payable notwithstanding any act or omission of the Lessee which might otherwise result in a forfeiture or reduction of said insurance.

Lessee shall procure policies for all insurance required by this paragraph for periods of not less than one (1) year and shall deliver to Lessor certificates of insurance certifying that such insurance is in full force and effect, and shall procure renewals thereof from time to time at least thirty (30) days before the expiration thereof. In default of such delivery or renewal, Lessor may

procure any such insurance and Lessee shall, on demand, reimburse Lessor for the cost thereof with interest thereon until paid in full at the rate per annum equal to two percent (2%) in excess of the prime rate of KeyBank, N.A. then in effect. All such insurance shall be taken in such companies as shall be reasonably acceptable to the Lessor and to the holders of any mortgages on the Demised Premises. The policies of insurance shall provide that they may not be canceled except upon thirty (30) days' prior written notice to Lessor and the holder of any mortgage, and shall further provide that the proceeds be payable to the Lessor and/or holder of any mortgage on the Demised Premises as the interest of such mortgagee may appear pursuant to a standard mortgage clause. The Lessee may provide any insurance required by this lease in the form of a blanket package-type policy, provided such policy complies in all respects with the provisions of this paragraph.

Lessor and Lessee agree that if the building and improvements at any time forming a part of the Demised Premises or the personal property of Lessee located on the Demised Premises shall be damaged or destroyed by an insured peril, and whether or not such damage or destruction was caused by the negligence of or any act or omission of the other party, the other's agents or employees, neither party shall have any liability to the other on account of such damage or destruction, or the cause thereof, except as hereinafter stated, and each party shall with due diligence require all policies of risk insurance with respect to the Demised Premises carried by such party during the term of this lease to be endorsed with a provision by which the insurer designated therein shall waive its right of subrogation against the other party.

Furthermore, each of Lessor and Lessee agrees to, and does hereby waive all rights of recovery and causes of action against the other, the other's agents and employees, and all persons claiming through or under the other, relating to the loss of business, business interruption or loss of rentals resulting from any damage or destruction to the Demised Premises or any of Lessee's property contained therein, notwithstanding that any such damage or destruction may be due to the negligence or any act or omission of Lessor or Lessee, their respective agents or employees, as the case may be.

11. Lessee's Right to Contest Taxes, etc. Lessee, upon prior written notice to Lessor, shall be entitled to contest, in good faith, in the name of Lessor or Lessee, by appropriate proceedings diligently conducted, the validity or applicability, as the case may be, of any:

- (a) law or requirement or any proposed law or requirement of any governmental authority;
- (b) tax, assessment or other governmental charge;
- (c) requirement of insurance carrier; or
- (d) other expense or charge,

which during the term of this lease shall be levied, assessed, imposed, demanded or threatened to be levied, assessed, imposed or demanded by any governmental authority or insurance carrier or

with respect to, or alleged by any person to have been imposed in connection with, the possession, occupation, alteration, maintenance, repair or use of the Demised Premises or any part thereof or any improvements therein. Lessor shall be obliged reasonably to cooperate with Lessee in any such contest which Lessee shall elect to undertake, and to that end shall make available to Lessee all books and records of the Lessor and all employees and agents of Lessor with personal knowledge of facts relating to any such contest, without cost to Lessee except for out-of-pocket expenses. The period of any such permitted contest shall be excluded in computing the period during which a default shall be deemed to be in existence if such default would not have occurred before such contest. Any such contest which the Lessee shall elect to undertake shall be at the Lessee's expense, and any refund from any contested item based upon payment by Lessee shall belong absolutely to the Lessee.

12. Repairs and Surrender; Mechanic's Liens.

(a) Throughout the term of this lease, Lessee shall maintain the building (including its principal and structural components) and other improvements at any time forming a part of the Demised Premises and make replacements when necessary (including without limitation of the generality of the foregoing the roofs, floors, walls, ceilings, foundations, parking lots, driveways, sidewalks and other appurtenances, vaults, fences, water, sewer and gas connections, pipes and mains, plumbing, heating and ventilation, mechanical, electrical and other building systems, and other parts of the Demised Premises damaged or worn through normal occupancy) in good condition and repair, reasonable wear and tear excepted, and shall promptly and in a good and workmanlike manner make all necessary repairs, at Lessee's expense, interior or exterior, ordinary as well as extraordinary, structural and otherwise, to the Demised Premises, and shall comply with all governmental regulations, laws or ordinances with respect to such repairs, maintenance or alterations of the Demised Premises. Throughout the term of this lease, Lessee shall, at its sole cost and expense, as is necessary, replace the structural portions of any building(s) and all building systems (and mechanical, electrical, ventilation and distribution channels and all related systems), including, without limitation, the roof, foundation, slab and exterior and interior and exterior support walls, including any necessary replacements, renewals, alterations, additions, and betterments and in full compliance with all applicable laws.

For the avoidance of doubt, when used in this Paragraph 12., the term "repairs" shall include replacements or renewals when necessary, and all such repairs made by Lessee shall be equal in quality and class to the original work. Lessee shall, at Lessee's own expense, keep the sidewalks, parking areas, driveways and other outside areas clean and in good repair. Lessee agrees to deliver up and surrender to Lessor possession of the Demised Premises upon the expiration of this lease, in good and tenantable repair, reasonable wear and tear and damage by insured peril for which Lessee has not been paid and for which damage the insurance proceeds have been assigned to Lessor by Lessee excepted.

(b) The Lessee shall not suffer or permit any mechanic's or other liens to be filed against the Demised Premises or any part thereof by reason of work, labor, services or materials supplied or claimed to have been supplied to the Lessee or anyone holding the Demised Premises or any part thereof through or under the Lessee. If any such mechanic's lien or other liens shall at any time be filed against the Demised Premises, the Lessee shall cause the same to be discharged of record within thirty (30) days after the date of filing the same. If the Lessee shall fail to discharge such mechanic's lien within such period, then in addition to any other right or remedy of the Lessor, the Lessor may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit in court or by giving security or in such other manner as is, or may be, prescribed by law. Any amount paid by the Lessor for any of the aforesaid purposes, and all reasonable legal and other expenses of the Lessor, including reasonable attorneys' fees, in or about procuring the discharge of such lien, with all necessary disbursements in connection therewith, with interest thereon until paid in full at the rate per annum equal to one percent (1%) in excess of the prime rate of KeyBank then in effect, shall be repaid by the Lessee to the Lessor on demand, and if unpaid may be treated as additional rent. Nothing contained herein shall imply any consent or agreement on the part of the Lessor to subject the Lessor's estate to liability under any mechanic's lien law.

13. Alterations. Lessee may make any alterations in, or additions or improvements to, said Demised Premises (structural or otherwise) that it deems reasonably necessary in the operation thereof; provided, however, Lessee shall not make any alterations in, or additions or improvements to, said Demised Premises (structural or otherwise) that require a building permit without the written consent of Lessor first had and obtained, which consent shall not be unreasonably withheld. If any permitted alterations, additions or improvements in or to said Demised Premises are made by Lessee, the Lessee covenants and agrees that Lessee will make all such alterations, additions or improvements in or to said Demised Premises at Lessee's own expense. Any such permitted alterations, additions or improvements which are begun by Lessee shall be completed by Lessee. No alterations, additions or improvements shall be made which will weaken the structural strength of any building at any time forming a part of the Demised Premises. Lessee shall, in making any such alterations, additions or improvements, and/or in using and/or occupying the Demised Premises, comply with all applicable laws and ordinances pertaining to such work and/or such use or occupancy. Any additions, alterations or improvements made by Lessee shall become and remain a part of the Demised Premises, and be and remain the property of Lessor upon the termination of this lease or Lessee's occupancy of the Demised Premises. Notwithstanding the above, the Lessor may, by giving written notice to the Lessee, require Lessee to restore the Demised Premises to the same condition they were in at the commencement of the lease. In any event, Lessee shall have the right to remove all Lessee's trade fixtures, furnishings and other personal property in the Demised Premises which have been placed there by Lessee, even though the same be attached to said Demised Premises, upon the condition that the removal of any such annexation shall be effected before the expiration of the term of this lease, and that all damage caused to said Demised Premises by such removal shall be repaired by Lessee on or before the expiration of said term. .

14. Destruction of Demised Premises. If the Demised Premises, or any part thereof, shall be destroyed or damaged during the term of the lease, (i) this lease shall continue in full force and effect and the proceeds of all insurance covering such damage or destruction shall be made available to the Lessee, and (ii) Lessee shall be obligated to rebuild and reconstruct such damaged portion of the Demised Premises. If the cost to so rebuild or reconstruct shall exceed the proceeds of any insurance, the Lessee shall be liable for any such deficit. If, however, the proceeds of any insurance covering such damage or destruction exceed the cost of repair or reconstruction, such excess shall belong absolutely to the Lessee.

15. Eminent Domain.

(a) If all of the Demised Premises or any portion thereof shall be condemned or taken by any governmental authority, or sold to any such governmental authority to prevent such taking, and thereby preventing the use of the Demised Premises as set forth herein, then this lease shall terminate effective the date of such taking.

(b) If only a portion of the Demised Premises shall be condemned or is taken by any governmental authority, or sold to any such governmental authority to prevent such taking, and such taking does not preclude the use of the Demised Premises as set forth herein, Lessor, at Lessor's expense, shall promptly commence and diligently complete the repair and restoration of the portion of the Demised Premises that has not been condemned to a condition as nearly equivalent as feasible to the condition of the Demised Premises existing prior to such taking.

(c) Whether such taking shall be partial or the entire Demised Premises, Lessee shall not, because of such taking, assert any claim against the taking authority or against Lessor for any compensation because of such taking, except that Lessee shall be entitled to make a separate claim against the taking authority for any rights Lessee may have for Lessee's cost of moving or relocating any trade fixtures, equipment or other personal property that Lessee placed upon the Demised Premises, or for the recovery of any other provable damages to Lessee's business. For this purpose, Lessee reserves the right to participate at Lessee's expense in any condemnation proceeding. In no event, however, shall the Lessee's rights, as stated above, reduce the Lessor's award from the condemning authority as the owner of all interests in the real estate.

16. Rights of Lessor Upon Default.

(a) This lease is made upon the condition that Lessee shall punctually perform all of its covenants and agreements as herein set forth and if,

(1) Lessee defaults in payment of rent, or any additional charge or amount of money to be paid by Lessee as provided in this lease, and such default shall continue uncorrected for a period of ten (10) days after such payment is due;
or

(2) Lessee defaults in the prompt and full performance and observance of any of the terms and conditions of this lease to be performed or observed by Lessee and not relating to the payment of money, and any such default shall continue uncorrected for a period of thirty (30) days after written notice to the Lessee thereof, or if any such last-mentioned default cannot reasonably be corrected within such 30-day period, then if Lessee shall not within such period have commenced in good faith to correct such default; or

(3) Lessee abandons the Demised Premises; or

(4) any execution, attachment or other order of court shall be issued upon or against the interest of Lessee in this lease and shall continue for a period of thirty (30) days after notice,

then in any such event, in addition to any and all rights and remedies allowed by law and equity, Lessor may, with or without further notice, forthwith terminate this lease and Lessee's right to possession of the Demised Premises, or Lessor may, without terminating this lease, terminate Lessee's right to possession of the Demised Premises.

(b) Upon the termination of this lease, or upon the termination of Lessee's right to possession without termination of this lease:

(1) Lessee shall surrender possession and vacate the Demised Premises immediately, and Lessor may enter into and repossess said Demised Premises, with or without process of law, and remove all persons and property therefrom; and

(2) Lessor may remove from the Demised Premises any and all property found therein, and such repossession shall not release Lessee from Lessee's obligation to pay the rents herein provided.

(c) In the event of termination of this lease as provided in this Paragraph 16., Lessor, in addition to any and all rights and remedies allowed by law and equity, shall upon such termination be entitled to recover damages in the amount equal to the then present value of the rent reserved in this lease for the entire residue of the stated term hereof less the then present worth of the fair rental value of the Demised Premises for the residue of the term hereof as then in effect, plus the costs incurred, including reasonable legal expenses, to terminate this lease and Lessee's possession of the Demised Premises.

(d) In the event of any repossession by Lessor without terminating this lease, Lessor shall use Lessor's best efforts to relet and keep rented the Demised Premises or any part thereof, as agent of Lessee, to any person, firm or corporation, and on such terms as Lessor may determine, provided that Lessor shall use reasonable efforts to mitigate damages to Lessee arising from Lessee's continuing liability under this lease. Lessor may make repairs, alterations, replacements, and/or decorations in or to the Demised Premises to the extent reasonably necessary and advisable for the purpose of reletting the Demised

Premises, and in the making of such repairs, alterations, additions, replacements and/or decorations shall not operate or be construed to release Lessee from liability hereunder; and Lessee shall upon demand pay the cost thereof, together with Lessor's expense of reletting (including reasonable legal expenses and brokerage commissions). If the rents collected by Lessor upon any such reletting are not sufficient to pay monthly the full amount of the rent reserved herein, together with the cost of such repairs, alterations, additions, replacements, decorations and expenses, Lessee shall pay to Lessor the amount of each monthly deficiency upon demand, and if the rent so collected from any such reletting is more than sufficient to pay the full amount of the rent reserved herein, together with such costs and expenses of Lessor, Lessor shall, at least every twelve (12) months after such eviction, account for any surplus to Lessee.

(e) Any and all property which may be removed from the Demised Premises by Lessor may be handled, removed, stored or otherwise disposed of by Lessor at the risk and expense of Lessee, and Lessor shall in no event be responsible for the preservation or the safekeeping thereof. Lessee shall pay to Lessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property, so long as the same shall be in Lessor's possession or under Lessor's control. If any property shall remain in the Demised Premises or in the possession of Lessor, and shall not be retaken by Lessee within a period of twenty (20) days from and after the time when the Demised Premises are either abandoned by Lessee or repossessed by Lessor under the terms of this lease, said property shall conclusively be deemed to have been forever abandoned by Lessee.

17. Lessor's Rights.

(a) Lessor's Right to Perform Lessee's Covenants. In addition to, but without limitation or qualification of, any other right or remedy of the Lessor herein provided, if the Lessee shall default in the performance of any covenant, condition or stipulation contained in this lease except defaults pertaining to the payment of rent or additional rent, the Lessor may, after thirty (30) days' written notice to the Lessee, or if such default cannot reasonably be corrected within such 30-day period, then if Lessee shall not within such period have commenced in good faith to correct such default, or with or without notice if, in the Lessor's reasonable opinion, an emergency exists, perform the same for the account and at the expense of the Lessee, and the amount of any payments made or other expenses incurred by the Lessor for such purpose shall be forthwith repaid by the Lessee with interest thereon until paid in full at the rate per annum equal to one percent (1%) in excess of the prime rate of KeyBank, N.A. then in effect. Should the Lessee, pursuant to this subparagraph 17(a) or any other provision of this lease, become obligated to reimburse or otherwise pay Lessor any one or more sums of money in addition to the fixed rent, the amount thereof shall be deemed additional rent and may, at the option of Lessor, be added to any subsequent installment of the basic rent due and payable under the lease, in which event the Lessor shall have the remedies for default in the payment thereof provided in Paragraph 16. hereof. The provisions of this subparagraph 17(a) shall survive the termination of this lease. Nothing in this subparagraph 17(a) shall in any manner increase Lessor's liability to Lessee or to any others. The rights granted to Lessor under this

subparagraph 17(a) shall be permissive only and shall not be construed as requiring Lessor to perform any such condition or covenant or to correct any such default.

(b) Lessor's Access to Demised Premises. Lessor reserves the right to enter the Demised Premises during the normal business hours of Lessee only, or at any time in case of an emergency, for the purpose of examining, repairing and protecting the Demised Premises, or for the purpose of showing the premises to a prospective purchaser or mortgagee, and also during the last six (6) months of the term of this lease for the purpose of exhibiting the Demised Premises to prospective tenants and putting up the usual notice "to rent" or "for sale," which notice shall not be removed or hidden by Lessee. The rights granted to Lessor pursuant to this subparagraph 17(b) shall not be construed to require Lessor to make any repairs to the Demised Premises.

18. Indemnity. Lessee agrees that no representations or warranties, either express or implied, have been made with reference to the condition of the Demised Premises or their fitness for the use of any purpose whatsoever. Lessee assumes the sole responsibility for the condition, operation, maintenance and management of the Demised Premises. To the extent permitted by the Constitution and laws of the State of Texas, including, but not limited to, the Texas Special Districts Code §§1069.001 et seq., Tex. Civ. Prac. & Rem. Code §§101.001 et seq., and Tex. Health & Safety Code §§282.001 et seq., Lessee shall indemnify, defend and save harmless Lessor from any and all liabilities, damages, penalties, costs, expenses, claims, suits or actions due to or arising out of (i) any breach, violation or nonperformance of any covenant, condition or agreement in this lease contained on the part of Lessee to be fulfilled, kept, observed and performed; (ii) any contest by Lessee authorized by Paragraph 11, hereof; (iii) any damage to property or any injury to persons (including death) resulting at any time therefrom in, on, under or about the Demised Premises or the adjacent streets, sidewalks and other adjoining or adjacent areas caused by the negligence, willful acts or omissions of Lessee, or of the employees, and agents; and (iv) any and all liens placed or permitted to be placed thereon by Lessee.

19. Loss or Damage to Lessee's Property. All trade fixtures, equipment, inventory and all other personal property belonging to Lessee, Lessee's agents, or Lessee's guests, located in or about the Demised Premises shall be at the sole risk of Lessee, and Lessor shall not be liable for the theft or misappropriation, nor for any damage or injury thereto, nor for any damage or injury to Lessee, or any of Lessee's officers, agents, employees, licensees or guests, or to other persons or to any property caused by fire, explosion, wind, water, rain, snow, frost, steam, gas, electricity, any acts of God, heat or cold, dampness, falling plaster and/or ceilings, sewers or sewage odors, noise, leaks from any part of said building, or by the bursting or leaking of pipes, plumbing, electrical wiring and equipment and fixtures of all kinds, or by any act or neglect of any other tenant or of any person; provided, however, subject to the provisions of Paragraph 10., Lessor shall not be relieved of liability for the negligence, intentional wrongful acts or omissions of Lessor, Lessor's agents and employees.

20. Subletting and Assignment. Lessee shall have the right to sublet all or any part of the Demised Premises consistent with the purposes set forth in Paragraph 5. above without

Lessor's prior written consent. Lessee may assign this lease or any interest Lessee may have hereunder, provided that:

(1) the signed written consent of the Lessor to any such assignment shall first be obtained (which consent Lessor will not unreasonably withhold); and

(2) in the event of any such permitted assignment, Lessee shall remain liable as Lessee for the performance of all of the conditions and covenants on the part of Lessee to be performed under this lease, unless Lessor shall otherwise expressly consent in writing. The right on the part of Lessee to assign this lease under any of the foregoing provisions of this Paragraph 20, shall be upon the express condition that such assignment shall be in writing, executed by Lessee and the assignee, that in such writing the assignee shall, in consideration of such assignment, agree to assume, perform and be bound by all of the terms, obligations and conditions on the part of Lessee to be performed under this lease, and that a duplicate executed counterpart of such instrument of assignment and assumption shall be delivered to Lessor within ten (10) days after the execution thereof.

21. Lessor's Liability.

(a) Limitation of Lessor's Liability. The term "Lessor," as used in this lease so far as covenants or obligations on the part of Lessor are concerned, shall be limited to mean and include only the owner or owners at the time in question of the fee of the Demised Premises. In the event of any transfer or transfers of title to such fee, the Lessor herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be freed and relieved from and after the date of such transfer and conveyance of all liability with respect to performance of any covenants or obligations on the part of Lessor contained in this lease thereafter to be performed. Without further agreement, the transferee of such title shall be deemed to have assumed and agreed to observe and perform any and all obligations of the Lessor hereunder during the transferee's ownership of the Demised Premises. Lessor may transfer Lessor's interest in the Demised Premises, and such transfer or subsequent transfer shall not be deemed a violation on Lessor's part of any of the terms and conditions of this lease.

(b) No Personal Liability. Notwithstanding anything to the contrary contained in this lease, it is expressly understood and agreed, such understanding and agreement being a significant and material inducement to the execution of this lease by Lessor, that (i) there shall be absolutely no personal liability of whatever nature imposed upon Lessor or Lessor's successors and assigns, or upon any member, manager, officer, or director of Lessor, with respect to any terms, covenants or conditions of this lease; (ii) in the event that Lessor shall commit a default or breach of any of the terms, covenants or conditions hereof and Lessee shall obtain a judgment against Lessor for such default or breach, Lessee's sole exclusive remedy for the enforcement and collection of such judgment shall be the institution of foreclosure or other appropriate execution proceedings solely against the land on Exhibit A and improvements thereon; and (iii) regardless of whether or not the proceedings described in "(ii)" immediately above shall result in a complete satisfaction of

Lessee's judgment, in no event (whether by proceedings at law, in equity, administrative proceedings or otherwise) shall any deficiency or other personal judgment be rendered or enforced against Lessor or Lessor's successors or assigns, or upon any member, manager, officer, or director of Lessor.

22. Mortgage Subordination. The Lessee understands that Lessor may have or hereafter desire to place a mortgage upon all or part of the land described herein and the building constructed thereon. It is further understood that the mortgagee of said mortgage may require that the within lease be subordinated to said mortgage, in which event Lessee agrees to execute any document required by such mortgagee to evidence such subordination; provided, however, that the mortgagee of any such mortgage shall covenant in writing that the Lessee's leasehold interest hereunder shall not be foreclosed in any action brought under such mortgage or in the event of a sale of the Demised Premises as a result of said action if at the time of bringing an action to foreclose or at the time of said sale the Lessee is not in default in the payment of rental or in the performance of any other obligation under this lease, with due allowance to be given for the payment of any past due rental, or for the correction of any other default by Lessee within the period of time permitted after any notice is given or required to be given by the terms of this lease. It is further understood that the mortgagee of said mortgage may require that the Lessee agree to attorn to any purchaser of the property in the event that the same should be sold through foreclosure proceedings, and that the Lessee agrees to waive any and all rights to treat any such foreclosure proceedings as a breach of the lease by Lessor, in which event Lessee agrees to execute any document required by such mortgagee to evidence such agreements.

23. Estoppel Certificate by Lessee. Lessee will execute, acknowledge and deliver to Lessor, promptly upon request, a certificate certifying that (a) this lease is unmodified and in full force and effect (or, if there have been modifications, that the lease is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which basic rent and other sums payable hereunder have been paid, and (c) no notice has been received by Lessee of any default which has not been cured, except as to defaults specified in said certificate, it being intended that any such certificate may be relied upon by any prospective purchaser or mortgagee of the property or any part thereof.

24. Signs. Lessee shall have the right to erect and maintain upon the Demised Premises, at Lessee's expense, all signs necessary or appropriate to the conduct of the business of Lessee which are not in violation of any governmental rule or regulation and will not invalidate any insurance policy of Lessor; provided, however, that Lessee shall not have the right to erect or maintain in or upon the Demised Premises any sign, the erection, maintenance or removal of which will operate to decrease the value of the Demised Premises or impair the structural integrity of the building, without the Lessor's prior consent in writing. Lessee shall maintain said signs in good condition and repair at all times. Any signs placed in or upon the Demised Premises, upon the written request of Lessor, shall be removed by Lessee at Lessee's expense upon the expiration or sooner termination of this lease, and all damage caused by the removal of such signs shall be fully repaired at the cost and expense of Lessee.

25. Quiet Enjoyment. The Lessor covenants that Lessor has lawful title to the above-described real property and the right to make this lease for the term aforesaid and, conditioned upon the prompt performance and observance by the Lessee, Lessee's agents and employees of all of the terms, covenants and conditions hereof required to be performed or observed by Lessee, Lessee's agents and employees, Lessee shall at all times during the term of this lease have the peaceable and quiet enjoyment of the Demised Premises, subject to zoning ordinances, and all restrictions, reservations, conditions, covenants and easements of record or which are known by Lessee and any condition which would be disclosed by an accurate survey.

26. Withholding Premises. Should Lessee withhold from Lessor possession of the Demised Premises after the expiration or termination of this lease, whether by lapse of time or otherwise, such withholding shall constitute only a month-to-month tenancy.

27. Effect of Demand. Any demand for rent upon the Lessee after the same shall have become due and payable, or for the performance or observance of any covenant or condition of this lease after the same is required to be performed or observed under the provisions hereof, shall have the same effect as though made at the time and place such rent became due or such obligation should have been performed or observed, any law to the contrary notwithstanding.

28. Effect of Waiver. No waiver of any condition or covenant of this lease or of the breach of any condition or covenant shall be taken to constitute a waiver of any subsequent breach of such condition or covenant, or to justify or authorize the nonobservance on any other occasion of the same or any other condition or covenant thereof. The acceptance of rent by the Lessor at any time when the Lessee is in default of any covenant or condition shall not be construed as a waiver of such default or of the Lessor's rights under Paragraph 16. above on account of such default, nor shall the payment of rent by the Lessee at any time when Lessor is in default under any covenant or condition hereof be construed as a waiver of such default, nor shall any waiver or indulgence granted by the Lessor or Lessee be taken as an estoppel against the party granting the same.

29. Notices. All notices and demands required or permitted by either party under this lease shall be served upon the other party by personal delivery, by United States Mail, postage prepaid, by registered or certified mail, return receipt requested, or by overnight courier, or by electronic mail with confirmation of receipt, addressed to the respective parties at their respective addresses as set forth below:

If to Lessee:	Nacogdoches County Hospital District 1204 Mound Street Nacogdoches, Texas 75961 Attention: Scott Street, CEO Phone No.: (936) 568-8523 E-mail: streets@nacmem.org
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With a copy to: Cristin Crofford, CFO
1204 Mound Street
Nacogdoches, Texas 75961
Phone No.: (936) 568-8523
E-mail: crofforc@nacmem.org

If to Lessor 1018 North Mound, LLC
33870 Crown Colony Drive
Avon, Ohio 44011
Attention: Gary Habeeb
Phone No.: (216) 389-7223
E-mail: gary.habeeb@yahoo.com

With a copy to: Cavitch, Familo & Durkin Co., LPA
Twentieth Floor
1300 East Ninth Street
Cleveland, Ohio 44114
Attention: Harold O. Maxfield, Jr.
Phone No.: (216) 621-7860
E-mail: hmaxfield@cavitch.com

Delivery shall be deemed complete on the earlier of actual receipt, duly receipted for, if personally delivered, or two (2) postal delivery days after mailing, or one (1) business day after deposit with an overnight courier, or upon confirmation of receipt if sent by electronic mail. The addresses to which notices and demands shall be delivered or sent may be changed from time to time, by notice served as hereinabove provided by any party upon the other parties.

30. Terminology; Captions. Where the context so requires or such interpretation is appropriate, any word used herein denoting gender shall include all genders, natural or artificial, and the singular and plural shall be interchangeable. The term "paragraph" shall refer to all paragraphs under the caption in question, where appropriate. The captions of the various provisions of this lease are for convenience only and in no way define, limit or describe the scope or intent of this lease or the provisions which they precede or in any other manner affect this lease.

31. Short-Form Lease. This lease shall not be recorded, but the parties agree to execute a skeleton lease incorporating the terms of this lease and including a legal description of the property upon which the Demised Premises is situated, at the request of Lessee or Lessor. The same shall be duly executed in form suitable for recording, and any costs incurred in connection therewith shall be at the expense of the party requesting same.

32. Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns

including those assignees of Lessee who become assignees in accordance with and as permitted by the terms of Paragraph 20, above.

33. Severability. In case any one or more of the provisions contained herein 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 this lease, but this lease shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

34. Broker. Lessor warrants, which warranty shall survive the execution of this lease, that no brokerage fee or other compensation is due any real estate broker or other person or entity by reason of this transaction. Lessee warrants, which warranty shall survive the execution of this lease, that no broker induced Lessee to enter into this transaction.

35. Remedies Not Exclusive. All rights and remedies of the Lessor and Lessee herein set forth shall not be exclusive, but shall be in addition to any and all rights and remedies allowed by law and equity.

36. Entire Agreement. This lease contains the entire agreement between the parties hereto; and any agreement hereafter or heretofore made shall not operate to change, modify, terminate or discharge this lease, in whole or in part, unless such agreement is in writing and signed by each of the parties hereto.

37. Governing Law. The parties hereto expressly agree that the terms and conditions of this lease, and the subsequent performance hereunder, shall be construed and controlled in accordance with the laws of the State of Texas. Any court of competent jurisdiction within the State of Texas, shall be the proper forum for bringing an action to enforce or construe the provisions of this lease. If any court of competent jurisdiction is unable to construe any provision of this lease or holds any part thereof to be invalid, such holding shall in no way affect the validity of the remainder of this lease.

38. Counterparts. For the convenience of the undersigned, this lease may be executed in any number of counterparts, and each such executed counterpart shall be deemed an original, and the signature of any party appearing on any such counterpart shall be deemed to appear on all such counterparts. This lease may be executed by an exchange of signatures via electronic mail or by portable document format (.pdf) copies, with such signatures being binding on the parties hereto to the same extent as if such signatures were the originals thereof.

39. Option to Purchase. Provided Lessee is not in default on the date that it exercises its option or on the date that the purchase and sale is set for closing, Lessee shall have the option to purchase the Demised Premises at the end of any term and/or at the end of any renewal term. Such option must be exercised in writing at least nine (9) months prior to the end of such term. The purchase and sale shall close on or about the last day of such term. Time is of the essence. The purchase price shall be the fair market value of the Demised Premises as determined by an independent appraiser reasonably selected by Lessor. Such appraiser shall be a commercial appraiser certified by a nationally recognized professional organization with experience in

property similar to the Demised Premises. Cost of the appraiser shall be paid by Lessee. In conducting the appraisal, the appraiser shall assume a fifteen (15) year absolute triple net lease with market value rents and with other terms consistent with the term of this Lease. The purchase price shall be net to Lessor and all costs and expenses of sale shall be the responsibility of Lessee. The purchase price shall be payable in cash at closing. Title to the Demised Premises shall be conveyed by limited or special warranty deed. Lessor will not make any representations or warranties regarding the condition or use of the Property either express or implied and the Demised Premises will be transferred in its "AS IS", "WHERE IS" condition, with all faults.


{signature page follows}

IN WITNESS WHEREOF, the parties hereto have signed this Lease as of the date first above written.

LESSOR:

1018 NORTH MOUND, LLC
a Texas limited liability company

By:



Bradley H. Maloof, Secretary

LESSEE:

NACOGDOCHES COUNTY HOSPITAL DISTRICT
a Texas governmental unit d/b/a Nacogdoches Memorial
Hospital

By:

Scott Street, Chief Executive Officer

{notary acknowledgements follow}

IN WITNESS WHEREOF, the parties hereto have signed this Lease as of the date first above written.

LESSOR:

1018 NORTH MOUND, LLC
a Texas limited liability company

By: _____
Bradley H. Maloof, Secretary

LESSEE:

NACOGDOCHES COUNTY HOSPITAL DISTRICT
a Texas governmental unit d/b/a Nacogdoches Memorial
Hospital

By:  _____
Scott Street, Chief Executive Officer

{notary acknowledgements follow}

STATE OF OHIO)
) SS:
COUNTY OF Cuyahoga

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named **1018 NORTH MOUND, LLC**, a Texas limited liability company, by Bradley H. Maloof, its Secretary, who executed the foregoing instrument and who acknowledged that he did sign the foregoing instrument for and on behalf of said limited liability company, being thereunto duly authorized, and that the same is his free act and deed individually and as such officer and the free act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Brook Park, OH, this 9 day of December, 2016.



Deirdre Mueller
Notary Public

STATE OF _____)
) SS:
COUNTY OF _____)

BEFORE ME, a Notary Public in and for said County and State, personally appeared **NACOGDOCHES COUNTY HOSPITAL DISTRICT**, a Texas governmental unit d/b/a Nacogdoches Memorial Hospital, by Scott Street, its Chief Executive Officer, who acknowledged that he did sign the foregoing instrument for and on behalf of said governmental unit, being thereunto duly authorized, and that the same is his free act and deed individually and as such officer and the free act and deed of said governmental unit.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at _____, this _____ day of _____, 2016.

Notary Public

STATE OF OHIO)
) SS:
COUNTY OF _____)

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above named **1018 NORTH MOUND, LLC**, a Texas limited liability company, by Bradley H. Maloof, its Secretary, who executed the foregoing instrument and who acknowledged that he did sign the foregoing instrument for and on behalf of said limited liability company, being thereunto duly authorized, and that the same is his free act and deed individually and as such officer and the free act and deed of said limited liability company.

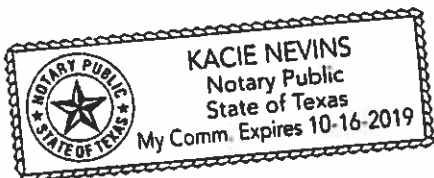
IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at _____, _____, this _____ day of _____, 2016.

Notary Public

STATE OF Texas)
) SS:
COUNTY OF Nacogdoches

BEFORE ME, a Notary Public in and for said County and State, personally appeared **NACOGDOCHES COUNTY HOSPITAL DISTRICT**, a Texas governmental unit d/b/a Nacogdoches Memorial Hospital, by Scott Street, its Chief Executive Officer, who acknowledged that he did sign the foregoing instrument for and on behalf of said governmental unit, being thereunto duly authorized, and that the same is his free act and deed individually and as such officer and the free act and deed of said governmental unit.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Nacogdoches, Texas, this 10th day of December, 2016.



Kacie Nevins
Notary Public

Exhibit A

TRACT 1:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND, BEING SITUATE IN THE COUNTY OF NACOGDOCHES, STATE OF TEXAS, BEING A PART OF THE CITY OF NACOGDOCHES ON THE SAM HOUSTON GRANT, AND BEING LOT NO. 50-A IN BLOCK NO. 45 TO SAID CITY OF NACOGDOCHES AS SHOWN AND DELINEATED ON THE OFFICIAL MAPS AND PLATS OF SAID CITY OF NACOGDOCHES, BEING THE SAME PROPERTY DESCRIBED IN DEED FROM HAL C. DONALDSON, ET AL, TO E. R. BATES, DATED MARCH 1942, RECORDED IN VOLUME 157, PAGE 160, RECORDS OF NACOGDOCHES COUNTY, WITH SAID LOT 50-A BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING IN THE EAST MARGIN OF MOUND STREET AT A POINT CALLED FOR "X" CHISELED IN THE SIDEWALK (NOT FOUND OR SET) BEING AT THE SOUTHWEST CORNER OF THE LOT REFERRED TO AS THE "E.R. BATES LOT" DESCRIBED IN VOLUME 157 PAGE 160, AND BEING THE SOUTHWEST CORNER OF THE LOT HEREIN DESCRIBED AND THE NORTHWEST CORNER OF LOT NO. 51 IN BLOCK NO. 45, CITY OF NACOGDOCHES, FROM WHICH A FOUND CHISELED "X" IN CONCRETE AT THE SOUTHWEST CORNER OF SAID LOT 51 BEARS SOUTH 00 DEGREES 48 MINUTES 00 SECONDS WEST A DISTANCE OF 154.37 FEET (CALL S00°48'00"W - 154.37'), AND WITH THE BEARINGS OF THIS AS-SURVEYED DESCRIPTION BASED ON A PORTION OF THE WESTERLY RIGHT-OF-WAY LINE OF MOUND STREET, AS SITUATED IN THE CITY AND COUNTY OF NACOGDOCHES, ACCORDING TO THAT WARRANTY DEED RECORDED IN VOLUME 445, PAGE 179, RECORDS OF NACOGDOCHES, SAID LINE BEING MONUMENTED ON THE SOUTH END BY A FOUND #4 REBAR WITH AN ORANGE PLASTIC CAP STAMPED "2043", FROM WHICH A FOUND CHISELED "X" IN CONCRETE AT THE SOUTHWEST CORNER OF SAID LOT 51 BEARS NORTH 71 DEGREES 45 MINUTES 29 SECONDS EAST A DISTANCE OF 52.90 FEET, AND ON THE NORTH END BY A FOUND #5 REBAR, SAID BASIS OF BEARINGS LINE BEARS NORTH 00 DEGREES 48 MINUTES 00 SECONDS EAST:

THENCE NORTH 00 DEGREES 48 MINUTES 00 SECONDS EAST, ALONG THE EAST RIGHT-OF-WAY LINE OF SAID MOUND STREET AND THE WEST LINE OF THE HEREIN DESCRIBED TRACT, A DISTANCE OF 118.00 FEET (CALL N00°48'00" E - 118.00') TO A SET NAIL AND TAG STAMPED "RPLS 6595" AT THE NORTHWEST CORNER OF SAID LOT 50-A AND AT THE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 30 MINUTES 00 SECONDS EAST, ALONG THE NORTH LINE LOT 50-A, BLOCK NO. 45, AT 182' ENTERING A BUILDING, FOR A TOTAL DISTANCE OF 244.00 FEET (CALL N 89°30'00" E - 244.00'), TO THE NORTHEAST CORNER OF LOT 50-A AND THE NORTHWEST CORNER OF LOT 50-B1, BEING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT AND BEING LOCATED INSIDE A BUILDING;

THENCE SOUTH 01 DEGREES 04 MINUTES 46 SECONDS EAST, ALONG THE WEST LINE OF LOTS NO. 50-B-1, 50-B AND 50-C AND THE EAST LINE OF THE HEREIN DESCRIBED TRACT, AT 76' LEAVING THE BUILDING, FOR A TOTAL DISTANCE OF 117.98 FEET (CALL S00°48'00" W - 118.00'), TO A SET #5 REBAR 24" LONG WITH A YELLOW PLASTIC CAP STAMPED "RPLS 6595" AT THE SOUTHWEST CORNER OF LOT 50-C, THE NORTHEAST CORNER OF LOT 51-A AND BEING THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 89 DEGREES 30 MINUTES 00 SECONDS WEST, ALONG THE LINE COMMON TO LOT 51 AND 51-A, BEING THE SOUTH LINE OF THE HEREIN DESCRIBED TRACT, A DISTANCE OF 247.87 FEET (CALL S89°30'00" W - 247.87' - VOLUME 237, PAGE 93 AND CALL S89°30'00"W - 244.00' - VOLUME 157, PAGE 160) TO THE EAST MARGIN OF MOUND STREET AT A CALLED FOR "X" CHISELED IN THE SIDEWALK (NOT FOUND OR SET) BEING AT THE SOUTHWEST CORNER OF SAID LOT REFERRED TO AS THE "E.R. BATES LOT" DESCRIBED IN VOLUME 157 PAGE 160, AND BEING THE SOUTHWEST CORNER OF LOT 50-A HEREIN DESCRIBED AND THE NORTHWEST CORNER OF SAID LOT NO. 51, BLOCK NO. 45, CITY OF NACOGDOCHES;

THENCE NORTH 00 DEGREES 48 MINUTES 00 SECONDS EAST, ALONG THE EAST MARGIN OF MOUND STREET, A DISTANCE OF 118.00 FEET (CALL N00°48'00" E - 118.00') TO THE POINT OF BEGINNING AND CONTAINING 29,012 SQUARE FEET, 0.667 ACRES OF LAND MORE OR LESS.

TRACT 2:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND, BEING SITUATE IN THE COUNTY OF NACOGDOCHES, STATE OF TEXAS, BEING A PART OF THE CITY OF NACOGDOCHES ON THE SAM HOUSTON GRANT, AND BEING LOT NO. 51 IN BLOCK NO. 45 TO SAID CITY OF NACOGDOCHES, AS SHOWN AND DELINEATED ON THE OFFICIAL MAPS AND PLATS OF SAID CITY OF NACOGDOCHES, BEING THE SAME PROPERTY CONVEYED TO STEPHEN B. TUCKER BY QUENTIN R. HATCHEL, ET AL, BY THAT WARRANTY DEED RECORDED IN VOLUME 237, PAGE 93, RECORDS OF NACOGDOCHES COUNTY, WITH SAID LOT NO. 51 BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING IN THE EAST MARGIN OF MOUND STREET AT A CALLED FOR "X" CHISELED IN THE SIDEWALK (NOT FOUND OR SET) BEING AT THE SOUTHWEST CORNER OF THE LOT REFERRED TO AS THE "E.R. BATES LOT" DESCRIBED IN VOLUME 157 PAGE 160, AND BEING THE NORTHWEST CORNER OF THE LOT HEREIN DESCRIBED AND THE SOUTHWEST CORNER OF LOT NO. 50-A, BLOCK NO. 45, CITY OF NACOGDOCHES, AND WITH THE BEARINGS OF THIS AS-SURVEYED DESCRIPTION BASED ON A PORTION OF THE WESTERLY RIGHT OF WAY LINE OF MOUND STREET AS SITUATED IN THE CITY AND COUNTY OF NACOGDOCHES, ACCORDING TO THAT WARRANTY DEED RECORDED IN VOLUME 445, PAGE 179, RECORDS OF NACOGDOCHES, SAID LINE BEING MONUMENTED ON THE SOUTH END BY A FOUND #4 REBAR WITH AN ORANGE PLASTIC CAP STAMPED "2043", FROM WHICH A FOUND CHISELED "X" IN CONCRETE AT THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT BEARS NORTH 71 DEGREES 45 MINUTES 29 SECONDS EAST A DISTANCE OF 52.90 FEET, AND ON THE NORTH END BY A FOUND #5 REBAR, SAID BASIS OF BEARINGS LINE BEARS NORTH 00 DEGREES 48 MINUTES 00 SECONDS EAST:

THENCE NORTH 89 DEGREES 30 MINUTES 00 SECONDS EAST, ALONG THE LINE COMMON TO LOT 50-A AND LOT NO. 51, BLOCK NO. 45, A DISTANCE OF 247.87 FEET (CALL N 89°30'00" E - 247.87') TO A SET #5 REBAR 24" LONG WITH A YELLOW PLASTIC CAP STAMPED "RPLS 6595" AT THE NORTHWEST CORNER OF LOT 51-A AND BEING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 00 DEGREES 25 MINUTES 00 SECONDS EAST, ALONG THE WEST LINE OF LOTS NO. 51-A AND 51-B AND THE EAST LINE OF THE HEREIN DESCRIBED TRACT, A DISTANCE OF 136.83 FEET (CALL S00°25'00" E - 136.83'), TO A SET #5 REBAR 24" LONG WITH A YELLOW PLASTIC CAP STAMPED "RPLS 6595" AT THE SOUTHWEST CORNER OF LOT 51-B, BEING THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, FROM WHICH A FOUND #5 REBAR BEARS SOUTH 04 DEGREES 00 MINUTES 51 SECONDS WEST A DISTANCE OF 15.15 FEET AND A FOUND #4 REBAR BEARS SOUTH 57 DEGREES 30 MINUTES 16 SECONDS WEST A DISTANCE OF 22.29 FEET;

THENCE SOUTH 89 DEGREES 30 MINUTES 00 SECONDS WEST A DISTANCE OF 69.32 FEET (CALL S89°30'00" W - 69.32') TO A SET NAIL AND TAG STAMPED "RPLS 6595" AT THE NORTHWEST CORNER OF LOT 52-D AND AN ANGLE CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 01 DEGREE 00 MINUTES 00 SECONDS WEST A DISTANCE OF 12.00 FEET (CALL S01°00'00" W - 12.00') TO A SET NAIL AND TAG STAMPED "RPLS 6595" AT THE NORTHEAST CORNER OF LOT 52-A AND BEING AN ANGLE CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 87 DEGREES 45 MINUTES 48 SECONDS WEST, ALONG THE NORTH LINE OF LOT 52-A AND THE SOUTH LINE OF SAID LOT 51, A DISTANCE OF 181.62 FEET (CALL S88°16'00" W - 182.00') TO A FOUND CHISELED "X" IN CONCRETE, BEING CALLED FOR IN SAID WARRANTY DEED RECORDED IN VOLUME 445, PAGE 179, AND BEING IN THE EAST RIGHT-OF-WAY LINE OF SAID MOUND STREET, AND AT THE NORTHWEST CORNER OF LOT 52-A AND THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 00 DEGREES 48 MINUTES 00 SECONDS EAST, ALONG THE EAST MARGIN OF MOUND STREET, A DISTANCE OF 154.37 FEET (CALL N00°48'00" E - 154.37') TO THE POINT OF BEGINNING AND CONTAINING 36,791 SQUARE FEET, 0.845 ACRES OF LAND MORE OR LESS.

SAID PROPERTY ALSO DESCRIBED IN GENERAL WARRANTY DEED RECORDED IN VOLUME 138, PAGE 836 (TRACT 1) AND VOLUME 445, PAGE 179 (TRACT 2), DEED RECORDS OF NACOGDOCHES COUNTY, TEXAS, AS FOLLOWS:

TRACT 1:

All that certain lot or parcel of land situate in the City of Nacogdoches, Nacogdoches County, Texas, and being Lot No. 50A of Block No. 45 of the City of Nacogdoches as shown and delineated on the official maps and plats of said City and being the same land described in deed from Hal C. Donaldson et al to E. R. Bates dated March, 1942, recorded Volume 157, Page 160, Deed Records of Nacogdoches County, Texas.

TRACT 2:

All that certain tract or parcel of land, together with all improvements thereon being, lying and being situate in the County of Nacogdoches, State of Texas, a part of the City of Nacogdoches on the Sam Houston Grant, and being Lot No. 51 in Block No. 45 to said City of Nacogdoches, thus described:

BEGINNING in the East margin of Mound Street at an "X" chiseled in the sidewalk at the Southwest corner of the E.R. Bates lot and the Northwest corner of the lot herein described:

THENCE North 89 degrees 30 minutes East with the North edge of a rock wall 247.87 feet to an iron stake at the Northwest corner of Lot 51-A;

THENCE South 0 degrees 25 minutes East, with the West line of Lots No. 51-A and 51-B, 136.83 feet to an iron stake at the Southwest corner of Lot 51-B;

THENCE South 89 degrees 30 minutes West with fence 69.32 feet to an iron stake at the Northwest corner of Lot 52-D;

THENCE South 1 degree West 12 feet to iron stake at the Northeast corner of Lot 52-A;

THENCE South 88 degrees 16 minutes West, with the North line of Lot 52-A, 182 feet to an "X" chiseled in sidewalk at the Northwest corner of Lot 52-A;

THENCE North 0 degrees 48 minutes East, with East margin of Mound Street, 154.37 feet to the PLACE OF BEGINNING, and being the same property conveyed to Stephen B. Tucker by Quentin R. Hatchel, et al, by Deed dated July 8, 1953 of record in Volume 237, Page 93, Deed Records of Nacogdoches County, Texas, and thereafter devised to Grantor by the Will of Stephen B. Tucker, Deceased.

EXHIBIT B

Rent

Lease Year	Lease Year Start Date	Lease Year End Date	\$ Per Square Foot Per Year	Monthly Rent	Annual Rent	Square Feet
1	December 15, 2016	December 14, 2017	\$ 20.00	\$ 37,760.00	\$ 453,120.00	22,656
2	December 15, 2017	December 14, 2018	\$ 20.40	\$ 38,515.20	\$ 462,182.40	
3	December 15, 2018	December 14, 2019	\$ 20.81	\$ 39,285.50	\$ 471,426.05	
4	December 15, 2019	December 14, 2020	\$ 21.22	\$ 40,071.21	\$ 480,854.57	
5	December 15, 2020	December 14, 2021	\$ 21.65	\$ 40,872.64	\$ 490,471.66	
6	December 15, 2021	December 14, 2022	\$ 22.08	\$ 41,690.09	\$ 500,281.09	
7	December 15, 2022	December 14, 2023	\$ 22.52	\$ 42,523.89	\$ 510,286.72	
8	December 15, 2023	December 14, 2024	\$ 22.97	\$ 43,374.37	\$ 520,492.45	
9	December 15, 2024	December 14, 2025	\$ 23.43	\$ 44,241.86	\$ 530,902.30	
10	December 15, 2025	December 14, 2026	\$ 23.90	\$ 45,126.70	\$ 541,520.34	
11	December 15, 2026	December 14, 2027	\$ 24.38	\$ 46,029.23	\$ 552,350.75	
12	December 15, 2027	December 14, 2028	\$ 24.87	\$ 46,949.81	\$ 563,397.77	
13	December 15, 2028	December 14, 2029	\$ 25.36	\$ 47,888.81	\$ 574,665.72	
14	December 15, 2029	December 14, 2030	\$ 25.87	\$ 48,846.59	\$ 586,159.04	
15	December 15, 2030	December 14, 2031	\$ 26.39	\$ 49,823.52	\$ 597,882.22	
16	December 15, 2031	December 14, 2032	\$ 26.92	\$ 50,819.99	\$ 609,839.86	
17	December 15, 2032	December 14, 2033	\$ 27.46	\$ 51,836.39	\$ 622,036.66	
18	December 15, 2033	December 14, 2034	\$ 28.00	\$ 52,873.12	\$ 634,477.39	
19	December 15, 2034	December 14, 2035	\$ 28.56	\$ 53,930.58	\$ 647,166.94	
20	December 15, 2035	December 14, 2036	\$ 29.14	\$ 55,009.19	\$ 660,110.28	
21	December 15, 2036	December 14, 2037	\$ 29.72	\$ 56,109.37	\$ 673,312.48	
22	December 15, 2037	December 14, 2038	\$ 30.31	\$ 57,231.56	\$ 686,778.73	
23	December 15, 2038	December 14, 2039	\$ 30.92	\$ 58,376.19	\$ 700,514.31	
24	December 15, 2039	December 14, 2040	\$ 31.54	\$ 59,543.72	\$ 714,524.59	
25	December 15, 2040	December 14, 2041	\$ 32.17	\$ 60,734.59	\$ 728,815.09	
26	December 15, 2041	December 14, 2042	\$ 32.81	\$ 61,949.28	\$ 743,391.39	
27	December 15, 2042	December 14, 2043	\$ 33.47	\$ 63,188.27	\$ 758,259.22	
28	December 15, 2043	December 14, 2044	\$ 34.14	\$ 64,452.03	\$ 773,424.40	
29	December 15, 2044	December 14, 2045	\$ 34.82	\$ 65,741.07	\$ 788,892.89	
30	December 15, 2045	December 14, 2046	\$ 35.52	\$ 67,055.90	\$ 804,670.75	
31	December 15, 2046	December 14, 2047	\$ 36.23	\$ 68,397.01	\$ 820,764.16	
32	December 15, 2047	December 14, 2048	\$ 36.95	\$ 69,764.95	\$ 837,179.44	
33	December 15, 2048	December 14, 2049	\$ 37.69	\$ 71,160.25	\$ 853,923.03	
34	December 15, 2049	December 14, 2050	\$ 38.44	\$ 72,583.46	\$ 871,001.49	
35	December 15, 2050	December 14, 2051	\$ 39.21	\$ 74,035.13	\$ 888,421.52	
36	December 15, 2051	December 14, 2052	\$ 40.00	\$ 75,515.83	\$ 906,189.95	
37	December 15, 2052	December 14, 2053	\$ 40.80	\$ 77,026.15	\$ 924,313.75	
38	December 15, 2053	December 14, 2054	\$ 41.61	\$ 78,566.67	\$ 942,800.03	
39	December 15, 2054	December 14, 2055	\$ 42.45	\$ 80,138.00	\$ 961,656.03	
40	December 15, 2055	December 14, 2056	\$ 43.29	\$ 81,740.76	\$ 980,889.15	
41	December 15, 2056	December 14, 2057	\$ 44.16	\$ 83,375.58	\$ 1,000,506.93	
42	December 15, 2057	December 14, 2058	\$ 45.04	\$ 85,043.09	\$ 1,020,517.07	
43	December 15, 2058	December 14, 2059	\$ 45.94	\$ 86,743.95	\$ 1,040,927.41	
44	December 15, 2059	December 14, 2060	\$ 46.86	\$ 88,478.83	\$ 1,061,745.96	
45	December 15, 2060	December 14, 2061	\$ 47.80	\$ 90,248.41	\$ 1,082,980.88	