

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT:

AGENDA DATE:

PUBLIC HEARING DATE:

CONTACT PERSON NAME:

PHONE NUMBER:

DISTRICT(S) AFFECTED:

STRATEGIC GOAL:

SUBGOAL:

SUBJECT:

BACKGROUND / DISCUSSION:

COMMUNITY AND STAKEHOLDER OUTREACH:

PRIOR COUNCIL ACTION:

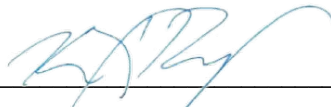
AMOUNT AND SOURCE OF FUNDING:

REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:

NAME	AMOUNT (\$)

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Chapter 380 Economic Development Program Agreement (“Agreement”) by and between **CITY OF EL PASO**, a Texas home-rule municipal corporation (“City”), and **National Center for Defense Manufacturing and Machining**, a nonprofit organization (“Applicant”), in support of the Applicant’s business operations located at 5 Butterfield Trail Blvd., Suites A and B, El Paso, Texas, 79906 (“Project”). The Project will likely encourage increased economic development in the City, provide increases in the City’s property tax revenues, and improve the City’s ability to provide for the health, safety and welfare of the general public within and around El Paso. The Agreement requires the Applicant to meet Full-Time Employment requirements and transition to and operate at the El Paso International Airport’s Advanced Manufacturing District (“AMD”) once construction is completed. Over the term of the Agreement, the City shall provide economic incentives not to exceed \$244,800 in the form of Lease Rental Cost assistance.

APPROVED this ____ day of _____, 20__.

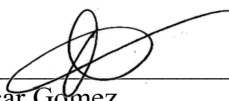
CITY OF EL PASO:

Oscar Leaser
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Oscar Gomez
Assistant City Attorney

APPROVED AS TO CONTENT:



Karina Brasgalla, Interim Director
Economic & International Development

STATE OF TEXAS) **CHAPTER 380 ECONOMIC DEVELOPMENT**
) **PROGRAM AGREEMENT**
COUNTY OF EL PASO)

This Chapter 380 Economic Development Program Agreement (“**Agreement**”) is made this ___ day of _____, 2024 (“**Effective Date**”) between the City of El Paso, Texas, a Texas home-rule municipal corporation, (the “**City**”), and National Center for Defense Manufacturing and Machining, a nonprofit organization (“**NCDMM**” or the “**Applicant**”), for the purposes and considerations stated below. The City and NCDMM will hereinafter collectively referred to as the “**Parties**” and individually to as the “**Party**”.

RECITALS

WHEREAS, the Applicant desires to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code (“Chapter 380”) and the Texas Constitution Article III Section 52-a; and

WHEREAS, the City has the authority under Chapter 380 to make loans or grants of public funds, as a governmental function, for the purpose of promoting local economic development and stimulating business and commercial activity within and around the City; and

WHEREAS, the City desires to provide incentives to the Applicant, pursuant to Chapter 380, for the Applicant’s business operations located at *5 Butterfield Trail Blvd., Suites A and B, El Paso, Texas 79906*, and more fully described on *Exhibit A* attached hereto (the “**Project**”), and the Applicant wishes to receive the incentives in exchange for compliance with the obligations set forth herein; and

WHEREAS, the City concludes and hereby finds that this Agreement promotes economic development to the general public within and around the City and meets the requirements of Chapter 380 and further, is in the best interests of the City and Applicant.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- A. **Agreement.** The word *Agreement* means this Chapter 380 Economic Development Program Agreement, together with all exhibits and schedules attached and incorporated herein by reference.

- B. **Effective Date.** The term *Effective Date* means the date the El Paso City Council (“City Council”) approves the Agreement. However, if the Lease Agreement referred to herein is not executed on or before the date City Council approves this Agreement, then the Effective Date will be on the date the Lease Agreement is executed.

- C. **Full-Time Employment.** The term *Full-Time Employment* means a job in El Paso requiring a minimum of 1,820 prorated hours of work in a year and which:
1. Is created and/or retained by the Applicant, with the employee being actively employed and on the Applicant's payroll as of the last day of the reporting year;
 2. Employee maintains employment with a requirement to work an average of at least 35 hours per week, calculated as: Total Hours Worked ÷ Number of Weeks Worked = 35 or more per;
 3. Has full company benefits, including allowance for vacation, holidays, sick leave, and company paid health insurance (employees must not be required to pay more than 50% of the health insurance premium); and
 4. Such jobs being located at the Project, within the City of El Paso, Texas;
 5. These requirements are more completely described in *Exhibit D*, which is attached hereto and incorporated herein for all purposes.
- D. **Grant.** The term *Grant* means each payment to Applicant under the terms of this Agreement computed as assistance for Lease Rental Costs in the amount of \$24,480 annually, capped at \$244,800 for the Term of the Agreement.
- E. **Grant Submittal Package.** The term *Grant Submittal Package* means the documentation required to be supplied to City as a condition of receipt of any Grant, with such documentation more fully described in the Grant Submittal Package, which is attached as *Exhibit C* to this Agreement.
- F. **Lease Rental Cost.** The term *Lease Rental Cost* means rent charged by the Robert E. Marble Trust at the Project's location per that certain *Lease Agreement* attached as *Exhibit E* to this Agreement. The Grant is limited to Lease Rental Costs associated specifically with the Lease Agreement and being paid by and charged to the Applicant as it pertains to that certain Lease Agreement at the Project's location as defined in this Agreement. However, at the discretion and approval by the Director of the City's Economic and International Development Department, the Applicant may qualify for Lease Rental Costs at the El Paso International Airport's Advanced Manufacturing District ("AMD") or other locations within the City. No other costs associated with the Lease Agreement, including but not limited to costs for damages, incidental expenses, late fees, penalties, or any other related expenses, shall be covered under this Agreement.
- G. **Project.** The term *Project* means the real property leased by Applicant located at 5 *Butterfield Trail Blvd. Suites A and B, El Paso, Texas 79906*, and more fully described on *Exhibit A*, which is attached and incorporated by reference.

SECTION 2. TERM AND GRANT PERIOD.

- A. This Agreement shall commence on the Effective Date and shall terminate on the first to occur of: (i) 10 years from the Effective Date; (ii) the proper termination of this Agreement

in accordance with the applicable provisions contained herein; or (iii) termination by mutual consent of the parties in writing (“Term”).

- B. Applicant’s eligibility for Grant payments shall be limited to 10 consecutive years within the Term of this Agreement (the “Grant Period”).

SECTION 3. OBLIGATIONS OF APPLICANT.

A. PROJECT.

- (1) Applicant plans for this program to consist of two phases:
 - (a) Phase 1 – will include research and design services for contracts as awarded from the United States Navy and other Department of Defense branches. This phase will also include year 1 through year 3 of the employee scaling as indicated within the Agreement on *Exhibit D*. Applicant shall operate at the Project’s location during Phase 1.
 - (b) Phase 2 – will include research and design services for contracts as awarded from the United States Navy and other Department of Defense branches. Applicant shall operate at the AMD. However, if the AMD’s construction is not ready, or space therein is not available, by the end of the lease agreement at the Project’s location, Applicant may find another location within the City to operate the Project.
- (2) Applicant agrees that during the Term of this Agreement, the Project shall be limited to those uses consistent with the Project Description in *Exhibit A*.
- (3) Applicant agrees to maintain the Lease Agreement for the duration of this Agreement. Receipt of any Grant payments pursuant to this Agreement are contingent upon the Applicant’s complete compliance with this requirement. On an annual basis, or as required by the City’s Economic and International Department, Applicant shall provide City with attestation from the Robert E. Marble Trust, as landlord, verifying Applicant’s maintaining compliance with the terms of the Lease Agreement or Estoppel Certificate.
- (4) Applicant shall demonstrate, before the receipts of any Grant payments, that Applicant has incurred no delinquency taxes by providing certified City tax certificates for any parcel of real or personal property owned in the City of El Paso.
- (5) Applicant shall allow the City or its agents reasonable access to operating records, accounting books, and any other records related to the economic development considerations and incentives described herein, which are in Applicant’s possession, custody, or control, for purposes of verifying the Lease Rental Costs and for audit purposes, if so requested by the City. The confidentiality of such records will be maintained in accordance with all applicable laws.

B. EMPLOYMENT POSITIONS

- (1) Applicant agrees that it shall create, staff, and maintain the Full-Time Employment positions described in *Exhibit D* for the Project as of *December 31, 2025*, and shall maintain the Full-Time Employment positions for the Project through the entire Grant Period of this Agreement. Applicant shall maintain the Full-Time Employment positions for each reporting year with the total per day hours worked averaged over each year. The transfer of an existing Full-Time Employment position from Applicant's existing business site to Applicant's Project *does not* qualify as creating and staffing a Full-Time Employment position for purposes of this Agreement. Failure to meet the Full-time Employment requirements is not an Event of Default and will have no effect on Grant payment eligibility, provided that Applicant conducts a best efforts approach to hiring and recruiting within the Term of the Agreement to meet such requirements. The City, in its sole discretion, shall determine what constitutes *best efforts* for purposes of this provision.
- (2) Applicant shall provide the City with an annual report by *January 31* of each reporting year during the Term of this Agreement, certifying the status of compliance through the preceding year. Such annual report shall include the number of new jobs created and retained for the Project, information on any new investments in the Project, and any other information relevant to the Project and the City's economic development goals. Documentation for jobs may be in the form of quarterly Internal Revenue Service Form 941 returns, or Texas Workforce Commission Employer Quarterly Reports, or employee rosters that show the hours worked and the positions filled. Applicant shall also provide the City with such other reports as may reasonably be required.

C. GRANT SUBMITTAL PACKAGE.

In order to receive the disbursement of the Grant, the Applicant must submit a Grant Submittal Package, as specified below.

- (1) The Applicant shall annually submit one Grant Submittal Package which shall be in the form provided in *Exhibit C*, together with the requisite documentation. The Applicant shall submit to the City the initial Grant Submittal Package on *January 1, 2026*, or within 30 business days after this date. A failure by the Applicant to timely submit a Grant Submittal Package in accordance with this paragraph is a waiver by the Applicant to receive a Grant payment for that Grant year.
- (2) Concurrent with the submittal of a Grant Submittal Package, the Applicant will submit to the City documentation as may be reasonably necessary to verify the expenditure to date of the Lease Rental Costs, which has not otherwise been verified as part of a prior submittal.
- (3) The City's determination of the amount of the Grant payment due to the Applicant is final.

SECTION 4. OBLIGATIONS OF THE CITY.

During the Term of this Agreement, and so long as an Event of Default has not occurred and Applicant is in compliance with the Agreement, the City agrees as follows:

- A. The City agrees to provide assistance for Lease Rental Costs not to exceed \$244,800 in accordance with the terms and provisions of this Agreement. The City will not be provide any Lease Rental Costs for any other costs associated with the Lease Agreement, including but not limited to costs for damages, incidental expenses, late fees, penalties, or any other related expenses, shall be covered under this Agreement.
- B. The City will process any eligible Grant payment within 90 days after receipt of the Applicant's complete annual Grant Submittal Package. Once Applicant is notified of incomplete submittal, they shall have 90 days to cure.

SECTION 5. EVENTS OF DEFAULT.

Each of the following Paragraphs A through D shall constitute an Event of Default:

- A. **Failure to Comply.** Applicant's failure to comply with, or to perform any obligation or condition of this Agreement or in any related documents, or Applicant's failure to comply with or to perform any obligation or condition of any other agreement between the City and Applicant, except that this clause shall not apply to the Full-Time Employment requirements set forth in this Agreement, provided that Applicant conducts a best efforts approach to hiring and recruiting within the Term of the Agreement to meet such requirements.
- B. **False Statements.** Any representation or statement made or furnished to the City by Applicant pursuant to this Agreement or any document(s) related hereto, that is/are false or misleading in any material respect; or if Applicant obtains actual knowledge that any such representation or statement has become false or misleading after the time that it was made, and Applicant fails to provide written notice to the City of the false or misleading nature of such representation or statement within 10 days after Applicant learns of its false or misleading nature.
- C. **Insolvency.** Applicant files a voluntary petition in bankruptcy, a proceeding in bankruptcy is instituted against the Applicant and the Applicant is thereafter adjudicated bankrupt, a receiver for the Applicant's assets is appointed, or any assignment of all or substantially all of the assets of Applicant for the benefit of creditors of Applicant.
- D. **Property Taxes.** If Applicant allows its personal or real property taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure or post a satisfactory bond within 30 days after written notice thereof from the City and/or El Paso Central Appraisal District.
- E. **Notice and Opportunity to Cure.** If an Event of Default occurs, the City will provide Applicant with written notice ("Notice") of the default and Applicant shall have 30 days from the receipt of said notice to cure the default (the "Cure Period"). If the default cannot be remedied within the Cure Period but the Applicant has made a diligent effort to effect a

cure, the Cure Period may be extended at the City’s sole discretion for a reasonable time. The City, in its sole discretion, shall determine what constitutes *a reasonable time* and what constitutes *a diligent effort* for purposes of this provision. If the City agrees to extend the Cure Period past the 30 days, the City shall notify the Applicant, in writing, of the expiration date of the extended cure period.

- F. **Failure to Cure.** If an Event of Default occurs and, after receipt of written notice and opportunity to cure as herein provided, the Applicant fails to cure the default in accordance with the provisions herein, then this Agreement may be terminated by the City by written notice to the Applicant at which time the City’s obligations hereunder will end and the City may exercise any other right or remedy available at law or in equity.

SECTION 6. RECAPTURE.

Should the Applicant default under Section 5 of this Agreement and provided that the Cure Period for such default has expired, all Grants previously provided by the City pursuant to this Agreement shall be recaptured and repaid by Applicant within 60 days from the date of such termination.

SECTION 7. TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT.

The City may terminate this Agreement for convenience and without an event of default by Applicant, which shall become effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement ineffectual, impractical, or illegal, including any case law holding that a Chapter 380 Economic Development Agreement such as this Agreement, is an unconstitutional debt.

SECTION 8. MISCELLANEOUS PROVISIONS

- A. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by both parties.
- B. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in El Paso County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of El Paso County, Texas.
- C. **Assignment.** Applicant understands and agrees that the City expressly prohibits Applicant from selling, transferring, assigning, or conveying in any way any rights to receive the Grant or Grants that are subject of this Agreement without the City’s consent to assignment. Any such attempt to sell, transfer, assign, or convey without the City’s prior written consent is void and may result in the immediate termination of this Agreement and recapture of the taxes rebated prior to the attempted transfer.
- D. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. City warrants and represents that the individual executing this Agreement on behalf of City has full authority to execute this Agreement and bind City to the same. Applicant warrants and represents that the individual executing

this Agreement on its behalf has full authority to execute this Agreement and bind Applicant to the same.

- E. **Compliance with the Law.** The Parties will comply with all applicable laws, administrative order, and any rules or regulations relating to the obligations under this Agreement. If applicable, then the Applicant will procure all licenses and pay all fees or other charges as required to meet its obligations under this Agreement.
- F. **Confidentiality Obligations.** The confidentiality of records related to the City's economic development considerations and incentives provided herein will be maintained in accordance with and subject to all applicable laws, including the Public Information Act, Chapter 552, Texas Government Code. To the extent permitted by state or federal law, the City shall maintain the confidentiality of any proprietary information and shall not copy any such information except as necessary for dissemination to the City's agents or employees and agrees that, as required by the Public Information Act, it will notify Applicant if a request relating to such proprietary information is received. Applicant represents that it understands that the Public Information Act excepts disclosure of trade secret and confidential commercial information and that it will need to assert the proprietary interest of Applicant as a basis for nondisclosure.
- G. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute the same document.
- H. **Employment of Undocumented Workers.** During the term of this Agreement, Applicant agrees not to knowingly employ any undocumented workers as defined in Texas Government Code Section 2264.001. If convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the Grant payments received by Applicant from the City as of the date of such violation not later than 120 days after the date Applicant is notified by City of a violation of this section, plus interest from the date the Grant payment(s) was paid to Applicant, at the rate of 7% per annum. The interest will accrue from the date the Grant payment(s) were paid to Applicant until the date the reimbursement payments are repaid to City. City may also recover court costs and reasonable attorney's fees incurred in an action to recover the Grant payment(s) subject to repayment under this section. Applicant is not liable for a violation by its subsidiary, affiliate, or franchisee, or by a person which whom Applicant contracts.
- I. **Governmental Function.** The Parties agree that the City is entering into this Agreement as a governmental entity performing a governmental function, implementing a government grant program intended to provide a public benefit.
- J. **Force Majeure.** The parties agree that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was delayed.
- K. **Headings.** The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

APPLICANT: NCDMM

Gene D. Berkebile

Gene D. Berkebile
VP and CFO

ACKNOWLEDGMENT

STATE OF PA

§
§
§

COUNTY OF Cambria

This instrument was acknowledged before me on the 11th day of DECEMBER, 2024, by Gene D. Berkebile, VP and CFO for NCDMM.

Donald G. Deyarmin
Notary Public, State of PA

My Commission Expires:

10-7-27

Commonwealth of Pennsylvania - Notary Seal
Donald G. Deyarmin, Notary Public
Cambria County
My commission expires October 7, 2027
Commission number 1039043
Member, Pennsylvania Association of Notaries

EXHIBIT A

Project Description

NCDMM is looking at El Paso as a new location to expand and fulfill some of its Department of Defense contracts. The Project will consist of two phases.

Phase 1

The initial phase of this project will be operated at a leased facility located at *5 Butterfield Trail Blvd., Suites A and B, El Paso, Texas 79906*. This phase will include research and design services for contracts awarded by the United States Navy and other Department of Defense branches.

Phase 2

The second phase will include research and design services for contracts as awarded from the United States Navy and other Department of Defense branches. NCDMM shall operate at the AMD. However, if the AMD's construction is not ready, or space therein is not available, by the end of the lease agreement at the Project's location, Applicant may find another location within the City to operate the Project.

EXHIBIT B

Rent Expense

Incentive Type	Total for 10 years	Payment Frequency	Payment Type	Payment To	Initial Grant Submittal Date
Lease Rent Costs	\$244,800	Annual	Reimbursed	Applicant	1/31/2026

EXHIBIT C

Grant Submittal Package Form

NCDMM believes that it has substantially met its obligations under the Chapter 380 Agreement dated the _____ day of ____ 20__ and signed by _____ of NCDMM. Pursuant to the Agreement, NCDMM submits this Grant Submittal Package Form in compliance with the Agreement and in anticipation of receiving the Grant payments referenced in the Agreement in consideration for its obligations met therein.

As required by the Agreement, the following information is submitted:

1. Electronically to Email: EDCompliance@elpasotexas.gov;
2. Completed Grant Submittal Package Form
3. **[INITIAL GRANT SUBMITTAL ONLY]** 1295 Form;
4. Job Certification Report Spreadsheet with the following breakdown:
 - a. Employee Roster:

Last Name	First Name	Job Title	Hire Date	Termination Date	Job Category (New/retained)	Total Hours Worked in the Year	Weeks Worked in the Year	Hourly Wage	Gross Annual Salary	Employment Status (FT/PT)	Percentage employee pays for medical premium	Percentage company pays for medical premium

- b. Insurance Benefits Packet
- c. Employee Benefits Packet (pto, vacation, sick leave, etc.)
- d. 941 IRS Reports
- e. Any other document reasonably necessary to verify expenditures.

It is understood by NCDMM that the City of El Paso has up to 30 days to process this request and reserves the right to deny the Grant request if the Applicant has not complied with the terms of the Agreement.

NCDMM

Name: _____

Title: _____

EXHIBIT D

Employment Requirements & Grant Payment Eligibility

SECTION 1. MINIMUM JOB CREATION AND RETENTION REQUIREMENTS.

In order for the Applicant or its Affiliate to be eligible for the incentive, the Applicant is required to create and maintain the Full-Time Employment positions by January 31, 2027 of each full tax year during the Grant Period as follows:

	Year 1 (2025)	Year 2 (2026)	Year 3 (2027)
Jobs retained		6	10
Jobs created	6	4	4
Total jobs	6	10	14

SECTION 2. ELIGIBILITY FOR GRANT PAYMENTS.

After Year 1, the Applicant must retain the total amount of Full-Time Employment positions shown for the remainder of the Grant Period, to be eligible to receive the Grant payments. By Year 3, NCDMM will create *14* new full-time jobs of which will meet, or exceed, the current Median County Wage (\$17.31/hr.). Failure to meet Full-time Employment requirements is not an Event of Default and will have no effect on Grant payment eligibility, provided that Applicant conducts a best efforts approach to hiring and recruiting within the Term of the Agreement. The City, in its sole discretion, shall determine what constitutes *best efforts* for purposes of this provision.

EXHIBIT E

Lease Agreement
with the Robert E. Marble Trust
for property located at
5 Butterfield Trail Blvd., Suites A and B, El Paso, Texas 79906



COMMERCIAL LEASE

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED. ©Texas Association of REALTORS®, Inc. 2022

CONCERNING THE LEASED PREMISES AT 5 Butterfield Trail Blvd., Ste. A & B, El Paso, TX 79906
between Robert E. Marble Trust, Robert R. Marble, Trustee (Landlord)
and National Center for Defense Manufacturing and Machining (NCDMM) (Tenant).

Table of Contents

Table with 4 columns: No., Paragraph Description, Pg., and ADDENDA & EXHIBITS (check all that apply). Lists 38 paragraphs and various addenda/exhibits with checkboxes.

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: , and Tenant: Page 1 of 18



COMMERCIAL LEASE

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1. PARTIES: The parties to this lease are:

Landlord: Robert E. Marble Trust, Robert R. Marble, Trustee ; and

Tenant: National Center for Defense Manufacturing and Machining (NCDMM)

2. LEASED PREMISES:

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

[X] (1) Multiple-Tenant Property: Suite or Unit Number A & B containing approximately 4,080 square feet of rentable area ("rsf") in (project name) at 5 Butterfield Trail Blvd., Ste. A & B (address) in El Paso, TX 79906 (city), El Paso (county), Texas, which is legally described on attached Exhibit or as follows: 2 BUTTERFIELD TRAIL IND PK RPL A IMPS ONLY ON WLY 270' OF 5 (OUT OF B853-999-0020-1410), City of El Paso, El Paso County, TX

[] (2) Single-Tenant Property: The real property containing approximately square feet of rentable area ("rsf") at: (address) in (city), (county), Texas, which is legally described on attached Exhibit or as follows:

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

3. TERM:

A. Term: The term of this lease is 36 months and 0 days, commencing on December 1, 2024 (Commencement Date) and ending on November 30, 2027 (Expiration Date).

B. Delay of Occupancy: If Tenant is unable to occupy the leased premises on the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Landlord will not be liable to Tenant

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

C. Certificate of Occupancy: Unless the parties agree otherwise, Tenant is responsible for obtaining a certificate of occupancy for the leased premises if required by a governmental body.

4. RENT AND EXPENSES:

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

Dates		Rate per rentable square foot (optional)		Base Monthly Rent \$
From	To	\$ Monthly Rate	\$ Annual Rate	
12/01/2024	12/31/2024	/ rsf / month	0.00 / rsf / year	0.00
01/01/2025	01/31/2025	/ rsf / month	9.00 / rsf / year	3,060.00
02/01/2025	11/30/2025	/ rsf / month	18.00 / rsf / year	6,120.00
12/01/2025	11/30/2026	/ rsf / month	18.72 / rsf / year	6,364.80
12/01/2026	11/30/2027	/ rsf / month	19.47 / rsf / year	6,619.80
		/ rsf / month	/ rsf / year	

B. Additional Rent: In addition to the base monthly rent, Tenant will pay Landlord the expense reimbursement detailed in Paragraph 4J (if applicable) and all other amounts, as provided by the attached (Check all that apply.):

- (1) Commercial Lease Addendum for Percentage Rent (TXR-2106)
- (2) Commercial Lease Addendum for Parking (TXR-2107)
- (3)

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

C. First Full Month's Rent: The first full monthly rent is due on or before Lease execution

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

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

Name: **Robert E. Marble Trust, Robert R. Marble, Trustee**
 Address: **5 Butterfield Trail Blvd., Suite I, El Paso, TX 79906-4920**

- F. Method of Payment: Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this lease. If Tenant fails to timely pay any amounts due under this lease or if any check of Tenant is returned to Landlord by the institution on which it was drawn, Landlord after providing written notice to Tenant may require Tenant to pay subsequent amounts that become due under this lease in certified funds. This paragraph does not limit Landlord from seeking other remedies under this lease for Tenant's failure to make timely payments with good funds.
- G. Late Charges: If Landlord does not actually receive a rent payment at the designated place of payment within 5 days after the date it is due, Tenant will pay Landlord a late charge equal to 10% of the amount due. In this paragraph, the mailbox is not the agent for receipt for Landlord. The late charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 20.
- H. Returned Checks: Tenant will pay \$ **25.00** for each check Tenant tenders to Landlord which is returned by the institution on which it is drawn for any reason, plus any late charges until Landlord receives payment.
- I. Application of Funds: Regardless of any notation on a payment, Landlord may apply funds received from Tenant first to any non-rent obligations of Tenant, including but not limited to: late charges and returned check charges, repairs, brokerage fees, periodic utilities and thereafter to rent.

(Check box only if Tenant reimburses Landlord for some or all expenses. Do not check for "gross" leases.)

- J. Expense Reimbursement. In addition to base monthly rent stated in Paragraph 4A, Tenant will pay Landlord the expense reimbursement described in this Paragraph 4J. Tenant will pay the expense reimbursement as additional rent each month at the time the base-monthly rent is due. All amounts payable under this Paragraph 4J are deemed to be "rent" for the purposes of this lease.
- (1) Reimbursable Periods. Additional rent under this Paragraph 4J is due for all months listed in the chart in Paragraph 4A, even if the base monthly rent is zero.

(2) Definitions:

- (a) *"Tenant's pro rata share"* is **28.770** %.
- (b) *"CAM"* means all of Landlord's expenses reasonably incurred to maintain, repair, operate, manage, and secure the Property (for example, security, lighting, painting, cleaning, decorations, utilities, trash removal, pest control, promotional expenses, and other expenses reasonably related the Property's operations); including all expenses incurred by Landlord under Paragraph 15, but not including expenses for structural components and roof replacement; CAM does not include capital expenditures, interest, depreciation, tenant improvements, insurance, taxes, or brokers' leasing fees. Notwithstanding the foregoing, CAM does include the amortized costs incurred by Landlord in making capital improvements or other modifications to the Property to the extent such improvements or modifications reduce CAM overall. These costs will be amortized over the useful life of the improvement or modification on a straight-line basis; however, in no event will the charge for such amortization included in CAM exceed the actual reduction in CAM achieved by the improvements and modifications.
- (c) *"Insurance"* means Landlord's costs to insure the leased premises and the Property including but not limited to insurance for casualty loss, general liability, and reasonable rent loss.
- (d) *"Taxes"* means the real property ad valorem taxes assessed against the leased premises and Property inclusive of all general and special assessments and surcharges.

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- (e) "Structural" means all of Landlord's expenses reasonably incurred to maintain, repair, and replace the roof, foundation, exterior walls, load bearing walls and other structural components of the Property.
- (f) "Roof" means all roofing components including, but not limited to decking, flashing, membrane, and skylights.

(3) Method: The additional rent under this Paragraph 4J will be computed under the following method (Check only one box): Note: "CAM" does not include taxes and insurance costs.

- (a) Base-year expenses: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property that exceed the amount of the monthly base-year expenses for the calendar year **2024** for: taxes; insurance; CAM; structural; and _____.
- (b) Expense-stop: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property that exceed \$ _____ per square foot per year for: taxes; insurance; CAM; structural; roof replacement; and _____.
- (c) Net: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property for: taxes; insurance; CAM; structural; roof replacement; and _____.

(4) Projected Monthly Expenses: On or about December 31 of each calendar year, Landlord will project the applicable monthly expenses (those that Tenant is to pay under this lease) for the following calendar year and will notify Tenant of the projected expenses. The projected expenses are based on Landlord's estimates of such expenses. The actual expenses may vary.

Notice: The applicable projected expenses at the time the lease commences are shown in the table below. The total area of the Property presently used by Landlord for calculating expense reimbursements is **14,184** rentable square feet (including any add on factor for common areas).

Projected Expenses	
\$ Monthly Rate	\$ Annual Rate
/ rsf / month	4.68 / rsf / year

(5) Reconciliation: Within 120 days after the end of each calendar year, Landlord will notify Tenant of the actual costs of the applicable expenses (those that Tenant is to pay under this lease) for the previous year. If the actual costs of the applicable expenses exceed the amounts paid or owed by Tenant for the previous year, Tenant must pay the deficient amount to Landlord within 30 days after Landlord notifies Tenant of the deficient amount. If the actual costs of the applicable expenses are less than the amounts paid by Tenant for the previous year, Landlord will refund the excess to Tenant or will credit the excess to Tenant's next rent payment(s). Tenant may audit or examine those items in Landlord's records that relate to Tenant's obligations under this Paragraph 4J. Landlord will promptly refund to Tenant any overpayment revealed by an audit or examination. If the audit or examination reveals an error of more than 5% over the amounts Landlord collected in a calendar year from Tenant under this lease, Landlord will pay the reasonable cost of the audit or examination. Landlord may not seek a deficiency from Tenant under this paragraph if Landlord fails to timely provide the required notice.

5. SECURITY DEPOSIT:

- A. Upon execution of this lease, Tenant will pay \$ 0.00 to Landlord as a security deposit.
- B. Landlord may apply the security deposit to any amounts owed by Tenant under this lease. If Landlord applies any part of the security deposit during any time this lease is in effect to amounts owed by Tenant, Tenant must, within 10 days after receipt of notice from Landlord, restore the security deposit to the amount stated.
- C. Within 60 days after Tenant surrenders the leased premises and provides Landlord written notice of Tenant's forwarding address, Landlord will refund the security deposit less any amounts applied toward amounts owed by Tenant or other charges authorized by this lease.

6. TAXES: Unless otherwise agreed by the parties, Landlord will pay all real property ad valorem taxes assessed against the leased premises. Tenant waives all rights to protest the appraised value of the leased premises and the Property, or appeal the same and all rights to receive notices of reappraisal set forth in sections 41.413 and 42.015 of the Texas Tax Code.

7. UTILITIES:

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

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

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

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

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

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

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

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

8. INSURANCE:

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

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

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

(b) \$2,000,000.

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

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

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

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

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

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

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

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

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

9. USE AND HOURS:

A. Tenant may use the leased premises for the following purpose and no other: Office and administrative

- B. Unless otherwise specified in this lease, Tenant will operate and conduct its business in the leased premises during business hours that are typical of the industry in which Tenant represents it operates.
- C. The Property maintains operating hours of (*specify hours, days of week, and if inclusive or exclusive of weekends and holidays*) : **24/ 7/ 365**

10. LEGAL COMPLIANCE:

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

11. SIGNS:

- A. Tenant may not post or paint any signs or place any decoration outside the leased premises or on the Property without Landlord's written consent. Landlord may remove any unauthorized sign or decorations, and Tenant will promptly reimburse Landlord for its cost to remove any unauthorized sign or decorations.
- B. Any authorized sign must comply with all laws, restrictions, zoning ordinances, and any governmental order relating to signs on the leased premises or Property. Landlord may temporarily remove any authorized sign to complete repairs or alterations to the leased premises or the Property.
- C. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all signs or decorations that were placed on the Property or leased premises by or at the request of Tenant. Any signs or decorations that Landlord does not require Tenant to remove and that are fixtures, become the property of the Landlord and must be surrendered to Landlord at the time this lease ends. **^ See Special Provisions**

12. ACCESS BY LANDLORD:

- A. During Tenant's normal business hours Landlord may enter the leased premises for any reasonable purpose, including but not limited to purposes for repairs, maintenance, alterations, and showing the leased premises to prospective tenants or purchasers. Landlord may access the leased premises after Tenant's normal business hours if: (1) entry is made with Tenant's permission; or (2) entry is necessary to complete emergency repairs. Landlord will not unreasonably interfere with Tenant's business operations when accessing the leased premises.
- B. During the last 90 days of this lease, Landlord may place a "For Lease" or similarly worded sign on the leased premises.

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

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

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

15. MAINTENANCE AND REPAIRS:

- A. Cleaning: Tenant must keep the leased premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles. Landlord Tenant will provide, at its expense, janitorial services to the leased premises that are customary and ordinary for the property type. Tenant will maintain any grease trap on the Property which Tenant uses, including but not limited to periodic emptying and cleaning, as well as making any modification to the grease trap that may be necessary to comply with any applicable law.
- B. Repairs of Conditions Caused by a Party: Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party's guests, patrons, invitees, contractors or permitted subtenants.
- C. Repair and Maintenance Responsibility: Except as otherwise provided by this Paragraph 15, the party designated below, at its expense, is responsible to maintain and repair the following specified items in the leased premises (if any). The specified items must be maintained in clean and good operable

condition. If a governmental regulation or order requires a modification to any of the specified items, the party designated to maintain the item must complete and pay the expense of the modification. The specified items include and relate only to real property in the leased premises. Tenant is responsible for the repair and maintenance of its personal property. (Check all that apply.)

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

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

E. HVAC Service Contract: If Tenant maintains the HVAC system under Paragraph 15C(14), Tenant is is not required to maintain, at its expense, a regularly scheduled maintenance and service contract for the HVAC system. The maintenance and service contract must be purchased from a HVAC maintenance company that regularly provides such contracts to similar properties. If Tenant fails to maintain a required HVAC maintenance and service contract in effect at all times during this lease, Landlord may do so and Tenant will reimburse Landlord for the expense of such maintenance and service contract or Landlord may exercise Landlord's remedies under Paragraph 20.

- F. Common Areas: Landlord will maintain any common areas in the Property in a manner as Landlord determines to be in the best interest of the Property. Landlord will maintain any elevator and signs in the common area. Landlord may change the size, dimension, and location of any common areas, or allocate areas for short term or reserved parking for specific tenants, provided that such change does not materially impair Tenant's use and access to the leased premises. Tenant has the non-exclusive license to use the common areas in compliance with Landlord's rules and regulations. Tenant may not solicit any business in the common areas or interfere with any other person's right to use the common areas. This paragraph does not apply if Paragraph 2A(2) applies.
- G. Notice of Repairs: Tenant must promptly notify Landlord of any item that is in need of repair and that is Landlord's responsibility to repair. All requests for repairs to Landlord must be in writing.
- H. Failure to Repair: Landlord must make a repair for which Landlord is responsible within a reasonable period of time after Tenant provides Landlord written notice of the needed repair. If Tenant fails to repair or maintain an item for which Tenant is responsible within 10 days after Landlord provides Tenant written notice of the needed repair or maintenance, Landlord may: (1) repair or maintain the item, without liability for any damage or loss to Tenant, and Tenant must immediately reimburse Landlord for the cost to repair or maintain; or (2) exercise Landlord's remedies under Paragraph 20.

16. ALTERATIONS:

- A. Tenant may not alter (including making any penetrations to the roof, exterior walls or foundation), improve, or add to the Property or the leased premises without Landlord's written consent. Landlord will not unreasonably withhold consent for the Tenant to make reasonable non-structural alterations, modifications, or improvements to the leased premises.
- B. Tenant may not alter any locks or any security devices on the Property or the leased premises without Landlord's consent. If Landlord authorizes the changing, addition, or rekeying of any locks or other security devices, Tenant must immediately deliver the new keys and access devices to Landlord.
- C. If a governmental order requires alteration or modification to the leased premises, the party obligated to maintain and repair the item to be modified or altered as designated in Paragraph 15 will, at its expense, modify or alter the item in compliance with the order and in compliance with Paragraphs 16A and 17.
- D. Any alterations, improvements, fixtures or additions to the Property or leased premises installed by either party during the term of this lease will become Landlord's property and must be surrendered to Landlord at the time this lease ends, except for those fixtures Landlord requires Tenant to remove under Paragraph 11 or 14 or if the parties agree otherwise in writing.

17. LIENS: Tenant may not do anything that will cause the title of the Property or leased premises to be encumbered in any way. If Tenant causes a lien to be filed against the Property or leased premises, Tenant will within 20 days after receipt of Landlord's demand: (1) pay the lien and have the lien released of record; or (2) take action to discharge the lien. Tenant will provide Landlord a copy of any release Tenant obtains pursuant to this paragraph.

18. LIABILITY: To the extent permitted by law, Landlord is NOT responsible to Tenant or Tenant's employees, patrons, guests, or invitees for any damages, injuries, or losses to person or property caused by:

- A. an act, omission, or neglect of: Tenant; Tenant's agent; Tenant's guest; Tenant's employees; Tenant's patrons; Tenant's invitees; or any other tenant on the Property;

B. fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery, assault, terrorism, vandalism, other persons, environmental contaminants, or other occurrences or casualty losses.

19. INDEMNITY: Each party will indemnify, defend, and hold the other party harmless from any property damage, personal injury, suits, actions, liabilities, damages, cost of repairs or service to the leased premises or Property, or any other loss caused, negligently or otherwise, by that party or that party's employees, patrons, guests, or invitees.

20. DEFAULT:

- A. If Landlord fails to comply with this lease within 30 days after Tenant notifies Landlord of Landlord's failure to comply, Landlord will be in default and Tenant may seek any remedy provided by law. If, however, Landlord's non-compliance reasonably requires more than 30 days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.
- B. If Landlord does not actually receive at the place designated for payment any rent due under this lease within 5 days after it is due, Tenant will be in default. If Tenant fails to comply with this lease for any other reason within 20 days after Landlord notifies Tenant of its failure to comply, Tenant will be in default.
- C. If Tenant is in default, Landlord may, with at least 3 days written notice to Tenant: (i) terminate this lease, or (ii) terminate Tenant's right to occupy the leased premises without terminating this lease and may accelerate all rents which are payable during the remainder of this lease or any renewal period. Landlord will attempt to mitigate any damage or loss caused by Tenant's breach by using commercially reasonable means. If Tenant is in default, Tenant will be liable for:
- (1) any lost rent;
 - (2) Landlord's cost of reletting the leased premises, including brokerage fees, advertising fees, and other fees necessary to relet the leased premises;
 - (3) repairs to the leased premises for use beyond normal wear and tear;
 - (4) all Landlord's costs associated with eviction of Tenant, such as attorney's fees, court costs, and prejudgment interest;
 - (5) all Landlord's costs associated with collection of rent such as collection fees, late charges, and returned check charges;
 - (6) cost of removing any of Tenant's equipment or fixtures left on the leased premises or Property;
 - (7) cost to remove any trash, debris, personal property, hazardous materials, or environmental contaminants left by Tenant or Tenant's employees, patrons, guests, or invitees in the leased premises or Property;
 - (8) cost to replace any unreturned keys or access devices to the leased premises, parking areas, or Property; and
 - (9) any other recovery to which Landlord may be entitled under this lease or under law.

21. ABANDONMENT, INTERRUPTION OF UTILITIES, REMOVAL OF PROPERTY, AND LOCKOUT:

Chapter 93 of the Texas Property Code governs the rights and obligations of the parties with regard to: (a) abandonment of the leased premises; (b) interruption of utilities; (c) removal of Tenant's property; and (d) "lock-out" of Tenant.

22. HOLDOVER: If Tenant fails to vacate the leased premises at the time this lease ends, Tenant will become a tenant-at-will and must vacate the leased premises immediately upon receipt of demand from Landlord. No holding over by Tenant, with or without the consent of Landlord, will extend this lease. Tenant will indemnify Landlord and any prospective tenants for any and all damages caused by the holdover. Rent for

any holdover period will be 150% of the base monthly rent plus any additional rent calculated on a daily basis and will be immediately due and payable daily without notice or demand.

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

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

25. RELOCATION:

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

26. SUBORDINATION:

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

27. ESTOPPEL CERTIFICATES AND FINANCIAL INFORMATION:

- A. Within 10 days after receipt of a written request from Landlord, Tenant will execute and deliver to Landlord an estoppel certificate that identifies the terms and conditions of this lease.

(TXR-2101) 07-08-22 Initialed for Identification by Landlord: _____, _____, and Tenant: _____, _____ Page 13 of 18

- B. Within 30 days after receipt of a written request from Landlord, Tenant will provide to Landlord Tenant's current financial information (balance sheet and income statement). Landlord may request the financial information no more frequently than once every 12 months.

28. CASUALTY LOSS:

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

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

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

31. REPRESENTATIONS:

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

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

32. BROKERS:

A. The brokers to this lease are:

Principal Broker:

Cooperating Broker:

Cushman & Wakefield | PIRES

Agent: Brett C. Preston, SIOR, CCIM

Agent: _____

Address: 123 W. Mills Avenue, Suite 220
El Paso, TX 79901

Address: _____

Phone & Fax: (915)843-8888 (915)843-8889

Phone & Fax: _____

E-mail: bpreston@piresintl.com

E-mail: _____

License No.: 9003421

License No.: _____

Principal Broker: *(Check only one box)*

Cooperating Broker represents Tenant.

represents Landlord only.

represents Tenant only.

is an intermediary between Landlord and Tenant.

B. Fees:

(1) Principal Broker's fee will be paid according to: *(Check only one box)*.

(a) a separate written commission agreement between Principal Broker and:

Landlord Tenant.

(b) the attached Commercial Lease Addendum for Broker's Fee (TXR-2102).

(2) Cooperating Broker's fee will be paid according to: *(Check only one box)*.

(a) a separate written commission agreement between Cooperating Broker and:

Principal Broker Landlord Tenant.

(b) the attached Commercial Lease Addendum for Broker's Fee (TXR-2102).

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

34. **NOTICES:** All notices under this lease must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, sent by a national or regional overnight delivery service that provides a delivery receipt, or sent by confirmed facsimile transmission to:

Landlord at: Robert E. Marble Trust, Robert R. Marble, Trustee

Address: 5 Butterfield Trail Blvd., Suite I, El Paso, Texas 79906-4920

Attention: Mr. Robert R. Marble

Fax: (915)276-8980 (Cell)

and a copy to:

Address: _____
Attention: _____
Fax: _____

Landlord also consents to receive notices by e-mail at: **rmarble@remtelp.com**

Tenant at the leased premises,

and to: **National Center for Defense Manufacturing and Machining (NCDMM)**

Address: **699 Scalp Avenue, Johnstown, PA 15904**
Attention: **Gene Berkebile, Randy Gilmore, David Espalin**
Fax: **(915)306-1277 (Tel)**

and a copy to: **(*) gene.berkebile@ncdmm.org; randy.gilmore@ncdmm.org; david.espalin@ncdmm.org**

Address: _____
Attention: _____
Fax: _____

Tenant also consents to receive notices by e-mail at: **(*)**

35. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this lease. (If special provisions are contained in an addendum, identify the applicable addendum on the cover page of this lease.)

1. Tenant may use the previous tenant's furniture currently in Suite B in either suite. Tenant shall be responsible for moving and setting up furniture and it will become Tenant's personal property.

2. Landlord shall remove the existing signs and frames above each suite. Tenant shall install a new building-standard frame and sign, at its expense in a size to be mutually acceptable.

3. Security - For purposes of protecting the data managed by the tenant, advanced written notice of a minimum of 72 hours is required before others can access the premises. This requirement excludes emergency situations such as fire, safety, water leaks, electrical, HVAC or plumbing issues, etc., or where required by law.

4. Tenant may install security cameras on the exterior of the building with Landlord's prior approval of the location.

36. AGREEMENT OF PARTIES:

A. Entire Agreement: This lease contains the entire agreement between Landlord and Tenant and may not be changed except by written agreement.

B. Binding Effect: This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.

C. Joint and Several: All Tenants are jointly and severally liable for all provisions of this lease. Any act or notice to, or refund to, or signature of, any one or more of the Tenants regarding any term of this lease, its renewal, or its termination is binding on all Tenants.

- D. Controlling Law: The laws of the State of Texas govern the interpretation, performance, and enforcement of this lease.
- E. Severable Clauses: If any clause in this lease is found invalid or unenforceable by a court of law, the remainder of this lease will not be affected and all other provisions of this lease will remain valid and enforceable.
- F. Waiver: Landlord's delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed a waiver of any other or subsequent breach by Tenant or any other term in this lease.
- G. Quiet Enjoyment: Provided that Tenant is not in default of this lease, Landlord covenants that Tenant will enjoy possession and use of the leased premises free from material interference.
- H. Force Majeure: If the performance of any party to this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, war, epidemic, pandemic, quarantine, or by other cause, without fault and beyond the control of the party obligated (financial inability excepted), performance of such act will be abated for the period of the delay; provided, however, nothing in this paragraph excuses Tenant from the prompt payment of rent or other charge, nor will Tenant's inability to obtain governmental approval for its intended use of the leased premises excuse any of Tenant's obligations hereunder.
- I. Time: Time is of the essence. The parties require strict compliance with the times for performance.
- J. Counterparts: If this lease is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

37. EFFECTIVE DATE: The effective date of this lease is the date the last party executes this lease and initials any changes.

38. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale or rental agreement. Disclose if applicable: _____

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

Robert E. Marble Trust, Robert R. Marble,
Landlord: Trustee

National Center for Defense Manufacturing and
Tenant: Machining (NCDMM)

By: _____

By: _____

By (signature): _____
Printed Name: **Robert R. Marble**
Title: **Trustee** Date: _____

By (signature): _____
Printed Name: **Gene Berkebile**
Title: **Vice President & CFO** Date: _____

By: _____

By: _____

By (signature): _____
Printed Name: _____
Title: _____ Date: _____

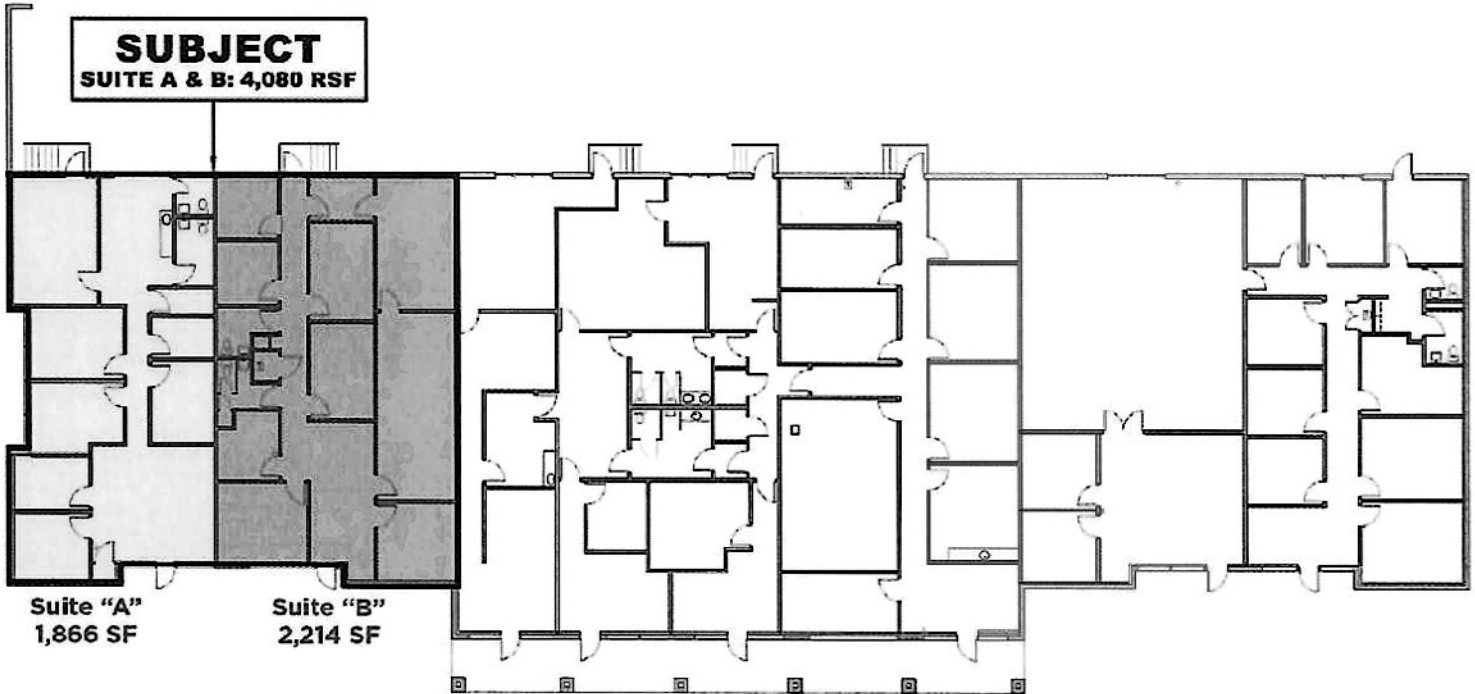
By (signature): _____
Printed Name: _____
Title: _____ Date: _____



COMMERCIAL LEASE EXHIBIT

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EXHIBIT "A"
TO COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES CONCERNING THE LEASED PREMISES AT 5 Butterfield Trail Blvd., Ste. A & B, El Paso, TX 79906,



Robert E. Marble Trust, Robert R. Marble,
Landlord: Trustee

By: _____

By (signature): _____

Printed Name: **Robert R. Marble**

Title: **Trustee**

By: _____

By (signature): _____

Printed Name: _____

Title: _____

National Center for Defense Manufacturing and
Tenant: Machining (NCDMM)

By: _____

By (signature): _____

Printed Name: **Gene Berkebile**

Title: **Vice President & CFO**

By: _____

By (signature): _____

Printed Name: _____

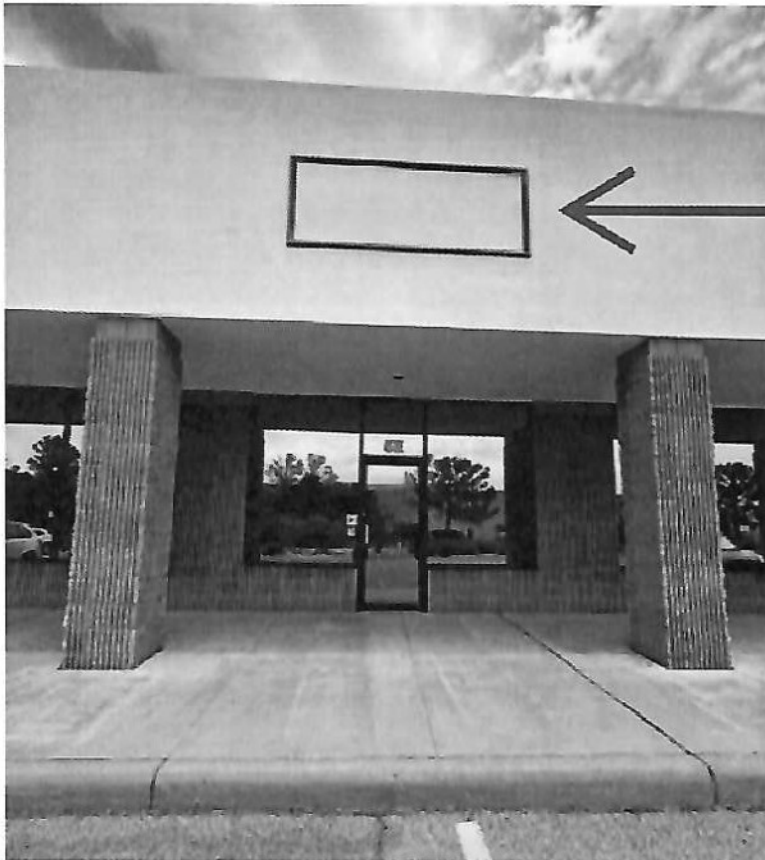
Title: _____

TEXAS REALTORS'

COMMERCIAL LEASE EXHIBIT

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EXHIBIT "B"
TO COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES CONCERNING THE LEASED PREMISES AT 5 Butterfield Trail Blvd., Ste. A & B, El Paso, TX 79906,



SIGN FRAME INSERT SIZE

- 36" X 96"
- 80 GAUGE ALUMINUM
- <1/8" ACRYLIC SHEET
- VIEWABLE AREA: 34" X 94"

Landlord: Robert E. Marble Trust, Robert R. Marble, Trustee

By: _____

By (signature): _____

Printed Name: Robert R. Marble

Title: Trustee

By: _____

By (signature): _____

Printed Name: _____

Title: _____

Tenant: National Center for Defense Manufacturing and Machining (NCDMM)

By: _____

By (signature): _____

Printed Name: Gene Berkebile

Title: Vice President & CFO

By: _____

By (signature): _____

Printed Name: _____

Title: _____



COMMERCIAL LANDLORD'S RULES AND REGULATIONS

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REGARDING THE COMMERCIAL LEASE CONCERNING THE LEASED PREMISES AT 5 Butterfield Trail Blvd., Ste. A & B, El Paso, TX 79906,

NOTICE: These rules and regulations are adopted to maintain and enhance the safety and appearance of the Property. From time to time Landlord, at its discretion, may amend these rules and regulations for the purposes for which they were adopted. Under the above-referenced lease, Tenant agrees to comply with these rules and regulations as they may be amended. Exceptions or waivers must be authorized by Landlord in writing. "Property" means the building or complex in which the leased premises are located, inclusive of any common areas, drives, parking areas, and walks, and landscaped areas.

- A. Goods, merchandise, equipment, or any personal property may not be stored on the Property, except for inventory within the leased premises necessary for Tenant's normal business operations.
- B. Food is not permitted on the Property, except as inventory for sale and for a small amount of food for Tenant's personal consumption.
- C. Other than those provided by Landlord or specifically authorized by Landlord, no vending machines are permitted on the Property.
- D. The Property may not be used for lodging or sleeping quarters in any manner.
- E. Unless authorized by law or the lease, no animals may be brought or kept on the Property.
- F. No obstruction or interference that impedes use of the common areas, walks, drives, loading areas, parking areas, corridors, hallways, vestibules, and stairs is permitted on the Property.
- G. Persons parking on the Property must comply with all posted signs and directions regulating the parking areas.
- H. No flammable, toxic, noxious, or hazardous materials may be kept on the Property except for over-the-counter cleaning materials kept in enclosed storage closets or cabinets.
- I. Tenants moving in or out of the Property must use only the service entrances and service elevators during the move. All moves must be made at times that do not cause inconvenience in the normal use of the Property.
- J. Deliveries and shipping of goods and merchandise in or out of the Property must be made only through the service entrances, service elevators, loading docks, or other designated shipping and receiving areas. Shipments and deliveries must be made at times that do not cause inconvenience to tenants or patrons on the Property.
- K. Leased premises must be kept clean and free of debris. Trash must be deposited into appropriate receptacles. Trash receptacles controlled by Tenant must not be allowed to overflow, attract rodents or vermin, or emit odors.

(TXR-2108) 1-26-10 Initialed for Identification by Landlord: _____, _____, and Tenant: _____, _____

Page 1 of 2

Landlord's Rules and Regulations concerning 5 Butterfield Trail Blvd., Ste. A & B, El Paso, TX 79906,

- L. Repair requests must be submitted to Landlord in writing in compliance with the lease.
- M. No modification to the Property and leased premises may be made unless authorized by Landlord, in writing, or permitted by the lease.
- N. No illegal or offensive activity is permitted on the Property nor is any activity that constitutes a nuisance or interferes with the rights of other tenants.
- O. Unless specifically authorized by Landlord, no solicitation or business operations are permitted in the common areas.
- P. Other:
E-bikes, hoverboards and similar equipment are not allowed inside the Premises and may not be charged on-site.

(TXR-2108) 1-26-10 Initialed for Identification by Landlord: _____, _____, and Tenant: _____, _____

Page 2 of 2



COMMERCIAL LEASE CONSTRUCTION ADDENDUM
(Landlord to Complete Construction)

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ADDENDUM TO THE COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES CONCERNING
THE LEASED PREMISES AT 5 Butterfield Trail Blvd., Ste. A & B, El Paso, TX 79906,

The following provisions apply and will control in the event of a conflict with other provisions stated in the
lease:

A. On or before occupancy, Landlord will substantially complete the improvements to the
leased premises as described below.

[X] (1) Landlord will complete the following improvements:
(*)

[] (2) On or before, Tenant will specify in a separate written notice to
Landlord the improvements that Tenant desires Landlord to complete. If Landlord objects to any
desired improvement, Tenant will promptly amend Tenant's notice to comply with Landlord's
objections. Landlord will not unreasonably object to Tenant's desired improvements.

B. On or before, Landlord will notify Tenant of the total cost to complete
the improvements described in Paragraph A, including but not limited to costs of construction, permits, and
plans. The total cost to complete the improvements may not exceed (maximum cost).
Landlord will pay of the cost to complete the improvements and Tenant will pay the
remainder. If the total cost to complete the improvements exceeds the maximum cost, the lease will
terminate and have no further effect unless a party notifies the other party within days after
Landlord notifies Tenant of the cost to complete the improvements that it will pay the excess.

C. Unless otherwise agreed by the parties in writing, any amount required to be paid by Tenant under this
addendum must be paid by Tenant to Landlord before construction of the improvements commences.

D. All construction required by this addendum will be performed by trained and qualified persons in a good
workman-like manner and will comply with applicable building codes, local ordinances, governmental
regulations, and statutes (e.g., ADA, Architectural Barriers). Landlord will obtain any required certificate of
occupancy.

(TXR-2111) 4-1-18 Initialed for Identification by Landlord: , and Tenant: , Page 1 of 2

- E. Tenant may, at reasonable times during construction, inspect the construction of the improvements. Tenant may object to any deficiencies in the completion of the improvements by providing specific written notice to Landlord and Landlord will promptly cure the deficiencies. Upon completion of the improvements, Tenant will acknowledge in writing that the improvements have been completed and that Tenant accepts the leased premises for the purposes of the lease (*the Commercial Lease Acceptance Form (TXR-2113) may be used*).
- F. Paragraph 3B of the lease governs any delay in the commencement of the lease or occupancy by Tenant caused by the construction of the improvements.
- G. Special Provisions:
N/A.

(*1. Suite A: Prior to occupancy Landlord shall:

- a.) **Open a wall between Suite A and Suite B to provide access between both suites.**
- b.) **Install in offices building-standard carpet and cove base to be chosen by Tenant.**

2. Suite B: Prior to occupancy Landlord shall:

- a.) **Install building-standard paint, carpet and cove base in all rooms except restrooms, to match Suite A.**
- b.) **Remove existing glass wall.**
- c.) **Remove partial wall in breakroom.**
- d.) **Remove ceramic tile in breakroom only.**
- e.) **Remove window film on remaining glass wall.**
- f.) **Remove door at rear of conference room and replace with wall.**
- g.) **Remove front door and replace with matching window (tenant to reimburse landlord for expense).**
- h.) **Open a wall between hallway and "copy" room.**

3. Landlord to configure Suite A and Suite B rear doors to be "Exit Only" (tenant to reimburse landlord expense).

Landlord: Robert E. Marble Trust, Robert R. Marble, Trustee

Tenant: National Center for Defense Manufacturing and Machining (NCDMM)

By: _____

By: _____

By (signature): _____

By (signature): _____

Printed Name: Robert R. Marble

Printed Name: Gene Berkebile

Title: Trustee

Title: Vice President & CFO

By: _____

By: _____

By (signature): _____

By (signature): _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____



COMMERCIAL LEASE ACCEPTANCE FORM

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**ACCEPTANCE OF THE LEASED PREMISES AT 5 Butterfield Trail Blvd., Ste. A & B, El Paso, TX 79906,
REGARDING THE COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES.**

A. The parties have inspected the leased premises. The parties acknowledge that any improvements, construction, repairs, or other items required by the lease have been substantially completed. Tenant acknowledges that Tenant has inspected the leased premises and that the condition of the leased premises is acceptable to Tenant for the purposes of the lease. On or before _____,

Landlord Tenant will complete the following (punch list):

B. The parties ratify the lease and confirm the following:

(1) The term of the lease is for 36 months and 0 days.

(2) The Commencement Date of the lease is December 1, 2024.

(3) The Expiration Date of the lease is November 30, 2027.

(4) Other than as indicated on this Commercial Lease Acceptance Form, neither Landlord nor Tenant is in default of the terms and conditions of the lease.

C. Special Provisions:

Robert E. Marble Trust, Robert R. Marble,
Landlord: Trustee

By: _____

By (signature): _____

Printed Name: **Robert R. Marble**

Title: **Trustee**

By: _____

By (signature): _____

Printed Name: _____

Title: _____

National Center for Defense Manufacturing and
Tenant: **Machining (NCDMM)**

By: _____

By (signature): _____

Printed Name: **Gene Berkebile**

Title: **Vice President & CFO**

By: _____

By (signature): _____

Printed Name: _____

Title: _____

ADDENDUM
ACKNOWLEDGEMENT OF SUBLEASE

Robert E. Marble Trust, Landlord, possesses a leasehold estate in the Building known as 5 Butterfield Trail Boulevard pursuant to that certain Butterfield Trail Industrial Park Lease dated August 1, 1985 by and between El Paso International Airport as Landlord (the "Master Landlord"), and Landlord as Tenant, as amended by the City of El Paso, Texas (as amended, the "Master Lease"). As a result of such tenancy pursuant to the Master Lease, (i) the provisions of this Lease are junior, subordinate and subject to the terms and conditions of the Master Lease, and (ii) this Lease is a "sublease" in accordance with the applicable law, statutes and ordinances. During the Term of this Lease, Landlord, using its commercially reasonable efforts, shall not violate the provisions of the Master Lease. The termination of the Master Lease for any reason shall result in the automatic termination of this Lease, without liability to Tenant or Landlord, as a result of such termination, in which case the parties shall have no further obligation under this Lease. Tenant hereby acknowledges and agrees that if it wishes to review a copy of the Master Lease Landlord will provide one. Tenant shall not cause or take any action or inaction or cause or permit any Tenant Representatives to take any action which would constitute a default by Landlord under the Master Lease, and any such occurrence shall be deemed to be a default by Tenant under Section 20 of this Lease.

Tenant acknowledges and agrees that pursuant to the provisions of, and in accordance with the Master Lease, Master Landlord, its agents, employees, contractors and subcontractors, have the right to enter upon all areas within the Property, which includes, but is not limited to, the Premises, to implement hazardous waste remediation activities, whether imposed by law or regulatory agencies, and to perform various tasks, repairs, maintenance and obligations required by the Master Lease. Tenant acknowledges that some or all of these actions may interfere with Tenant's quiet use and enjoyment of the Premises, and that such entrance may disrupt, interfere, and/or adversely affect Tenant's Building operations, including the Permitted Use, for the duration of such entrance. Such entrance shall not constitute an actual or construction eviction and will not cause any form of liability, offset, abatement and/or claim against Landlord and/or Master Landlord; provided, however, (i) if such interruption is material and, as a result thereof, Tenant, in accordance with Law, is forced to discontinue business operations at the Premises in excess of five consecutive days within any given calendar month due to Master Landlord's activities described herein, then for each day thereafter that such business operations are interrupted as a result of such interference, Tenant shall be entitled to one (1) day of Base Rent-free possession of the Premises, and (ii) if such interruption continues for twenty successive business days (not including weekends or holidays), for a period of fifteen (15) calendar days thereafter, Tenant, as its sole and exclusive remedy, shall have the right to terminate this Lease by providing Landlord with written notice of such election. The failure of Tenant to provide such notice within such time period shall be deemed Tenant's waiver of its right to terminate this Lease pursuant to this Addendum.

Tenant Initials _____

Landlord Initials _____



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Cushman & Wakefield PIREs	9003421	bpreston@piresintl.com	915-843-8888
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Brett C. Preston, SIOR, CCIM	414041	bpreston@piresintl.com	915-843-8888
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	915-843-8888 Phone

Buyer/Tenant/Seller/Landlord Initials

Date