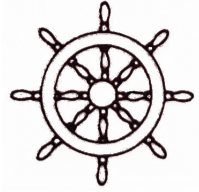


**WILLACY COUNTY NAVIGATION DISTRICT  
COMMERCIAL LEASE  
NO. C-**



THE STATE OF TEXAS    }  
COUNTY OF WILLACY   }

This agreement made this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the Willacy County Navigation District, a political subdivision of the State of Texas, with its principal office in the City of Raymondville, 400 W. Hidalgo, Suite 200, operating Port Mansfield, hereinafter referred to as DISTRICT, and \_\_\_\_\_ hereinafter referred to as LESSEE, for property that is zoned for the following utilization:

**WITNESSETH:**

I. For the consideration and subject to the foregoing terms and conditions hereinafter set forth the DISTRICT grants, leases, and lets unto LESSEE, for commercial purposes, the following described property, to wit:

LOT(S) \_\_\_\_\_ BLOCK \_\_\_\_\_ DOCK SPACE LOT(S) \_\_\_\_\_  
\_\_\_\_\_ BLOCK \_\_\_\_\_ as per the latest revised plat of land and harbor area of Port Mansfield, Texas, for a term of Thirty (30) years beginning the \_\_\_\_ day of \_\_\_\_\_ and ending the 31<sup>st</sup> day of December, at the rate of \$ \_\_\_\_\_ per Year, payable in advance as follows:

II. The DISTRICT retains and reserves the right to reevaluate the property and rental charges on January 01, 2013 and scheduled intervals thereafter.

III. LESSEE agrees with DISTRICT that this lease is not transferrable without written consent of the DISTRICT and if for any reason this facility is not used for the full rental period, no refund shall be due LESSEE. Subject to the terms and conditions of this contract, this agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties hereto.

IV. LESSEE agrees to abide by all county, state, and federal laws, DISTRICT ordinances, rules and regulations and Texas Fire Insurance Commission regulations.

V. The DISTRICT reserves an easement for the installation of all public utilities on, over or under leased premises.

VI. All sales and storage of diesel fuel, bunker fuel, oil, gasoline, lubricating oils, greases, etc., are prohibited by LESSEE or agents on the property of the DISTRICT, whether under lease or not.

VII. This contract may be canceled by the DISTRICT for non-payment of rentals, ad valorem taxes assessed against leasehold property, and/or water, sewer and garbage charges as established by the Port Mansfield Public Utility District, unapproved liens of any kind, or other violations of the terms hereof, or if needed for port improvement or enlargement of said port facilities, in which event the DISTRICT shall give notice to LESSEE thirty (30) days before the effective date of said cancellation. In the event of cancellation, the DISTRICT will refund advance paid rentals for unused months of the rental period. Notices: Notices from the Willacy County Navigation District (DISTRICT) to the LESSEE shall be conclusively presumed to have been given when sent by United States certified or registered mail, postage prepaid, addressed to the Lessee at the last address of LESSEE shown on the records of the DISTRICT. All notices from the LESSEE to the DISTRICT shall be by United States Mail, postage prepaid, addressed to the Holder at the address shown in the Lease. The DISTRICT will refund advance paid rentals for unused months of the rental period.

VIII. LESSEE agrees to assume solely all responsibility for damages to property from any cause or accidents and injuries to or death of any person arising out of or resulting from the operations of LESSEE, its guests, servants, employees and all other persons; shall make a written accurate report of same to the DISTRICT and shall defend, indemnify and save harmless the DISTRICT against any and all liability.

IX. LESSEE, upon expiration of lease, or cancellation by failure of payment of rental fee, violation of contract or by its own term, shall remove improvements and personal property within thirty (30) days after such expiration, for which rental shall be paid on the regular contract basis, and leave the premises in a clean, useful condition, except that the DISTRICT shall have a lien on said improvements and personal property for any unpaid rental and/or water sewer, and garbage charges and the cost of cleaning and placing said premises in a rentable or usable condition. Failure on the part of LESSEE to remove said improvements and personal property with the said thirty (30) days constitutes authority for the DISTRICT to remove same and shall not be liable to LESSEE for any damages by virtue of such removal. Failure on the part of LESSEE to remove said improvements and personal property within the said thirty (30) days shall also be authority for the DISTRICT to sell said improvements and personal property, to any person, at any price, at private or public sale, and apply the proceeds from such sale to the payment of any unpaid rental and or water, sewer or garbage charge and the cost of cleaning and placing said premises in a rentable condition, and the DISTRICT shall not be liable to LESSEE for any damages by virtue of such sale.

X. All improvements on the leased property must be kept in a painted, attractive condition and lots must be kept mown and clean of trash, junk and weeds, including any property lying between the property line and any adjacent public roadway.

XI. Plans for improvements shall be permitted by the DISTRICT before construction of same shall commence. LESSEE shall secure a Building Permit from the Willacy County Building Inspector and shall adhere to all of the Building codes of the County of Willacy and the State of Texas. All county Building Permits shall be filed with the DISTRICT and approved by the DISTRICT prior to commencement of construction. LESSEE shall make no changes in the facilities without prior approval of the DISTRICT obtained in writing.

XII. On leases where commodities and/or personnel are transported commercially, LESSEES shall maintain records itemizing the quantity, weight of commodities/product, and number of persons passing in and or out of Port Mansfield. The activity shall be reported on "Vessel Operation Reports" as provided by the DISTRICT. LESSEE shall submit reports to the DISTRICT on or before the tenth (10<sup>th</sup>) of each calendar month. LESSEE agrees that the DISTRICT, its representatives and employees shall have access for the inspection of records used in determining the quantity, weight, and accuracy of all commodity/product and personnel transportation at the leased facility.

XIII. LESSEE agrees that the rental shall be paid (annually) (semiannually) (monthly) in advance. Monthly water, sewer, garbage charges shall be payable monthly at a rate set by the DISTRICT or the Port Mansfield Public Utility District as the case may be; that payment of water, sewer and garbage charges shall continue as long as property is under lease, payable monthly. The DISTRICT reserves the right to install water meters on any lease where in its judgement it is necessary and justified; at which time water charges shall be payable on rates set by the DISTRICT. LESSEE shall pay all charges made by DISTRICT for installation of water meters and sewer connections. LESSEE shall not be permitted to connect with the water or sewer mains except through a licensed plumber and must first secure a permit from the DISTRICT. LESSEE shall not permit any other party to connect with his water and sewer lines.

XIV. To comply with Section 50.301 of the Water Code, you are hereby notified that the leasehold estate and improvements, if any, which is described in the foregoing lease agreement is located in the Port Mansfield Public Utility District. The District has taxing authority separate from any other taxing authority, and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of taxes in payment of such bonds. As of this date, the rate of taxes levied by the District on said interest and improvements located in the District is 8.71 cents on each \$100.00 of assessed valuation. The total amount of bonds which has been approved by the voters and which have been or may, at this date, be issued is \$273,000.00, and the aggregate initial principal amounts of bonds issued for one or more of the specified facilities of the District and part from property taxes is \$273,000.00.

The district also has the authority to adopt and impose a standby (meter) fee on property in the District that has water, sewer, sanitary or drainage facilities and services available but not connected and which does not have a house, building or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The District may exercise the authority without holding an election on the matter. As of this date, the amount of the standby (meter) fee is \$291.72 per lot per year. An unpaid standby (meter) fee is a personal obligation of the person or persons that leased the property at the time of imposition and is secured by a lien on this property. Any person or persons may request a certificate from the District stating the amount, if any, of unpaid standby (meter) fees on a tract or tracts of property in the District.

The purpose of this District is to provide water, sewer, drainage, or flood control facilities and services within the District through the issuance of bonds payable in whole or in part from property taxes. The cost of these facilities is not included in the purchase of property, and these utility facilities are owned or to be owned by the District.

LESSEE is advised that the information shown on this form is subject to change by the District at any time. The District routinely established tax rates during the months of September through December of each year, effective for the year in which the tax rates are approved by the District. Lessee is advised to contact the District to determine the status of any current or proposed changes to the information shown on this form.

XV. Special Provisions.

WITNESS our hand and seal this \_\_\_\_\_ day of \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
CHAIRMAN, BOARD OF NAVIGATION AND CANAL  
COMMISSIONERS, WILLACY COUNTY NAVIGATION  
DISTRICT

\_\_\_\_\_  
SECRETARY, BOARD OF NAVIGATION AND CANAL  
COMMISSIONERS, WILLACY COUNTY NAVIGATION  
DISTRICT

(Seal)

\_\_\_\_\_  
LESSEE  
\_\_\_\_\_  
ADDRESS  
\_\_\_\_\_

THE STATE OF TEXAS        }  
THE COUNTY OF WILLACY }

BEFORE ME, the undersigned authority, on this day personally appeared Tommy Rains Jr  
Chairman of the Board of Navigation and Canal Commissioners of the Willacy County Navigation District, known to me to be the  
person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as  
the act and deed of said District and for the purposes and consideration therein expressed.

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

(Seal)

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

THE STATE OF \_\_\_\_\_ }  
THE COUNTY OF \_\_\_\_\_ }

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_ by

\_\_\_\_\_.

(Seal)

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