



RESOLUTION NO. 20181023-04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE A FIFTH MODIFICATION OF WAREHOUSE LEASE AT 557 ELM CIRCLE, HOOKS, TEXAS 75561 TO EXPAL USA, INC.

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Expal USA, Inc. contacted TexAmericas Center to seek a warehouse lease modification to update the use of premises at 557 Elm Circle, Hooks, Texas 75561; and

WHEREAS, the parties have come to the attached terms of agreement for said lease modification.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of TexAmericas Center that the Executive Director/CEO shall be and he is hereby authorized to execute the attached fifth lease modification; and

BE IT FURTHER RESOLVED, by the Board of Directors of TexAmericas Center that the Center appreciates the collaborative effort of Expal USA, Inc. to negotiate this fifth lease modification as well as to continue its business operations, preserve existing jobs and contribute to the tax base in Bowie County, Texas.

PASSED AND APPROVED THIS 23rd day of October, 2018.

A handwritten signature in blue ink, appearing to read "Boyd W. Sartin", written over a horizontal line.

Boyd Sartin, Chairman of the Board

ATTEST:

A handwritten signature in blue ink, appearing to read "Ben King", written over a horizontal line.

Ben King, Secretary

Attached: Fifth Modification of Warehouse Lease



**FIFTH
MODIFICATION OF LEASE
(BUILDING 557)**

1. Parties.

The parties to this Agreement are TEXAMERICAS CENTER (TAC), hereinafter the "Landlord", and EXPAL USA, INC., hereinafter the "Tenant".

2. Current Lease.

TexAmericas Center, Tenant, and Guarantor entered into a Lease Agreement dated the 1st day of July, 2015, for a 22,500 square foot property located at 557 Elm St., Hooks, Texas 75561, said Lease Agreement having a termination date of July 30, 2016. The Lease was amended on or about June, 28, 2016, to condense the space to 7,500 square feet, reduce the monthly rent and its options payable under the Lease, and exercise the first option period of July 1, 2016 through June 30, 2017. The Lease was modified again on or about October 25, 2016, to expand the space to 11,250 square feet and increase the monthly rent and its options payable under the Lease. The Lease was modified again on or about May 23, 2017, to expand the space to 15,075 square feet and increase the monthly rent and its options payable under the Lease, and exercise the second option period of July 1, 2017 through June 30, 2018. The Lease was modified again on or about November 26, 2017, to expand the space to 22,133 square feet and increase the monthly rent and its options payable under the Lease.

3. Modification Terms. The Lease Agreement is further modified as follows:

A. Article 3. **Use of Premises.** Is hereby amended to read as follows:

§ 3.01. **Tenant's Warranty Regarding Use.** Tenant represents and warrants to Landlord that Tenant intends to use the premises for warehousing, storage and the use of a non-hazardous chemical to soak metal parts prior to selling metal parts for scrap and once useful life of chemical has passed then it will be disposed of as non-hazardous waste, and that Tenant's use of the property is restricted to those purposes specified in this section unless Tenant obtains Landlord's prior written consent to any change in use. Before the lease term begins, Tenant must give Landlord an affidavit of an officer of Tenant, referred to as the "Officer's Affidavit," setting forth a detailed description of the operations that Tenant will conduct on the premises and stating any applicable permit numbers. The Officer's Affidavit must be organized and prepared in a narrative form, including a description and quantification of all hazardous materials to be generated, manufactured, refined, transported, treated, stored, handled, or disposed of on the premises. After the lease term begins, Tenant must notify Landlord as to any changes in Tenant's operation or use or generation of hazardous materials by way of a supplemental Officer's

Affidavit. Tenant must also supplement and update the Officer's Affidavit on each anniversary of the commencement of the lease term. Tenant may not begin or alter any operations on the property before (a) obtaining all required operating and discharge permits or approvals, including but not limited to air pollution control permits and pollution discharge elimination system permits, from all governmental or public authorities having jurisdiction over the Tenant's operations or the property, and (b) providing copies of such permits and approvals to the Landlord.

- B. The requirement for a Guarantor is removed from this lease.
- C. The security and tax deposits shall remain the same.
- D. Tenant's rights under the options shall terminate if (1) the Lease or Tenant's right to the possession of the premises is terminated, (2) Tenant assigns its interest in the Lease or sublets any portion of the Premises without Landlord's written consent, (3) Tenant fails to timely exercise the previous option, or (4) default exists at the time Tenant seeks to exercise the option.
- E. An option to extend for the additional terms shall be exercised by a written notice delivered to the Landlord not more than 180 days and not less than 90 days before the termination date, or the extended termination date in the event a prior option has been exercised.

4. Continuation of Lease Terms.

Except for the modifications made in this Fifth Modification Agreement, all provisions of the Lease Agreement, as previously modified, will continue in full force and effect.

EXECUTED as of this the 23 day of October, 2018.

LANDLORD:
TEXAMERICAS CENTER

By: 
Scott Norton, Executive Director/CEO

TENANT:
EXPAL USA, INC.

By: 
Jackie Brian, Plant Manager

GUARANTOR:

By: N/A