

RENEWAL AND EXTENSION
OF
LEASE AGREEMENT

THE STATE OF TEXAS §

COUNTY OF MATAGORDA §

The parties hereby renew and extend that one certain Lease Agreement dated the 4th day of March, 1994, by and between **CITY OF BAY CITY**, a municipal corporation in the State of Texas, whose address is 1901 Fifth Street, Bay city, Matagorda County, Texas, hereinafter called "Lessor" herein, and the **ECONOMIC ACTION COMMITTEE OF THE GULF COAST, INC.**, a Texas non-profit corporation, whose address is Post Office Box 1685, 3008 LeTulle, Bay city, Matagorda County, Texas 77404-1685, hereinafter called "Lessee", for an additional term of ten (10) years, ending the 1st day of January, 2015.

All other terms and conditions of said original lease shall remain the same.

SIGNED this the 28 day of February, 2005.

LESSOR:

CITY OF BAY CITY

By: _____

Richard Knapik, Mayor

ATTEST:

Angie Whitman
Angie Whitman, City Secretary

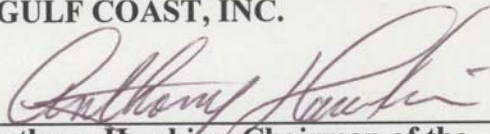
**APPROVED AS TO FORM AND
SUBSTANCE:**

J.L. Ziegenhals
J.L. Ziegenhals, City Attorney

LESSEE:

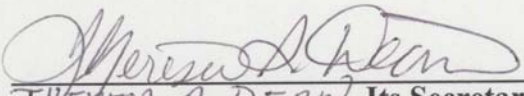
ECONOMIC ACTION COMMITTEE OF
THE GULF COAST, INC.

By:



Anthony Hawkins, Chairman of the
Board

ATTEST:



THERESA A. DEAN, Its Secretary

LEASE AGREEMENT

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §

This Lease is made and executed in duplicate by and between CITY OF BAY CITY, a municipal corporation in the State of Texas, whose address is 1901 Fifth Street, Bay City, Matagorda County, Texas, hereinafter called "Lessor" herein, and the ECONOMIC ACTION COMMITTEE OF THE GULF COAST, INC., a Texas non-profit corporation, whose address is Post Office Box 1685, 3008 LeTulle, Bay City, Matagorda County, Texas 77404-1685, hereinafter called "Lessee".

SECTION I

Description of Premises

Lessor leases to Lessee, and Lessee hires from Lessor, as herein provided, the premises known as the City of Bay City Senior Citizens Center, of the City of Bay City, County of Matagorda, State of Texas, more particularly described as follows:

The Northwest 300 feet by 300 feet of Block 8, of the Whitson Subdivision in the City of Bay City, Matagorda County, according to the Plat of said Whitson Subdivision filed for record in the Matagorda County Clerk's office. Said property containing approximately 2.066 acres, more or less.

SECTION II

Term

The term of this lease is for 120 months beginning the 1st day of January, 1994, and ending the 1st day of January, 2004.

SECTION III

Rent

The total rent of this lease is the sum of ONE AND NO/100 DOLLARS (\$1.00) per year.

SECTION IV

Use of Premises

The premises leased are to be used as an office, kitchen, and to serve as a senior citizens center as well as provide other services presently furnished by Lessee. Lessee agrees to restrict its use to such purposes and not to use or permit to use the premises for other purposes without first obtaining consent in writing of the Lessor.

SECTION V

Prohibition Against Activities Increasing Fire Insurance Rates

Lessee agrees not to use the premises in any manner, even in its use for the purposes for which the premises are leased, that will increase risks covered by insurance on the building where the premises are located, so as to increase the rate of insurance on the premises, or to cause cancellation of any insurance policy covering the building. Lessee further agrees not to keep on the premises, or permit to be kept, used, or sold thereon, any alcoholic beverage, or anything prohibited by the policy of fire insurance covering the premises. Lessee agrees to comply, at its own expense, with all requirements of insurers necessary to keep in force the fire and public liability insurance covering the premises and building.

SECTION VI

Prohibition Against Waste, Nuisance, or Unlawful Use

Lessee shall not commit, or allow to be committed, any waste, damage or destruction of property on the premises, create or allow any nuisance to exist on the premises, or use or allow the premises to be used for an unlawful purpose.

SECTION VII

Payment of Utilities

Lessee shall pay for all utilities furnished the premises for the term of this lease, including electricity, gas, water, telephone service, and garbage service.

SECTION VIII

Repairs, Maintenance, and Alternations

Lessee, at its expense, shall maintain and keep the premises, including without limitation, windows, doors, interior walls, all equipment including, but not limited to, air conditioning, heating and plumbing in good repair. The Lessee shall also be responsible for keeping the parking area clean and neat. All plumbing and electrical maintenance shall be Lessee's responsibility. The Lessor shall maintain in good condition the building, roof, and exterior walls. No alterations in the premises shall be made by Lessee without the express written consent of Lessor.

SECTION IX

Delivery, Acceptance, and Surrender of Premises

The Lessor represents that the premises are in fit condition for use intended by Lessee. Lessee agrees to accept the premises on possession as being in a good state of repair and in sanitary condition. Lessee further agrees to surrender the premises to Lessor at the end of the

lease term, if the lease is not renewed, in the same condition as when Lessee took possession, allowing for reasonable use and wear and tear. Lessee agrees to remove all signs or symbols placed on the premises by it before redelivery of the premises to the Lessor, and to restore the portion of the premises on which such sign was placed in the same condition as before its placement.

SECTION X

Lessor's Right To Inspect, Repair, and Maintain Premises

Lessor reserves the right to enter the premises at reasonable times to inspect them, to perform required maintenance and repair, or to make additions or alterations to any part of the building in which the leased premises are located, and Lessee agrees to permit Lessor to do so. Lessor may, in connection with such alterations, additions, or repairs, erect scaffolding, fences, and similar structures, post relevant notices, and place moveable equipment without any obligation or damage to Lessee during such period, and without incurring liability to Lessee for disturbance of quiet enjoyment of the premises, or loss of use thereof.

SECTION XI

Posting Signs by Lessor

Lessor reserves the right to place any sign of its choosing at the premises at any time during the lease.

SECTION XII

Posting of Signs, Awnings, or Marquees by Lessee

Lessee agrees that it will not construct or place, or permit to be constructed or placed, signs, awnings, marquees, or other structures projecting from the exterior of the premises without Lessor's written consent thereto. Lessee further agrees that it will only place signs on or near the premises after obtaining the written consent of Lessor. Lessee further agrees to remove signs, displays, advertisements or decorations it has placed, or permitted to be placed, on the premises, which, in Lessor's opinion, are offensive or otherwise objectionable. If Lessee fails to remove such signs, displays, advertisements, or decorations within thirty (30) days after receiving written notice from Lessor to remove the same, Lessor reserves the right to enter the premises and remove them, at Lessee's expense.

SECTION XIII

Liability Insurance

Lessee agrees to procure and maintain in force during the term of this lease and any extension thereof, at its expense, public liability insurance in companies and through brokers approved by Lessor, adequate to protect against liability for damage claims through public use

of or arising out of accidents occurring in or around the leased premises, in a minimum amount of THREE HUNDRED THOUSAND DOLLARS (\$300,000) for each person injured, THREE HUNDRED THOUSAND DOLLARS (\$300,000) for any one accident, and SIX HUNDRED THOUSAND DOLLARS (\$600,000) for general aggregate limit. Such insurance policies shall provide coverage for Lessor's contingent liability on such claims or losses. Copies of current policies shall be delivered to Lessor. Lessee agrees to obtain a written obligation from the insurers to notify Lessor in writing at least thirty (30) days prior to cancellation or refusal to renew any such policies. Lessee agrees that, if such insurance policies are not kept in force during the entire term of this lease and any extension thereof, Lessor may procure the necessary insurance, pay the premiums therefor, and that such premium shall be repaid to Lessor by Lessee as an additional rent installment for the month following the date on which such premiums are paid.

SECTION XIV

Worker's Compensation Insurance

Lessee further agrees to procure and maintain in force during the term of this lease and any extension thereof, at its expense, workers' compensation insurance on its employees and volunteers. Additionally, copies of the workers' compensation policy shall be delivered to Lessor for safekeeping, and Lessee agrees to obtain a written obligation from the insurers to notify Lessor in writing at least thirty (30) days prior to cancellation or refusal to renew any such policies. Lessee further agrees that, if such insurance policies are not kept in force during the entire term of this lease and any extension thereof, Lessor may procure the necessary insurance, pay the premiums therefor, and that such premium shall be repaid to Lessor by Lessee as an additional rent installment for the month following the date on which such premiums are paid.

SECTION XV

Assignment or Sublease

Lessee agrees not to assign or sublease the premises leased, any part thereof, or any right or privilege connected therewith, or to allow any other person, except Lessee's agents and employees, to occupy the premises or any part thereof, without first obtaining Lessor's written consent. One consent by Lessor shall not be a consent to a subsequent assignment, sublease, or occupation by other persons or entities. Lessee's unauthorized assignment, sublease, or license to occupy shall be void, and shall terminate the lease at Lessor's option. Lessee's interest in this lease is not assignable by operation of law, nor is any assignment of its interest therein, without Lessor's written consent.

SECTION XVI

Liability for Attorneys Fees

If Lessor files an action to enforce any covenant of this lease, or for breach of any covenant herein, Lessee agrees to pay Lessor reasonable attorneys' fees for the services of Lessor's attorney in the action, such fees to be fixed by the court.

SECTION XVII

Liability for Damages

Lessee, as a material part of the consideration to be rendered to Lessor in this lease, hereby waives all claims against Lessor for damages to furniture, fixtures, equipment, goods, wares, merchandise and/or other personal property, in, upon or about the premises, from any cause arising at any time, and Lessee will hold Lessor exempt and harmless for and on account of any damage or injury to the furniture, fixtures, equipment, goods, wares, merchandise and/or other personal property of any person arising from the use of the premises by Lessee, or arising from the failure of Lessee to keep the premises in good condition as herein provided. Lessee additionally agrees to indemnify and hold Lessor harmless from any damage or injury to persons who may be on the premises for any purpose. This indemnity shall apply to any injury which may occur on or around the premises regardless of whether Lessee or Lessor is at fault and shall be a continuing indemnity which will require Lessee to fully indemnify and keep Lessor safe and harmless from any claim, action, damage, and/or judgment which may be brought or entered against Lessor for any purpose whatsoever. Additionally, Lessee agrees to pay for all damages to the building, as well as all damage to occupants thereof, caused by Lessee's misuse or neglect of the premises, its apparatus, or appurtenances.

SECTION XVIII

Notices

Notices given pursuant to the provisions of this lease, or necessary to carry out its provisions, shall be in writing, and delivered personally to the person to whom the notice is to be given, or mailed postage prepaid, addressed to such person. Lessor's address for this purpose shall be Mayor, City of Bay City, 1901 Fifth Street, Bay City, Texas 77414, or such other address as he may in writing designate to Lessee. Notices to Lessee may be addressed to Lessee at the premises leased.

SECTION XIX

Effect of Lessor's Waiver of Covenants

Lessor's waiver of breach of one covenant or condition of this lease is not a waiver of breach of others, or of a subsequent breach of the one waived. Lessor's acceptance of a breach

shall not be barred by laches, estoppel, or any other affirmative defense which Lessee may raise.

SECTION XX

Binding Effect on Successors and Assigns

This lease and the covenants and conditions hereby apply to and are binding on the successors and assigns of the parties hereto.

SECTION XXI

Time of the Essence

Time is of the essence of this lease.

SECTION XXII

Miscellaneous

1. If any clause or provision of this lease is illegal, invalid, or unenforceable under present or future laws effect during the term of this lease, then and in that event, it is the intention of the parties hereto that the remainder of the lease shall not be affected thereby and the parties hereby declare that this lease will have been entered into without such enforceable provisions.

2. This lease shall not be altered, changed or amended except by instrument in writing, signed by both parties hereto.

3. Captions used in this lease are for convenience only and do not in any way limit or amplify the terms and provisions thereof.

4. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent, or of a partnership or of a joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

5. Should Lessee fail to pay when due any installment of rental or other obligation required hereunder, and if Lessor pays same, then interest at the maximum legal rate then payable by Lessee in the State of Texas shall occur, from and after the date on which any such shall be due and payable, and such interest shall be paid by Lessee to Lessor within thirty (30) days of demand by Lessor.

SIGNED this the 4th day of March, 1994.

ORIGINAL

LESSOR:

CITY OF BAY CITY

ATTEST:

Tammy Evans
TAMMY EVANS, City Secretary

By:

Charles Martinez, Jr.
CHARLES MARTINEZ, JR., Its Mayor

APPROVED AS TO FORM
AND SUBSTANCE:

B. Allen Cumbie
B. ALLEN CUMBIE, City Attorney

LESSEE:

ECONOMIC ACTION COMMITTEE OF
THE GULF COAST, INC.

ATTEST:

Alta Cox
ALTA COX, Its Secretary

By:

Charles Townsend
CHARLES TOWNSEND,
Chairman of Board