

17.745

**Ground Lease**

between

**Jay Hilliard and Valerie Pritchett, Landlord**

and

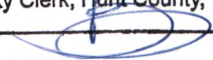
**Hunt County, Texas, Tenant**

dated as of

SEPTEMBER 27, 2022

**FILED FOR RECORD**  
at 1:30 o'clock P M

**SEP 27 2022**

**BECKY LANDRUM**  
County Clerk, Hunt County, Tex.  
By 

## Ground Lease

This GROUND LEASE (the "**Lease**") dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2022, is entered into between JAY HILLIARD, a Resident of Dallas County, Texas and VALERIE PRITCHETT, a resident of Rockwall, County, Texas, each a ("**Landlord**") and HUNT COUNTY, TEXAS, a governmental body acting by and through BOBBY STOVALL, County Judge, duly authorized to act by Order of the Commissioners Court of Hunt County, Texas, attested by the Secretary of the Court, whose mailing address for all purposes is County Judge, Courthouse, Greenville, Texas 75401, hereinafter ("**Tenant**", and together with Landlord collectively referred to herein as the "**Parties**").

### RECITALS

WHEREAS, Tenant is the current lessee under that certain Lease Agreement dated January 1, 1999 concerning the demised property ("**Original Lease**"). The same Original Lease having expired under its terms on December 31, 2000, Tenant has been a tenant at sufferance since January 1, 2001; and

WHEREAS, Landlords, Jay Hilliard and Valerie Pritchett, are the successors in interest to the Lessors of the Original Lease; and

WHEREAS, the Parties desire to memorialize their landlord/tenant relationship in a new lease agreement properly outlining the parties and obligations of each.

### WITNESSETH:

In consideration of the rents reserved and covenants made herein, the sufficiency of which is acknowledged, Landlord and Tenant, for themselves, and their legal representatives, and their permitted successors and assigns, hereby agree as follows:

### ARTICLE I DEFINITIONS

**Section 1.01 Definitions.** The following terms, as used in this Lease, shall have the meanings set forth below:

"**Additional Rent**" shall mean all amounts payable by Tenant under this Lease, other than Base Rent, and whether or not expressly designated as Additional Rent in this Lease.

"**Affiliate**" shall mean a Person which shall Control, be under the Control of, or be under common Control with the Person in question.

"**Alteration**" or "**Alterations**" shall have the meaning set forth in **Section 9.02** hereof.

"**Approvals**" shall mean all approvals of Governmental Authorities required for the construction of any Improvement or Alteration, as applicable.

"**Arbitration**" shall mean in such cases where this Lease expressly provides for the settlement of a dispute or question through arbitration, and only in such cases, each party shall promptly appoint a

Qualified Appraiser as an arbitrator on its behalf and shall give notice thereof to the other party. Landlord shall also provide a copy of such notice to any Leasehold Mortgagee who is then entitled to receive copies of any notice of default at the same time and in the same manner as notice is provided to Tenant. The two (2) Qualified Appraisers shall together appoint a third Qualified Appraiser within ten (10) days after the appointment of Landlord's and Tenant's Qualified Appraisers, and said three (3) Qualified Appraisers shall, within the applicable time period specified in this Lease, or if no time period is specified, as promptly as possible, determine the matter which is the subject of the arbitration and the decision of the majority of them shall be a conclusive, final, non-appealable decision binding on all parties and judgment upon the award may be entered in any court having jurisdiction. The arbitration shall be conducted in the offices of the American Arbitration Association in the City of Greenville, County of Hunt, State of Texas and, to the extent applicable and consistent with this Lease, shall be in accordance with the Commercial Arbitration Rules of the American Arbitration Association or any successor body of similar function. The expenses of Arbitration shall be shared equally by Landlord and Tenant, but each party shall be responsible for the fees and disbursements of its own attorneys and the expenses of its own proof. Landlord and Tenant shall sign all documents and do all other things necessary to submit any such matter to arbitration and further shall, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. The arbitrators shall have no power to vary or modify any of the provisions of this Lease and their jurisdiction is limited accordingly. The parties hereby acknowledge and agree that any Leasehold Mortgagee may participate in any Arbitration for or with Tenant.

"**Assignment**" shall mean the sale, exchange, assignment, or other disposition of all of Tenant's interest in this Lease and the leasehold estate created thereby, whether by operation of Law or otherwise.

"**Base Rent**" shall have the meaning set forth in **Section 3.01** hereof.

"**Broker**" shall have the meaning set forth in **Section 23.01** hereof.

"**Business Day**" shall mean any day that is not a Saturday, Sunday, or a day observed as a holiday by either the State or the Federal government.

"**CGL**" shall have the meaning set forth in **Section 10.04** hereof.

"**Commencement Date**" shall mean the date upon which this Lease is approved and adopted by the governing authority in and for Hunt County, Texas.

"**Condemnation**" shall mean the taking or appropriation of all or any part of the Premises, or any interest therein or right accruing thereto including any right of access, by or on behalf of any Governmental Authority or by any entity granted the authority to take property in the exercise of the power or right of eminent domain granted by statute, or any agreement that conveys to the condemning authority all or any part of the Premises as the result of, in lieu of, or in anticipation of, the exercise of a right of condemnation or eminent domain. Such term shall also be deemed to include, to the extent not otherwise defined herein, a temporary taking of the Premises or any part thereof or the Improvements thereon for a period of six (6) months or more, and the taking of the leasehold interest created herein.

**"Control"** shall mean the ownership of more than ten percent (10%) of the outstanding voting ownership interests of the Person in question or the power to direct the management of the Person in question.

**"Date of Taking"** shall mean the earlier of the date, pursuant to the provisions of applicable State or Federal Law, on which: (a) actual possession of all or part of the Premises, as the case may be, is acquired by the appropriate Governmental Authority; or (b) title to all or part of the Premises, as the case may be, is vested in the appropriate Governmental Authority.

**"Deficiency"** shall have the meaning set forth in **Section 14.02(d)** hereof.

**"Due Date"** shall mean with respect to: (a) Base Rent and Additional Rent, the date on which such Base Rent or Additional Rent payment is due as provided in this Lease; and (b) any Imposition, the last date on which such Imposition can be paid without any fine, penalty, interest, or cost being added thereto or imposed by Law for the nonpayment thereof.

**"Effective Date"** shall have the meaning set forth in the first paragraph of this Lease.

**"Embargoed Person"** shall have the meaning set forth in **Section 30.01(a)**.

**"Environmental Laws"** shall mean all Laws: (a) relating to the environment, human health, or natural resources; (b) regulating, controlling, or imposing liability or standards of conduct concerning any Hazardous Materials; (c) relating to Remedial Action; and (d) requiring notification or disclosure of releases of Hazardous Materials or of the existence of any environmental conditions on or at the Premises, as any of the foregoing may be amended, supplemented, or supplanted from time to time.

**"Environmental Liabilities"** shall mean any loss, cost, expense, claim, demand, liability, obligation, action, or other responsibility of whatever kind, based upon or required under Environmental Laws or otherwise relating to: (a) any environmental, health, or safety matter or condition (including, but not limited to, on-site or off-site pollution or contamination, the welfare, safety, and health of people at the Premises or elsewhere, and the regulation of chemical substances or products); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands, responses, and remedial, investigative, or inspection costs and expenses arising under or caused by application of Environmental Laws (including, but not limited to, fees for attorneys, engineers, and other professionals); (c) financial responsibility under Environmental Laws for Remedial Action or for any damages to natural resources; or (d) any other Remedial Actions required under Environmental Laws.

**"Executive Order"** shall have the meaning set forth in **Section 30.01(a)** hereof.

**"Expiration Date"** shall mean the last day of the month in which occurs on the fifth (5rd) anniversary of the Commencement Date, as same may be extended pursuant to **ARTICLE XXIX** hereof, or such earlier date on which the Term shall sooner end pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law.

**"Extension Notice"** shall have the meaning set forth in **Section 29.02** hereof.

**"Extension Rent"** shall have the meaning set forth in **Section 29.02** hereof.

**"Extension Term"** shall have the meaning set forth in **Section 29.01** hereof.

**"Extension Option"** shall have the meaning set forth in **Section 29.01** hereof.

**"Event of Default"** shall have the meaning set forth in **Section 14.01** hereof.

**"Fee Mortgage"** shall mean any financing obtained by Landlord, as evidenced by any mortgage, deed of trust, assignment of leases and rents, or other instruments, and secured by the fee interest of Landlord in the Property, including any extensions, modifications, amendments, replacements, supplements, renewals, refinancings, and consolidations thereof.

**"Fee Mortgagee"** shall mean the holder of a Fee Mortgage.

**"Force Majeure Event"** means any of the following events: (a) acts of God; (b) floods, fires, earthquakes, explosions, or other natural disasters; (c) war, invasions, hostilities (whether war is declared or not), terrorist threats or acts, riots or other civil unrest; (d) governmental authority, proclamations, orders, laws, actions, or requests; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) epidemics, pandemics, or other national or regional public health emergencies; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; (h) shortages of supplies, adequate power, or transportation facilities; and (i) other similar events beyond the reasonable control of the parties.

**"Governmental Authority or Governmental Authorities"** shall mean the United States of America, the State of Texas, the County of Hunt, the City of Greenville, any political subdivision of any of the foregoing, and any other governmental or regulatory authority, agency, board, department, or any other public or quasi-public authority, having jurisdiction over the Premises or the matter at issue.

**"Hazardous Materials"** shall mean any and all substances, materials, chemicals, or wastes that now or hereafter are classified or considered to be hazardous or toxic under any Environmental Law, or that are or become regulated by any Governmental Authority because of toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness, or reactivity under any Environmental Law applicable to the Premises, and shall also include: (a) gasoline, diesel fuel, and any other petroleum hydrocarbons; (b) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (c) polychlorinated biphenyls; (d) radon gas; and (e) flammable liquids and explosives.

**"Impositions"** shall mean any and all: (a) property taxes of every kind and nature; (b) property assessments (whether general, special, business improvement district, or otherwise); (c) personal property taxes; (d) occupancy and rent taxes; (e) water, water meter, sewer rents, rates, and charges; and (f) any and all other governmental levies, fees, rents, assessments, or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, and any interest or costs with respect thereto, which at any time during the Term are, or, if the Premises or any part thereof or the owner thereof were not exempt therefrom, would have been assessed, levied, confirmed, imposed upon, or would have become due and payable out of or in respect of, or would have been charged with respect to, the Premises (excluding any capital gains taxes imposed in connection with the execution of this Lease).



**"Improvements"** shall mean all buildings and other improvements now located, or hereafter erected, on the Land, together with all fixtures now or in the future installed or erected in or upon the Land or such improvements owned or leased by Landlord or Tenant.

**"Indemnitees"** shall have the meaning set forth in **Section 11.01** hereof.

**"Interest Rate"** shall mean the Prime Rate plus four percent (4%) *per annum* but, in no event, in excess of the maximum permissible interest rate then in effect in the State.

**"Land"** shall mean all that certain plot, piece, or parcel of land, located in the City of Greenville, County of Hunt, State of Texas identified as Property ID: 70597 and which land is legally described in Exhibit B attached hereto and incorporated herein and incorporated herein.

**"Land Value"** shall mean, as of any date, the fair market value of the Land, as determined by Landlord. For purposes herein, the term "fair market value" is deemed to be the price that a willing buyer would offer, and a willing seller would accept, for all of seller's right, title, and interest in the Land, considered as encumbered by this Lease with all extension options exercised, unencumbered by any Fee Mortgage, vacant, and unimproved. If Tenant disputes Landlord's determination of fair market value, Tenant shall submit such dispute to Arbitration.

**"Law" or "Laws"** shall mean any present or future applicable law, statute, ordinance, regulation (including zoning regulations), code, building code, judgment, injunction, arbitration award, order, rule, directive, common law, codes and ordinances of any Governmental Authorities, easement, covenant, restriction, or other agreement of record affecting the Premises as of the date of this Lease or subsequent thereto.

**"Legal Requirements"** shall mean all requirements of Law.

**"Liabilities"** shall mean all losses, claims, suits, demand, costs, liabilities, and expenses, including reasonable attorneys' fees, penalties, interest, fines, judgment amounts, fees, and damages, of whatever kind or nature.

**"Patriot Act"** shall have the meaning set forth in **Section 30.01(a)** hereof.

**"Permitted Use"** shall mean the use of the Premises as a parking lot for county employees and not otherwise.

**"Person"** shall mean any individual, corporation, partnership, firm, or other legal entity.

**"Personalty"** shall mean all machinery, equipment, appliances, furniture, and any other personal property of any kind or description owned or leased by Landlord or Tenant located on the Premises and used in the operation of the Premises, excluding trucks and cars.

**"Premises"** shall mean the Land, any Improvements thereon, and any and all rights, privileges, easements, and appurtenances to the Land and the Improvements and any development rights.

**"Prevailing Party"** shall have the meaning set forth in **Section 30.03** hereof.

**"Prime Rate"** shall mean the prime or base rate announced as such from time to time by the Federal Reserve Bank, and if not available, a comparable rate selected by Landlord. Any interest payable under this Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 360-day year with twelve (12) months of thirty (30) days each.

**"Prohibited Person"** shall have the meaning set forth in **Section 30.01(a)** hereof.

**"Qualified Appraiser"** shall mean an arbitrator that: (a) is duly licensed in the jurisdiction in which the Premises are located; (b) has at least four (4) years' experience, on a full-time basis, leasing space in the same general geographic area as that in which the Premises are located and at least two (2) of those four (4) years of experience; and (c) is independent and has no then-pending or past brokerage relationship with any or all of Landlord, Tenant, and any Affiliates of either or both of Landlord and Tenant.

**"Release"** shall mean the release or threatened release of any Hazardous Materials into or upon or under or above any land, water, or air, or otherwise into the environment, including by means of burial, disposal, discharge, emission, spillage, leakage, seepage, leaching, or dumping.

**"Remedial Action"** shall mean the investigation, response, clean up, remediation, prevention, mitigation, or removal of any Hazardous Materials necessary to comply with any Environmental Laws.

**"Rent"** shall mean Base Rent and Additional Rent.

**"Rent Commencement Date"** shall mean the date that is the first day of the month following the date this Lease is approved and adopted by the governing authority in and for Hunt County, Texas.

**"Restoration"** shall have the meaning set forth in **Section 16.01** hereof.

**"Restore"** shall have the meaning set forth in **Section 16.01** hereof.

**"State"** shall mean the State of Texas.

**"Sublease"** shall mean any lease, sublease, occupancy, license, or concession agreement for the use or occupancy of space in the Improvements (other than this Lease).

**"Substantially all the Premises"** shall mean: that portion of the Premises in excess of fifty percent (50%) of the total number of parking spaces available at the Premises. If there is any dispute as to whether or not "Substantially all the Premises" has been taken, such dispute shall be submitted to and determined by Arbitration.

**"Term"** shall mean the term of this Lease commencing on the Commencement Date and ending on the Expiration Date.

**"Transfer"** shall mean any transaction or series of transactions (including any Assignment, transfer, issuance, or redemption of any ownership interest, or any merger, consolidation, or dissolution) that results in a change of Control of Tenant or any Person or entity which directly or indirectly Controls Tenant. Notwithstanding the foregoing, a Transfer shall not be deemed to include an issuance or a

transfer of stock through the "over the counter" market or through any recognized national stock exchange.

"**Transferee**" shall have the meaning set forth in **Section 12.01** hereof.

"**Unavoidable Delays**" shall mean delays incurred by Tenant due to a Force Majeure Event; provided: (a) Tenant shall have notified Landlord not later than ten (10) days after the commencement of the Force Majeure Event, explaining the nature or cause of the delay and stating the period of time the delay is expected to continue; and (b) Tenant uses commercially reasonable efforts to end the delay and ensure the effects of such Force Majeure Event are minimized.

## **ARTICLE II**

### **LEASE OF PREMISES; CONDITION OF PREMISES; COMMENCEMENT DATE AGREEMENT; FAILURE TO DELIVER POSSESSION**

**Section 2.01 Lease of Premises.** Subject to the terms and conditions of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises for a Term that shall commence on the Commencement Date and end on the Expiration Date (as such Term may be extended from time to time pursuant to Article XXIX hereof), subject to earlier termination pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law.

**Section 2.02 Condition of Premises.** The Parties acknowledge that Tenant has utilized the Premises continuously since the date of the Original Lease. Tenant has inspected the Premises and accepts possession of the Premises in its "AS IS" condition on the Commencement Date. Except as otherwise expressly provided in this Lease, Tenant has full responsibility for the repair, Alteration, maintenance, and replacement of the Premises. Tenant expressly acknowledges and agrees that Landlord has not made and is not making, and Tenant is not relying upon, any warranties or representations regarding the Premises, except to the extent same are expressly set forth in the Lease.

**Section 2.03 Commencement Date Agreement.** Within thirty (30) days following the Commencement Date, Landlord and Tenant shall enter into an agreement, in the form attached hereto and incorporated herein as Exhibit A, confirming the Commencement Date, the Rent Commencement Date, and the initial Expiration Date, provided, however, the failure of Landlord or Tenant, or both, to execute and deliver such agreement shall not affect the Commencement Date, the Rent Commencement Date, or the initial Expiration Date.

## **ARTICLE III**

### **BASE RENT; RENT PAYABLE TO LANDLORD; NET LEASE**

#### **Section 3.01 Base Rent.**

(a) Tenant covenants and agrees to pay Base Rent to Landlord throughout the Term of this Lease as follows ("**Base Rent**"):

(i) For the period commencing on the Commencement Date and ending on the 12<sup>th</sup> calendar month thereafter, an amount equal to Six Thousand and 00/100 Dollars



(\$6,000.00) *per annum*, payable (subject to Section 3.02(c)) in equal monthly installments of Five Hundred and 00/100 Dollars (\$500.00) per month; and

(ii) For the period commencing on the first day of the 13<sup>th</sup> month and ending on the last day of the 24<sup>th</sup> month, an amount equal to Six Thousand Six Hundred and 00/100 Dollars (\$6,600.00) *per annum*, payable (subject to Section 3.02(c)) in equal monthly installments of Five Hundred Fifty and 00/100 Dollars (\$550.00) per month; and

(iii) For the period commencing on the first day of the 26<sup>th</sup> month and ending on the last day of the 35<sup>th</sup> month, an amount equal to Seven Thousand Two Hundred and 00/100 Dollars (\$7,200.00) *per annum*, payable (subject to Section 3.02(c)) in equal monthly installments of Six Hundred and 00/100 (\$600.00) per month; and

(iv) For the period commencing on the first day of the 36<sup>th</sup> month and ending on the last day of the 47<sup>th</sup> month, an amount equal to Seven Thousand Eight Hundred and 00/100 Dollars (\$7,800.00) *per annum*, payable (subject to Section 3.02(c)) in equal monthly installments of Six Hundred Fifty and 00/100 (\$650.00) per month; and

(v) For the period commencing on the first day of the 48<sup>th</sup> month and ending on the initial Expiration Date, an amount equal to Eight Thousand Four Hundred and 00/100 Dollars (\$8,400.00) *per annum*, payable (subject to Section 3.02(c)) in equal monthly installments of Seven Hundred and 00/100 Dollars (\$700.00) per month.

(b) If Tenant exercises an Extension Option in accordance with the terms of Article XXIX of this Lease and the Lease Term is extended, the Base Rent payable with respect to such Extension Term shall be an amount as determined pursuant to Article XXIX hereof.

### **Section 3.02 Rent Payable to Landlord.**

(a) Tenant shall pay Base Rent to Landlord in equal monthly installments, in advance, commencing on the first day of each month during the Term, without notice or demand.

(b) Notwithstanding the foregoing, and provided no Event of Default has occurred and is continuing, Tenant shall not be required to pay Base Rent for the period commencing on the Commencement Date and ending on the Rent Commencement Date.

(c) Base Rent due for any period of less than twelve (12) months (or any monthly installment of Base Rent due for any period of less than a full month) shall be appropriately apportioned based upon a 360-day year (or based upon the number of days in such month).

(d) Tenant shall pay to Landlord all Additional Rent that is payable to Landlord pursuant to the terms and conditions of this Lease within fourteen (14) days after written demand therefore from Landlord, unless a different time is specified in this Lease.

(e) All Base Rent and Additional Rent (such Additional Rent that is due and owing to Landlord pursuant to the terms and conditions of this Lease) shall be paid: (i) by good check

drawn on an account at a bank in currency that at the time of payment is legal tender for public and private debts in the United States of America, made payable to Landlord at Landlord's address set forth in Section 19.01 herein or to such other parties and at such other addresses as Landlord shall direct by notice to Tenant from time to time; (ii) if Landlord shall so direct at any time upon not less than twenty (20) days' prior notice, by wire transfer of immediately available funds to an account at a bank designated in writing by Landlord; or (iii) by any other method reasonably designated in writing by Landlord.

(f) If any installment of Base Rent or Additional Rent (such Additional Rent that is due and owing to Landlord) is not paid within thirty (30) days of the applicable Due Date, Tenant shall pay to Landlord, as Additional Rent:

(i) A late charge equal to ten percent (10%) of the overdue amount to Landlord in order to defray the expenses incident to handling such delinquent payments. Such payment shall be in addition to, and not in lieu of, any other remedy Landlord may have; and

(ii) interest on the overdue amount to Landlord at the Interest Rate. Such overdue Rent shall bear interest from the Due Date, without regard to any grace period, until the date such Rent is paid. Such payment shall be in addition to, and not in lieu of, any other remedy Landlord may have.

**Section 3.03 Net Lease.** This Lease is an absolute net lease. Tenant shall pay as Additional Rent all expenses of every kind and nature whatsoever relating to or arising from the Premises, including Impositions, and all expenses arising from the leasing, operation, management, construction, maintenance, repair, use, and occupancy of the Premises, except as otherwise expressly provided in this Lease. Notwithstanding the foregoing, Landlord agrees to pay the following expenses: (a) any expenses expressly agreed to be paid by Landlord in this Lease; (b) debt service and other payments with respect to any Fee Mortgage; (c) expenses incurred by Landlord to monitor and administer this Lease; (d) expenses incurred by Landlord prior to the Commencement Date; and (e) expenses that are personal to the Landlord.

## ARTICLE IV

### PAYMENT OF IMPOSITIONS; REDUCTION OF ASSESSED VALUATION; UTILITIES

#### Section 4.01 Payment of Impositions.

(a) During the Term of this Lease, Tenant shall pay or shall cause to be paid all Impositions directly to the Governmental Authority charged with the collection thereof. Each Imposition, or installment thereof, during the Term shall be paid not later than thirty (30) days prior to the Due Date thereof. However, if, by Law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same in such installments and shall be responsible for the payment of such installments only, together with applicable interest, if any, provided that all such installment payments together with applicable interest, if any, relating to periods prior to the Expiration Date shall be made prior to the Expiration Date. Tenant shall promptly notify Landlord if Tenant shall have elected to pay any such Imposition in installments.

(b) Tenant shall, within ten (10) days following each Due Date, furnish to Landlord official receipts of the appropriate Governmental Authority, or other evidence reasonably satisfactory to Landlord, evidencing the payment of such Impositions.

(c) Tenant shall not be required to pay municipal, state, or federal income, gross receipts, inheritance, estate, succession, profit, capital, or transfer gains taxes of Landlord, or any corporate franchise tax imposed upon Landlord or any transfer or gains tax imposed on Landlord.

(d) Any Imposition relating to a period, a part of which is included within the Term and a part of which is included in a period of time before the Commencement Date or after the Expiration Date shall be apportioned between Landlord and Tenant as of the Commencement Date or Expiration Date (other than an Expiration Date arising by reason of Tenant's default), as the case may be, so that Tenant shall pay only that portion of such Imposition which that part of such fiscal period included in the period of time after the Commencement Date or before the Expiration Date bears to such fiscal period, and Landlord shall pay the remainder thereof.

(e) Tenant shall have the right to contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith, in which event, notwithstanding the provisions of this Article IV, payment of such Imposition shall be postponed if, and only as long as:

(i) Neither the Premises nor any part thereof, or interest therein or any income therefrom (except to the extent covered by security deposited in accordance with this Section 4.01(e)) would by reason of such postponement or deferment, be, in the reasonable judgment of Landlord, in imminent danger of being forfeited or lost or subject to any lien, encumbrance, or charge, and neither Landlord nor Tenant would by reason thereof be subject to any civil or criminal liability;

(ii) Tenant shall have deposited with Depository cash or a Letter of Credit in a form and from an issuer reasonably satisfactory to Landlord in the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises or any part thereof in such proceedings, or such other security as shall be reasonably satisfactory to Landlord; and

(iii) No Event of Default has occurred and is continuing (in which event only Landlord may commence such proceedings but shall have no obligation to do so).

(f) Upon the termination of such proceedings, it shall be the obligation of Tenant to pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including reasonable attorneys' fees and disbursements), interest, penalties, or other Liabilities in connection therewith. Upon such payment, Depository shall return, with interest, if any, any amount deposited with it as aforesaid; provided, however, that Depository at Tenant's request or upon Tenant's failure to do so in a timely manner, at Landlord's request, shall disburse said moneys on deposit with it directly to the Governmental Authority to whom such

Imposition is payable and any remaining monies, with interest, if any, shall be returned promptly to Tenant.

(g) Landlord shall not be required to join in any proceedings referred to in this Article IV unless the provisions of any Law at the time in effect shall require that such proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and reasonably cooperate in such proceedings or permit the same to be brought in its name but shall not be liable for the payment of any costs or expenses in connection with any such proceedings and Tenant shall reimburse Landlord for any and all costs or expenses which Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements.

(h) Reserved.

(i) If there shall be any refunds or rebates on account of any Impositions paid by Landlord or Tenant, such refund or rebate shall belong to the party that paid the Imposition.

**Section 4.02 Reduction of Assessed Valuation.** Subject to the provisions of any Leasehold Mortgage, Tenant may, at Tenant's sole cost and expense, endeavor from time to time to reduce the assessed valuation of the Premises for the purpose of reducing the Impositions payable by Tenant. Landlord agrees to offer no objection to such contest or proceeding and, at the request of Tenant, to reasonably cooperate with Tenant in pursuing such contest or proceeding, but without expense to Landlord. Tenant agrees to indemnify and hold Landlord harmless from all Liabilities arising by reason of or in connection with any such contest or proceeding. If all any part of an Imposition is refunded to either Landlord or Tenant (whether through cash payment or credit against Impositions), the party who paid the Imposition to which the refund relates shall be entitled to such refund to the extent such refund relates to any Imposition paid by such party.

## **ARTICLE V SECURITY DEPOSIT; LETTER OF CREDIT**

**Section 5.01 Security Deposit.** Landlord waives any and all requirement of Tenant to remit a Security Deposit as a condition to or securing possession of the Premises hereunder.

**Section 5.02 Requirements of the Letter of Credit.**

(a) Reserved.

## **ARTICLE VI PERMITTED USE**

**Section 6.01 Permitted Use.**

(a) Subject to all applicable Laws and this Lease, Tenant shall use the Premises as a parking lot for employees of Hunt County, Texas and nothing more.



(b) Tenant shall not use or occupy, nor permit or suffer the Premises or any part thereof to be used or occupied for any unlawful, illegal, or extra hazardous business, use, or purpose, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of the Certificate of Occupancy, if any, or of any Laws, or which may make void or voidable any insurance then in force on the Premises. Tenant shall take, immediately upon the discovery of any such unpermitted, unlawful, illegal, or extra hazardous use, all necessary actions, legal and equitable, to compel the discontinuance of such use.

## **ARTICLE VII CONSTRUCTION OF FACILITY**

(a) Tenant shall have no authority under this Lease to construct additional Facilities without the prior written approval of Landlord.

## **ARTICLE VIII OPERATION OF THE PREMISES**

**Section 8.01 Tenant's Operation of the Premises.** Tenant will operate the Premises in accordance with all Laws governing the Premises and this Lease.

**Section 8.02 Mechanic's liens.** Tenant shall keep the Premises and this Lease free from any lien or other encumbrance filed or recorded in favor of any mechanic, materialman, architect, or engineer.

**Section 8.03 Utilities.** In the event Utility Services are desired by Tenant, Tenant shall obtain and pay for all utilities directly from and to the utilities and vendors serving the Premises, including fuel, gas, electric, water and sewer service, trash collection, telephone, and internet service.

## **ARTICLE IX MAINTENANCE, REPAIRS, AND ALTERATIONS**

**Section 9.01 Maintenance and Repair of the Premises.** Tenant shall, at all times during the Term of this Lease, at Tenant's sole cost and expense, keep and maintain the Premises, including the Improvements, appurtenances, and every part thereof that may exist on, in, or be made a part of the Premises, in good order and condition, ordinary wear and tear excepted, and make all necessary repairs thereto, interior and exterior, structural and nonstructural, ordinary, and extraordinary, and foreseen and unforeseen. If Tenant fails to keep and maintain the Premises and the Improvements as required by this Lease, Landlord may (but shall not be required to) perform and satisfy same, and Tenant hereby agrees to reimburse Landlord, as Additional Rent, for the reasonable cost thereof promptly upon demand. Tenant shall not permit any material waste of the Premises. Tenant shall keep the entire Premises, including adjoining sidewalks, substantially free of any accumulation of dirt, rubbish, snow, and ice. Unless otherwise expressly provided in this Lease, Landlord is not required to maintain, repair, clean, alter, or improve the Premises, or to provide any services to the Premises.

**Section 9.02 Alterations.** Tenant may, at its sole cost and expense, alter, replace, or remodel any Improvements upon the Premises ("**Alterations**"), provided that: (a) the foregoing are made in

compliance with all Laws; (b) the foregoing are completed in accordance with general accepted construction standards; (c) any remodeling shall not materially diminish the value of Improvements or the Premises; and (d) Tenant shall not allow mechanic's or materialmen's liens to affix to the Premises because of the Alterations.

## **ARTICLE X INSURANCE**

**Section 10.01 Insurance.** It is the intent of the parties that all risk of loss for the Premises be shifted to insurance to the maximum extent practicable. Accordingly, unless Landlord otherwise agrees in its sole discretion, Tenant shall maintain, or cause to be maintained, insurance covering the risks enumerated below. The premiums for such insurance shall be paid by Tenant, except for the coverages set forth in Section 10.10 below, which will be the responsibility of the party providing such insurance coverage. Such insurance shall be written on an occurrence basis unless Landlord otherwise consents in writing, but for errors and omissions insurance issued on a claims-made basis. The policy shall provide that: (a) such insurance shall be primary coverage without reduction or right of offset or contribution on account of any insurance provided by Landlord to itself or its officers, officials, or employees; (b) such insurance shall not be altered or cancelled without sixty (60) days' written notice to Landlord; (c) such insurance shall name Landlord as an additional insured. The insurance policies purchased by Tenant must be issued by a company authorized to conduct business in the State or by a company acceptable to the Landlord and which has a rating of A or better by AM Best.

**Section 10.02 Workers' Compensation and Employer's Liability.** At all times prior to the expiration or earlier termination of this Lease during any construction or Alteration conducted by or on behalf of Tenant in or on the Premises, Tenant shall maintain, and cause its contractors to maintain, Workers' Compensation Insurance as required by the Laws of the State. Tenant shall require all subcontractors performing work under this Lease to obtain an insurance certificate showing proof of Workers' Compensation and Employer's Liability Insurance.

**Section 10.03 Property/Business Interruption.** This Section Reserved.

**Section 10.04 General Commercial Liability.** At all times during the Term of this Lease, Tenant shall maintain a primary commercial general liability insurance ("CGL") policy covering all claims for bodily injury (including death) and property damage, including loss of use thereof, in an amount not less than Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) per occurrence and One Million and 00/100 Dollars (\$1,000,000.00) aggregate, with deductible provisions not to exceed Five Thousand and 00/100 Dollars (\$5,000.00) per occurrence, to include personal and advertising injury, general aggregate, products, and completed operations aggregate insurance beginning at the completion of each project component, and contract liability to cover all insurable obligations in this Lease. The policy limits shall be adjusted every two (2) years from the Commencement Date. Coverage shall be specific for this project or, upon approval of Landlord, covered under umbrella or pooled policies. The policy or policies must be on an "occurrence" basis unless waived by the Landlord. The CGL policy shall include contractual liability coverage, which shall be endorsed to state that indemnity obligations specified in this Lease are insured by the carrier.

**Section 10.05 Errors and Omissions.** This Section Reserved.

**Section 10.06 Umbrella.** This Section Reserved.

**Section 10.07 Delivery of Insurance Certificates.** Upon the commencement of this Lease and at each policy renewal date, Tenant shall furnish to Landlord, at the addresses set forth in Section 19.01 of this Lease, insurance certificates or renewal certificates or, if requested by Landlord, certified copies of policies, evidencing all insurance required to be carried by Tenant in accordance with the Lease. Such certificates or policies shall name Landlord as an insured and shall name any Fee Mortgagee and Leasehold Mortgagee as mortgagee and loss payee, in accordance with the requirements contained in this Article X. The insurance certificate or policies, as applicable, must document that the liability insurance coverage purchased by the Tenant includes contractual liability coverage to insure the indemnity agreement as stated.

**Section 10.08 Evidence of Payment of Premiums.** Tenant shall within thirty (30) days of payment furnish to Landlord duplicate receipts or satisfactory evidence of the payment of all premiums on any and all insurance required to be carried by Tenant in accordance with this Lease. The insurance carrier shall give Landlord, any Fee Mortgagee, and all Leasehold Mortgagees thirty (30) days' prior notice (with respect to nonpayment of premiums) of cancellation, modification, or nonrenewal.

**Section 10.09 Payments for Tenant by Landlord.** If Tenant fails to procure the insurance required to be procured by Tenant under this Lease, or fails to pay any premium of insurance, Impositions, or any other sum in this Lease required to be paid by Tenant (other than Rent), Landlord may, after expiration of the applicable cure period, at Landlord's option, procure on behalf of Tenant any such insurance, and pay on behalf of Tenant any such payment or payments as may be necessary. Any sum[s] so paid or expended by Landlord on behalf of Tenant shall immediately be reimbursed and paid by Tenant to Landlord, as Additional Rent, within fourteen (14) days after demand by Landlord.

**Section 10.10 Insurance Requirements for Subtenants and Contractors.** This Section Reserved.

**Section 10.11 Threshold Amount.** The loss under all policies required by this Lease insuring against damage to the Premises by fire or other casualty shall be payable to Depository, except that amounts of less than the Threshold Amount shall be payable in trust directly to Tenant for application to the cost of Restoration in accordance with this Lease. Proceeds of business interruption insurance shall be paid to Depository and shall be applied to the Rent payable by Tenant under this Lease until completion of such Restoration by Tenant.

## **ARTICLE XI INDEMNIFICATION**

**Section 11.01 To the extent allowed by state law.** Tenant hereby releases and agrees to indemnify and hold harmless Landlord and all of its trustees, officers, employees, directors, agents, and consultants (hereinafter collectively referred to as the "**Indemnitees**") of and from any and all claims, demands, Liabilities, losses, costs, or expenses for any loss including but not limited to bodily injury

(including death), personal injury, property damage, expenses, and attorneys' fees, caused by, growing out of, or otherwise happening in connection with this Lease, due to any negligent or intentional act or omission on the part of Tenant, its agents, employees, elected officials, all members of the general public, guests and invitees of Tenant and its elected officials, officers and employees, passers-by, trespassers, or others working at the direction of Tenant or on its behalf, or due to the application or violation of any pertinent federal, state, or local laws except for the gross negligence or intentional misconduct of the Indemnitees. In case any action or proceeding is brought against Landlord by reason of any claim mentioned in this Article XI, Tenant, upon notice from Landlord, shall, at Tenant's expense, resist or defend such action or proceeding in Landlord's name, if necessary, by counsel for the insurance company, if such claim is covered by insurance, or otherwise by counsel approved by Landlord. Landlord agrees to give Tenant prompt notice of any such claim or proceeding. This indemnification is binding on the successors and assigns of the Tenant, and this indemnification survives the expiration or earlier termination of the Lease, or the dissolution or, to the extent allowed by Law, the bankruptcy of Tenant. This indemnification does not extend beyond the scope of this Lease and the Contract Documents and the work undertaken thereunder, and does not extend to claims exclusively between the undersigned parties arising from the terms, or regarding the interpretation of this Lease. Tenant further agrees that in leasing the Premises and devoting the same to its intended purpose, Tenant is engaged in a proprietary, and not a governmental function, and to the maximum extent possible Tenant waives and entirely relinquishes all defenses based on sovereign immunity, or the like.

## **ARTICLE XII ASSIGNMENT; SUBLEASE; NON-DISTURBANCE**

**Section 12.01 Assignment, Transfer, and Major Sublease.** Tenant 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 the Landlords' written consent. Tenant's interest in this Lease is not assignable by operation of Law, nor is any assignment of its interest herein, without Landlord's written consent.

## **ARTICLE XIII FEE MORTGAGES; LEASEHOLD MORTGAGES**

**Section 13.01** This Article is Reserved in its entirety.

## **ARTICLE XIV DEFAULT; REMEDIES**

**Section 14.01 Events of Default.** Each of the following events shall be an event of default ("Event of Default"):

(a) If Tenant shall fail to pay any item of Rent, or any part thereof, when the same shall become due and payable and such failure shall continue for ten (10) days after notice from Landlord to Tenant.

(b) Reserved.



(c) If Tenant shall fail to observe or perform one or more of the other terms, conditions, covenants, or agreements contained in this Lease, and such failure shall continue for a period of ten (10) days after notice thereof by Landlord to Tenant specifying such failure unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be performed, done, or removed, as the case may be, within such ten (10)-day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such ten (10)-day period and shall, subject to Unavoidable Delays, diligently, continuously, and in good faith prosecute the same to completion.

(d) If Tenant shall make an Assignment for the benefit of creditors.

(e) The filing of any voluntary petition in bankruptcy by Tenant, or the filing of any involuntary petition by Tenant's creditors, which involuntary petition remains undischarged for a period of thirty (30) days.

(f) If within thirty (30) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, Law, or regulation, such proceeding shall not have been dismissed.

(g) If Tenant shall abandon the Premises for greater than four (4) weeks; however, the Tenant shall not be deemed to have abandoned the Premises if the Premises become uninhabitable as a result of Landlord's default under this Lease or as a result of a casualty or Condemnation proceeding.

(h) If a levy under execution or attachment shall be made against the Premises and such execution or attachment shall not be vacated or removed by court order, bonding, or otherwise within a period of thirty (30) days.

Upon the occurrence of an Event of Default, Landlord may, at its option, give notice to Tenant of the termination of this Lease and, upon fifteen (15) days after service of such notice, this Lease, the Term, and Tenant's estate shall terminate (whether or not the Commencement Date shall have occurred) and shall end with the same force and effect as if that day were the day fixed for the expiration of this Lease. Notwithstanding the foregoing, Tenant shall remain liable for any damages as provided in this Lease and Landlord may enforce any of the remedies provided in Section 14.02.

**Section 14.02 Remedies.** If this Lease is terminated pursuant to Section 14.01, or if Landlord re-enters or obtains possession of the Premises by summary proceedings or any other legal action or proceeding or by any other legal act (without liability or obligation to Tenant or any Subtenant or any other occupant of the Premises), all the following provisions shall apply:

(a) Tenant shall immediately vacate and surrender the Premises to Landlord in good order, condition, and repair, reasonable wear and tear and damage that Tenant is not obligated under the terms of this Lease to repair excepted.

(b) Tenant shall promptly pay to Landlord all Rent payable to the date on which this Lease is terminated or the date on which Landlord re-enters or obtains possession of the Premises.

(c) Notwithstanding anything to the contrary contained herein, Landlord shall have no duty or obligation whatsoever to relet all or any portion of the Premises or to mitigate its damages hereunder. However, Landlord, at its option, may elect to declare due and payable a sum equal to the amount by which the Rent reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term exceeds the fair and reasonable rental value of the Premises for the same period, both discounted to present worth at the rate of ten percent (10%) *per annum*, and such sum shall be due and payable by Tenant, as liquidated damages, ten (10) Business Days after notice by Landlord to Tenant of such election.

(d) If Landlord shall not have declared Rent due and payable pursuant to Section 14.02(c), Tenant shall be liable for and shall pay to Landlord, as damages, any deficiency (referred to as "**Deficiency**") between the Rent reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected under any reletting for any part of such period (first deducting from the rents collected under any such reletting all of the payments to which Landlord is entitled pursuant to Section 14.02(e)).

(e) Landlord may: (i) complete all maintenance required to be performed by Tenant hereunder; (ii) repair and alter the Premises in such manner as Landlord may deem reasonably necessary or advisable (and may apply to the foregoing all funds, if any, then held by Depository pursuant to this Lease without relieving Tenant of any liability under this Lease or otherwise affecting any such liability); (iii) let or relet the Premises or any parts thereof for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, and out of any Rent and other sums collected or received as a result of such reletting Landlord shall: (A) first, pay to itself the reasonable cost and expense of terminating this Lease, re-entering, retaking, repossessing, completing construction, and repairing or altering the Premises, or any part thereof, and the cost and expense of removing all persons and property therefrom, including in such costs brokerage commissions, legal expenses, and reasonable attorneys' fees and disbursements; (B) second, pay to itself the reasonable cost and expense sustained in securing any new tenants and other occupants, including in such costs brokerage commissions, legal expenses, and reasonable attorneys' fees and disbursements and other expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the reasonable cost and expense of operating and maintaining the Premises; and (C) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord. Landlord in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any Rent due on any such reletting, and no such failure to relet or to collect Rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability. Notwithstanding the foregoing, Landlord shall have no duty or obligation whatsoever to relet all or any portion of the Premises or to mitigate its damages hereunder.

(f) Landlord may elect to proceed by appropriate judicial proceedings, either at law or in equity, to enforce the performance or observance by Tenant of the applicable provisions of

this Lease or to recover damages for breach thereof. Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

## **ARTICLE XV EXPIRATION OR TERMINATION**

**Section 15.01 Extinguishment of Tenant's Rights.** Upon the termination or expiration of this Lease from any cause, all rights and interests of Tenant, and all Persons whomsoever claiming by, through, or under Tenant, shall immediately cease and terminate, and the Premises, all Improvements, and all Personalty located thereon, shall thence forward constitute and belong to and be the absolute property of Landlord or Landlord's successors and assigns, without further act or conveyance, and without liability to make such compensation to Tenant or to anyone whomsoever, and free and discharged from all and every lien, encumbrance, claim, and charge of any character created or attempted to be created by Tenant at any time. Tenant agrees, at the termination of this Lease, to surrender unto Landlord, all and singular the Premises with the then-existing Improvements constructed and located thereon and therein, in the same condition as when the construction of Improvements was completed, only normal wear and tear excepted, unless Tenant shall be relieved of Tenant's obligation to repair, reconstruct, Restore, or replace damaged or destroyed buildings, other structures, or Improvements pursuant to Article XVI hereof.

## **ARTICLE XVI DAMAGE AND DESTRUCTION**

**Section 16.01 Damage and Destruction.** If all or any part of the Premises shall be destroyed or damaged in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall give to Landlord notice thereof within ten (10) days after such casualty occurs, except that no notice shall be required if the estimated cost of repairs, Alterations, Restorations, replacements, and rebuilding the Premises or portion thereof so damaged or destroyed (collectively, "**Restoration**") shall be less than the Threshold Amount. Tenant shall, whether or not such damage or destruction shall have been insured, and whether or not insurance proceeds, if any, shall be sufficient for the purpose of such Restoration, with reasonable diligence (subject to Unavoidable Delays) repair, alter, restore, replace, and rebuild the Premises or portion thereof so damaged or destroyed (collectively, "**Restore**") the same, at least to the extent of the value and as nearly as possible to the condition, quality, and class of the Premises existing immediately prior to such occurrence. Landlord in no event shall be obligated to Restore the Premises or any portion thereof or to pay any of the costs or expenses thereof. If Tenant

shall fail or neglect to Restore with reasonable diligence (subject to Unavoidable Delays) the Premises or the portion thereof so damaged or destroyed, or having so commenced such Restoration, shall fail to complete the same with reasonable diligence (subject to Unavoidable Delays) in accordance with the terms of this Lease, and in either case such failure or neglect continues for sixty (60) days after notice from Landlord, or if prior to the completion of any such Restoration by Tenant, this Lease shall expire or be terminated for any reason, Landlord, upon notice to Tenant, may, but shall not be required to, complete such Restoration at Tenant's expense. Each such Restoration shall be done in accordance with the provisions of this Lease. Tenant's obligations under this Section 16.01 shall survive the expiration or earlier termination of this Lease.

**Section 16.02 No Termination; No Abatement.** This Lease shall not terminate or be forfeited or be affected in any manner, and there shall be no reduction or abatement of the Rent, by reason of damage to or total, substantial, or partial destruction of the Premises or any part thereof or by reason of the untenability of the same or any part thereof, for or due to any reason or cause whatsoever, and Tenant, notwithstanding any Law, waives any and all rights to quit or surrender the Premises or any part thereof. Tenant expressly agrees that its obligations hereunder, including the payment of Rent, shall continue as though the Premises had not been damaged or destroyed and without abatement, suspension, diminution, or reduction of any kind.

## **ARTICLE XVII CONDEMNATION**

### **Section 17.01 Effect of Eminent Domain Proceeding.**

(a) Eminent domain proceedings resulting in the condemnation of a part of the premises leased herein that leave the rest usable by Tenant for purposes of the business for which the premises are leased will not terminate this Lease, unless Landlord at their option terminate it by giving written notice of termination to Tenant. The effect of such condemnation, should such option not be exercised, will be to terminate the Lease as to the portion of the premises condemned, and leave it in effect as to the remainder of the premises. Tenant's rental for the remainder of the Lease Term shall in such case be reduced by the amount that the usefulness of the premises to it for such business purposes is reduced.

## **ARTICLE XVIII ESTOPPEL CERTIFICATES**

**Section 18.01 Estoppel Certificates.** Landlord and Tenant shall execute, acknowledge, and deliver to the other promptly upon request, a certificate certifying as to the following:

(a) That this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications).

(b) The dates through which the Rent under this Lease has been paid.



(c) The amount of the Rent then payable.

(d) That no notice has been given by Landlord to Tenant of any Event of Default under this Lease that has not been cured and to the best of its knowledge and belief no Event of Default exists (or, if there has been any notice given or an Event of Default exists, describing the same).

Certificates from Landlord and Tenant pertaining to the same matters may be relied upon by any prospective Leasehold Mortgagee or Fee Mortgagee, or by any prospective assignee of an interest under this Lease or by any prospective purchaser of all or any portion of the Premises.

## **ARTICLE XIX NOTICES**

**Section 19.01 Notices.** Until a different address is provided in a notice to the other party, all notices, demands or requests made by either party to the other which are required or permitted by the provisions of this Lease shall be in writing and shall be deemed sufficiently given if: (a) delivered by hand (against a signed receipt); (b) mailed by United States certified or registered mail, return receipt requested, postage prepaid; or (c) sent by nationally recognized commercial overnight delivery service at the following address:

Landlord:  
with a copy to:

Jay Hilliard  
8323 Freeport Dr. Dallas, TX  
  
Valerie Pritchett  
112 Sceptre Dr. Rockwall, TX 75032

Tenant:  
with a copy to:

County Judge, Hunt County, Texas  
Attn: Bobby Stovall  
Courthouse, Greenville, Texas 75041

Notwithstanding anything contained in this Lease to the contrary, any notice required to be given by Landlord or Tenant hereunder shall be deemed to be effective as of the date such notice is received or refused as reflected on said notice.

## **ARTICLE XX SUBMISSION OF MATTERS TO LANDLORD FOR APPROVAL**

**Section 20.01 Submission of Matters to Landlord for Approval.** Any matter which must be submitted to and consented to or approved in writing by Landlord or any matter which must be submitted to Landlord which may become effective if not denied by Landlord, as required under this

Lease, shall be submitted to Landlord in the manner and to the address of Landlord designated for the giving of notice to Landlord under Article XIX of this Lease and shall either be approved or rejected by Landlord within thirty (30) days after receipt unless a shorter period of time is expressly stated elsewhere in this Lease. If Landlord should fail so to approve or reject within such thirty (30)-day period as provided for herein, Landlord's approval shall be deemed rejected. Upon Tenant's written request, Landlord shall inform Tenant in writing of its rejection or approval of such submitted matter in the manner and to the address of Tenant designated for the giving of notice to Tenant under Article XIX of this Lease. Any review by Landlord of any matter submitted to Landlord is for Landlord's own convenience and purpose only. By undertaking such review, Landlord shall not have nor have any liability to Tenant or any other person, including, without limitation, the Tenant's insurers and lenders.

## **ARTICLE XXI HOLDING OVER**

**Section 21.01 Holding Over by Tenant.** Tenant shall not use or remain in possession of the Premises after the expiration of sooner termination of this Lease. Any holding over, or continued use or occupancy by Tenant after the termination of this Lease, without the written consent of Landlord, shall not constitute a tenant-at-will interest on behalf of Tenant, but Tenant shall become a tenant-at-sufferance and liable for holdover rent in an amount equal to two (2) times the monthly installment of Rent and all other expenses, obligations, and payments in effect for the immediately preceding year of the Term of this Lease. There shall be no renewal whatsoever of this Lease by operation of Law.

## **ARTICLE XXII COMPLIANCE WITH LAWS; ENVIRONMENTAL LAWS**

**Section 22.01 Compliance with Laws.** Tenant warrants and agrees that, during the entire Term of this Lease and at its expense: (a) Tenant will conduct Tenant's business and activities on or related to the Premises only in full compliance with all applicable Laws; (b) Tenant will neither do or permit any act or omission which could cause the Premises and Tenant's use thereof to fail to be in full compliance with all applicable Laws; and (c) Tenant will neither do or permit any act or omission which could cause any Liabilities to exist or be asserted against Landlord or the Premises. Without limiting the foregoing, Tenant shall promptly cure all violations of Law for which Tenant has received notice or a public notice of violation has been issued and pay all fines, penalties, interest, or other costs imposed by any Governmental Authorities in connection with any violation or requirement of any Law.

### **Section 22.02 Environmental Laws.**

(a) Tenant warrants and agrees that, during the entire Term of this Lease and at its expense, Tenant shall comply with all Environmental Laws. Such compliance shall include Tenant's obligation to take Remedial Action when required by such Environmental Laws and to pay all fines, penalties, interest, or other costs imposed by any Governmental Authorities in connection with any violation or requirement of any Environmental Law.

(b) Tenant shall notify Landlord promptly in writing if: (i) Tenant becomes aware of the presence or Release of any Hazardous Material at, on, under, over, emanating from, or migrating to the Premises in any quantity or manner which could reasonably be expected to violate in any material respect any Environmental Law or give rise to any material Liability or

the obligation to take Remedial Action; or (ii) Tenant receives any written notice, claim, demand, request for information, or other communication from a Governmental Authority regarding the presence or Release of any Hazardous Material at, on, under, over, emanating from, or migrating to the Premises.

(c) Tenant shall take and complete any Remedial Action with respect to the Premises in full compliance with all Laws and shall, when such Remedial Action is completed, submit to Landlord written confirmation from the applicable Governmental Authority that no further Remedial Action is required.

(d) Tenant shall provide Landlord with copies of all tests, studies, notices, claims, demands, requests for information, or other communications relating to the presence or Release of any Hazardous Materials at, on, under, over, emanating from, or migrating to the Premises.

### **ARTICLE XXIII BROKERS**

**Section 23.01 Brokers.** Landlord and Tenant each represent and warrant to the other that it has not dealt with any broker other than Landlord's Broker and Tenant's Broker (collectively, the "**Broker**") in connection with this Lease. Landlord and Tenant shall each indemnify and hold harmless the other from and against any and all claims for any brokerage fee or commission with respect to this Lease transaction by any broker with whom either Landlord or Tenant has dealt with or is alleged to have dealt with (other than Broker).

### **ARTICLE XXIV NO IMPAIRMENT OF LANDLORD'S TITLE**

**Section 24.01 No Impairment of Landlord's Title.** Tenant shall not permit the Premises to be used by any Person at any time or times during the Term of this Lease in such a manner as would impair Landlord's title to or interest in the Premises or in such a manner as would cause a claim or claims of adverse possession, adverse use, prescription, or other similar claims of, in, to, or with respect to the Premises.

### **ARTICLE XXV QUIET ENJOYMENT**

**Section 25.01 Quiet Enjoyment.** Landlord covenants and agrees that, if and so long as Tenant observes and performs each and every covenant, agreement, provision, and condition of this Lease on the part of Tenant to be observed and performed throughout the Term of this Lease, Tenant may peaceably and quietly enjoy the Premises without hindrance or molestation of Landlord or any Person acting through Landlord.

### **ARTICLE XXVI LIMITATION OF LANDLORD'S LIABILITY**

**Section 26.01 Limitation of Landlord's Liability.**

(a) If Landlord sells, assigns, or otherwise transfers (whether by operation of Law or otherwise) all or part of its interests in the Premises or this Lease: (i) Landlord shall be relieved of all obligations and Liabilities of Landlord under this Lease accruing after the effective date of such transfer; and (ii) the transferee shall be deemed to have assumed all of Landlord's obligations and Liabilities under this Lease effective from and after the effective date of the transfer.

(b) Landlord, its partners, members, shareholders, officers, directors, and principals, whether disclosed or undisclosed, shall have no personal liability under or in connection with this Lease. Tenant agrees that it shall look solely to Landlord's interest in the Premises and this Lease for the satisfaction of Tenant's remedies or to collect any judgment requiring payment of any money by Landlord.

## **ARTICLE XXVII GUARANTY**

**Section 27.01 Guaranty.** Landlord waives and releases any and all requirements for corporate or personal guaranty hereunder.

## **ARTICLE XXVIII MEMORANDUM**

**Section 28.01 Memorandum.** Either Landlord or Tenant may record a memorandum of this Lease or a memorandum of any amendment or modification of this Lease, provided the memorandum shall not include the financial terms of this Lease. Each party shall, upon the request of the other, join in the execution of a memorandum of this Lease or a memorandum of any amendment or modification of this Lease in proper form for recordation together with any transfer tax returns or forms necessary for such recordation, if applicable. The party requesting such memorandum of Lease shall be responsible for the payment of any recording fees and/or taxes. Upon the expiration or sooner termination of this Lease, Tenant covenants that it shall, at the request of Landlord, execute, acknowledge, and deliver an instrument canceling any memorandum of Lease that is recorded and all other documentation required to record same. If Tenant fails or refuses to execute, acknowledge, and deliver such instrument of cancellation, then Tenant hereby appoints Landlord as Tenant's attorney-in-fact, coupled with an interest, to execute, acknowledge, and deliver such instrument of cancellation on Tenant's behalf.

## **ARTICLE XXIX EXTENSION OPTIONS**

**Section 29.01 Option to Extend.** Provided no Event of Default shall have occurred and be continuing at the time of exercise or at the expiration of the Term or, if applicable, the immediately preceding extension period of the Term, Tenant shall have two (2) options to extend the Term of the Lease, each for a period of three (3) years on the same terms and provisions of this Lease then in effect (each such additional term being referred to as an "**Extension Term**" and each such option being referred to as an "**Extension Option**"), except that Base Rent for any extension period shall be the greater of: (i) the Base Rent in effect immediately prior to the commencement of the extension period or (ii) the then annual fair market rental value of the Land (as determined below).

**Section 29.02 Terms of Extension.** Tenant shall exercise an extension option by giving notice to Landlord of Tenant's intention to do so not more than ninety (90) days or less than forty-five (45) days prior to the expiration of the Lease Term or the then applicable Extension Term (the "**Extension Notice**"). Upon receipt of the Extension Notice, Landlord shall within thirty (30) days, at Tenant's expense, cause an appraisal of the fair market rental value of the Land to be made by a Qualified Appraiser. Landlord shall notify Tenant of the results of that appraisal and the resulting Base Rent payable for the upcoming extension period no later than forty-five (45) days after receipt of the Extension Notice from the Tenant (the "**Extension Rent**"). If Tenant objects to the amount of the Extension Rent, Tenant shall notify Landlord of its objection in writing within five (5) days after Tenant's receipt from Landlord of the amount of the Extension Rent. If the Tenant timely provides Landlord with Tenant's written objection notice, Landlord and Tenant shall immediately submit the matter to Arbitration. While the dispute is in Arbitration, Tenant shall pay monthly Base Rent to Landlord at a rate equal to one-hundred percent (100%) of the most recent rate of monthly Base Rent in effect on the expiration date of the initial Term or the immediately preceding Extension Term, as applicable, until a final decision in Arbitration is reached, and then Landlord and Tenant shall adjust payments made for the Extension Rent with Tenant paying Landlord any amount due within sixty (60) days of the final Arbitration decision, and Landlord shall apply any amount owed to the Tenant to the next installment or installments of Base Rent due and payable.

**Section 29.03 Failure to Exercise.** If Tenant fails to timely notify Landlord of its election to exercise its extension option in the manner set forth above, this Lease shall terminate on the last day of the Lease Term or, if applicable, the last day of the then applicable extension of the Lease Term.

## **ARTICLE XXX MISCELLANEOUS**

**Section 30.01 Landlord and Tenant Representations and Warranties.** Landlord and Tenant each represent and warrant that:

- (a) This Lease has been duly authorized, executed, and delivered by such party and constitutes the legal, valid, and binding obligation of such party.
- (b) There are no actions, suits, or proceedings pending or, to the knowledge of such party, threatened against or affecting such party, at law or at equity or before any Governmental Authority that would impair such party's ability to perform its obligations under this Lease.
- (c) The consummation of the transactions hereby contemplated and the performance of this Lease will not result in any breach or violation of, or constitute a default under, any other lease or financing agreement.

Tenant agrees that, if it is not an individual, it shall provide to Landlord, upon Landlord's request, evidence that the execution and delivery of this Lease has been duly authorized by Tenant.



### Section 30.01 Patriot Act.

(a) Tenant hereby represents and warrants to Landlord that Tenant: (i) is in compliance with the Office of Foreign Assets Control sanctions and regulations promulgated under the authority granted by the Trading with the Enemy Act, 12 U.S.C. § 95(a) *et seq.*, and the International Emergency Economic Powers Act, 50 U.S.C. § 1701 *et seq.*, as the same apply to it or its activities; (ii) is in compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time (the "**Patriot Act**") and all rules and regulations promulgated under the Patriot Act applicable to Tenant; and (iii) (A) is not now, nor has ever been, under investigation by any Governmental Authority for, nor has been charged with or convicted of a crime under, 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder; (C) has not had any of its funds seized, frozen or forfeited in any action relating to any anti-money laundering laws or predicate offenses thereunder; (D) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating or otherwise furthering, intentionally or unintentionally, the transfer, deposit or withdrawal of criminally derived property, or of money or monetary instruments which are (or which Tenant suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act. Neither Tenant nor any other Person owning a direct or indirect, legal, or beneficial interest in Tenant is in violation of the Executive Order or the Patriot Act. Neither the Tenant nor any of its respective constituents, investors (direct or indirect and whether or not holding a legal or beneficial interest) or Affiliates, acting or benefiting, directly or indirectly, in any capacity in connection with the Landlord and/or the Building Complex or this Agreement or any of the transactions contemplated hereby or thereby, is: (w) listed in the Annex to, or otherwise subject to the provisions of, that certain Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (the "**Executive Order**"); (x) named as a "specifically designated national (SDN)" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website (<http://www.treas.gov/ofac/t11sdn.pdf>) or at any replacement website or other replacement official publication of such list or that is named on any other Governmental Authority list issued post 9/11/01; (y) acting, directly or indirectly for terrorist organizations or narcotics traffickers, including those persons that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Financial Action Task Force on Money Laundering, U.S. Office of Foreign Assets Control, U.S. Securities and Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, all as may be amended or superseded from time to time; or (z) owned or controlled by, or acting for or on behalf of, any Person described in clauses (w), (x) or (y) above (a "**Prohibited Person**").

None of the funds or other assets of the Tenant constitute property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law, including but not limited to: (1) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.*; (2) The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*; and (3) any Executive Orders or regulations promulgated thereunder, with the result that sale by Tenant or other Persons (whether directly or indirectly), is prohibited by law (an "**Embargoed Person**"). No Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly); and none of the funds of Tenant have been derived from any unlawful activity with the result that an investment in the Tenant (whether directly or indirectly) or sale by the Tenant, is prohibited by law or that execution, delivery, and performance of this Lease or any of the transactions or other documents contemplated hereby or thereby is in violation of law.

**Section 30.02 No Waiver; Cumulative Rights of Landlord.**

(a) No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant with its undertakings, duties, and obligations hereunder, and no custom or practice of the parties hereto at variance with the provisions hereof shall constitute a waiver of Landlord's right to demand exact compliance with the provisions contained in this Lease.

(b) All rights, powers, and privileges conferred herein upon both parties hereto are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

**Section 30.03 Attorneys' Fees.** If any action is brought by either party against the other in connection with or arising out of this Lease, the Prevailing Party shall be entitled to recover from the other party its reasonable out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees, incurred in connection with the prosecution or defense of such action. The term, "**Prevailing Party**" shall include, without limitation, a party that substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Landlord shall be entitled to attorneys' fees, costs, and expenses incurred in the preparation and service of notices of default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default.

**Section 30.04 Provisions Are Binding Upon Successors and Assigns.** It is mutually covenanted, understood, and agreed by and between the parties hereto, that each of the provisions of this Lease shall apply to, extend to, be binding upon, and inure to the benefit or detriment of not only the parties hereto, but also the legal representatives, successors, and assigns of Landlord and Tenant hereto, and shall be deemed and treated as covenants running with the Premises during the Term of this Lease. Whenever a reference to the parties hereto is made, such reference shall be deemed to include the legal representatives, successors, and assigns of said party, the same as if in each case expressed.

**Section 30.05 Applicable Law.** This Lease shall be governed, construed, performed, and enforced in accordance with the Laws of the State of Texas.

**Section 30.06 Waiver of Jury Trial.** LANDLORD AND TENANT EACH WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT'S USE OR OCCUPANCY OF THE PREMISES.

**Section 30.07 Interpretation and Construction.** This Lease shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Any captions or headings used in this Lease are for convenience only and do not define or limit the scope of this Lease. The singular of any term, including any defined term, shall include the plural and the plural of any term shall include the singular. Whenever the singular or plural number, or masculine or feminine gender is used in this Lease, it shall equally apply to, extend to, and include the other.

**Section 30.08 Severability.** In the event any provision, or any portion of any provision of this Lease is held invalid, the other provisions of this Lease and the remaining portion of said provision, shall not be affected thereby and shall continue in full force and effect.

**Section 30.09 Time Is of the Essence.** All time limits stated in this Lease are of the essence of this Lease.

**Section 30.10 No Agency.** Nothing in this Lease is intended, or shall in any way be construed, so as to create any form of partnership or agency relationship between the parties. The parties hereby expressly disclaim any intention of any kind to create any partnership or agency relationship between themselves. Nothing in this Lease shall be construed to make either party liable for any of the indebtedness of the other, except as specifically provided in this Lease.

**Section 30.11 Entire Agreement.** The making, execution, and delivery of this Lease by Tenant has not been induced by any representations, statements, covenants, or warranties by Landlord except for those contained in this Lease. This Lease constitutes the full, complete, and entire agreement between and among the parties hereto; no agent, employee, officer, representative, or attorney of the parties hereto has authority to make, or has made, any statement, agreement, representation, or contemporaneous agreement, oral or written, in connection herewith modifying, adding to, or changing the provisions of this Lease. No amendment of this Lease shall be binding unless such amendment shall be in writing, signed by both parties hereto and attached to, incorporated in and by reference made a part of this Lease.

**Section 30.12 Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.



**ARTICLE XXXI**

**TENANT'S RIGHT OF FIRST REFUSAL**

**Section 31.01 Right of First Refusal.** During the initial term and any subsequent term hereof, provided Tenant is not otherwise in default under the terms of this Lease, Tenant shall have the first right of refusal to purchase the premises from Landlord upon the same terms as that offered by a third party.

**Section 31.02 Notice of Purchase Offer.** Landlord shall provide written notice to Tenant of its intent to sell the Premises to a third party of not less than 30 days. Notice shall include the terms of the purchase offer.

**Section 31.03 Landlord's Exercise of ROFR.** Within thirty (30) days' of notice being given to Tenant pursuant to Section 31.02 herein, Landlord shall provide written notice to Landlord of its intent to exercise Tenant's right of first refusal. The exercise of Tenant's ROFR shall close no later than the date scheduled for initial closing in the third-party Purchase Offer. Tenant exercise of its ROFR shall be on the same terms or terms more favorable to Landlord as compared to that in the third-party Purchase Offer.

**Section 31.04 Landlord's Failure to Exercise ROFR.** In the event Landlord fails to provide notice to Landlord of its intent to purchase the premises or fails to close within the time provided in this Article, Landlord shall be free to pursue any and all sales, unrestricted and without more.

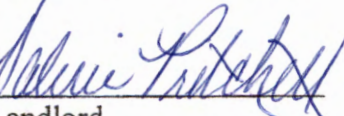
**IN WITNESS WHEREOF, LANDLORD AND TENANT HAVE EXECUTED THIS LEASE AS OF THE EFFECTIVE DATE.**

**LANDLORD:**

JAY HILLIARD

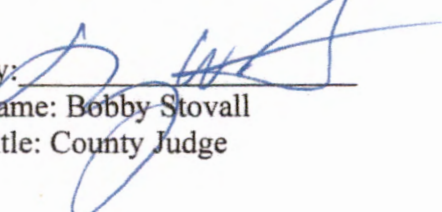
  
Landlord

VALERIE PRITCHETT

  
Landlord

**TENANT:**

HUNT COUNTY, TEXAS, a governmental entity

By:   
Name: Bobby Stovall  
Title: County Judge

## EXHIBITS

<u>Exhibit A</u>	Commencement Date Agreement
<u>Exhibit B</u>	Legal Description of Premises



Exhibit A  
Commencement Date Agreement

This Ground Lease having been brought forth and approved by the Commissioner's Court in and to Hunt County, Texas on September 27, 2022; the Parties thereto herein confirm the following:

Lease Commencement Date: OCTOBER 1, 2022

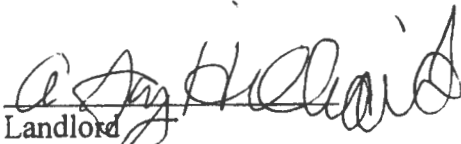
Rent Commencement Date: OCTOBER 1, 2022

Expiration Date: SEPTEMBER 30, 2027

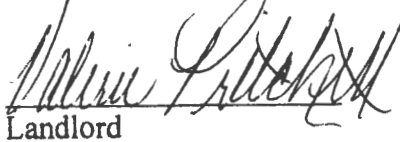
Consented and Agreed by the parties on this 27th day of SEPTEMBER 2022.

**LANDLORD:**

JAY HILLIARD

  
Landlord

VALERIE PRITCHETT

  
Landlord

**TENANT:**

HUNT COUNTY, TEXAS, a governmental entity

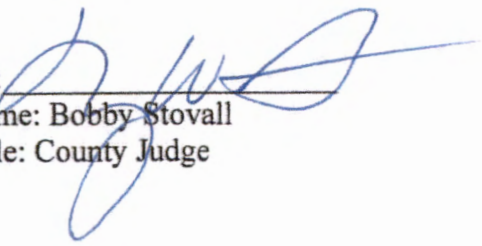
By:   
Name: Bobby Stovall  
Title: County Judge

Exhibit B.

Legal Description of Premises

**TRACT ONE**

All that certain lot, tract or parcel of land lying and being situated in the City of Greenville, Hunt County, Texas, being a part of the John Gillespie Survey, Abstract No. 356, and being the South one-half of Lots 3 and 8 in block 12, being more particularly described as follows:

BEGINNING at the Southeast corner of Lot 8 in said Block;

THENCE West 216 feet;

THENCE North 27 feet;

THENCE East 216 feet;

THENCE South 27 feet to the place of beginning.

**TRACT TWO**

All that certain lot, tract or parcel of land lying and being situated in the City of Greenville, Hunt County, Texas, being a part of the John Gillespie Survey, Abstract No. 356, and being the North one-half of Lots 3 and 8 in Block 12, being more particularly described as follows:

BEGINNING at the Southwest Corner of Lot 2 in Block 12;

THENCE East 216 feet;

THENCE South 27 feet;

THENCE West 210 feet;

THENCE North 27 feet to the place of beginning.