

TEXAS COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and effective June 1, 2018, by and between Mikel D. Van Brocklin ("Landlord") and Burnet County, Texas ("Tenant").

Is the owner of land and improvements commonly known and numbered as 1008 N. Water Street, Burnet, Texas 78611 and legally described as follows (the Building):

LOT ONE (1) PALM VALLEY, a subdivision in Burnet County,
Texas, as shown by plat recorded in Cabinet 4, Slide 121 C,
Plat Records of Burnet County, Texas

Landlord desires to lease the Building to Tenant, and Tenant desires to lease the Building from Landlord for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

1. TERM:

Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for a twelve month period to begin on June 1, 2018 and run through September 30, 2018. A 90-day prior written notice from Tenant to Landlord is required to vacate the premises.

2. RENTAL:

Tenant shall pay to landlord \$1300.00 per month. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to Landlord at 401 Buchanan Dr., Burnet, Texas 78611 or at such other place designated by written notice from Landlord or Tenant. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis. The total collected at lease start date is \$1300.00, plus a daily lease payment if Tenant begins to occupy the leased premises before June 1, 2018.

3. USE:

Notwithstanding the forgoing, Tenant shall not use the Lease Premises for the purpose of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical thing or device.

4. SUBLEASE AND ASSIGNMENT:

Tenant shall have the right without Landlord's consent, to assign this Lease to a corporation with which Tenant may merge or consolidate, to any subsidiary of Tenant, to any corporation under common control with Tenant, or to a purchaser of substantially all of Tenant's assets. Except as set forth above, Tenant shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or part without Landlord's consent, such consent not to be unreasonably withheld or delayed.

5. REPAIRS:

During the Lease term, Tenant shall make, at Tenant's expense, all necessary repairs to the Lease Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings and other parts of leased premises damaged or worn through normal occupancy, except for major mechanical systems of the roof, subject to the obligations of the parties otherwise set forth in this Lease.

6. ALTERATIONS AND IMPROVEMENTS:

Tenant, at Tenant's expense, shall have the right following Landlord's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in workman like manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or place or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense.

7. PROPERTY TAXES:

Landlord shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises, and all personal property taxes with respect to Landlord's personal property, if any, on the Leased Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

8. INSURANCE:

A. If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act or negligence of Tenant or any of Tenant's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance.

B. Landlord shall maintain fire and extended coverage insurance on the Building and the Leased Premises in at least the sum of \$190,000.00 or in greater sums as Landlord shall deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

9. UTILITIES:

Tenant shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used by Tenant on the Leased Premises during the term of the Lease unless otherwise expressly agreed in writing by Landlord. In the event that any utility or service provided to the Leased Premises is not separately metered, Landlord shall pay the amount due and separately invoice Tenant for Tenant's pro rata share of the charges. Tenant shall pay such amounts within fifteen (15) days of invoice. Tenant acknowledges that the Leased Premises are designed to provide standard office use electrical facilities and standard office lighting. Tenant shall not use any equipment or device that utilizes excessive electrical energy or which may, in Landlord's reasonable opinion, over load the wiring or interfere with electrical services to other tenants.

10. SIGNS:

Following Landlord's consent, Tenant shall have the right to place on the Leased Premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions. Landlord may refuse consent to any proposed signage that is in Landlord's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant.

11. ENTRY:

Landlord shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

12. PARKING:

During the term of this Lease, Tenant shall have the non-exclusive use in common with Landlord, other tenants of the Building, their guests and invitees, of the non-reserved common automobile parking areas, driveways and footways, subject to rules and regulations for the use therefore as prescribed from time to time by Landlord. Landlord reserves the right to designate parking areas within the Building or in reasonable proximity thereto, for Tenant and Tenant's agents and employees.

13. DAMAGE AND DESTRUCTION:

Subject to Section 8 above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purpose, then Tenant shall have the right within ninety (90) days following the damage to elect by notice to Landlord to terminate this Lease as of the date of such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purpose.

14. DEFAULT:

If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for fifteen (15) days after written notice hereof shall have been given to Tenant by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention, and of possession of the Leased

Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.

15. QUIET POSSESSION:

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

16. CONDEMINATION:

If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

17. SUBORDINATION:

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this Lease or attorn to the holder of any such liens as Landlord may request. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

18. SECURITY DEPOSIT:

No security deposit is required for this lease agreement.

20. NOTICE:

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

**If to Landlord to: Del Mar Management
401 Buchanan Dr.
Burnet, Texas 78611**

**If to Tenant: Burnet County
220 S. Pierce St.
Burnet, Texas 78611**

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

21. BROKERS:

Tenant represents that Tenant was not shown the Premises by any real estate broker or agent and that Tenant has not otherwise engaged in, any activity which would could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

22. WAIVER:

No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be constructed as a waiver of a subsequent breach of the same covenant, term or condition.

23. MEMORANDUM OF LEASE:

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

24. SUCCESSORS:

The provisions of this Lease shall extend to and binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

25. COMPLAINT WITH LAW:

Tenant shall comply with all laws, orders ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

26. FINAL AGREEMENT:

This agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This agreement may be modified only by a further writing that is duly executed by both parties.

27. GOVERNING LAW:

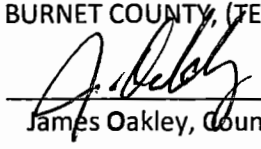
This agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Texas.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written

DATE: _____

Mikel D. Van Brocklin (Landlord)

BURNET COUNTY, (TENANT)



James Oakley, County Judge