

## COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT (the "Lease") is made between Williamson County, a political subdivision of the State of Texas, hereafter called "Lessor", and Operation Liberty Hill, Inc., a Texas non-profit corporation, hereafter called "Lessee".

The parties agree as follows:

**AGREEMENT TO LEASE AND DESCRIPTION OF THE PROPERTY.** The Lessor leases to the Lessee, and the Lessee rents from the Lessor, the following described commercial property: That certain property designated as 1401 HWY 183, Leander, Texas 78641 (Baker Estates, Lot B1 pt. and being 1.405 acres more or less) and is further depicted by the overhead image set out in Exhibit "A", which is attached hereto and incorporated herein (the "Leased Premises").

### 1. TERMS OF LEASE.

A. **Initial Term.** The initial term of this Lease shall be a period of Five (5) years, commencing on November 1, 2015 ("Commencement Date"), and ending at midnight on October 31, 2020 (the "Initial Term").

B. **Extension Term.** On or before the termination date of the Initial Lease Term, the Williamson County Commissioners Court reserves the right, at its sole discretion, to extend this Lease, for an additional Five (5) year term as it deems in the best interest of Williamson County; provided that Lessee also wishes to extend this Lease. The Extension Term shall begin on the expiration of the Initial Term. All terms, covenants, and provisions of this Lease shall apply to such Extension Term. The total term of this Lease, including all Extension Terms, if any, shall not exceed a maximum combined period of Ten (10) years.

### 2. RENTAL.

A. **Rental for Initial Term.** In advance on the First (1st) day of each calendar month, beginning on the Commencement Date, Lessee agrees to pay, without demand, deduction or offset, to Lessor \$100.00 as rent for the Leased Premises, plus \$1,174.00\* as additional rent for Lessee's One-Twelfth (1/12) payment of the estimated annual real property taxes for the Leased Premises, as set forth below. Payment of said amounts shall be made to Williamson County, Texas in care of: Williamson County Auditor's Office, Attn: Finance Director, 710 Main Street, Suite 301, Georgetown, Texas 78626 or such other place as Lessor may designate in writing.

**\*In the event that Lessee performs alterations and improvements to the Leased**

Premises during the time period prior to the Commencement Date of the Initial Term (see Paragraph 5.A. below) and real property taxes are assessed against the Leased Premises during such time period, Lessee shall, upon thirty (30) day's notice, pay Lessor for all such property taxes. However, should Lessee obtain property tax exemption status during the aforementioned period and no property taxes are assessed against the Leased Premises, Lessee shall not be required to pay the above-mentioned property taxes as additional rent.

**B. Rent Adjustment for Extension Term(s).** Following the Initial Term, the rent will be adjusted on the first day of the Extension Term, if any, (the "Adjustment Date") to reflect increases in the Consumer Price Index for "All Urban Consumers, U.S. City Average, All Items," issued by the Bureau of Labor Statistics of the United States Department of Labor. The adjustments in the then current rent will be determined by multiplying the rental amount paid during the Initial Term ("Initial Base Rent") by a fraction, the numerator of which is the most recently published index number prior to the last month before the adjustment and the denominator of which is the index number for the first month of the Initial Term. If the product is greater than the Initial Base Rent, Lessee will pay this greater amount as base rent until the next rental adjustment. The base rent for any Extension Term will never be less than the Initial Base Rent.

**C. Untimely or Insufficient Payment of Rent.** If Lessee fails to timely pay any month's rent, Lessee will pay Lessor an initial late charge of FIFTY DOLLARS (\$50.00), plus additional late charges of TEN DOLLARS (\$10.00) per day thereafter until rent is paid in full. Time is of the essence for the payment of rent. **Lessee hereby acknowledges that strict compliance with rental due dates is required and that there is no grace period pertaining to the payment of rent.** Any waiver of late charges or failure to collect late charges under this paragraph will not affect or diminish any other right or remedy Lessor may exercise, at law or in equity, for Lessee's failure to timely pay rent (including but not limited to reporting late payments to consumer reporting agencies).

Lessee further agrees to pay Lessor TWENTY FIVE DOLLARS (\$25.00) for each check Lessee tenders to Lessor which is returned by the institution on which it is drawn for any reason, plus initial and additional late charges until Lessor has received payment in full. Lessor may, upon written notice to Lessee, require Lessee to pay all rents by money order, cashier's check, certified funds, or other means acceptable to Lessor.

3. **NOT USED.**

4. **TAXES.**

**A. Personal Property Taxes.** Lessee agrees to pay any taxes levied against the personal property and trade fixtures of the Lessee in and about the Leased Premises,

provided, however, that if any such taxes of Lessee are levied against Lessor or Lessor's property or if the assessed value of Lessor's property is increased by the inclusion of the value placed on Lessee's property and Lessor pays those taxes, Lessee, on demand, shall reimburse Lessor for all taxes actually paid on Lessee's behalf.

**B. Real Property Tax Reimbursement:** Lessee agrees to pay all taxes, assessments and governmental charges of any kind and nature whatsoever (hereinafter collectively referred to as the "Taxes"), levied or assessed against the Leased Premises. Included also shall be Lessee's share of all costs in contesting, rendering and otherwise adjusting the Taxes.

1. **Payment of Taxes to Lessor:** On the First (1<sup>st</sup>) day of each month during the Initial Term and any Extension Term, Lessee shall pay to Lessor, as additional rent, without offset or deduction, an amount equal to one-twelfth (1/12) of the estimated Taxes as calculated by Lessor (prorated for any partial month). The estimated one-twelfth (1/12) monthly Tax payment for the first year of the Initial Term is set forth above in Section 2 (A.).
2. **Tax Statement; Deficiency or Offset of Tax Costs:** On or before January 31<sup>st</sup> of the Initial Term or any Extension Term of the Lease, Lessor shall furnish to Lessee a tax statement showing the total actual Tax costs for such Lease term and the total amount of Tax payments made by Lessee during such Lease term.
  - a. If Lessee's actual Tax costs exceeds the aggregate of Lessee's monthly payments made during the current year, Lessee shall pay Lessor the deficiency within thirty (30) days after receipt of the statement.
  - b. If Lessee's monthly payments exceed Lessee's actual Tax costs as shown on the statement, Lessee shall be entitled to offset the excess against payments thereafter becoming due for Lessee's actual Tax costs.
  - c. Lessee's rent payment shall be adjusted in the event the Taxes increase or decrease thereby causing the Lessee's actual Tax costs to change. Lessor will notify Lessee of any rent adjustment in the tax statement that is sent to Lessee on or before January 31<sup>st</sup>.
3. **Remedy for Non-Payment:** If Lessee should fail to pay any Taxes, assessments, or governmental charges required to be paid by Lessee hereunder, in addition to any other remedies provided herein, Lessor may, if Lessor so elects, pay such Taxes, assessments and governmental

charges. Any sums so paid by Lessor shall be deemed to be so much additional rental owing by Lessee to Lessor and due and payable upon demand as additional rental plus interest at the maximum rate of interest allowed by law from the date of payment by Lessor until repaid by Lessee. Any and all remedies that are set out herein for the late payment of rents may also be exercised by Lessor in relation to late payments of any Taxes, assessments, or governmental charges required to be paid by Lessee hereunder.

4. **Adjustment to Taxes; Contest of Taxes:**

- a. Lessee may, at its or their sole cost and expense, in its own name(s) and/or in the name of Lessor, dispute and contest the Taxes by appropriate proceedings diligently conducted in good faith but only after Lessee, joining with Lessee in such contest have deposited with the Lessor the amount so contested and unpaid, which shall be held by Lessor without obligation for interest until the termination of the proceedings, at which times the amount(s) deposited shall be applied by Lessor toward the payment of the items held valid (plus any court costs, interest, penalties and other liabilities associated with the proceedings), and Lessee's share of the excess shall be returned to Lessee. Lessee further agrees to pay to Lessor upon demand Lessee's share (as among all lessees who participated in the contest) of all court costs, interests, penalties and other liabilities relating to such proceedings.
- b. Any payment to be made pursuant to this section with respect to the real estate tax year in which this Lease commences or terminates shall bear the same ratio to the payment which would be required to be made for the full tax year as that part of such tax year covered by the term of this Lease bears to a full tax year.

5. **Taxes Levied Prior to Commencement Date of Initial Term:** In the event that Lessee performs alterations and improvements to the Leased Premises during the time period prior to the Commencement Date of the Initial Term, as allowed pursuant to Paragraph 5.A. below, and real property taxes are assessed against the Leased Premises for such time period, Lessee shall, upon thirty (30) day's notice, pay Lessor for all such property taxes. Such property taxes will be deemed additional rent and non-payment of same by Lessee shall constitute a breach of this Lease.

6. **Property Tax Exempt Status:** Lessee intends to submit an application and other documentation in order to seek property tax exempt status. In the event that Lessee obtains property tax exemption status during any

time period following the execution of this Lease and no property taxes are assessed against the Leased Premises for such time period, Lessee shall not be required to pay the property taxes as additional rent during the period of time that no property taxes are assessed against the Leased Premises.

**5. ALTERATIONS, IMPROVEMENTS AND UTILITIES.**

**A. Alterations and Improvements by Lessee.** Immediately following the complete execution of this Lease and prior to the Commencement Date of the Initial Term and at any time during the Initial Term or any Extension Term, Lessor agrees that Lessee may make any exterior or interior alterations or improvements to the Leased Premises as Lessee may deem desirable for the permitted use of the Leased Premises at Lessee's option, sole expense and without cost to Lessor; provided, however, Lessee shall comply with the requirements set forth below in sections (i) through (v) below:

- i. All work shall be completed in a lien-free manner; at a time and in a manner that does not unreasonably interfere with adjacent property owners; and in compliance with all applicable laws, ordinances, fire codes and regulations. Lessee shall, at Lessee's expense, make any alterations or improvements to the Leased Premises that may be required, as set forth elsewhere in this Lease, in order to comply with ADA or other laws and which are necessitated by, or trigger as a result of, any alterations or improvements made by Lessee to the Leased Premises.
- ii. Lessee shall submit to Lessor, at least thirty (30) days prior to the anticipated construction commencement date, copies of detailed working drawings, plans and specifications prepared for or on behalf of Lessee.
- iii. Any alterations or improvements which would affect any of the structural or load bearing elements of buildings on the Leased Premises, including the load bearing walls, foundation and structural supports; or increase the area of the Leased Premises by horizontal or vertical expansion, shall require the written approval of Lessor before the commencement of construction. Lessor shall have twenty (20) days after the detailed working drawings, plans and specifications have been submitted to Lessor within which to object or accept the proposed alterations or improvements. Any changes or corrections required by Lessor will be submitted to Lessee within the twenty (20) day period. If Lessor fails to object in writing to the proposed alterations or improvements within the twenty (20) day period, Lessor will be deemed to have accepted Lessee's proposed alterations or improvements. Any changes or corrections required by Lessor must be made and plans resubmitted to Lessor within twenty (20) days after the required corrections or changes have been noted. Lessor's failure to object to such resubmitted plans and specifications within twenty (20) days shall constitute Lessor's approval of the changes. However, notwithstanding any other provision to

the contrary in this Lease, Lessee shall have the right to install in and on the Leased Premises (on its roof or wherever Lessee deems appropriate) any equipment without the prior written approval of Lessor so long as the installation of any such equipment is not in violation of any local or federal laws or regulations.

- iv. Lessee shall, prior to commencement of construction and at all times until completion of construction, maintain and furnish to Lessor or cause Lessee's construction contractor to maintain and furnish proof of insurance coverages in the minimum amounts as described below. Coverage shall be written on an occurrence basis by companies authorized and admitted to do business in the State of Texas and rated A- or better by A.M. Best Company, or otherwise acceptable to Lessor.

<b>Type of Coverage</b>	<b>Limits of Liability</b>		
a. Worker's Compensation	Statutory		
b. Employer's Liability			
Bodily Injury by Accident	\$500,000 Ea. Accident		
Bodily Injury by Disease	\$500,000 Ea. Employee		
Bodily Injury by Disease	\$500,000 Policy Limit		
c. Comprehensive general liability including completed operations and contractual liability insurance for bodily injury, death, or property damages in the following amounts:			
	COVERAGES	PER OCCURRENCE	
	Comprehensive General Liability <i>(including premises, completed operations and contractual)</i>	\$1,000,000	
	Aggregate policy limits:	\$2,000,000	
d. Comprehensive automobile and auto liability insurance (covering owned, hired, leased and non-owned vehicles):			
	COVERAGES	PER PERSON	PER OCCURRENCE
	Bodily injury <i>(including death)</i>	\$1,000,000	\$1,000,000
e. Property damage	PER PERSON	PER OCCURRENCE	
	\$1,000,000	\$1,000,000	
	Aggregate policy limits	No aggregate limit	

All policies provided by the Lessee must provide as follows:

- a. that the policy shall not be canceled, limited in scope or coverage, or non-renewed until after thirty (30) calendar days prior written notice, or ten (10) calendar days for non-payment of premium, has been given to the Lessor;
  - b. the insurance shall be deemed primary with respect to any insurance or self insurance carried by Lessor;
  - c. that the Lessor, its officials, directors, employees, representatives, and volunteers are added as additional insured;
  - d. that the workers' compensation and employers' liability policy will provide a waiver of subrogation in favor of the Lessor.
- v. Lessee agrees that it will not permit any mechanic's, materialmen's, or other liens to stand against the Leased Premises for work or materials furnished in connection with any such alterations, remodeling or improvements. Provided, however, that Lessee shall have the right to contest the validity of any such lien or claim, but upon a final determination of the validity thereof, Lessee shall immediately pay any judgment or decree rendered against Lessee, with all proper costs and charges, and shall cause any lien to be released of record without cost to Lessor. During the pendency of any such contest, Lessee shall, at Lessee's expense, take such action as may be necessary in order to preclude foreclosure or other enforcement of such lien and, upon request by Lessor, shall bond around such lien as provided in Section 53.171 *et. seq.* of the Texas Property Code.

**B. Alterations and Improvements Performed by Lessee Prior to Commencement Date of Initial Term:** Lessee agrees and acknowledges that all terms, covenants, and provisions of this Lease shall apply and be enforceable following the complete execution of this Lease and during the time that Lessee performs any alterations and improvements to the Leased Premises prior to the Commencement Date of the Initial Term and that the terms, covenants, and provisions of this Lease shall continue thereafter during the Initial Term or any Extension Term.

**C. Utility Facilities and Services.** Lessee hereby acknowledges and understands that utility facilities either do not exist or they are not in operable condition as of the execution of this Lease and that Lessee shall solely bear all expenses that may be necessary to acquire such utilities and related facilities to the Leased Premises. Furthermore, Lessee shall be responsible for arranging and paying for all utility facilities and services required in and to the Leased Premises since no utilities or utility facilities will be provided by Lessor. Such utility facilities and services shall include but not limited to electricity, gas, water, wastewater, telephone, IT communication services,

alarm monitoring systems, television, sewer charges, and trash collection. Lessee further agrees to pay all connection fees, service fees, usage fees, and all other costs and fees for all utilities and utility facilities to the Leased Premises. Lessee must, at a minimum, keep the following utilities on at all times during any term of this Lease (to the extent they are available at the Leased Premises): gas; electricity; water; wastewater/sewer; and garbage services and collection. If the Lessee fails to keep said utilities on during any term of this Lease, Lessee shall be deemed to be in default of this Lease.

Lessor does hereby agree to grant a utility easement to Pedernales Electric Cooperative at a location on the Leased Premises that is acceptable to Lessor; provided, however, Lessee shall bear any costs associated with such easement, if any.

**6. INDEMNIFICATION AND INSURANCE.**

**A. INDEMNIFICATION - EMPLOYEE PERSONAL INJURY CLAIMS. TO THE FULLEST EXTENT PERMITTED BY LAW, LESSEE SHALL INDEMNIFY, DEFEND (WITH COUNSEL OF COUNTY'S CHOOSING), AND HOLD HARMLESS LESSOR, AND LESSOR'S EMPLOYEES, AGENTS, REPRESENTATIVES, OFFICERS, AND DIRECTORS (COLLECTIVELY, THE "INDEMNITEES") AND SHALL ASSUME ENTIRE RESPONSIBILITY AND LIABILITY (OTHER THAN AS A RESULT OF INDEMNITEES' GROSS NEGLIGENCE) FOR ANY CLAIM OR ACTION BASED ON OR ARISING OUT OF THE PERSONAL INJURY, OR DEATH, OF ANY EMPLOYEE OF LESSEE, OR OF ANY SUBCONTRACTOR, OR OF ANY OTHER ENTITY FOR WHOSE ACTS THEY MAY BE LIABLE, WHICH OCCURRED OR WAS ALLEGED TO HAVE OCCURRED ON THE LEASED PREMISES OR IN CONNECTION WITH THE PERFORMANCE OF THIS LEASE. LESSEE HEREBY INDEMNIFIES THE INDEMNITEES EVEN TO THE EXTENT THAT SUCH PERSONAL INJURY WAS CAUSED OR ALLEGED TO HAVE BEEN CAUSED BY THE SOLE, COMPARATIVE OR CONCURRENT NEGLIGENCE OF THE STRICT LIABILITY OF ANY INDEMNIFIED PARTY. THIS INDEMNIFICATION SHALL NOT BE LIMITED TO DAMAGES, COMPENSATION, OR BENEFITS PAYABLE UNDER INSURANCE POLICIES, WORKERS COMPENSATION ACTS, DISABILITY BENEFITS ACTS, OR OTHER EMPLOYEES BENEFIT ACTS.**

**INDEMNIFICATION - OTHER THAN EMPLOYEE PERSONAL INJURY CLAIMS. TO THE FULLEST EXTENT PERMITTED BY LAW, LESSEE SHALL INDEMNIFY, DEFEND (WITH COUNSEL OF LESSOR'S CHOOSING), AND HOLD HARMLESS LESSOR, AND LESSOR'S EMPLOYEES, AGENTS, REPRESENTATIVES, OFFICERS, AND DIRECTORS (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, ARISING OUT OF OR ALLEGED TO BE RESULTING FROM THE PERFORMANCE OF THIS LEASE OR LESSEE'S USE OF THE LEASED PREMISES, TO THE EXTENT CAUSED BY THE NEGLIGENCE, ACTS, ERRORS, OR OMISSIONS OF LESSEE OR ITS SUBCONTRACTORS, ANYONE EMPLOYED BY THEM OR ANYONE FOR WHOSE ACTS THEY MAY BE LIABLE, REGARDLESS OF WHETHER OR NOT SUCH CLAIM, DAMAGE, LOSS OR EXPENSE IS CAUSED IN WHOLE OR IN PART BY A PARTY INDEMNIFIED HEREUNDER.**



**B. Insurance.** In order to insure the fulfillment of the above referenced indemnity provision, Lessee hereby agrees to maintain, at all times during any term of this Lease, at Lessee's sole cost, a comprehensive public liability insurance policy protecting Lessor against all claims or demands that may arise or be claimed on account of Lessee's use of the Leased Premises, in an amount of at least ONE MILLION DOLLARS (\$1,000,000.00), per occurrence of accident and/or injury, for injuries to persons and damages to real and/or personal property. Said insurance shall be written by a company or companies acceptable to Lessor, authorized to engage in the business of general liability insurance in the state of Texas, and name Lessor as an additional insured. Furthermore, said insurance shall be primary as to any other existing, valid, and collectible insurance. Lessee shall deliver to Lessor annual certificates demonstrating that said insurance is paid up and copies of the insurance policies issued by the insurance companies.

Lessee further agrees to maintain at all times during any term of this Lease, at Lessee's cost, broad coverage fire and casualty insurance on its property and to provide Lessor with a copy of the policy and a certificate issued by the insurance company demonstrating that insurance is paid up. Lessee's property will not be covered by any hazard insurance that may be carried by Lessor. The Lessee assumes the risk of loss on all contents of the Leased Premises owned by the Lessee, excluding the building structures and improvements owned by the Lessor.

Lessee shall, within Ten (10) calendar days from the execution of this Lease, obtain a certified statement by each insurance carrier containing a clause providing that the insurance carrier will give Lessor Thirty (30) days' written notice before any cancellation shall be effective. The insurance policies shall be provided by Lessee and shall be for a period of at least One (1) year.

The above insurance requirements are not intended to be compounded with any of Lessee's standing insurance policies. If the Lessee already has in force insurance policies which provide the coverage required under this paragraph, there is no need to purchase duplicate coverage.

7. **SUBORDINATION.** This Lease and all rights of Lessee under it are and shall be subject to and subordinate to the rights of any mortgage holder or security interest holder now or hereafter having a security interest in the Leased Premises or any other encumbrances Lessor desires to place on the Leased Premises.

8. **LESSEE'S COVENANTS.** Lessee further covenants and agrees as follows:  
A. To pay the rent and provide the consideration for the Lease as it is set out herein; to use the Leased Premises in a careful and proper manner for the express purpose of operating a commercial non-profit business providing public purpose services to citizens in and around Williamson County; to commit or permit no waste or damages to the

Leased Premises; to conduct or permit no business or act that is a nuisance or may be in violation of any federal, state, or local law or ordinance; to surrender the Leased Premises on expiration or termination of this Lease in clean condition and good repair, normal wear and tear excepted, provided, however, that all alterations, additions, and improvements permanently attached and made by Lessee (excepting movable furniture, equipment, supplies, and inventory installed by Lessee) shall become and remain the property of Lessor on the termination of Lessee's occupancy of the Leased Premises.

B. To comply with the Rules and Regulations attached hereto and incorporated herein.

C. To prohibit and refrain from engaging or in allowing any use of the Leased Premises that will increase Lessor's premiums for insurance on the building (if any is maintained) without the express written consent of Lessor.

D. In case of damage to glass in or on the Leased Premises, to replace it with glass of the same kind, size, and quality as quickly as possible at Lessee's expense.

E. To install any equipment in or on the Leased Premises or maintain signs advertising the Lessee on the Leased Premises without, in each case, obtaining the written consent of Lessor. If any alterations, additions, or improvements in or to the Leased Premises are made necessary by reason of the special use and occupancy of the Leased Premises by Lessee and, provided that Lessor grants its prior written permission to Lessee as may be required hereunder regarding such alterations, additions or improvements, Lessee agrees that it will make all such alterations, additions, and improvements in or to the Leased Premises at its own expense and in compliance with all building codes, ordinances, and governmental regulations pertaining to such work, use, or occupancy. **In accordance with indemnification provision above, Lessee agrees that it will hold Lessor harmless against all expenses, liens, claims, and damages to either property or person that may or might arise because any repairs, alterations, additions, or improvements are made.** Upon request of Lessor, Lessee agrees to restore, at Lessee's sole expense, the Leased Premises to its original condition upon the termination of this Lease.

F. To permit Lessor to enter and inspect the Leased Premises as Lessor may reasonably desire, at all reasonable times, and to permit Lessor to put on the Leased Premises a notice, that Lessee may not remove, stating that the Leased Premises are for rent one month preceding the expiration of this Lease.

G. Lessee agrees that it is solely responsible for making, at its sole cost, any alterations, additions, or improvements to the Leased Premises that are mandated by any and all state, federal and local accessibility legal requirements ("accessibility alterations"). The allocation of responsibility to Lessee for compliance with accessibility

legal requirements with respect to the Leased Premises is a material inducement for the parties to enter this Lease. The cost incurred on said accessibility alterations shall be borne solely by Lessee. Lessee must obtain the written consent of Lessor before making any type of accessibility alterations.

II. Lessee agrees to maintain, repair, and replace the following damage to the Leased Premises: septic system(s), damage to the exterior walls (including exterior painting), roof and roof structures, gutters, downspouts, exterior utility lines servicing the Leased Premises to the extent that they are not maintained by public utilities, and damage to structural portions of the Leased Premises (including, by way of example but not limitation, the foundation and members supporting the roof, all interior partition walls and the interior side of building walls which enclose the Leased Premises, doors, moldings, trim, window frames, and doorframes).

Lessee shall also maintain, repair, replace and keep in good repair and working condition the non-structural portions and interior of the Leased Premises, (including, by way of example but not limitation, kitchen exhaust hoods (annual inspections and cleanings), auto-doors, water heaters, plate glass, floor coverings, mechanical equipment, HVAC systems, HVAC filters, electrical systems and fixtures, light fixtures, light bulbs, interior plumbing and conduits embedded in the floor, and all other non-structural or interior aspects), ordinary wear and tear excepted.

Lessee further agrees to maintain the lawns, roads, parking areas, sidewalks, entry passages, pedestrian passageways, driveways, entrances and exits to, in, on or around the Leased Premises in good repair and in safe usable condition for use by Lessee, its employees, officers and agents, and all patrons, guests and invitees of the Leased Premises, and provide all reasonable services therefor, including without limitation, safeguarding, cleaning and sweeping, snow and ice removal, lighting, landscaping, watering, repainting, and overall repair and maintenance.

The maintenance and repair lists set out above are not inclusive, but rather, Lessee's maintenance obligations shall extend to, and shall include, all maintenance and all repair of the Leased Premises.

I. Lessee agrees that any and all minor adults and/or children of guests or invitees of Lessee, who may be present on the Leased Premises from time to time, shall not be left unattended and shall be accompanied and supervised, at all times while on the Leased Premises, by such minor adult's and/or child's parent or legal guardian. Whether supervised or unsupervised by a parent or legal guardian, at no time shall such minor adults and/or children be allowed to play on, near or about the Leased Premises, injure any person who may be present on the Leased Premises or otherwise damage the Leased Premises, any personal property situated on the Leased Premises, or any improvements situated thereon. In the event that such minor adults and/or children damage or destroy

the Leased Premises or any improvements situated thereon or otherwise injure such persons who may be present on the Leased Premises, **Lessee hereby agrees that Lessee, in accordance with the indemnification provision above, shall be solely liable for any and all damages and/or injuries caused by such minor adults and/or children.** Immediately upon demand by Lessor, Lessee shall repair, at Lessee's sole cost, any and all damages caused to the Leased Premises and/or any improvements situated thereon. In the event such minor adults and/or children cause injury to persons who are present on the Leased Premises, Lessee hereby agrees to be solely liable to such persons who are injured.

**J.** Lessee agrees that it is solely responsible for making, at its sole cost, any alterations, additions, or improvements to the Leased Premises which are mandated or otherwise may be required for the issuance of a certificate of occupancy from the local municipality. Furthermore, Lessee agrees that it is solely responsible, at its sole cost, for making all alterations, additions, or improvements necessary to the Leased Premises to cause the Leased Premises and its intended use to be in compliance with any laws, rules, ordinances, development codes or regulations of any applicable governmental authority, entity, or body, including, without limitation, the American's with Disabilities Act, the Federal Government, the local municipality, the County of Williamson, and the State of Texas. The allocation of responsibility to Lessee for compliance with said laws, rules, ordinances, development codes or regulations is a material inducement for the parties to enter into this Lease. The costs incurred in causing the Leased Premises and its intended use to be in compliance with said laws, rules, ordinances, development codes or regulations shall be solely borne by Lessee.

**9. LESSOR'S COVENANTS.** Lessor covenants and agrees as follows:

**A.** To warrant and defend Lessee in the enjoyment and peaceful possession of the Leased Premises during the aforesaid term.

**B.** If the Leased Premises are destroyed or so damaged by fire, casualty, or other disaster that they become untenable, Lessor will have the right to terminate this Lease by written notice to Lessee.

**10. DEFAULTS BY LESSEE.** In addition to the remedies specifically set forth herein and those available at law or in equity, if Lessee fails to perform or breaches any term, condition or agreement set forth in this Lease, and this failure or breach continues for Ten (10) days after a written notice specifying the required performance has been given to the Lessee, Lessor may:

**A.** enforce specific performance causing the Lessee to strictly comply with and perform such term, condition or agreement; and in this event, the Lessee shall pay the Lessor all expenses of the litigation, including reasonable attorneys' fees; or

**B.** institute action in a court of competent jurisdiction to terminate this Lease and sue for damages, and the Lessee shall pay the Lessor all expenses of the litigation, including

reasonable attorneys' fees; or

**C.** may, but not be obligated to do so, enter the Leased Premises and perform Lessee's obligations for the account of and at the expense of Lessee. Bills for all amounts paid by Lessor and all losses, costs, and expenses incurred by Lessor in connection with such performance by Lessor pursuant to this clause, including without limitation, all amounts paid and costs and expenses incurred by Lessor for any property, material, labor or services provided, furnished, or rendered or caused to be provided, furnished or rendered, by Lessor to Lessee may be sent by Lessor to Lessee monthly or immediately, at Lessor's option, and shall be due and payable by Lessee to Lessor as Additional Rent within Five (5) days after same is sent to Lessee by Lessor; or

**D.** terminate this Lease, without liability, by written notice to Lessee, in which event, the term and tenancy hereby created shall terminate on the Tenth (10<sup>th</sup>) day after such notice is given (the "Termination Date") and Lessee shall within such Ten (10) day period vacate the Leased Premises and surrender them to Lessor in the state required under this Lease, with Lessor having the right to reenter and repossess the Leased Premises discharged of this Lease and to expel all occupants and to remove all property therefrom.

In addition to the remedies set forth herein and available at law, upon the occurrence of any default or breach, Lessor may enter and take possession of the Leased Premises by self-help, by picking or changing locks if necessary, and may lock out Lessee or any other person who may be occupying the Leased Premises, until the default is cured, without being liable for damages.

**11. DEFAULTS BY LESSOR.** Defaults by Lessor are failing to comply with any provision, term, condition or agreement of this Lease within Thirty (30) days after written notice from Lessee. Lessee's sole remedy for Lessor's default is to terminate this Lease.

**12. VOLUNTARY TERMINATION.** Lessee may terminate this Lease, without cause or liability, upon giving One Hundred Eighty (180) days written notice to Lessor. Upon Lessee's termination pursuant to this provision, Lessee shall surrender the Leased Premises peaceably to Lessor in the state required under this Lease. It is understood and agreed that all amounts due Lessor as of and including the date of termination, will be immediately due and payable on the date of Lessee's surrender of the Leased Premises. Lessor may terminate this Lease, without cause or liability, upon giving Two (2) year's written notice to Lessee. Upon Lessor's termination pursuant to this provision, Lessee will surrender the Leased Premises peaceably to Lessor in the state required under this Lease. It is understood and agreed that all amounts due Lessor as of and including the date of termination, will be immediately due and payable on the date of Lessee's surrender of the Leased Premises.

**13. INSOLVENCY, BANKRUPTCY, ETC., OF LESSEE.** If Lessee is declared insolvent or adjudicated a bankrupt; if Lessee makes an assignment for the benefit of creditors; if Lessee's leasehold interest is sold under execution or by a trustee in bankruptcy; or if a receiver is appointed for Lessee, Lessor, without prejudice to its rights hereunder and at its option, may

terminate this Lease and retake possession of the Leased Premises immediately and without notice to Lessee or any assignee, transferee, trustee, or any other person or persons, using force if necessary.

**14. LESSOR TO HAVE LIEN.** Lessor will have a lien against all goods, equipment, furniture, and other personal property of Lessee brought, stored, or kept on the Leased Premises during any term of this Lease, in the aggregate amount of all rent, damages, and other sums that may at any time be owed by Lessee to Lessor under the Lease. In the event of any default by Lessee, Lessor may foreclose the lien in the same manner that a mortgage would be foreclosed and, in that event, Lessee shall be obligated for all court costs and reasonable attorneys' fees.

**15. RIGHT TO SELL.** It is understood and agreed that Lessor shall have the right to sell or assign its right, title and interest in the Leased Premises, in whole or in part, at any time during any term of this Lease. If during any term of this Lease, the Leased Premises are sold by Lessor to a third party, this Lease shall terminate. Not later than One Hundred Eighty (180) days from the date in which Lessor gives Lessee notice that the Leased Premises has been sold, Lessee shall vacate the Leased Premises.

**16. ELECTION BY LESSOR NOT EXCLUSIVE.** The exercise by Lessor of any right or remedy to collect rent or enforce its rights under this Lease will not be a waiver or preclude the exercise of any other right or remedy afforded Lessor by this Lease or by statute or law. The failure of Lessor in one or more instances to insist on strict performance or observations of one or more of the covenants or conditions of this Lease or to exercise any remedy, privilege, or option conferred by this Lease on or reserved to Lessor shall not operate or be construed as a relinquishment or future waiver of the covenant or condition or the right to enforce it or to exercise that remedy, privilege, or option; that right shall continue in full force and effect. The receipt by Lessor of rent or any other payment or part of payment required to be made by the Lessee shall not act to waive any other additional rent or payment then due. Even with the knowledge of the breach of any covenant or condition of this Lease, receipt will not operate as or be deemed to be a waiver of this breach, and no waiver by Lessor of any of the provisions of this Lease, or any of Lessor's rights, remedies, privileges, or options under this Lease, will be deemed to have been made unless made by Lessor in writing.

No surrender of the Leased Premises for the remainder of any term of this Lease will be valid unless accepted by Lessor in writing. Lessee will not assign or sublet this Lease without Lessor's prior written consent. No assignment or sublease will relieve the assignor or sublessor of any obligation under this Lease. Each assignee or sublessee, by assuming such status, will become obligated to perform every agreement of this Lease to be performed by Lessee, except that a sublessee shall be obligated to perform such agreements only insofar as they relate to the subleased part of the property and the rent required by the sublease.

**17. LIMITATIONS OF WARRANTIES.** LESSEE ACKNOWLEDGES AND AGREES THAT, OTHER THAN AS MAY BE SPECIFICALLY SET FORTH HEREIN, LESSOR HAS NOT MADE, DOES NOT

MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE LEASED PREMISES, INCLUDING, WITHOUT LIMITATION, STRUCTURES, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE LEASED PREMISES, (C) THE SUITABILITY OF THE LEASED PREMISES FOR ANY AND ALL ACTIVITIES AND USES WHICH LESSEE MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE LEASED PREMISES OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, INCLUDING, WITHOUT LIMITATION, THE WILLIAMSON COUNTY AND CITIES HEALTH DISTRICT, THE AMERICANS WITH DISABILITIES ACT AND ANY RULES AND REGULATIONS PROMULGATED THEREUNDER OR IN CONNECTION THEREWITH, AND THE TEXAS ARCHITECTURAL BARRIERS ACT AND ANY RULES AND REGULATIONS PROMULGATED THEREUNDER OR IN CONNECTION THEREWITH, (E) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE LEASED PREMISES, OR (F) ANY OTHER MATTER WITH RESPECT TO THE LEASED PREMISES, AND SPECIFICALLY THAT LESSOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE LEASED PREMISES, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND APPLICABLE STATE LAWS, AND REGULATIONS PROMULGATED THEREUNDER. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE LEASED PREMISES, LESSEE IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE LEASED PREMISES AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY LESSOR. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE LEASED PREMISES WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT LESSOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION.

LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT THE LEASE OF THE LEASED PREMISES AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS" CONDITION AND BASIS "WITH ALL FAULTS". LESSEE ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS PARAGRAPH WERE A MATERIAL FACTOR IN THE DETERMINATION OF THE AMOUNT OF THE RENT AND CONSIDERATION TO BE PAID AND TENDERED FOR LESSEE'S USE OF THE LEASED PREMISES. THE TERMS OF THIS PARAGRAPH WILL SURVIVE ANY TERMINATION OF THIS LEASE.

18. **CONDEMNATION.** If during any term of this Lease, all of the Leased Premises are taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right or eminent domain, or are sold to the condemning authority under threat of condemnation, this Lease will terminate, effective as of the date the condemning authority takes the Leased Premises. If only a part of the Leased Premises shall be so taken or sold, but the remainder of the Leased Premises is not tenantable, Lessor may terminate this Lease at any time

within Forty Five (45) days following such taking or sale without liability to the Lessee. Any and all payments made for or arising from any such taking or for damages to the Leased Premises resulting therefrom shall belong and be payable entirely to Lessor.

**19. LESSOR'S LEASE ADMINISTRATOR AND PROPERTY MANAGER.** Gary Wilson, Director of Facilities for Williamson County (or his successor, as designated by Lessor), shall serve as the Lessor's lease administrator and property manager. The said lease administrator and property manager shall also serve as liaison between the Williamson County Commissioners' Court and the Lessee.

Lessor's lease administrator and property manager contact information is as follows:

Gary Wilson (or successor)  
Williamson County Facilities Director  
3101 S. E. Inner Loop  
Georgetown, Texas 78626  
Phone: (512) 943-1599  
Fax: (512) 930-3313  
Email: [facilities@wilco.org](mailto:facilities@wilco.org)

**20. NOTICES.** Any notice to be given hereunder shall be in writing and may be affected by personal delivery or in writing by certified mail, return receipt requested, addressed to the proper party, at the following addresses:

LESSOR: Williamson County Judge  
710 South Main, Ste. 101  
Georgetown, Texas 78626

LESSEE: Operation Liberty Hill, Inc.  
P.O. Box 1081  
Liberty Hill, Texas 78642

Notices to Lessee may also be mailed or delivered to the Leased Premises and proof of mailing or posting of those notices to the Leased Premises will be deemed the equivalent of personal service on Lessee.

**21. GENDER, NUMBER AND HEADINGS.** Words of any gender used in this Lease Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The headings and section numbers are for convenience only and shall not be considered in interpreting or construing this Lease. The captions and paragraphs or letters appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or



intent of the sections or articles of this Lease or affect this Lease in any way.

**22. PLACE OF PERFORMANCE.** This Lease shall be interpreted according to the laws of the State of Texas and shall be performed in Williamson County, Texas, and exclusive jurisdiction and venue shall lie in Williamson County, Texas.

**23. TERMS INCLUSIVE.** As used herein, the terms "Lessor" and "Lessee" include the plural whenever the context requires or admits.

**24. SEVERABILITY.** If any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, but rather this entire Lease will be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligation of the parties shall be construed and enforced in accordance therewith. The parties acknowledge that if any provision of this Lease is determined to be invalid or unenforceable, it is the desire and intention of each that such provision be reformed and construed in such a manner that it will, to the maximum extent practicable, give effect to the intent of this Lease and be deemed to be validated and enforceable.

**25. GOVERNMENTAL IMMUNITY.** Nothing in this Lease shall be deemed to waive, modify or amend any legal defense available at law or in equity to Lessor nor to create any legal rights or claim on behalf of any third party. Lessor does not waive, modify, or alter to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.

**26. ASSIGNMENT.** Lessee may not assign, in whole or in part, any interest it may have in this Lease without the prior written consent of Lessor.

**27. NO INDEMNIFICATION BY LESSOR.** Lessee acknowledges and agrees that Lessor, as a Texas County and a political subdivision of the State of Texas, under the Constitution and the laws of the State of Texas, cannot enter into an agreement whereby it agrees to indemnify or hold harmless any other party, including but not limited to Lessee; therefore, all references of any kind, if any, to Lessor indemnifying, holding or saving harmless any other party, including but not limited to Lessee, for any reason whatsoever are hereby deemed void and deleted.

**28. CHANGE OF NAME.** Lessee intends and strives to be a more regional care center and offer public service benefits on a regional scale as opposed to a local scale. Thus, Lessee may change its current name of Operation Liberty Hill and, in so doing, the parties will execute any amendments necessary to reflect such name change in the future.

**29. ENTIRE AGREEMENT.** This Lease and its addenda, if any, sets forth all the promises, agreements, conditions, and understandings between Lessor and Lessee relative to the Leased Premises and supersedes any prior understandings or written or oral agreements between

the parties with respect to the to the Leased Premises. There are no other promises, agreements, conditions, or understandings, either oral or written, between them. No subsequent alteration, amendment, change, or addition to this Lease will be binding on Lessor or Lessee unless in writing and signed by them and made a part of this Lease by direct reference.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed to be effective as of the date of the last party's execution below.

Signed, sealed, and delivered in our presence as:

**LESSOR: WILLIAMSON COUNTY**

By: [Signature]  
Judge Dan A. Gattis

Date: 07-12, 2015

**LESSEE: OPERATION LIBERTY HILL, INC., a**  
Texas non-profit corporation

By: [Signature]

Printed Name: Susan Baker

Representative Capacity: Executive Director

Date: July 6, 2015

## RULES AND REGULATIONS

1. Lessee and Lessee's employees shall not loiter in any common area adjoining the Leased Premises nor shall they in any way obstruct the sidewalks, entry passages, pedestrian passageways, driveways, entrances and exits to in, on or around the Leased Premises. They shall use the same only as passageways to and from their respective work areas.

2. Lessee shall keep all sidewalk areas in, on and around the Leased Premises clean and free of debris. Lessee shall reimburse Lessor for the expense of cleaning or repairing any breakage, stoppage or damage resulting from a violation of this rule.

3. Lessee shall not do anything in the Leased Premises, or bring or keep anything therein, which will in any way increase or tend to increase the risk of fire or the rate of fire insurance or which shall conflict with the regulations of the local fire department or other local or state laws, or with any insurance policy on the Leased Premises or any part thereof, or with any rules or regulations established by any administrative body or official having jurisdiction.

5. Lessee nor Lessee's officers, agents and employees shall make or permit any loud, unusual or improper noises, nor bring into nor keep within the Leased Premises any animal or bird (except for animals assisting handicapped persons).

6. All garbage, including wet garbage, refuse or trash, shall be placed by Lessee in the receptacles near the Leased Premises provided by Lessee for that purpose.

7. Lessee shall not permit any chemicals, trash or other foreign materials to be deposited or disposed of in the Leased Premises except that trash which legally may be sent to the municipal or county landfill may be placed in the receptacles provided on the Leased Premises by Lessee. Lessee shall cooperate with Lessor so that any common areas adjoining the Leased Premises may be kept in a clean and orderly condition and free of obstructions.

8. Lessee, at Lessee's cost, shall service the Leased Premises on not less than on a quarterly basis to prevent the development of pests, roaches, rodents, ants, spiders, or etc.

12. Lessee shall cooperate with any security regulations issued by Lessor from time to time, and shall comply with instructions and/or directions of Lessor's duly authorized personnel for the protection of the Leased Premises.

13. No waiver of any rule or regulation by Lessor or Lessor's agent shall have any effect unless expressed in writing and signed by Lessor or its authorized agent.

17. Lessor reserves the right at any time to reasonably change or rescind any one or more of these rules or regulations or to make such other and further reasonable rules and regulations as in Lessor's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Leased Premises, and for the preservation of good order therein. Lessor shall not be responsible to Lessee or any other person for the non-observance or violation of the rules and regulations by any other Lessee or other person; however, Lessor shall not discriminate when enforcing the rules and regulations. Lessee shall be deemed to have read these rules and to have agreed to abide by them as a condition to its occupancy of the Leased Premises herein leased.

18. In the event of any conflict between these rules and regulations or any further or modified rules and regulations from time to time issued by Lessor and the Lease provisions, the Lease provisions shall prevail.

Exhibit "A"

