

LEASE

Basic Information

Date: February \_\_\_\_\_, 2022

Landlord: City of Crockett, Texas

Landlord's Address: 200 North Fifth Street, Crockett, Texas 75835

Tenant: Piney Woods Sanitation, Inc.

Tenant's Address: 400 N. Durrett Drive, Crockett, Texas 75835

Premises: The 1,500 square foot building at 400 N. Durrett Drive, Crockett, Texas, more particularly described in Exhibit "A" attached hereto.

Term (months): Month to month, until either party gives the other party at least sixty (60) days written notice of intent to terminate this lease.

Commencement Date: \_\_\_\_\_, 2022

Base Rent (monthly): \$500.00 per month, payable in advance on the first day of each month until the expiration of eighteen (18) months after the date of this lease, when the rent will increase to \$1,000.00 per month, payable in advance on the first day of each month during the term of this lease.

Permitted Use: Vehicle maintenance shop.

Tenant's Insurance: As required by Insurance Addendum

A. Definitions

1. "Agent" means agents, contractors, employees, licensees, and, to the extent under the control of the principal, invitees.

2. "Injury" means (a) harm to or impairment or loss of property or its use, (b) harm to or death of a person, or (c) "personal and advertising injury" as defined in the form of liability insurance Tenant is required to maintain.

3. "Rent" means Base Rent plus any other amounts of money payable by Tenant to Landlord.

B. Tenant's Obligations

1. Tenant agrees to--

a. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.

b. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.

c. Obey (i) all laws relating to Tenant's use, maintenance of the condition, and occupancy of the Premises; and (ii) all requirements imposed by utility companies serving or insurance companies covering the Premises or Building;

d. Pay monthly, in advance, on the first day of the period, the Base Rent to Landlord at Landlord's Address

e. Pay a late charge of 5 percent of any Rent not received by Landlord by the tenth day after it is due.

f. Obtain and pay when due all utility services to the premises.

g. Pay when due, and before delinquency, all taxes assessed against the Leased Premises.

h. Allow Landlord at any time, upon twenty-four (24) hours verbal notice, to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or Tenants.

i. Repair, replace, and maintain the Premises, normal wear excepted.

j. Repair, replace, and maintain parking lots, streets and accompanying infrastructure.

k. Vacate the Premises and return all keys to the Landlord on the last day of the Term or upon earlier date of default by Tenant. On request, execute an estoppel certificate that states the Commencement Date and Termination Date of the lease, identifies any amendments to the lease, describes any rights to extend the Term or purchase rights, lists defaults by Landlord, and provides any other information reasonably requested.

l. Comply with all regulations and requirements imposed by all governmental agencies with jurisdiction.

m. INDEMNIFY, DEFEND, AND HOLD LANDLORD, THE CITY OF

CROCKETT, TEXAS (THE "CITY"), AND THEIR AGENTS, SERVANTS AND EMPLOYEES, HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING ON ANY PORTION OF THE PREMISES OR OTHERWISE ARISING IN CONNECTION WITH THE PREMISES OR ANY USE OR NON-USE THEREOF. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (I) IS INDEPENDENT OF TENANT'S INSURANCE, (II) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKER'S COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (III) WILL SURVIVE THE END OF THE TERM, AND (IV) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD, BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD, THEIR AGENTS, SERVANTS AND EMPLOYEES.

2. Tenant agrees not to--

a. Use the Premises for any purpose other than the Permitted Use.

b. Create a nuisance.

c. Use the Premises in any way that would increase insurance premiums or void insurance on the premises.

d. Alter the Premises without prior written consent by the Landlord.

e. Allow a lien to be placed on the Premises.

f. Assign this lease or sublease any portion of the Premises without Landlord's written consent.

C. Landlord's Obligations

1. Landlord agrees to:

a. Lease to Tenant the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.

2. Landlord agrees not to:

a. Interfere with Tenant's possession of the Premises as long as Tenant is not in default.

D. General Provisions

Landlord and Tenant agree to the following:

1. Alterations. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.

2. Abatement. Tenant's covenant to pay Rent and Landlord's covenants are independent. Tenant will not be entitled to abate Rent for any reason.

3. Insurance. Tenant will maintain the insurance coverages described in the attached Insurance Addendum.

4. RELEASE OF CLAIMS/SUBROGATION. LANDLORD AND TENANT RELEASE EACH OTHER, AND THEIR RESPECTIVE AGENTS, SERVANTS AND EMPLOYEES, FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES OR BUILDING, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE BUILDING, AND LOSS OF BUSINESS OR REVENUES THAT ARE COVERED BY THE RELEASING PARTY'S PROPERTY INSURANCE OR THAT WOULD HAVE BEEN COVERED BY THE REQUIRED INSURANCE IF THE PARTY FAILS TO MAINTAIN THE PROPERTY COVERAGES REQUIRED BY THIS LEASE. THE PARTY INCURRING THE DAMAGE OR LOSS WILL BE RESPONSIBLE FOR ANY DEDUCTIBLE OR SELF-INSURED RETENTION UNDER ITS PROPERTY INSURANCE. LANDLORD AND TENANT WILL NOTIFY THE ISSUING PROPERTY INSURANCE COMPANIES OF THE RELEASE SET FORTH IN THIS PARAGRAPH AND WILL HAVE THE PROPERTY INSURANCE POLICIES ENDORSED, IF NECESSARY, TO PREVENT INVALIDATION OF COVERAGE. THIS RELEASE WILL NOT APPLY IF IT INVALIDATES THE PROPERTY INSURANCE COVERAGE OF THE RELEASING PARTY. THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF THE RELEASED PARTY OR ITS AGENTS BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RELEASED PARTY OR ITS AGENTS, SERVANTS OR EMPLOYEES.

5. Condemnation/Substantial or Partial Taking

1. If the Premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, this lease will terminate.

2. If there is a condemnation or purchase in lieu of condemnation and this Lease is not terminated, Landlord will, at Landlord's option, restore the Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be

fair and reasonable. If Landlord refuses to restore the premises, this Lease will terminate.

6. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

7. Uniform Commercial Code. Tenant grants Landlord a security interest in Tenant's personal property now or subsequently located on the Premises. This lease is a security agreement under the Uniform Commercial Code. Landlord may file financing statements or continuation statements to perfect or continue the perfection of the security interest.

8. Default by Landlord/Events. Defaults by Landlord are failing to comply with any provision of this lease within thirty (30) days after written notice.

9. Default by Landlord/Tenant's Remedies. Tenant's sole remedy for Landlord's default is to terminate this lease.

10. Default by Tenant/Events. Defaults by Tenant are (a) failing to pay timely Rent, (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply within ten (10) days after written notice with any provision of this lease other than the defaults set forth in (a) and (b). Notwithstanding the foregoing, ten (10) days written notice is not required if Tenant uses the Premises for other than a Permitted Use.

11. Default by Tenant/Landlord's Remedies. Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises on behalf of Tenant and receive the rent directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet, (b) enter the Premises and perform Tenant's obligations, and (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

12. Default/Waiver/Mitigation. It is not a waiver of default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.

13. Holdover. If Tenant does not vacate the Premises following termination of this lease, Tenant will become a Tenant at will and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term.

14. Attorney's Fees. If Landlord retains an attorney to enforce this lease, and prevails in litigation, Landlord is entitled to recover reasonable attorney's fees and other fees and court and other costs.

15. Venue. Exclusive venue is in a State District Court in the county in which the Premises are located.

16. Entire Agreement. This lease, its exhibits, addenda, and riders, are the entire agreement of the parties concerning the lease of the Premises by Landlord to Tenant. There are no representations, warranties, agreements, or promises pertaining to the Premises or the lease of the Premises by Landlord to Tenant, and Tenant is not relying on any statements or representations of any agent of Landlord, that are not in this lease and any exhibits, addenda, and riders.

17. Amendment of Lease. This lease may be amended only by an instrument in writing signed by Landlord and Tenant.

18. Limitation of Warranties. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

19. Notices. Any notice required or permitted under this lease must be in writing. Any notice required by this Lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

20. Abandoned Property. Landlord may retain, destroy, or dispose of any property left on the Premises at the end of the Term.

CITY OF CROCKETT, TEXAS

BY: \_\_\_\_\_  
IANTHIA FISHER, MAYOR

PINEY WOODS SANITATION, INC.

BY: \_\_\_\_\_  
\_\_\_\_\_, PRESIDENT

THE STATE OF TEXAS \*

COUNTY OF HOUSTON \*

This instrument was acknowledged before me by Ianthia Fisher, Mayor of the City of Crockett, Texas, on behalf of said entity, this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS \*

COUNTY OF HOUSTON \*

This instrument was acknowledged before me by \_\_\_\_\_, President of Piney Woods Sanitation, Inc., on behalf of said corporation, this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS

**Insurance Addendum to Lease**

Lease:

Date: \_\_\_\_\_, 2022

Landlord: City of Crockett, Texas

Tenant: Piney Woods Sanitation, Inc.

This insurance addendum is part of the lease.

A. Tenant agrees to -

1. Maintain the property and/or liability insurance policies required below during the Term and any period before or after the Term when Tenant is present on the Premises:

<b>Type of Insurance or Endorsement</b>	<b>Minimum Policy of Endorsement Limit</b>
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*General Liability Insurance Policies Required of Tenant:*

Commercial general liability (Occurrence basis)	Per occurrence: \$1,000,000.00 General aggregate: \$3,000,000.00
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*Additional Liability Insurance Policies Required of Tenant*

Workers' compensation	\$1,000,000.00 per occurrence
Employer's liability	\$1,000,000.00 per occurrence \$3,000,000.00 aggregate
Business automobile liability	\$1,000,000.00 combined single limit

*Property Insurance Policy Required of Tenant:*

Cause of loss-special form	100 percent of replacement cost of (a) all items included in the definition of Tenant's Rebuilding Obligations and (b) all of Tenant's furniture, fixtures, equipment, and other business personal property located in the Premises. \$3,500,000.00
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2. Comply with the following additional insurance requirements:
  - a. The commercial general liability (or business owner's property policy) must be endorsed to name Landlord and Lienholder as "additional insureds."
  - b. Property insurance policies must contain waivers of subrogation of claims against Landlord and Lienholder.
  - c. Certificates of insurance and copies of any additional insured and waiver of subrogation endorsements must be delivered by Tenant to Landlord before entering the Premises and thereafter at least ten days before the expiration of the policies.

3. Obtain the approval of Landlord and Lienholder with respect to the following: the forms of Tenant's insurance policies, endorsements and certificates, and other evidence of Tenant's Insurance; the amounts of any deductibles or self-insured retentions amounts under Tenant's Insurance; and the creditworthiness and ratings of the insurance companies issuing Tenant's Insurance.

1,500 Sq. Ft. Building Leased to Pineywoods Sanitation at  
400 N. Durrett Ave., Crockett, TX 75835

