

LEASE AGREEMENT

LESSOR:

FRANKLIN COUNTY, TEXAS
200 N. Kaufman Street
Mount Vernon, Texas 75457
Telephone: (903) 537-4252

LESSEE:

CITY OF MOUNT VERNON, TEXAS
109 N. Kaufman Street
Mount Vernon, Texas 75457
Telephone: (903) 537-2252

This **LEASE AGREEMENT** (hereinafter this "Agreement") is made and entered into on this 10th day of July, 2023 (the "Effective Date"), by and between the Lessor and Lessee (collectively the "Parties" and each individually a "Party" hereto).

RECITALS

WHEREAS, Lessor presently owns and maintains a parcel of real property located at 109 Scott Street, Mount Vernon, Texas 75457 (hereinafter the "Contract Premises");

WHEREAS, Lessee wishes to utilize the Contract Premises for the purpose of operating a farmers market and for such other similar events, activities, and purposes (hereinafter the "Permitted Uses");

WHEREAS, Lessor hereby agrees to lease to Lessee and Lessee agrees to lease from Lessor the Contract Premises during the Lease Term provided herein; and

WHEREAS, the Parties agree and acknowledge that this Agreement fully, completely, and adequately sets forth the terms and conditions upon which Lessee shall be permitted to utilize the Contract Premises.

AGREEMENT

NOW, THEREFORE, for and in consideration of the recitals, terms, conditions, and mutual promises, benefits, and covenants contained in this Agreement, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

- 1. Grant.** Lessor hereby expressly grants Lessee permission to utilize the Contract Premises for the Permitted Uses during the entire Lease Term.

2. **Contract Premises.** The Contract Premises shall include the real property and any and all improvements affixed thereon (including, but not limited to, the concrete pad) located at 109 Scott Street, Mount Vernon, Texas 75457. The Contract Premises is (1) approximately 0.71 acres of land; (2) identified by the Franklin County Appraisal District as Property ID #18671; and (3) legally described as “AB 425 J Sloan Depot.”
3. **Permitted Uses.** Lessee shall be permitted to utilize the Contract Premises to operate a farmers market and for other similar events, activities, and purposes in the manner described herein and during the entire Lease Term.
4. **Access to Contract Premises.** Lessor shall, at all times, be allowed reasonable access to the Contract Premises for inspections, audits, or any other purposes.
5. **Exclusive Use of Contract Premises.** Lessee shall have exclusive use of the Contract Premises during the Lease Term, as provided in Paragraph 6 of this Agreement.
6. **Restrictions on Use.** Lessee shall operate or utilize the Contract Premises for no purpose other than as stated in Paragraph 3 of this Agreement, which shall be subject to the following restrictions:
 - (a) Lessee shall, at all times, conduct its activities provided for hereunder in a wholesome, diligent, and efficient manner;
 - (b) Lessee shall, at all times, exercise reasonable precautions for the safety of its employees and others on or near the Contract Premises and shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations;
 - (c) Preparation of the Contract Premises for Lessee’s events and activities and clean-up of the Contract Premises following such activities and events thereon shall be the sole responsibility of Lessee;
 - (d) Lessee agrees that it will, on a continuous basis, restore same to as good a condition as existed prior to such use by Lessee;
 - (e) Lessee shall not cause or permit any illegal activity to be conducted upon the Contract Premises;
 - (f) Lessee shall be responsible for any damages to the Contract Premises resulting from use thereof by Lessee and its employees, agents, guests, invitees, or licensees.
7. **Term of Agreement and Renewal.** The initial term of this Agreement shall be for a period of one (1) year commencing on the Effective Date of this Agreement (the "Initial Term"), unless terminated earlier pursuant to Paragraph 11 of this Agreement. This Agreement shall automatically renew for an additional one (1) year period on the expiration date of the Initial Term, and on each successive anniversary date thereafter (each such date, an

"Expiration Date"), unless terminated earlier pursuant to Paragraph 11 of this Agreement. The Initial Term and each successive one-year (1-year) period thereafter shall be referred to as the "Lease Term."

8. **Consideration to Lessor.** As good and valuable consideration to Lessor in exchange for Lessee's use of the Contract Premises during the Lease Term, Lessee agrees to maintain, manage, mow, and keep clean the Contract Premises. Lessor hereby agrees and acknowledges that Lessor is neither due nor owed any sums of money from Lessee as consideration for Lessee's use of the Contract Premises during the Lease Term.
9. **Compliance with Law.** Lessee shall, at all times, observe and comply with all applicable federal, state, and local laws, ordinances, rules, and regulations, which effects Lessee's use of the Contract Premises.
10. **Changes, Alterations, Additions, and Improvements.** Lessee shall not make any material changes, alterations, additions, or improvements to the Contract Premises without the prior written consent of Lessor. If permitted, Lessee shall pay for all costs incurred or arising out of material changes, alterations, additions, or improvements to the Contract Premises.
11. **Termination.** Notwithstanding any provision of this Agreement to the contrary, Lessor and Lessee each reserve and shall have the right to terminate this Agreement in its entirety, at any time, and for whatever reason upon ninety (90) calendar days written notice to the other Party.
12. **Condition Upon Termination.** Upon the termination of this Agreement, Lessee shall (1) deliver each and every part of the Contract Premises to Lessor in the same or better repair and condition as it existed at the Effective Date of this Agreement, reasonable and ordinary wear and tear and damage caused by casualty excepted; and (2) restore the Contract Premises at Lessee's sole expense to the same condition as it existed at the Effective Date of this Agreement, reasonable and ordinary wear and tear and damage caused by casualty excepted.
13. **INDEMNIFICATION.** LESSEE SHALL, AT ALL TIMES, DEFEND, INDEMNIFY, AND HOLD HARMLESS LESSOR AND ITS ELECTED AND APPOINTED OFFICIALS, OFFICERS, ATTORNEYS, AGENTS, AND EMPLOYEES FROM AND AGAINST ALL DAMAGES, INJURIES (INCLUDING, BUT NOT LIMITED TO, DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOSS OF USE), LOSSES, DEMANDS, SUITS, JUDGMENTS, AND COSTS (INCLUDING, BUT NOT LIMITED TO, REASONABLE AND NECESSARY ATTORNEYS' FEES AND EXPENSES) IN ANY WAY ARISING OUT OF OR RESULTING FROM (1) THE PERFORMANCE OF THIS AGREEMENT; (2) THE USE OF THE CONTRACT PREMISES BY LESSEE; OR (3) A NEGLIGENT ACT OR OMISSION OF LESSEE, ITS OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, GUESTS, LICENSEES, OR INVITEES ON THE CONTRACT PREMISES, BUT ONLY TO

THE EXTENT AND UNDER THE CONDITIONS ALLOWED UNDER TEXAS LAW.

14. **Insurance.** Without limiting any of Lessee’s other obligations or liabilities, Lessee shall purchase and maintain during the Lease Term the following insurance coverage (1) with policy limits not less than those set forth in this Agreement; and (2) from companies duly licensed to write business in the State of Texas and rated A-1 or better by A.M. Best. Lessee shall maintain the following insurance coverage at its own expense, at all times, during the Lease Term. Lessor shall be named as an additional insured on all required policies, except Workers’ Compensation. Failure by Lessee to maintain the required insurance coverage shall not relieve Lessee of any contractual responsibility or obligation provided under this Agreement. Lessee’s insurance shall be primary and endorsed to provide a waiver of subrogation in favor of Lessor. Valid Certificates of Insurance for each policy covering the Lessee, together with a statement by the issuing company to the extent that said policies shall not be canceled without thirty (30) days prior notice being given Lessor, shall be delivered to Lessor prior to Lessee’s commencement of activities on the Contract Premises.

(a) **Commercial General Liability Insurance.** This insurance policy shall be an “occurrence” type policy written in comprehensive form and shall protect Lessee and Lessor (as additional insured) against all claims arising from bodily injury, sickness, disease, or death of any person or third party other than Lessee’s employees, as well as damage to the Contract Premises or property of others arising out of an act or omission of Lessee, or its employees, agents, or representatives. This policy shall also cover and include premises operations, independent contractor’s liability, completed operations, and contractual liability (which shall include, without limitation, the liability assumed under the indemnification provision of this Agreement). Lessee is required to maintain in force the following insurance coverage with policy limits not less than those listed below:

General Aggregate	\$2,000,000.00
Each Occurrence	\$1,000,000.00
Personal & Advertising Injury	\$1,000,000.00
Damage to Rented Premises	\$50,000.00
Sexual/Physical Abuse part of GL	\$50,000.00
Each Claim	\$25,000.00

(b) **Additional Insurance.** In addition to the insurance policies listed above, Lessee shall be required to maintain in force such other additional insurance as may be required by Lessor, to the extent the insurance is necessary and within the scope of this Agreement.

15. **No Assignment or Sub-Letting.** Lessee may not assign or sub-let any of its interests or rights in this Agreement without first obtaining Lessor’s written consent, which consent may be withheld in Lessor’s sole and absolute discretion. Any assignment or subletting shall be expressly subject to all terms and provisions of this Agreement.

16. **Venue.** All obligations hereunder shall be performable in Franklin County, Texas.
17. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.
18. **Notices.** All notices that a Party is required or may desire to give to the other Party under or in connection with this Agreement shall be deemed sufficient if given by addressing the same to the other Party at the address provided below or at such other place as may be designated in writing by the like notice. All notices shall be deemed delivered when addressed as required herein and deposited in the United States mail, first class postage prepaid, certified mail, return receipt requested.

If to Lessor:

Franklin County, Texas
Attn: Scott Lee, County Judge
200 N. Kaufman Street
Mount Vernon, Texas 75457
Email: slee@franklin.co.tx.us
Telephone: (903) 537-4252

If to Lessee:

City of Mount Vernon, Texas
Attn: Craig Lindholm
109 N. Kaufman Street
Mount Vernon, Texas 75457
Email: clindholm@comvtx.com
Telephone: (903) 537-2252

With a courtesy copy to:

L. Stanton Lowry
City Attorney
BOYLE & LOWRY, L.L.P.
4201 Wingren, Suite 108
Irving, Texas 75062
Email: slowry@boyle-lowry.com
Telephone: (972) 650-7100

19. **Entire Agreement; Binding Effect.** This Agreement contains the final, complete, and entire agreement between the Parties. The Parties agree and acknowledge that no representations or warranties of any kind have been made by either Party other than those expressed herein. All prior agreements (whether written or oral) respecting the subject matter hereof are of no force or effect and are superseded in their entirety by this Agreement. No prior course of dealing between the Parties, course of performance, and/or

usage of the trade shall be relevant to supplement or explain any term used in this Agreement. Although this Agreement may have been substantially drafted by one Party, it is the intent of the Parties that all provisions be construed in a manner to be fair to both Parties, reading no provisions more strictly against one Party or the other.

20. **Modifications or Amendments.** This Agreement can only be modified or amended by a writing signed by Lessor and Lessee.
21. **Severability.** The invalidity, illegality, or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void. The Parties further agree to reform this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Paragraph shall not prevent this entire Agreement from being void should a provision which is the essence of this Agreement be determined to be void.
22. **Successors and Assigns.** This Agreement shall be binding upon the Parties hereto, and each Party's successors, heirs, personal representatives, and assigns.
23. **Headings.** The descriptive headings set forth herein are inserted for convenience of reference only and shall not be deemed to be part of this Agreement or used to construe the meaning of the provisions of this Agreement.
24. **Acknowledgment of Agreement.** The Parties represent and warrant that they fully and completely understand the terms and conditions of this Agreement, and, with this full and complete understanding, voluntarily enter into this Agreement as evidenced by signing and executing it below. The Parties also represent and warrant that they are legally competent to execute this Agreement and that they do so voluntarily and of their own free will and accord without reliance on any representations of any kind or character not expressly set forth herein.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

AGREED TO and EXECUTED as of the Effective Date above.

LESSOR:

Franklin County, Texas

LESSEE:

City of Mount Vernon, Texas

By: Scott Lee
Title: County Judge

By: Brad Hyman
Title: Mayor