

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made and entered into effective as of the **1st day of February 2026**, (the "Effective Date") by and between the City of Willow Park, a Type A General law municipality (hereinafter referred to as the "Lessor") and Parker County Emergency Services District No. 1, a political subdivision of the State of Texas, organized and operating pursuant to the provisions of Section 48-e, Article III, Texas Constitution, and Chapter 775, Texas Health and Safety Code, as amended (referred to herein as the "Lessee"). Lessor and Lessee may be referred to herein as "Party" or "Parties."

In consideration of the mutual covenants and agreements of this Lease, and other good and valuable consideration, Lessor demises and leases to Lessee, and Lessee leases from Lessor, **the approximately 6,440 square feet of space** in the Public Safety Building located at 101 Stagecoach Trail, Willow Park, Texas, along with the joint and/or shared use of the parking areas for the Public Safety Building, excluding the area to the right of the matchline as determined in previous lease and amended in this lease. more particularly described on Exhibit "1" attached to this Lease, **with the exception of three offices and the hallway/work area (approximately 1,060 square feet of space)**, and made a part of this Lease for all purposes (collectively referred to as the "premises" or "the leased premises" in this Lease).

ARTICLE I. TERM

Term of Lease

§ 1.01. The term of this Lease is twenty-four (24) months, beginning on the Effective Date, and ending on **January 31, 2028** (the "Original Term"), unless terminated sooner as provided in this Lease.

Option to Extend Term

§ 1.02. Lessee may extend the term of this Lease beyond the expiration date of the Original Term provided in § 1.01 on the following conditions:

a. Lessee may, if it is not in default either on the date required for the notice or on the date such extension commences, at its option: (i) extend the lease term for an additional period of two (2) years (the "Extended Term"). The extended term will begin on the day following the expiration date of the Original Term specified in § 1.01 and will end two (2) years after the expiration of the Original Term. All of the terms and covenants of this Lease apply to the Extended Term.

b. Lessee may exercise the option to extend this lease by giving Lessor written notice of its intention to do so not later than thirty (30) days before the Original Term of the Lease expires. Notice of an intention to exercise the option under this Lease must, to be effective, be sent by certified mail return receipt requested or fax to Lessor at the address provided in § 12.01 and must be postmarked no later than the latest date provided in this section for Lessee's exercising the option.

Holdover

§ 1.03. If Lessee holds over and continues in possession of the premises after the Lease term (or any extension) expires, other than as provided in § 1.02, Lessee will be considered to be occupying the premises on a month-to-month tenancy, subject to all the terms of this lease.

ARTICLE 2. RENT

Fixed Rent

§ 2.01. As rent for this Lease, beginning on the Effective Date of the Lease and throughout the Original Term of the Lease, Lessee shall pay to Lessor each year the sum of **\$81,144.00** in annual rent, payable in equal monthly installments of **\$6,762.00**, no later than the fifth day of each month.

§ 2.02. As rent for this Lease, beginning on the first day of the Extended Term of the Lease and throughout the Extended Term of the Lease, Lessee shall pay to Lessor each year the sum of **\$85,201.00** in annual rent, **at a 5% increase**, payable in equal monthly installments of **\$7,100.20**, no later than the fifth day of each month.

Taxes as Additional Rent

§ 2.03. a. Lessee is a tax-exempt governmental entity. If, however, real property taxes are assessed on the premises because of Lessee's use of the premises as a fire station or due to the execution of this Lease, Lessee will pay in full all real-property taxes imposed on the premises during the Lease term before they become delinquent and to keep the leased premises free from any lien or attachment; moreover, as to all periods of time during the Original Term or the Extended Term of this Lease, this covenant of Lessee shall survive the termination of this Lease. With regard to the calendar year during which the Lease expires or is terminated, Lessor at its option may either bill Lessee when the charges become payable, or charge the Lessee an estimate of the taxes (based upon information available for the current year plus, if current year information is not adequate in itself, information relating to the immediately preceding year); provided however, in the event Lessor charges Lessee an estimate of the taxes, Lessor and Lessee shall reconcile the actual amounts payable once the actual charges are known.. This additional rent is payable directly to the entity imposing the tax, assessment, or charge at least thirty (30) days before the date payment is due. Lessee will provide Lessor with a receipt or other evidence of payment for each tax, assessment, or charge paid as soon as a receipt or other evidence is available to Lessee.

b. Lessee may, at its own expense, contest any tax for which it is responsible under subparagraph a with the written authorization from Lessor. Except as provided in subparagraph c, Lessee need not pay the tax while the contest is pending, unless required to do so to preserve any arguments of exemption. Except as provided in subparagraph c, Lessee may prevent Lessor from paying any tax, or charge that Lessee is contesting under

this subparagraph, pending resolution of the contest, by depositing with the applicable taxing authority or treasurer, the full amount of the tax or assessment under protest, plus the amount of any penalty that might be imposed for failing to make timely payment and one (1) year of interest at the rate imposed by the entity levying the tax. When the contest is resolved, Lessee may use the money deposited with Lessor to pay any tax or assessment, plus any penalty or interest, due under the final resolution and keep any balance of the deposit. If the deposit is insufficient to pay these amounts, Lessee must immediately pay the balance due to the entity imposing the tax, assessment, or charge.

c. Notwithstanding subparagraph b, Lessor may pay, or require Lessee to pay, any tax, assessment, or charge for which Lessee is responsible under subparagraph a, pending resolution of Lessee's contest of the tax, if failing to pay will subject all or part of the premises to forfeiture or loss.

ARTICLE 3. USE OF PREMISES

Lessee's Warranty Regarding Use

§ 3.01. Lessee represents and warrants to Lessor that Lessee intends to use the premises as a fire station for the operation of its fire protection and suppression services, emergency medical first responder services, and rescue and other services to be made available by the Lessee and any other purpose consistent with that use. Lessee's use of the premises is restricted to those purposes specified in this section unless Lessee obtains Lessor's prior written consent to any change in use. Lessee recognizes and agrees that Lessor makes no representation or warranty to Lessee regarding the fitness for the allowed use on the premises. Lessee has conducted its own investigation as to the allowed uses of the leased premises and is satisfied that the leased premises is appropriate for Lessee's desired use of the premises. However, Lessee understands and agrees that no such use shall be permitted unless it complies with all applicable laws as well as being in compliance with the terms of this Lease. Lessee shall take good care of the leased premises; shall not commit or suffer waste in or about the leased premises, nor to any facility; shall not cause damage to any other portion of Lessor's property adjacent to the leased premises (and, if any such damage should occur by Lessee, Lessee shall immediately repair same or, if Lessor so elects, reimburse Lessor for Lessor's cost in repairing same)

Compliance With Laws

§ 3.02. a. Lessee may not use, or permit using, the premises in any manner that results in waste of premises or constitutes a nuisance or for any illegal purpose. Lessee, at its own expense, will comply, and will cause its officers, employees, agents, and invitees to comply, with all applicable laws, ordinances, and governmental rules and regulations concerning the use of the premises, including Hazardous Materials Laws. All property kept, stored or allowed to be brought within the leased premises shall be at Lessee's sole risk. Lessee shall immediately notify Lessor in the event Lessee becomes aware of any actual or potential environmental hazard or any actual or alleged violation of one or more Hazardous Materials Laws.

b. Lessee, at its sole cost, must comply with all Hazardous Materials Laws in connection with Lessee's use of the premises.

c. "Hazardous Materials" means any substance, material, or waste that is or becomes regulated by any local governmental agency, the State of Texas, or the federal government, including, but not limited to, any material or substance that is (1) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251 et seq., or listed pursuant to Section 307 of the Clean Water Act, 33 U.S.C. § 1317, (2) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., (3) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., (4) petroleum, (5) asbestos, and (6) polychlorinated biphenyls.

d. "Hazardous Materials Laws" means any federal, state, or local statute, ordinance, order, rule, or regulation of any type relating to the storage, handling, use, or disposal of any Hazardous Materials, the contamination of the environment, or any removal of such contamination, including, without limitation, those statutes referred to in subparagraph c and the following: (i) the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (often referred to as "CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986, as same may have been further amended or may be further amended from time to time, (ii) the federal Resource Conservation and Recovery Act of 1976, as amended by the Used Oil Recycling Act of 1980, the Solid Waste Disposal Act Amendments of 1980, and the Hazardous and Solid Waste Amendments of 1984, as same may have been further amended or may be further amended from time to time, (iii) the federal Water Pollution Control Act of 1972 (often referred to as the "Clean Water Act"), as same may have been amended or may be amended from time to time, (iv) the federal Spill Compensation and Control Act of 1976, as same may have been amended or may be amended from time to time, and (v) any and all other federal, state, county, and municipal laws, ordinances, codes and regulations which relate in any way to the matters regulated by CERCLA and/or any other above-mentioned federal legislation. Lessee shall procure at its sole expense any permits and licenses required for the transaction of business in the Leased Premises and otherwise comply with all applicable laws, ordinances and governmental regulations.

ARTICLE 4. REPAIRS AND MAINTENANCE

Repairs and Maintenance by Lessee

§ 4.01. Lessee will, throughout the Lease term and any extensions of it, at its own expense and risk, maintain the premises and all improvements on them in good order and condition, including but not limited to making all repairs and replacements necessary to keep the premises and improvements in that condition, free of trash, debris and tall grass and weeds. Notwithstanding the foregoing, Lessor shall be responsible for any needed maintenance

and repairs to the following: foundation, exterior walls, other structural components, roof replacement, parking areas and walks, HVAC replacement, plumbing and electrical systems. All maintenance, repairs, and replacements required by this section must be performed promptly when required. It is understood, pursuant to Section 775.073, Texas Health & Safety Code, the Lessee cannot make capital improvements to the property without becoming the owner of same, and, as such, Lessor is solely responsible for any repairs to any structural component, HVAC, and other items referenced above.

In the event that the leased premises shall be damaged or destroyed by fire or any other casualty insurable under special form (sometimes referred to as "all-risk") property insurance, Lessor may elect to terminate this Lease. Under no circumstance shall Lessee be permitted, without Lessor's express written consent, to rebuild any improvements on the premises if the improvements are destroyed or rendered untenable to an extent in excess of fifty percent (50%) of the existing improvements. Lessor shall give written notice to Lessee of such election within sixty (60) days after the occurrence of such casualty, and if it elects to rebuild and repair, Lessee shall proceed to do so with reasonable diligence and at its sole cost and expense.

Party's Failure to Repair, Maintain or Keep Clean

§ 4.02. If a Party fails to perform its obligation to repair, replace, maintain, keep clean or free of trash, debris and tall grass, as set forth in § 4.01, within a reasonable time after notice from the other Party of the need for the repair, replacement, or maintenance, the Party may enter the premises and/or make the repairs or replacements, or perform the maintenance, or have the repairs or replacements made or maintenance performed, at its own expense. On the Party's notice to the non-performing Party of the performance and cost of any maintenance, repairs, or replacements under this section, the non-performing Party must immediately reimburse the Party for any reasonable costs incurred by the Party under this section, together with interest on the sum at the rate set by Section 2251.025 of the Texas Government Code from the date of the notice until the date paid by the non-performing Party.

Environmental Cleanup Costs

§ 4.03. Lessee is responsible for any cleanup costs of Hazardous Materials necessary for compliance with Hazardous Materials Laws that arise as a result of Lessee's discharge of hazardous materials on the premises or Lessee's use of the leased premises.

ARTICLE 5. UTILITIES AND GARBAGE REMOVAL

Utility Charges

§ 5.01. Lessee will pay all utility charges for water, electricity, heat, gas, and telephone service used in and about the premises during the Lease term and any extension thereof. Lessee will pay the charges directly to the utility company or municipality furnishing the service before the charges are delinquent. Lessor shall not be liable for any interruption

whatsoever in utility services on the leased premises, nor for interruptions in utility services which are due to fire, accident, strike, acts of God or other causes beyond the control of Lessee or Lessor or which are reasonably necessary or useful in connection with making any alterations, demolitions, repairs or improvements. None of such interruptions shall constitute an actual or constructive eviction, in whole or in part, nor shall any such interruption entitle Lessee to any abatement or diminution of rent payments or obligations of Lessee under this Lease. Without limiting the generality of the foregoing, Lessor shall in no way be liable or responsible for any loss, damage, or expense that Lessee may sustain or incur by reason of any failure, interference, disruption, or defect in the supply or character of the electric energy furnished to the leased premises, or if the quantity or character of the electric energy supplied by the is no longer available or suitable for Lessee's requirement; and no such failure, defect, unavailability or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Lessee to any abatement or diminution of rent payment or obligations of Lessee under this Lease. This section shall survive any termination or expiration of the Lease for periods prior to termination or expiration of the Lease.

Garbage Removal

§ 5.02. Lessee will pay for all garbage removal from the premises during the Lease term.

ARTICLE 6. ALTERATIONS, ADDITIONS, IMPROVEMENTS AND SIGNS

Consent of Lessor

§ 6.01. Lessee may not make any alterations, additions, or improvements to the premises without Lessor's prior written consent. Lessor may not unreasonably withhold consent for nonstructural alterations, additions, or improvements. Lessee acknowledges and agrees that Lessor's permission for Lessee to commence any construction and/or demolition of existing improvements shall in no way constitute any representation or warranty by Lessor as to the adequacy or sufficiency of such plans and specifications, the improvements to which they relate or the capabilities of such contractors; instead, any such permission or agreement by Lessor shall merely be the consent of Lessor to proceed. All construction and/or demolition work done by Lessee within the leased premises shall be performed in a good and workmanlike manner, lien-free and in compliance with all governmental requirements, and in such manner as to cause a minimum of interference with other construction in progress and with Lessor's transaction of business. Lessee shall use a general contractor to perform construction work within the leased premises. Lessee shall, prior to the commencement of such work, require said general contractor to execute and deliver to Lessor copies of such contractor's insurance and a waiver and release of any and all claims against Lessor to which such contractor might at any time be entitled. The delivery of the insurance information and waiver and release of lien within the time period set forth above shall be required for Lessee's ability to enter on and begin any construction and/or demolition work on the leased premises and if applicable, to any reimbursement from Lessor for its construction or demolition work.

Removal of Furniture, Fixtures and Equipment

§ 6.02. All furniture, fixtures and equipment located on the premises, shall be removed by Lessee no later than thirty (30) days after the expiration of the Original Term or the Extended Term, whichever is applicable. Notwithstanding the foregoing, in the event that fixtures are removed by Lessee and they cause any damages to the premises, Lessee must repair any damages to the premises no later than thirty (30) days after the expiration of the Original Term or the Extended Term, whichever is applicable.

Alterations Required by Accessibility Laws

§ 6.03. If any alterations, additions, or improvements to the premises are mandated by legal requirements related to accessibility by persons with disabilities ("accessibility alterations"), Lessor is responsible for making them at its sole cost and expense. This allocation of responsibility for compliance with such legal requirements is a material inducement for the parties to enter this lease.

Signs

§ 6.04. Lessee may erect signs on any portion of the premises, including but not limited to the exterior walls, subject to applicable laws, ordinances, and regulations. Lessee must remove all signs when this lease terminates and repair any damage resulting from erecting or removing the signs.

ARTICLE 7. MECHANIC'S LIEN

§ 7.01. Lessee will not permit any mechanic's lien to be placed on the premises or improvements on the premises. Lessee will promptly pay any mechanic's lien that is filed on the premises or on improvements located on the premises. If default in payment of the lien continues for 20 days after Lessor's written notice to Lessee, Lessor may, at its option, pay the lien or any portion of it without inquiring into its validity. Any amounts Lessor pays to remove a mechanic's lien caused by Lessee to be filed against the premises or improvements on them, including expenses and interest, are due from Lessee to Lessor and must be repaid to Lessor immediately on rendition of notice, together with interest at a rate set in accordance with Section 225I.025 of the Texas Government Code until repaid.

ARTICLE 8. INSURANCE AND INDEMNITY

Property Insurance

§ 8.01. Lessor must, at its own expense during the lease term, keep all buildings and improvements on the premises insured against loss or damage by fire or theft, with extended coverage, at one-hundred percent (100%) of the fair market value of the property to be insured per year, to include direct loss by windstorm, hail, explosion, riot or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the total amounts of

not less than the full fair insurable value of the buildings and improvements. The insurance is to be carried by one or more insurance companies authorized or admitted to do business in Texas. Choice of an insurance company is subject to approval by Lessor, who will not unreasonably withhold approval if the company has a Best's Insurance Rating of B++ or a Best's Financial Performance Rating of VIII or better. The insurance policy or policies must name both Lessor and Lessee as insureds. The policies must provide that any proceeds for loss or damage to buildings or to improvements are payable to Lessor who will use the sum for repair and restoration purposes. The policy of insurance shall contain a waiver of subrogation endorsement against the Lessor.

Liability Insurance

§ 8.02. Lessee, at its own expense, must provide and maintain in force during the lease term, liability insurance in the amount of \$1,000,000.00 per occurrence. This insurance is to be carried by one or more insurance companies authorized or admitted to transact business in Texas. Choice of an insurance company is subject to approval by Lessor, who will not unreasonably withhold approval if the company has a Best's Insurance Rating of B++ or a Best's Financial Performance Rating of VIII or better. The policy must cover Lessor as well as Lessee, for any liability for property damage or personal injury arising from Lessee's occupying or Lessor's owning the premises. Lessee shall also obtain business automobile liability insurance in the amount of not less than \$1,000,000.00 per occurrence, combined single limit, extending to all vehicles, owned, hired and non-owned, in use by Lessee or any of its agents, servants or employees; and worker's compensation insurance insuring against and satisfying Lessee's obligations and liabilities under the worker's compensation laws of the State of Texas, together with employer's liability insurance. Lessor shall be named as an additional insured on this insurance, and the policies shall contain a waiver of subrogation endorsement against the Lessor. Lessee shall also provide any other insurance it deems necessary for its use and operations on the Premises, including, but not limited to contents insurance.

Remedy for Failure to Provide Insurance

§ 8.03. Lessee must furnish Lessor with certificates of all insurance required by this article. If Lessee does not provide the certificates when Lessor delivers possession to Lessee, or if Lessee allows any insurance required under this article to lapse, Lessor may, at its option, take out and pay the premiums on the necessary insurance to comply with Lessee's obligations under this article. Lessor is entitled to reimbursement from Lessee for all amounts spent to procure and maintain the insurance, with interest at the rate set by Section 2251.025 of the Texas Government Code from the date Lessee receives Lessor's notice of payment until reimbursement.

Hold-Harmless Clause

§ 8.04. To the extent allowed by Texas law, the Parties will indemnify and hold each other harmless against any claims, demands, damages, costs, and expenses, including reasonable

attorney's fees for defending claims and demands, arising from the conduct or management of Parties on the premises or its use of them; from any breach by Lessee of any conditions of this lease; or from any act of negligence of either Party, its agents, contractors, employees, sublessees, concessionaires, or licensees in or about the premises. If any action or proceeding is brought against either Party r by reason of any such claim, that Party shall notify the other party as soon as possible, but in no event later than 3 days after that Party receives such notice.

Lessor shall not be liable to Lessee or to Lessee's employees, agents, or customers, or to any other person whomsoever, for any injury to person or damage to property on or about the leased premises caused by the negligence or misconduct of Lessee, its employees, agents, contractors, subcontractors, sublessees, licensees, concessionaires or customers, or of any other person entering the premises under the express invitation of Lessee or arising out of the use of the leased premises by Lessee and the conduct of its business therein, or arising out of any breach or default by Lessee in the performance of its obligations under this Lease; and, to the extent allowed by Texas law, Lessee hereby agrees to indemnify Lessor and hold Lessor harmless from any loss, expense or claim arising out of such damage or injury

ARTICLE 9. DEFAULT

Lessee's Default

§ 9.01. If Lessee remains in default under any term or condition of this lease for more than thirty (30) days after receiving written notice of the default from Lessor, Lessor may, without further notice to Lessee, terminate this Lease.

Lessor's Default

§ 9.02. If Lessor defaults in performing any material term or covenant that Lessor must perform under this agreement, Lessee may, after not fewer than thirty (30) days' notice to Lessor, remedy the default by any necessary action and, in connection with the remedy, may pay expenses, employ counsel and exercise any remedies it may have at law or in equity.

Cumulative Remedies

§ 9.03. All Lessor's and Lessee's rights and remedies under this Article are cumulative, and none will exclude any other right or remedy provided by law or any other provision of this lease. All the consistent rights and remedies may be exercised and enforced concurrently and whenever occasion for their exercise arises. In no event shall Lessor or Lessee be liable to the other or any other person for consequential, indirect, special or punitive damages.

Waiver of Breach

§ 9.04. A waiver of a breach of this Lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach. The consent or approval by either party to or

With a copy to: Andy Messer
Attorney at Law
6371 Preston Rd., Suite 200
Frisco, Texas 75034
Email: andy@txmunicipallaw.com

Lessee: Parker County Emergency Services District No. 1
Attn: President
Mark Jack
Email: _____

With a copy to: Ken Campbell
Bums Anderson Jury & Brenner, LLP
P. O. Box 26300
Austin, Texas 78755-6300
Email: kcampbell@bajb.com

b. By email, to the proper party, at the foregoing email addresses.

Notices are effective when received. Either party may change the address or email address to which notices are to be sent by sending written notice of the new address or email address to the other party in accordance with the provisions of this section.

Parties Bound

§ 12.02. This agreement binds, and insures to the benefit of, the parties to the lease and their respective heirs, executors, administrators, legal representatives, successors, and assigns when this agreement permits.

Texas Law to Apply; Venue

§ 12.03. This agreement is to be construed under Texas law, and all obligations of the parties created by this lease are performable in Parker County, Texas.

§ 12.04. The venue for any legal dispute under this lease shall be in State District Court in Parker County, Texas.

Legal Construction

§ 12.04. If one or more of the provisions contained in this agreement are for any reason held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision of the agreement, which will be construed as if it had not included the invalid, illegal, or unenforceable provision. The captions used herein are for convenience only and do not

limit or amplify the provisions hereof. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

Prior Agreements Superseded

§ 12.05. This agreement constitutes the parties' sole agreement and supersedes any prior understandings or written or oral agreements between the parties with respect to the subject matter.

Amendment

§ 12.06. No amendment, modification, or alteration of this agreement is binding unless in writing, dated subsequent to the date of this agreement, and duly executed by the parties.

Rights and Remedies Cumulative

§ 12.07. The rights and remedies provided by this Lease are cumulative, and either party's using any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

Immunity

§ 12.08. It is expressly understood and agreed that, in the execution of this Agreement, the Parties do not waive, nor shall be deemed to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its governmental powers and functions.

Force Majeure

§ 12.09. Neither Lessor nor Lessee is required to perform any term or covenant in this lease so long as performance is delayed or prevented by force majeure, which includes acts of God, strikes, lockouts, public epidemics, public health crisis, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within Lessor's or Lessee's control and that Lessor or Lessee cannot, by exercising due diligence and paying money, prevent or overcome, in whole or part.

Time of Essence

§ 12.10. Time is of the essence of this agreement.

The undersigned Lessor and Lessee execute this agreement on _____, 2026.

LESSOR

CITY OF WILLOW PARK, TEXAS

By: _____

Title: _____

Date: _____

ATTEST:

By: _____
Deana McMullen, City Secretary

LESSEE:

PARKER COUNTY EMERGENCY SERVICES DISTRICT, NO. 1.

By: _____
Mark Jack, President

ATTEST:

By: _____
Ben Overholt, Secretary

EXHIBIT "1"

