

AGENDA ITEM # 28July 1, 1997*

Consider approving lease agreement between Richard Pfiel and Williamson County Tax Office for building located at 113 West 4th Street in Taylor.

Moved: Commissioner Hays

Seconded: Commissioner Mehevec

Motion: To approve lease agreement between Richard Pfiel and Williamson County Tax Office for building located at 113 West 4th Street in Taylor, and building at 117 West 4th Street in Taylor eliminating numbers 9 and 10 of the agreement for a 1 year lease.

Vote: Motion carried 5 - 0

< Clerk copy here >

LEASE

This Lease is made and entered into by and between RICHARD PFEIL, referred to in this lease as Lessor, and WILLIAMSON COUNTY TAX OFFICE, referred to in this lease as Lessee.

In consideration of the mutual covenants and agreements set forth in this lease, and other good and valuable consideration, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor, premises located at 113 West Fourth Street, Taylor Williamson County, Texas, and being a part of the property more particularly described in Exhibit "A" attached hereto for all purposes. These premises are referred to in this lease as "the premises" or "the leased premises."

ARTICLE 1. TERM

Term of Lease

1.01. The Term of this lease shall be one (1) year commencing on July 1, 1997, and ending on June 30, 1998, unless sooner terminated as provided in this lease.

Option to Extend Term

1.02. Lessee has the right to extend this lease beyond the expiration date provided in Article 1.01 on the following terms and conditions:

- a. Should Lessee fully and faithfully perform all of the terms and conditions of this lease, Lessee may extend the term of this lease for a period of one (1) year, with the extended term to begin on the day following the expiration date of the lease term specified in Article 1.01. Provided, however, that if at the date of expiration of the original term, Lessee is in default beyond any grace period provided in this lease in the performance of any of the terms or provisions of this lease, the option shall be null and void. All the terms, covenants, and provisions of the original lease term shall apply to the option terms.
- b. Lessee may exercise the option to extend this lease by giving to Lessor notice of its intention to do so not later than 30 days prior to the expiration of the lease term. To constitute effective notice of an intention to exercise an option under this lease, the notice must be sent by certified or registered mail to Lessor at the address provided in Article 16.01 of this lease and must be postmarked no later than the latest date provided in this section for Lessee's exercise of the option.

Holdover

1.03. If Lessee holds over and continues in possession of the leased premises after expiration of the term of this lease or the extension of that term, Lessee will be deemed to be occupying the premises on the basis of a month-to-month tenancy, subject to all of the terms and conditions of this lease.

ARTICLE 2. RENT**Basic Rent**

2.01. Lessee will pay to Lessor the sum of \$525.00 per month, from the commencement of the term of this lease and continuing throughout the original lease term, in advance on the first (1st) day of each month. This will be known as the "basic rent." Rent for any fractional month at the beginning or end of the lease term shall be prorated on a per diem basis. If any rent payment becomes overdue for more than ten (10) days, at Lessor's option five (5) cents may be charged for each dollar overdue in order to defray the expense of handling the delinquent payment.

Place of Payment

2.02. Lessee agrees to pay rent as provided in 2.01 to Lessor at Lessor's office, located at 811 Lake Drive, Taylor, Texas, or at such other location or locations as Lessor shall from time to time designate by written notice to Lessee.

ARTICLE 3. USE OF PREMISES**Permitted Use**

3.01. Lessee shall use the leased premises for the purposes of tax collections and other tax related services, continuously during the term of this agreement and shall use the premises for no other purpose, without written consent from the Lessor.

Insurance Hazards

3.02 Lessee shall not use, or permit the use of, the premises in any manner that will cause a cancellation of, or an increase in, the existing rates for fire, liability, or other insurance policies insuring the premises or any improvements on the premises, or insuring the landlord for any liability in connection with ownership of the premises.

Waste, Nuisance, or Illegal Uses

3.03. Lessee shall not use, or permit the use of, the premises in any manner that results in waste of the premises or constitutes a nuisance or violates any statute, ordinance, rule, or regulation applicable to the premises 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 and ordinances, and with all applicable rules and regulations of governmental agencies concerning the use of the premises.

ARTICLE 4. MAINTENANCE AND SURRENDER**Maintenance by Lessor**

4.01. Lessor shall, at its own expense and risk, maintain the roof, foundation, plumbing, structural soundness of the exterior walls and walkways surrounding the building, including but not limited to repairs and all necessary replacements of these items. Lessor shall not, however, be liable for any damages to person or property resulting from Lessor's failure to make any repairs

or perform any maintenance called for in this section unless, prior to the damages occurring, Lessee had given Lessor written notice of the need for the repair or maintenance and Lessor had failed to make the needed repair or to perform the needed maintenance within a reasonable time of receipt of the notice. Lessor is entitled to reimbursement from Lessee for any and all expenses reasonably incurred in connection with any maintenance, repair, or replacement required of Lessor pursuant to this section if the need for the maintenance, repair, or replacement resulted from the negligence or fault of Lessee or Lessee's agents, servants, officers, or employees. This reimbursement shall be due immediately upon receipt by Lessee of an itemized list of such expenses, with interest at the rate of ten (10%) percent annually from the date of receipt of such notice until reimbursement by Lessee.

Maintenance and Surrender by Lessee

4.02. Except as provided in 4.01, Lessee shall maintain the leased premises and keep them free from waste or nuisance throughout the lease term and any extensions of that term. Maintenance shall specifically include reasonable periodic replacement of air-conditioner filters and the taking of reasonable measures to insure that the water pipes do not freeze. At the termination of the lease, Lessee shall surrender and deliver the leased premises to Lessor in as good a state of repair and condition as they were in at the time Lessor delivered possession to Lessee, reasonable wear and tear and damage by fire, tornado, or other casualty excepted.

Remedy for Failure to Maintain

4.03. In the event either party fails to perform its obligation to repair or maintain as set forth in Sections 4.01 and 4.02 above after notice from the other party of the need for such repair or maintenance and the passage of a reasonable amount of time for performance after such notice, the other party may make such repairs or perform such maintenance, or cause such repairs to be made or maintenance to be performed at its own expense. The party required by Section 4.01 or Section 4.02 to make the repair or to perform the maintenance shall reimburse the party actually making or causing the repair to be made, or performing or causing the maintenance to be performed, for the reasonable expense of the repair or maintenance as follows:

- a. Any reasonable costs incurred by Lessor pursuant to this section shall be payable by Lessee to Lessor as additional rental on the next rental installment date, or, if there are no further rental installments under the lease, within thirty (30) days or at the termination of the lease, whichever occurs first.
- b. Any reasonable costs incurred by Lessee pursuant to this section may be deducted by Lessee from the next rental installment, or, if there are no further rental installments under the lease, shall be paid to Lessee by Lessor within thirty (30) days at the termination of the lease, whichever occurs first.

ARTICLE 5. TAXES AND ASSESSMENTS

Personal Property Taxes

5.01. Lessee shall pay and fully discharge all taxes, special assessments, and governmental

charges of every character imposed during the term of this lease on the furniture, fixtures, equipment, and other personal property placed by Lessee in, on, or about the leased premises.

Real Property Taxes and Assessments

5.02. Lessor shall pay and fully discharge all real property taxes, special assessments, and governmental charges of every character imposed on the leased premises during the term of this lease, including any special assessments imposed on or against the premises for the construction or improvement of public works.

ARTICLE 6. UTILITIES AND GARBAGE REMOVAL

Utility Charges

6.01. Lessee shall pay all utility charges for water, electricity, heat, and gas, and telephone service used in and about the leased premises during the term of the lease, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same before the same shall become delinquent.

Garbage Removal

6.02. Lessee shall pay for the removal of all garbage and rubbish from the leased premises during the term of the lease.

ARTICLE 7. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Consent of Lessor

7.01. Lessee shall not make any alterations, additions, or improvements to the leased premises without the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor.

Property of Lessor

7.02. All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this lease. Lessor may, however, require that Lessee remove any or all alterations, additions, and improvements installed or made by Lessee, and any other property placed in the premises by Lessee, upon termination of the lease. In the event that Lessor requires Lessee to remove such alterations, additions, or improvements, Lessee shall repair any damage to the premises caused by such removal.

ARTICLE 8. TRADE FIXTURES AND SIGNS

8.01. Lessee shall have the right at all times to erect or install shelves or other trade fixtures in, on, or about the leased premises, provided that Lessee complies with all applicable governmental laws, ordinances, and regulations regarding such fixtures. Lessee shall have the right to remove all trade fixtures at the termination of this lease, provided Lessee is not in default

under the lease and that the fixtures will be removable without structural damage to the premises. Lessee must repair any damage to the leased premises caused by removal of trade fixtures, and all such repairs must be completed prior to the termination of the lease. Any trade fixtures that have not been removed by Lessee at the termination of this lease shall be deemed abandoned by Lessee and shall automatically become the property of Lessor.

8.02. Lessee shall have the right to erect signs on any portion of the leased premises including, but not limited to, the exterior walls of the premises, subject to applicable statutes, ordinances, and zoning restrictions. Lessee shall removed all signs at the termination of this lease and shall repair any damage including, but not limited to, closing any holes caused by such removal.

ARTICLE 9. MECHANIC'S LIEN

~~Lessee will not permit any mechanic's lien or liens to be placed upon the leased premises or upon improvements on the premises. If a mechanic's lien is filed on the leased premises or on improvements on the leased premises, Lessee will promptly pay the lien. If default in payment of the lien continues for twenty (20) days after written notice from Lessor to Lessee, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity. Any amounts paid by Lessor to remove a mechanic's lien caused to be filed against the premises or against improvements on the premises by Lessee, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of written notice, together with interest at the highest rate from the date of notice until the date paid by Lessee to Lessor.~~

ARTICLE 10. INSURANCE AND INDEMNITY *JES*

Lessor's Property Insurance

~~10.01. Lessor shall, at his own expense, during the term of this lease, keep all buildings and improvements on the leased premises insured against loss or damage by fire, theft, vandalism or malicious mischief, with extended coverage to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the building and improvements. The insurance is to be carried by one or more insurance companies licensed to do business in Texas.~~

Lessee's Property Insurance

~~10.02. Lessee shall, at its own expense, during the term of this Lease, keep all furniture, fixtures and equipment on the leased premises insured against loss or damage by fire, water or theft with extended coverage, to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the items insured. The insurance is to be carried by one or more insurance companies licensed to do business in Texas.~~ *JES*

Lessee's Liability Insurance

10.03. Lessee, at his own expense, shall provide and maintain in force during the term of this lease, liability insurance in the amount of \$300,000.00, covering Lessor as well as Lessee, for any liability for property damage or personal injury arising as a result of Lessee's occupation or use of the leased premises. This insurance is to be carried by one or more insurance companies authorized to transact business in Texas and approved by Lessor.

Remedy for Failure to Provide Insurance

10.04. Lessee shall furnish Lessor with certificates of all insurance required by this article. If Lessee does not provide such certificates upon Lessor's delivery of possession to Lessee or within thirty (30) days of obtaining possession, 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 the provisions of this article. Lessor is entitled to immediate reimbursement from Lessee for all amounts spent by it to procure and maintain such insurance, with interest at the rate of ten (10%) percent per annum from the date of payment by Lessor until reimbursement by Lessee.

Hold-Harmless Clause

10.05. Lessee agrees to indemnify and hold Lessor harmless against any and all claims, demands, damages, costs, and expenses, including reasonable attorney's fees, for the defense of such claims and demands, arising from the conduct or management of Lessee's business on the leased premises, or its use of the leased premises or from any breach on the part of Lessee of any conditions of this lease, or from any act or negligence of Lessee, its agents, contractors, employees, subtenants, concessionaires, or licensees in or about the leased premises. In case of any action or proceeding brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, agrees to defend the action or proceeding by counsel acceptable to Lessor.

ARTICLE 11. DAMAGE OR DESTRUCTION OF PREMISES

Notice to Lessor

11.01. If the leased premises or any structures or improvements on the leased premises should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

Destruction

11.02. If all or part of the leased premises should be damaged or destroyed by fire, tornado, or other casualty not the fault of Lessee or any person in or about the leased premises with the express or implied consent of Lessee, this lease shall terminate, and rent shall be abated for the unexpired portion of this lease, effective as of the date of written notification as provided in 11.01.

ARTICLE 12. CONDEMNATION**Condemnation**

12.01. If during the term of this lease, all or part of the leased premises should be taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, this lease shall terminate, and the rent shall be abated during the unexpired portion of this lease, effective as of the date of the taking of the premises by the condemning authority.

ARTICLE 13. DEFAULT**Default by Lessee**

13.01. If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this lease for a period of five (5) days after written notice from Lessor, Lessor may, without notice to Lessee, terminate this lease, or in the alternative, Lessor may reenter and take possession of the premises and remove all persons and property without being deemed guilty of any manner of trespass and relet the premises, or any part of the premises, for all or any part of the remainder of the lease term to a party satisfactory to Lessor, and at such monthly rental as Lessor may with reasonable diligence be able to secure. Should Lessor be unable to relet after reasonable efforts to do so or, should such monthly rental be less than the rental Lessee was obligated to pay under this lease, Lessee shall pay the expense of reletting plus the amount of any deficiency in the rent to Lessor.

Lessor's Lien

13.02. It is expressly agreed that, in the event of default by Lessee under this lease, Lessor shall have a lien upon all goods, chattels, or personal property of any description belonging to Lessee that are placed in, or become a part of, the lease premises, as security for rent due and to become due for the remainder of the current lease term. This lien shall not be in lieu of, or in any way affect, the statutory lessor's lien given by law but shall be in addition to that lien, and Lessee grants to Lessor a security interest in all personal property placed in or on the leased premises for purposes of this contractual lien. This shall not prevent the sale by Lessee of any merchandise in the ordinary course of business free of such lien to Lessor. If Lessor exercises the option to terminate the leasehold, reenter, and relet the premises, as provided in the preceding paragraph, and gives Lessee reasonable notice of its intent to take possession of Lessee's property on the premises and an opportunity for a hearing on the matter, Lessor may take possession of all of Lessee's property on the premises. After giving Lessee reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, Lessor may then sell the property at public or private sale, for cash or on credit, for such prices and terms as Lessor deems best, with or without having the property present at the sale. The proceeds of the sale shall be applied first to the necessary and proper expense of removing, storing, and selling such property, then to the payment of any rent due or to become due under this lease, with the balance, if any, to be paid to Lessee.

Default by Lessor

13.03. If Lessor defaults in the performance of any term, covenant, or condition required to be performed by it under this agreement, Lessee may elect to do either one of the following:

- a. After not less than ten (10) days' notice to Lessor, Lessee may remedy such default by any necessary action and, in connection with such remedy, may pay expenses and employ counsel; all sums expended or obligations incurred by Lessee in connection with remedying Lessor's default shall be paid by Lessor to Lessee on demand and, on failure of such reimbursement, Lessee may in addition to any other right or remedy that Lessee may have, deduct these costs and expenses from rent subsequently becoming due under this lease.
- b. Lessee may terminate this lease on giving at least twenty (20) days' notice to Lessor such intention. In the event Lessee elects this option, the lease will be terminated on the date designated in Lessee's notice, unless Lessor has cured the default prior to expiration of the twenty (20)-day period.

ARTICLE 14. INSPECTION BY LESSOR

Lessor and its officers, agents, employees, and representatives shall have the right to enter into and upon any and all parts of the leased premises at all reasonable hours for purposes of inspection, maintenance, repairs, alterations, or additions as Lessor may deem necessary (but without any obligation to perform any of these functions except as expressly provided in this lease), or to show the premises to prospective tenants, purchasers, or lenders. Lessee shall not be entitled to any abatement or reduction of rent by reason of the entry of Lessor or any of its officers, agents, representatives, or employees pursuant to this Article, nor shall such entry be deemed an actual or constructive eviction.

ARTICLE 15. ASSIGNMENT AND SUBLEASE

Assignment and Subletting by Lessee

15.01. Lessee may not sublet, assign, encumber, or otherwise transfer this lease or any right or interest in this lease, or in the leased premises or the improvements on the leased premises, without the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interest in this lease, or in the leased premises or the improvements on the leased premises, without the written consent of Lessor, Lessor may, at its option, declare this lease terminated. In the event Lessor consents in writing to an assignment, sublease, or other transfer of all or any of Lessee's rights under this lease, the assignee or sublessee must assume all of Lessee's obligations under this lease, and Lessee shall remain liable for every obligation under the lease.

Assignment by Lessor

15.02. Lessor may assign or transfer any or all of its interests under the terms of this lease.

ARTICLE 16. MISCELLANEOUS

Notices and Addresses

16.01. All notices required under this lease must be either (a) hand-delivered personally to the party being notified, or (b) forwarded by certified mail, return receipt requested, addressed to the proper party, at the following addresses:

Lessor: RICHARD PFEIL
811 Lake Drive
Taylor, Texas 76574

Lessee: WILLIAMSON COUNTY TAX OFFICE
113 West Fourth Street
Taylor, Texas 76574

Either party may change the address to which notices are to be sent by giving the other party notice of the new address in the manner provided in this section.

Parties Bound

16.02. This agreement shall be binding upon, and inure to the benefit of, the parties to this lease and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this agreement.

Texas Law to Apply

16.03. This agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this lease are performable in Williamson County, Texas.

Legal Construction

16.04. In case any one or more of the provisions contained in this agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the agreement, and this agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the agreement.

Prior Agreements Superseded

16.05. This agreement constitutes the sole and only agreement of the parties to the agreement and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this agreement.

Amendment

16.06. No amendment, modification, or alteration of the terms of this agreement shall be binding unless it is in writing, dated subsequent to the date of this agreement, and duly executed by the parties to this agreement.

Joint and Several Liability

16.07. If there is more than one Lessee, the obligation imposed upon Lessees by virtue

of this lease shall be joint and several. If there is a guarantor of Lessee's obligation under this lease, the obligations imposed upon Lessee shall be the joint and several obligations of Lessee and the guarantor. Lessor need not first proceed against Lessee before proceeding against the guarantor, nor shall any such guarantor be released from its guaranty for any reason whatsoever.

Cumulative Remedies

16.08. All rights and remedies of Lessor and Lessee under this Article shall be cumulative, and none shall exclude any other right or remedy provided by law, or by any other provision of this lease. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

Waiver of Breach

16.09. A waiver by either Lessor or Lessee of a breach of this lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the lease.

Attorney's Fees and Costs

16.10. If, as a result of a breach of this agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this lease, then the breaching party agrees to pay the other party the reasonable attorney's fees and costs incurred to enforce the lease.

Force Majeure

16.11. Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this lease so long as performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, and any other cause not reasonably within the control of Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

Time of Essence

16.12. Time is of the essence of this agreement.

The undersigned Lessor and Lessee execute this agreement on July 1, 1997,
at Taylor, Williamson County, Texas.

Lessor: RICHARD PFEIL
811 Lake Drive
Taylor, Texas 76574

Lessee: WILLIAMSON COUNTY TAX OFFICE
113 West Fourth Street
Taylor, Texas 76574

Williamson County
By: John C. Dwyer - County Judge

FIELD NOTES FOR RICHARD P. PFEIL:

BEING the East part of Lot 7 and part of Lot 8 of Block 16, as occupied and used, of the original town of Taylor, Williamson County, Texas, as conveyed by deed to Richard P. Pfeil and wife, Delma Fay Pfeil, as recorded in Volume 469, Page 198 of the Deed Records of Williamson County, Texas. Surveyed on the ground in the month of September, 1984, under the supervision of R. T. Magness, Jr., Registered Public Surveyor, and more particularly described as follows:

BEGINNING at an iron pin set on the East side of a brick building, marking the N.E. corner of Lot 7, for the N.E. corner hereof; said pin being S 5° 02' E , 0.50 of-a-foot from the N.E corner of said building;

THENCE, S 84° 58' W, 64.96 feet through the North wall of said building to a point 0.50 of-a-foot from the North side of said wall; said point being in the center of a brick partition running in a southerly direction, which marks the East line of that tract of land conveyed, by deed, to Robert Pfeil and wife, Leona Pfeil, as recorded in Volume 464, Page 459 of the Deed Records of Williamson County, Texas, for the N.W. corner hereof;

THENCE, S 5° 02' E, through said wall running in a southerly direction, at 45.00 feet pass the common line of said Lot 7 and Lot 8, for a total distance of 49.25 feet to a point in the center of a brick wall running in a easterly and westerly direction, for the S.W. corner hereof;

THENCE, N 84° 58' E 64.96 feet, through the center of said wall running in an easterly and westerly direction, to an iron pin set on the outside of the said East wall, for the S.E. corner hereof;

THENCE, N 5° 02' W, along the outside of said East wall, 49.25 feet to the place of BEGINNING and containing 0.07 of-an-acre of land.

Job No. H-10108
04/cs

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Exhibit "A"

East part

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LEASE

This Lease is made and entered into by and between RICHARD PFEIL, referred to in this lease as Lessor, and WILLIAMSON COUNTY ADULT PROBATION DEPARTMENT, referred to in this lease as Lessee.

In consideration of the mutual covenants and agreements set forth in this lease, and other good and valuable consideration, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor, premises located at 117 West Fourth Street, Taylor Williamson County, Texas, and being a part of the property more particularly described in Exhibit "A" attached hereto for all purposes. These premises are referred to in this lease as "the premises" or "the leased premises."

ARTICLE 1. TERM

Term of Lease

1.01. The Term of this lease shall be one (1) year commencing on July 1, 1997, and ending on June 30, 1998, unless sooner terminated as provided in this lease.

Option to Extend Term

1.02. Lessee has the right to extend this lease beyond the expiration date provided in Article 1.01 on the following terms and conditions:

- a. Should Lessee fully and faithfully perform all of the terms and conditions of this lease, Lessee may extend the term of this lease for a period of one (1) year, with the extended term to begin on the day following the expiration date of the lease term specified in Article 1.01. Provided, however, that if at the date of expiration of the original term, Lessee is in default beyond any grace period provided in this lease in the performance of any of the terms or provisions of this lease, the option shall be null and void. All the terms, covenants, and provisions of the original lease term shall apply to the option terms.
- b. Lessee may exercise the option to extend this lease by giving to Lessor notice of its intention to do so not later than 30 days prior to the expiration of the lease term. To constitute effective notice of an intention to exercise an option under this lease, the notice must be sent by certified or registered mail to Lessor at the address provided in Article 16.01 of this lease and must be postmarked no later than the latest date provided in this section for Lessee's exercise of the option.

Holdover

1.03. If Lessee holds over and continues in possession of the leased premises after expiration of the term of this lease or the extension of that term, Lessee will be deemed to be occupying the premises on the basis of a month-to-month tenancy, subject to all of the terms and conditions of this lease.

ARTICLE 2. RENT

Basic Rent

2.01. Lessee will pay to Lessor the sum of \$525.00 per month, from the commencement of the term of this lease and continuing throughout the original lease term, in advance on the first (1st) day of each month. This will be known as the "basic rent." Rent for any fractional month at the beginning or end of the lease term shall be prorated on a per diem basis. If any rent payment becomes overdue for more than ten (10) days, at Lessor's option five (5) cents may be charged for each dollar overdue in order to defray the expense of handling the delinquent payment.

Place of Payment

2.02. Lessee agrees to pay rent as provided in 2.01 to Lessor at Lessor's office, located at 811 Lake Drive, Taylor, Texas, or at such other location or locations as Lessor shall from time to time designate by written notice to Lessee.

ARTICLE 3. USE OF PREMISES

Permitted Use

3.01. Lessee shall use the leased premises for the purposes of administration of the Adult Probation office and related services, continuously during the term of this agreement and shall use the premises for no other purpose, without written consent from the Lessor.

Insurance Hazards

3.02 Lessee shall not use, or permit the use of, the premises in any manner that will cause a cancellation of, or an increase in, the existing rates for fire, liability, or other insurance policies insuring the premises or any improvements on the premises, or insuring the landlord for any liability in connection with ownership of the premises.

Waste, Nuisance, or Illegal Uses

3.03. Lessee shall not use, or permit the use of, the premises in any manner that results in waste of the premises or constitutes a nuisance or violates any statute, ordinance, rule, or regulation applicable to the premises 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 and ordinances, and with all applicable rules and regulations of governmental agencies concerning the use of the premises.

ARTICLE 4. MAINTENANCE AND SURRENDER

Maintenance by Lessor

4.01. Lessor shall, at its own expense and risk, maintain the roof, foundation, plumbing, structural soundness of the exterior walls and walkways surrounding the building, including but not limited to repairs and all necessary replacements of these items. Lessor shall not, however, be liable for any damages to person or property resulting from Lessor's failure to make any repairs

or perform any maintenance called for in this section unless, prior to the damages occurring, Lessee had given Lessor written notice of the need for the repair or maintenance and Lessor had failed to make the needed repair or to perform the needed maintenance within a reasonable time of receipt of the notice. Lessor is entitled to reimbursement from Lessee for any and all expenses reasonably incurred in connection with any maintenance, repair, or replacement required of Lessor pursuant to this section if the need for the maintenance, repair, or replacement resulted from the negligence or fault of Lessee or Lessee's agents, servants, officers, or employees. This reimbursement shall be due immediately upon receipt by Lessee of an itemized list of such expenses, with interest at the rate of ten (10%) percent annually from the date of receipt of such notice until reimbursement by Lessee.

Maintenance and Surrender by Lessee

4.02. Except as provided in 4.01, Lessee shall maintain the leased premises and keep them free from waste or nuisance throughout the lease term and any extensions of that term. Maintenance shall specifically include reasonable periodic replacement of air-conditioner filters and the taking of reasonable measures to insure that the water pipes do not freeze. At the termination of the lease, Lessee shall surrender and deliver the leased premises to Lessor in as good a state of repair and condition as they were in at the time Lessor delivered possession to Lessee, reasonable wear and tear and damage by fire, tornado, or other casualty excepted.

Remedy for Failure to Maintain

4.03. In the event either party fails to perform its obligation to repair or maintain as set forth in Sections 4.01 and 4.02 above after notice from the other party of the need for such repair or maintenance and the passage of a reasonable amount of time for performance after such notice, the other party may make such repairs or perform such maintenance, or cause such repairs to be made or maintenance to be performed at its own expense. The party required by Section 4.01 or Section 4.02 to make the repair or to perform the maintenance shall reimburse the party actually making or causing the repair to be made, or performing or causing the maintenance to be performed, for the reasonable expense of the repair or maintenance as follows:

- a. Any reasonable costs incurred by Lessor pursuant to this section shall be payable by Lessee to Lessor as additional rental on the next rental installment date, or, if there are no further rental installments under the lease, within thirty (30) days or at the termination of the lease, whichever occurs first.
- b. Any reasonable costs incurred by Lessee pursuant to this section may be deducted by Lessee from the next rental installment, or, if there are no further rental installments under the lease, shall be paid to Lessee by Lessor within thirty (30) days at the termination of the lease, whichever occurs first.

ARTICLE 5. TAXES AND ASSESSMENTS

Personal Property Taxes

5.01. Lessee shall pay and fully discharge all taxes, special assessments, and governmental charges of every character imposed during the term of this lease on the furniture, fixtures, equipment, and other personal property placed by Lessee in, on, or about the leased premises.

Real Property Taxes and Assessments

5.02. Lessor shall pay and fully discharge all real property taxes, special assessments, and governmental charges of every character imposed on the leased premises during the term of this lease, including any special assessments imposed on or against the premises for the construction or improvement of public works.

ARTICLE 6. UTILITIES AND GARBAGE REMOVAL

Utility Charges

6.01. Lessee shall pay all utility charges for water, electricity, heat, and gas, and telephone service used in and about the leased premises during the term of the lease, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same before the same shall become delinquent.

Garbage Removal

6.02. Lessee shall pay for the removal of all garbage and rubbish from the leased premises during the term of the lease.

ARTICLE 7. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Consent of Lessor

7.01. Lessee shall not make any alterations, additions, or improvements to the leased premises without the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor.

Property of Lessor

7.02. All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this lease. Lessor may, however, require that Lessee remove any or all alterations, additions, and improvements installed or made by Lessee, and any other property placed in the premises by Lessee, upon termination of the lease. In the event that Lessor requires Lessee to remove such alterations, additions, or improvements, Lessee shall repair any damage to the premises caused by such removal.

ARTICLE 8. TRADE FIXTURES AND SIGNS

8.01. Lessee shall have the right at all times to erect or install shelves or other trade

fixtures in, on, or about the leased premises, provided that Lessee complies with all applicable governmental laws, ordinances, and regulations regarding such fixtures. Lessee shall have the right to remove all trade fixtures at the termination of this lease, provided Lessee is not in default under the lease and that the fixtures will be removable without structural damage to the premises. Lessee must repair any damage to the leased premises caused by removal of trade fixtures, and all such repairs must be completed prior to the termination of the lease. Any trade fixtures that have not been removed by Lessee at the termination of this lease shall be deemed abandoned by Lessee and shall automatically become the property of Lessor.

8.02. Lessee shall have the right to erect signs on any portion of the leased premises including, but not limited to, the exterior walls of the premises, subject to applicable statutes, ordinances, and zoning restrictions. Lessee shall removed all signs at the termination of this lease and shall repair any damage including, but not limited to, closing any holes caused by such removal.

ARTICLE 9. MECHANIC'S LIEN

~~Lessee will not permit any mechanic's lien or liens to be placed upon the leased premises or upon improvements on the premises. If a mechanic's lien is filed on the leased premises or on improvements on the leased premises, Lessee will promptly pay the lien. If default in payment of the lien continues for twenty (20) days after written notice from Lessor to Lessee, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity. Any amounts paid by Lessor to remove a mechanic's lien caused to be filed against the premises or against improvements on the premises by Lessee, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of written notice, together with interest at the highest rate from the date of notice until the date paid by Lessee to Lessor.~~

ARTICLE 10. INSURANCE AND INDEMNITY

Lessor's Property Insurance

~~10.01. Lessor shall, at his own expense, during the term of this lease, keep all buildings and improvements on the leased premises insured against loss or damage by fire, theft, vandalism or malicious mischief, with extended coverage to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the building and improvements. The insurance is to be carried by one or more insurance companies licensed to do business in Texas.~~

Lessee's Property Insurance

~~10.02. Lessee shall, at its own expense, during the term of this Lease, keep all furniture, fixtures and equipment on the leased premises insured against loss or damage by fire, water or theft with extended coverage, to include direct loss by windstorm, hail, explosion, riot, or riot~~

attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the items insured. The insurance is to be carried by one or more insurance companies licensed to do business in Texas.

Lessee's Liability Insurance

10.03. Lessee, at his own expense, shall provide and maintain in force during the term of this lease, liability insurance in the amount of \$300,000.00, covering Lessor as well as Lessee, for any liability for property damage or personal injury arising as a result of Lessee's occupation or use of the leased premises. This insurance is to be carried by one or more insurance companies authorized to transact business in Texas and approved by Lessor.

Remedy for Failure to Provide Insurance

10.04. Lessee shall furnish Lessor with certificates of all insurance required by this article. If Lessee does not provide such certificates upon Lessor's delivery of possession to Lessee or within thirty (30) days of obtaining possession, 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 the provisions of this article. Lessor is entitled to immediate reimbursement from Lessee for all amounts spent by it to procure and maintain such insurance, with interest at the rate of ten (10%) percent per annum from the date of payment by Lessor until reimbursement by Lessee.

Hold-Harmless Clause

10.05. Lessee agrees to indemnify and hold Lessor harmless against any and all claims, demands, damages, costs, and expenses, including reasonable attorney's fees for the defense of such claims and demands, arising from the conduct or management of Lessee's business on the leased premises, or its use of the leased premises or from any breach on the part of Lessee of any conditions of this lease, or from any act or negligence of Lessee, its agents, contractors, employees, subtenants, concessionaires, or licensees in or about the leased premises. In case of any action or proceeding brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, agrees to defend the action or proceeding by counsel acceptable to Lessor. JCO

ARTICLE 11. DAMAGE OR DESTRUCTION OF PREMISES

Notice to Lessor

11.01. If the leased premises or any structures or improvements on the leased premises should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

Destruction

11.02. If all or part of the leased premises should be damaged or destroyed by fire, tornado, or other casualty not the fault of Lessee or any person in or about the leased premises with the express or implied consent of Lessee, this lease shall terminate, and rent shall be abated for the unexpired portion of this lease, effective as of the date of written notification as provided

in 11.01.

ARTICLE 12. CONDEMNATION

Condemnation

12.01. If during the term of this lease, all or part of the leased premises should be taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, this lease shall terminate, and the rent shall be abated during the unexpired portion of this lease, effective as of the date of the taking of the premises by the condemning authority.

ARTICLE 13. DEFAULT

Default by Lessee

13.01. If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this lease for a period of five (5) days after written notice from Lessor, Lessor may, without notice to Lessee, terminate this lease, or in the alternative, Lessor may reenter and take possession of the premises and remove all persons and property without being deemed guilty of any manner of trespass and relet the premises, or any part of the premises, for all or any part of the remainder of the lease term to a party satisfactory to Lessor, and at such monthly rental as Lessor may with reasonable diligence be able to secure. Should Lessor be unable to relet after reasonable efforts to do so or, should such monthly rental be less than the rental Lessee was obligated to pay under this lease, Lessee shall pay the expense of reletting plus the amount of any deficiency in the rent to Lessor.

Lessor's Lien

13.02. It is expressly agreed that, in the event of default by Lessee under this lease, Lessor shall have a lien upon all goods, chattels, or personal property of any description belonging to Lessee that are placed in, or become a part of, the lease premises, as security for rent due and to become due for the remainder of the current lease term. This lien shall not be in lieu of, or in any way affect, the statutory lessor's lien given by law but shall be in addition to that lien, and Lessee grants to Lessor a security interest in all personal property placed in or on the leased premises for purposes of this contractual lien. This shall not prevent the sale by Lessee of any merchandise in the ordinary course of business free of such lien to Lessor. If Lessor exercises the option to terminate the leasehold, reenter, and relet the premises, as provided in the preceding paragraph, and gives Lessee reasonable notice of its intent to take possession of Lessee's property on the premises and an opportunity for a hearing on the matter, Lessor may take possession of all of Lessee's property on the premises. After giving Lessee reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, Lessor may then sell the property at public or private sale, for cash or on credit, for such prices and terms as Lessor deems best, with or without having the property present at the sale. The proceeds of the sale shall be applied first to the necessary and proper expense of removing, storing, and selling such

property, then to the payment of any rent due or to become due under this lease, with the balance, if any, to be paid to Lessee.

Default by Lessor

13.03. If Lessor defaults in the performance of any term, covenant, or condition required to be performed by it under this agreement, Lessee may elect to do either one of the following:

- a. After not less than ten (10) days' notice to Lessor, Lessee may remedy such default by any necessary action and, in connection with such remedy, may pay expenses and employ counsel; all sums expended or obligations incurred by Lessee in connection with remedying Lessor's default shall be paid by Lessor to Lessee on demand and, on failure of such reimbursement, Lessee may in addition to any other right or remedy that Lessee may have, deduct these costs and expenses from rent subsequently becoming due under this lease.
- b. Lessee may terminate this lease on giving at least twenty (20) days' notice to Lessor such intention. In the event Lessee elects this option, the lease will be terminated on the date designated in Lessee's notice, unless Lessor has cured the default prior to expiration of the twenty (20)-day period.

ARTICLE 14. INSPECTION BY LESSOR

Lessor and its officers, agents, employees, and representatives shall have the right to enter into and upon any and all parts of the leased premises at all reasonable hours for purposes of inspection, maintenance, repairs, alterations, or additions as Lessor may deem necessary (but without any obligation to perform any of these functions except as expressly provided in this lease), or to show the premises to prospective tenants, purchasers, or lenders. Lessee shall not be entitled to any abatement or reduction of rent by reason of the entry of Lessor or any of its officers, agents, representatives, or employees pursuant to this Article, nor shall such entry be deemed an actual or constructive eviction.

ARTICLE 15. ASSIGNMENT AND SUBLEASE

Assignment and Subletting by Lessee

15.01. Lessee may not sublet, assign, encumber, or otherwise transfer this lease or any right or interest in this lease, or in the leased premises or the improvements on the leased premises, without the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interest in this lease, or in the leased premises or the improvements on the leased premises, without the written consent of Lessor, Lessor may, at its option, declare this lease terminated. In the event Lessor consents in writing to an assignment, sublease, or other transfer of all or any of Lessee's rights under this lease, the assignee or sublessee must assume all of Lessee's obligations under this lease, and Lessee shall remain liable for every obligation under the lease.

Assignment by Lessor

15.02. Lessor may assign or transfer any or all of its interests under the terms of this

lease.

ARTICLE 16. MISCELLANEOUS

Notices and Addresses

16.01. All notices required under this lease must be either (a) hand-delivered personally to the party being notified, or (b) forwarded by certified mail, return receipt requested, addressed to the proper party, at the following addresses:

Lessor: RICHARD PFEIL
811 Lake Drive
Taylor, Texas 76574

Lessee: Williamson County Adult Probation Department
117 West Fourth Street
Taylor, Texas 76574

Either party may change the address to which notices are to be sent by giving the other party notice of the new address in the manner provided in this section.

Parties Bound

16.02. This agreement shall be binding upon, and inure to the benefit of, the parties to this lease and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this agreement.

Texas Law to Apply

16.03. This agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this lease are performable in Williamson County, Texas.

Legal Construction

16.04. In case any one or more of the provisions contained in this agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the agreement, and this agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the agreement.

Prior Agreements Superseded

16.05. This agreement constitutes the sole and only agreement of the parties to the agreement and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this agreement.

Amendment

16.06. No amendment, modification, or alteration of the terms of this agreement shall be binding unless it is in writing, dated subsequent to the date of this agreement, and duly executed by the parties to this agreement.

Joint and Several Liability

16.07. If there is more than one Lessee, the obligation imposed upon Lessees by virtue of this lease shall be joint and several. If there is a guarantor of Lessee's obligation under this lease, the obligations imposed upon Lessee shall be the joint and several obligations of Lessee and the guarantor. Lessor need not first proceed against Lessee before proceeding against the guarantor, nor shall any such guarantor be released from its guaranty for any reason whatsoever.

Cumulative Remedies

16.08. All rights and remedies of Lessor and Lessee under this Article shall be cumulative, and none shall exclude any other right or remedy provided by law, or by any other provision of this lease. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

Waiver of Breach

16.09. A waiver by either Lessor or Lessee of a breach of this lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the lease.

Attorney's Fees and Costs

16.10. If, as a result of a breach of this agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this lease, then the breaching party agrees to pay the other party the reasonable attorney's fees and costs incurred to enforce the lease.

Force Majeure

16.11. Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this lease so long as performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, and any other cause not reasonably within the control of Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

Time of Essence

16.12. Time is of the essence of this agreement.

The undersigned Lessor and Lessee execute this agreement on July 1, 1997, at Taylor, Williamson County, Texas.

Lessor: RICHARD PFEIL
811 Lake Drive
Taylor, Texas 76574

Lessee: WILLIAMSON COUNTY ADULT PROBATION DEPARTMENT
117 West Fourth Street
Taylor, Texas 76574

Williamson County
By: John C. Darrin - County Judge

FIELD NOTES FOR RICHARD P. PFEIL:

BEING the West part of Lot 7 and part of Lot 8 of Block 16, as occupied and used, of the original town of Taylor, Williamson County, Texas, as conveyed in two deeds to Robert Pfeil and wife, Leona Pfeil, as recorded in Volume 464, Page 459 of the Deed Records of Williamson County, Texas, and to Robert Pfeil as recorded in Volume 362, Page 414, of the Deed Records of Williamson County, Texas. Surveyed on the ground in the month of September, 1984, under the supervision of R. T. Magness, Jr., Registered Public Surveyor, and more particularly described as follows:

BEGINNING at a point marking the N.W. corner of the above-referenced Lot 7, for the N.W. corner hereof; said point being 0.50 of-a-foot from the North side and the West side of a building;

THENCE, S 5° 02' E, through a brick wall running in a southerly direction, at 45.00 feet pass the common line of said Lot 7 and Lot 8, for a total distance of 49.25 feet to a point 0.50 of-a-foot from the said West side of the building; said point being in the center of a wall running in an easterly direction, marking the S.W. corner of said Pfeil tract (362/414), for the S.W. corner hereof;

THENCE, N 84° 58' E, through the center of said wall running in an easterly direction, at 45.74 feet pass the common line of said Pfeil tract (362/414) and the above-referenced Pfeil tract (464/459), for a total distance of 59.74 feet to a point in the center of a brick partition running in a northerly direction, which marks the West line of that tract of land conveyed, by deed, to Richard P. Pfeil and wife, Delma Fay Pfeil, as recorded in Volume 469, Page 198 of the Deed Records of Williamson County, Texas; said point marking the S.E. corner of said Pfeil tract (464/459), for the S.E. corner hereof;

THENCE, N 5° 02' W, through said wall running in a northerly direction, at 4.25 feet pass the common line of said Lot 7 and Lot 8, for a total distance of 49.25 feet to a point 0.50 of-a-foot from the said North side of the building; said point marking the N.E. corner of said Pfeil tract (464/459), for the N.E. corner hereof;

THENCE, S 84° 58' W, at 14.00 feet pass the common line of said Pfeil tract (464/459) and said Pfeil tract (362/414), for a total distance of 59.74 feet to the place of BEGINNING and containing 0.07 of-an-acre of land.

Job No. H-10108
04/cs

Page 2 of 2

Exhibit "A"

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West Part

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AGENDA ITEM # 29

July 1, 1997

*

Consider authorizing County Judge to engage professional to formulate request for proposals for Financial Software Package.

Moved: Commissioner Boatright

Seconded: Commissioner Hays

Motion: To authorize County Judge John Doerfler to engage professional to formulate request for proposals for Financial Software Package.

Vote: Motion carried 5 - 0

***See copy of Agreement recorded in Volume 89, pages 921 through 925.

AGENDA ITEM # 30

July 1, 1997

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Consideration and approval of an order ratifying, re-adopting and approving the order authorizing the issuance of Williamson County, Texas Limited Tax General Obligation Bonds, Series 1997; and the order awarding the sale of and establishing the rates of interest for Williamson County, Texas Limited Tax General Obligation Bonds, Series 1997.

Moved: Commissioner Hays

Seconded: Judge Doerfler

Motion: To approve order ratifying, re-adopting and approving the order authorizing the issuance of Williamson County, Texas Limited Tax General Obligation Bonds, Series 1997; and the order awarding the sale of and establishing the rates of interest for Williamson County, Texas Limited Tax General Obligation Bonds, Series 1997.

Vote: Motion carried 5 - 0

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