

LEASE AGREEMENT

THIS LEASE AGREEMENT [this “Lease”] is made as of the 25th day of July, 2023, by and between the County of Polk, Texas [the “Lessor”], and Mitchell’s Funeral Home (Sedrick Mitchell) [the “Lessee”].

ARTICLE 1

Premises

Lessor, for the consideration, and upon the terms and conditions, covenants, and agreements hereinafter set forth and provided, has DEMISED and LEASED, and by these presents does DEMISE and LEASE unto Lessee, and Lessee, upon and subject to the conditions hereinafter expressed, has TAKEN and HIRED, and by these presents does TAKE and HIRE from Lessor, those certain premises [the “Leased Premises”] consisting of 9,218 square feet of area situated in that certain building at 103 Hospital Street, Corrigan, Texas [the “Building”] on a tract of land situated in Polk County, Texas, as more fully described on Exhibit A attached hereto and made a part hereof for all purposes [the “Property”].

ARTICLE 2

Term of Lease

TO HAVE AND TO HOLD the Leased Premises unto Lessee for a term of [24] twenty-four months [the “Initial Term”], commencing on July 1, 2023, and expiring at midnight on June 30, 2025, unless sooner terminated as hereinafter provided. Lessee shall be entitled to extend this Lease for a “Renewal Term,” is defined Article 4 hereof, upon the terms and conditions set forth herein. The word “Term” herein shall mean the Initial Term and, unless the context otherwise requires, the Renewal Term.

ARTICLE 3

Rent

Section 1. Lessee agrees to pay, as rental for the Term an annual amount of \$0.10 per square foot of useable floor area within the Leased Premises, being \$11,061.60 [9,218 square feet x \$0.10 x 12 months] per year.

Section 2. The rent is payable in monthly installments of \$921.80, with the first two installments being due and payable on or before August 15, 2023, and with all like installments being due and payable on or before the [15th] fifteenth day of each succeeding calendar month during the term.

Section 3. If any part of the rent due from Lessee under this Agreement remains unpaid for fifteen (15) consecutive days, Lessor may, at Lessor's sole option, terminate this Agreement and the right of Lessee to use and occupy the space by sending a preliminary Notice to Lessee specifying a date on which Lessor's right to use the space terminates unless all sums due are paid by Lessee before the date specified in the preliminary notice. If Lessee fails to pay the full amount due by the date specified in the preliminary Notice, Lessor is entitled to deny Lessee further access to the space ninety [90] days after the preliminary Notice was received by the Lessee to the extent provided in Article 14

ARTICLE 4

Extension

Section 1. Lessor hereby grants Lessee an option [the "Renewal Option"] to extend the Initial Term for a period of one [1] year [the "Renewal Term"] upon the following terms and

conditions:

- [a] Lessee shall not be in default under any of the duties or obligations imposed upon it by this Lease.
- [b] Lessee, if it elects to exercise the Renewal Option, shall give notice to Lessor at least sixty [60] days prior to the end of the Initial Term.
- [c] The terms and conditions of this Lease shall continue in full force and effect during the Renewal Term.

ARTICLE 5

Lessee Improvements

Section 1. Lessee shall bear the cost and expense of all architectural fees and charges incurred by Lessee in order to design improvements to or additions in, on, or about the Leased Premises which Lessee deems necessary, reasonable, or desirable in connection with its occupancy and use of the Leased Premises [the "Improvements"]. Lessee shall present plans and specifications for the Improvements to Lessor for approval, which approval shall not be unreasonably withheld.

Section 2. Lessee shall have the express right to construct the Improvements. The Improvements shall be constructed in accordance with applicable laws and regulations [including any applicable Building Code and Fire Code].

Section 3. Lessor recognizes, understands, and agrees that Lessee may, during the term of this Lease or any extensions thereof, desire to have additional or replacement improvements constructed on the Leased Premises. Lessee shall have the right to construct or replace any such improvements at its sole cost and expense, as set forth in Section 2 of this Article 5. It is also expressly understood by the parties that, upon termination of this lease, and improvements or modifications made here under shall remain the sole property of the Lessor.

Section 4. Lessee agrees to repaint, repair all cosmetic imperfections of the interior of the

building, and shall further complete any and all improvements to the interior of the property during the Initial Term.

ARTICLE 6

Indemnification

Section 1. Lessee agrees to indemnify and save harmless Lessor against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, [whether private, governmental, or municipal] arising from Lessee's negligence or willful misconduct in, on, or about the Leased Premises.

Section 2. Lessor agrees to indemnify and save harmless Lessee against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, [whether private, governmental, or municipal] arising from Lessor's negligence or willful misconduct in, on, or about the Leased Premises.

ARTICLE 7

Insurance

Section 1. Lessee shall obtain insurance against fire and other casualty loss on the Improvements in such amount, against such risks, and with such insurance company as Lessee at its option may decide.

Section 2. Lessor shall obtain insurance against fire and other casualty loss on the Building and other structures or improvements situated on the property in such amount, against such risks, and with such insurance company as Lessor at its option may decide.

Section 3. Lessor and lessee, in their own behalf and of their insurers, each hereby waive any and all claims which such party may have against the other party during the Term for

any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of the Leased Premises, the Improvements, and the Building to the extent that such loss or damage is or could have been covered by a standard Texas fire and extended coverage insurance policy, regardless of cause or origin, including negligence [sole or otherwise], of such other party hereto. The foregoing mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of or damage to property of the parties hereto. The foregoing mutual waivers are intended to preclude the assignment of any of the above mentioned claims by way of subrogation, or otherwise, to an insurance company or any other person; and each party hereto shall notify such party's insurers of the foregoing mutual waivers. Each party shall be responsible to have its applicable insurance policies properly endorsed, if necessary, to prevent the invalidation of the insurance coverage by reason of the foregoing waivers.

ARTICLE 8

Property Taxes

Lessee agrees to pay and discharge, when due, all property taxes as shall be levied, assessed, or imposed on the property during the Term.

ARTICLE 9

Damage Clause

Section 1. In the event the Leased Premises are damaged or destroyed by fire or other casualty, and the necessary repairs cannot reasonably be made within ninety [90] days from the date of such damage, this Lease may, at the option of the Lessee, be terminated, provided

Lessee exercises its termination options as provided in this Article 9. Within fifteen [15] days from the date of such damage, Lessor shall notify Lessee in writing as to whether Lessor will repair the Leased Premises, other than the improvements, within ninety [90] days from the date of such damage. If Lessor notifies Lessee that such repairs cannot be made within ninety [90] days from the date of such damage, this Lease shall automatically terminate, unless Lessee elects, within fifteen [15] days from the date of said notice, to continue this Lease in effect as to the useable portion of the Leased Premises, in which case the rent payable under this Lease shall be reduced proportionately. If, however, Lessor notifies Lessee that Lessor will repair the Leased Premises, other than the Improvements, within ninety [90] days from the date of such damage, this Lease shall remain in full force and effect. If, however, Lessee determines in good faith that the necessary repairs cannot reasonably be made within ninety [90] days from the date of such damage, Lessee shall have fifteen [15] days from the date of said notice during which Lessee may elect to terminate this Lease. If Lessee fails to exercise its termination option within fifteen [15] days from the date of said notice from Lessor, this Lease shall remain in full force and effect. During any period in which such repairs are being made, the rent payable under this Lease shall abate in whole or in part, depending upon the extent to which such damage and/or repairs shall deprive Lessee of the use of the Leased Premises for the normal purpose of Lessee's business. In the event the improvements are damaged or destroyed, Lessee shall cause the same to be repaired and restored, unless this Lease is terminated pursuant to the relevant provisions of this Article.

ARTICLE 10

Maintenance

Section 1. Except as otherwise provided herein, Lessee shall maintain and keep in

a good state of repair the Building, Property and improvements now or hereafter situated upon the Property, including maintenance and repair of the exterior and/or roof of the Building, and repair of any defects in the Building and its central systems including, but not limited to, the plumbing, fire alarm, and suppression and electrical system and lawn, all of which shall be performed diligently and promptly by Lessee at its sole cost and expense. Lessee will specifically be responsible for any damage resulting from a malfunction of or leak in the fire suppression system. Lessee agrees to maintain and keep in a good state of repair the Improvements, reasonable wear and tear, and to the extent otherwise provided in Article 9 above, casualty loss, excepted. Lessee further agrees to comply with all the laws, regulations, and ordinances and rules and regulations of governmental agencies having jurisdiction in the maintenance and upkeep of the Improvements, and to keep at all times the Leased Premises in a neat, clean, and sanitary condition.

ARTICLE 11

Water, Gas and Electricity

All gas, electric current, heat, water, sewer charges, and other similar charges, if any, which may accrue during the Term shall be paid promptly by Lessee as the same accrue. Lessor shall in no event be liable for any charges accrued for such utilities.

ARTICLE 12

Use of the Premises

The Leased Premises may be used by Lessee as a funeral home and for activities reasonably related thereto, or for any other activities which may be approved by Lessor, such approval not to be unreasonably withheld.

ARTICLE 13

Holding Over

This Lease shall terminate without further notice at the expiration of the Initial Term, unless the Renewal Option to extend the term of this Lease for the Renewal Term is exercised by Lessee, in which event this Lease shall terminate without further notice at the expiration of the Renewal Term. Any holding over, or repossession by Lessee, for any reason whatsoever after termination of this lease, shall not operate to renew or extend this Lease, but shall operate and be construed as a tenancy at the will of Lessor at a rental equal to the most current monthly rent. With the exception of the option to extend the term of this Lease for the Renewal Term, no agreement for an extension, renewal, or change of this Lease shall be valid without the written consent of Lessor and Lessee.

ARTICLE 14

General Termination Clause

Furthermore, this agreement may be terminated by either party, with or without cause, by providing ninety [90] days written notice to the other party. Once the terminating party has provided written notice of its intent to terminate this lease, all duties and responsibilities listed hereunder, including the responsibility to pay rent, shall continue throughout the ninety [90] period contemplated herein. If the end of the ninety [90] period falls in the middle of a month, rent for the final month shall be prorated.

ARTICLE 15

Lessor's Remedies

Section 1. If Lessee shall neglect or fail to perform or observe any of the covenants, terms, provisions, or conditions contained in these presents and on its part to be performed or

observed within thirty [30] days after notice such default, or if the estate hereby created shall be taken by execution or other processes of law [except eminent domain], if Lessee shall be declared bankrupt or insolvent according to law, or if any assignment shall be made of the property of Lessee for the benefit of creditors, or if a receiver, conservator, trustee in involuntary bankruptcy, or other similar officer shall be appointed to take charge of all or any substantial part of Lessee's property by a court of competent jurisdiction, and such proceeding is not dismissed within one hundred twenty [120] days after it is begun, or if Lessee shall file a petition or a petition shall be filed for the reorganization of Lessee, under any provisions of the Bankruptcy Code now or hereafter enacted, or if Lessee shall file a petition for arrangements under any provisions of the Bankruptcy Code now or hereafter enacted, and providing a plan for a debtor to settle, satisfy, or extend the time for the payment of debts, then, and in any of the said cases, Lessor lawfully may, immediately, or at any time thereafter, and without demand or notice, enter into and upon the Leased Premises or any part thereof in the name of the whole repossess the same as of his former estate, and upon entry as aforesaid, this Lease shall terminate; and Lessee covenants and agrees, notwithstanding any entry or re-entry by Lessor whether by summary proceedings, termination, or otherwise, to pay and be liable for, on the dates originally fixed herein, the payment hereof, amounts equal to the several installments of rent and other charges reserved as they would, under the terms of this Lease become due if this lease had not been terminated or Lessor had not entered or re-entered as aforesaid, except that any option to extend the term of this Lease not previously exercised shall be deemed to have not been exercised for purposes of this Article 15, and whether the Leased Premises be relet or remain vacant in whole or in part or for a period less than the remainder of the term, or for the whole thereof, but in the event the leased premises be relet by

Lessor, Lessee shall be entitled to a credit in the net amount of rent received by Lessor in reletting, after deduction of all expenses incurred in connection therewith. As an alternative, at the election of Lessor, Lessee will, upon such termination, pay to Lessor, as damages, such a sum that, as of the time of such termination, represents the amount of the excess, if any, of the then value of the total rental and other benefits which would have accrued to Lessor under this Lease for the remainder of the Lease Term, if the provisions of this Lease had been fully complied with by Lessee, above the then cash rental value in advance of the Leased Premises for the balance of the term.

Section 2. Lessor shall, in no event, be in default in the performance of its obligations hereunder, unless and until Lessor shall have failed to perform such obligations within thirty [30] days after notice by Lessee to Lessor properly specifying wherein Lessor has failed to perform any such obligations.

ARTICLE 16

Broker's Commission

Lessor and Lessee each warrant and represent to the other that it has not incurred and will not incur any liability for brokerage fees, agents' commissions, or the like in connection with this Lease, and Lessor and Lessee do hereby indemnify and hold harmless each other from any and all such claims and expenses [including attorney's fees] arising by, through, or under the indemnifying party.

ARTICLE 17

Waiver

Failure on the part of Lessor or Lessee to complain of any action or non-action on the part

of the other party, no matter how long the same may continue, shall never be deemed to be a waiver by the non-complaining party of any of its rights hereunder. Further, it is covenanted and agreed that no waiver at any time of any of the provisions hereof by Lessor or Lessee shall be construed as a waiver at any subsequent time of the same provisions with regard to events occurring after the waiver or waivers under said provisions. The consent or approval by Lessor or Lessee of any action by the other party requiring the consenting or approving party's consent or approval shall not be deemed to waive or render unnecessary such party's consent or approval of any subsequent similar act by the other party.

ARTICLE 18

Notices

Whenever by the terms of this Lease, notice shall or may be given either to Lessor or to Lessee, such notice shall be in writing and shall be delivered in hand, via email or deposited with the Clerk in any U.S. Post Office or U.S. Branch Post Office [certified mail, return receipt requested, postage prepaid], as follows:

If intended for Lessor, addressed to Lessor C/O County Judge at 101 W. Church, Suite 300, Livingston, Texas 77351; email: grantsandcontracts@co.polk.tx.us, or to such other address as may from time to time hereafter be designated by Lessor by like notice

If intended for Lessee, addressed to Lessee C/O Cedric Mitchell at 5310 Rose Lane Beaumont, Texas 77708; Email: sjmitchell1023@gmail.com, or to such other address as may from time to time hereafter be designated by Lessee by like notice.

ARTICLE 19

Covenant of Quiet Enjoyment

Lessee, subject to the terms and provisions of this Lease, on payment of the rent and observing, keeping, and performing all of the terms and provisions of this Lease on its part to be observed, kept, and performed, shall lawfully, peaceably, quietly, and exclusively have, hold, occupy, and enjoy the Leased Premises during the Term without hindrance or ejection by any person or entity.

ARTICLE 20

Mechanic's Liens

Lessee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, or equipment alleged to have been furnished or to be furnished to or for Lessee and which may be secured by any mechanic's, materialman's, or other lien against the Leased Premises and/or Lessor's and/or Lessee's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures and/or becomes due, provided, however, that if Lessee desires to contest any such lien or the indebtedness purported to be secured thereby, or any part of such indebtedness, with or without resort to litigation, it may do so, but notwithstanding any such contest, if any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof if not promptly stayed or is so stayed and said stay thereafter expires, then and in any such event Lessee shall forthwith pay and discharge said judgment. Nothing in this Article 20 or in any other provision hereof shall in any way empower, authorize, or allow Lessee to impose, voluntarily or otherwise, any lien upon the Leased Premises or Lessor's or Lessee's interest therein.

ARTICLE 21

Sign

Lessee shall have the right to erect or install a sign on the awning of the Building, lawn adjacent to the street or to erect or install other advertising media, provided said sign or other advertising media substantially conforms to the plans and specifications provided to and approved by Lessor, which approval shall not be unreasonably withheld, as to construction, method of attachment, size, shape, height, lighting, color, and general appearance.

ARTICLE 22

Parking

Section 1. Lessee shall have sole control over the entrances, exits, and traffic lanes of parking facilities on the Property and Lessee shall maintain and keep in good repair said parking facilities. Lessee shall be responsible for maintaining the parking lot including, but not limited to, trash and debris removal on a regular basis so as to keep the area in a neat and clean condition. Lessee, Lessee's employees, and Lessee's licensees shall be entitled to use of the available parking space as Lessee deems necessary, reasonable, or desirable in connection with its occupancy and use of the Leased Premises.

Section 2. Lessee shall mark and designate as restricted to use solely by the handicapped 2 parking spaces situated in close proximity to the entrance to the Leased Premises. In addition, Lessee shall mark and designate as reserved two parking spaces situated in of the Leased Premises, which parking space shall be reserved for the exclusive use by Lessee to park Lessee's designated vehicle's. Lessee shall be entitled to park its designated vehicles in the

reserved space overnight at its own risk.

ARTICLE 23

Waiver of Landlord's Lien

Lessor hereby expressly waives any and all landlord's liens [whether statutory or otherwise] which it may have to enforce Lessee's obligations hereunder.

ARTICLE 24

Attorney's Fees

Should Lessor or Lessee default in the performance of any of the terms, covenants, agreements, or conditions contained in this Lease, and should the non-defaulting party place the enforcement of this Lease or any part of the same, or the collection of any rent or other sums due or to become due hereunder, or the recovery of possession of the Leased Premises, in the hands of an attorney, or file suit upon the same, the defaulting party agrees to pay to the non-defaulting party all reasonable attorney's fees incurred by the non-defaulting party in connection therewith.

ARTICLE 25

Invalidity of Particular Provisions

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstance other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 26

Provisions Binding

Except as herein otherwise expressly provided, the terms hereof shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective legal representatives, successors, and assigns.

ARTICLE 27

Governing Law

This Lease shall be governed exclusively by the provisions hereof and by the internal laws of the State of Texas, as the same may from time to time exist.

ARTICLE 28

Time of Essence

Time is and shall be of the essence of this Lease and of each term and provision hereof.

ARTICLE 29

Entirety

No verbal or oral agreements pertaining to the Lease shall be binding on Lessor or Lessee, the entire agreement to be such as is written into this Lease, and Lessor and Lessee hereby agree that each has carefully read this instrument and that the same terms and conditions herein set out are satisfactory. This Lease may not be altered, changed, or amended except by an instrument in writing, signed by the parties hereto.

ARTICLE 30

Paragraph Headings

The paragraph headings throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the

