

Amphitheater Tract, being 10.261 acres of land out of the Milam County School Land Survey, Abstract No. 135 and being a part or portion of that certain 752.51 acre tract described in the deed recorded at Volume 86, Page 839 of the Deed Records of Somervell County, Texas, and more specifically shown on a map attached as Exhibit A hereto.

Parking Tract, being 17.332 acres of land out of the Milam County School Land Survey No. 135 and being all of that 17.332 acre tract described in the deed recorded at Volume 86, Page 671 of the Deed Records of Somervell County, Texas, and more specifically shown on a map attached as Exhibit B hereto.

III.

TERM AND TERMINATION

The term of this lease is ten (10) years, beginning on the ___ day of ____, 20___, unless sooner terminated as set forth herein. The parties may renew this Agreement at the end of the initial term for a like or lesser term by mutual agreement in writing.

If Lessee allows the rent or additional rent to be in arrears more than 30 days after written notice of the delinquency, or remains in default under any other condition of this lease for 30 days after written notice from Lessor, Lessor may, at its option, 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 considered guilty of any manner of trespass and may (but is not required to) relet the premises (or any part of them) for all or any part of the remainder of the lease term, to a party satisfactory to Lessor and at the monthly rental as Lessor can secure with reasonable diligence. If Lessor cannot relet after reasonable efforts to do so or if the monthly rental is less than the rental Lessee was obligated to pay under this lease (or any renewal of it) plus the expense of reletting, then Lessee must pay Lessor the amount of the deficiency.

Lessor's waiver of breach of one covenant or condition of the lease is not a waiver of breach of others, or of subsequent breach of the one waived. Lessor's acceptance of rent installments after breach is not a waiver of the breach, except of breach of the covenant to pay the rent installment or installments accepted.

IV.

RENT

Lessee agrees to pay a monthly base rent in the amount of One (\$1.00) Dollar, payable at the first of each month (or which can be pre-paid for the year at the start of each lease year). Lessee also agrees, as additional rent, to:

1. pay all utilities (gas, water, electric and telephone service), and all solid waste collection charges, for the entire Leased Premises. This shall include all utility costs for the entire property, including outdoor watering and cleaning;
2. provide all repair, upkeep, maintenance and janitorial services for the entire Leased Premises and provide all landscaping and lawn care services for the Leased Premises;
3. timely pay all taxes or governmental charges or assessments, if any, assessed against the Leased Premises during the term of this lease;
4. pay the costs of operating the Leased Premises except as expressly retained by the Lessor herein;
5. provide and maintain liability insurance at its sole cost as set forth herein;
6. market and promote the venue as a tourist attraction and promote Somervell County in general as a tourist destination, including direct advertising for the County as part of ads and spots. The advertising for the County must be approved in advance by the County. A kiosk will be allowed to be maintained by the Lessor on the Leased Premises for the purpose of providing information about the County and its various attractions to visitors; and
7. continue to stage "The Promise" during the general times and for a similar number of performances as "The Promise" has been put on in the past.

V.

USE OF PREMISES GENERALLY

The premises shall be used and occupied for the sole purpose of public events, and shall not be used for any other purpose without the express written consent of Lessor. Lessee shall promptly comply with all orders, regulations and requirements imposed by governmental agencies, City, County, State and Federal, all at Lessee's cost and expense. Lessee shall keep the premises, both exterior and interior, clean at all times and shall not permit the premises to be used, either interior or exterior, in a manner which constitutes a fire hazard. Lessee agrees not to conduct any activity which will create an unsafe condition or that constitutes a nuisance as determined by a court of competent jurisdiction to surrounding owners. Lessee expressly covenants and agrees that it will at all times keep the premises free of excess debris, trash and waste. Lessee shall not store or use hazardous chemicals or materials on the premises except as allowed by law. Lessee shall not create any adverse environmental condition on the premises or dispose of hazardous materials or chemicals by discharge or placement on the premises.

VI.

REPAIRS AND MAINTENANCE

Lessee, at its expense, shall maintain and keep the premises in good repair, and shall be responsible for all damage to the Leased Premises except damage covered by the Lessor's property insurance. Lessee may replace broken or worn out items either with new items or with used items in good condition.

VII.

DELIVERY, ACCEPTANCE AND SURRENDER OF PREMISES

Lessee agrees to accept the premises on possession as being in a good state of repair and in sanitary condition. Lessee agrees to surrender the premises to the Lessor at the end of the lease term, or any renewal term, or upon termination of this lease, in the same condition as when Lessee took possession, allowing for all reasonable use, wear and tear, and damage by acts of God, including fire and storms. Lessee agrees to remove all business signs or symbols placed on the premises by it before redelivery of the premises on which they were placed in the same condition as before their replacement. All improvements made to the premises by Lessee shall remain the property of the Lessor upon expiration or termination of this lease.

VIII.

LESSOR'S ENTRY FOR INSPECTION

Lessor reserves the right to enter onto the Leased Premises at all reasonable times to inspect them.

IX.

SIGNS, AWNINGS, MARQUEES, ETC.

Lessee agrees that it will not construct or place, or permit to be constructed or placed, signs, awnings, marquees, or other structures projecting from the exterior of the premises without Lessor's written consent thereto. Lessee further agrees to remove signs, displays, advertisements or decorations it has placed, or permitted to be placed, on the premises, which, in Lessor's opinion, are offensive or otherwise objectionable. If Lessee fails to remove such signs, displays, advertisements, or decorations within 10 days after receiving written notice from Lessor to remove the same, Lessor reserves the right to enter the premises and remove them, at Lessee's expense.

X.

LESSEE TO CARRY LIABILITY INSURANCE

Lessee agrees to procure and maintain in force during the term of this lease and any extension thereof, at its expense, public liability insurance in companies and brokers

approved by Lessor, adequate to protect against liability for damage claims through public use of or arising out of accidents occurring in or around the leased premises, in a minimum amount of Three Hundred Thousand Dollars (\$300,000.00) for per person and One Million Dollars (\$1, 000,000.00) per any one occurrence. Such insurance policies shall provide coverage for Lessor's contingent liability on such claims or losses and name the Lessor as an additional insured. Lessee agrees to obtain a written obligation from the insurers to notify Lessor in writing at least thirty (30) days prior to cancellation or refusal to renew any such policies. Lessee agrees that, if such insurance policies are not kept in force during the entire term of this lease and any extension thereof, Lessor may procure the necessary insurance, pay the premium therefor, and that such premium shall be repaid to Lessor as an additional rent installment for the month following the date on which such premiums are paid, and/or terminate this lease. Lessee shall provide the Lessor with proof of insurance upon request.

Lessor will continue to maintain property insurance covering the Leased Premises, but such insurance only covers property owned by the Lessor.

XI. ALTERATIONS

Lessee may not make any alterations, additions, or improvements to the Leased Premises without Lessor's prior written consent. Lessor may not unreasonably withhold consent for nonstructural alterations, additions, or improvements. Improvements become the property of the Lessor upon termination of this lease.

Lessee may, at all times, erect or install shelves, bins, machinery, equipment, or other trade fixtures, in, on, or about the premises, if Lessee complies with all applicable governmental laws, ordinances, and regulations regarding the fixtures. Lessee may remove all trade fixtures when this lease terminates, if Lessee is not in default under the lease and the fixtures can be removed without structural damage to the building. Lessee must repair any damage to the premises caused by removing trade fixtures, and all the repairs must be completed before the lease terminates. Any trade fixtures not removed by Lessee when this lease terminates are considered abandoned by Lessee and will automatically become Lessor's property. If any trade fixture installed by Lessee is abandoned when the lease terminates, Lessee must pay Lessor any reasonable expense actually incurred by Lessor to remove the fixture from the premises. CAVEAT: equipment or fixtures that are replacements of equipment or fixtures originally on the Leased Premises when Lessee takes possession shall be the property of the Lessor and may not be removed by the Lessee.

XII.

TOTAL OR PARTIAL DESTRUCTION

If the building on the Leased Premises is totally destroyed by fire, tornado, or other casualty by other than the negligence, gross negligence, or intentional tort of Lessee or any person in or about the premises with Lessee's express or implied consent, or if it is so damaged that rebuilding or repairs cannot reasonably be completed within the insurance recovery, this lease will terminate, and rent will be abated for the unexpired portion of this lease. Even if the rebuilding can be accomplished within the insurance recovery, the Lessor may elect not to rebuild if the Commissioners Court of Somervell County determines that such rebuilding or repair is not in the public interest of the County (Lessor), in which case this lease terminates.

If the building or other improvements on the premises are damaged by fire, tornado, or other casualty by other than the negligence, gross negligence, or intentional tort of Lessee or any person in or about the premises with Lessee's express or implied consent, but not to such an extent that rebuilding or repairs cannot reasonably be completed within the insurance recovery, this lease will not terminate except if the Commissioners Court of Somervell County determines that such rebuilding or repair is not in the public interest of the County (Lessor). If Lessor elects not to rebuild or repair and the damage rendered the premises unuseable in whole or in part, Lessee may terminate the lease or continue it with the rent for the remainder of the lease period adjusted equitably.

XIII.

ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions shall apply to this lease:

- (a) If Lessee fails to pay or perform any obligation hereunder, the Lessor may pay, perform, or have performed the obligation to protect its interests. If the Lessor does so, Lessee must reimburse the Lessor for its costs in meeting the Lessee's obligation within 30 days of receiving notice of the amount to be reimbursed from the Lessor.
- (b) LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, THAT THE PREMISES IS FIT FOR THE INTENDED PURPOSES OF THE LESSEE, OR HAS ANY QUALITIES NOT HEREIN EXPRESSED. LESSEE ACCEPTS THE LEASED PREMISES "AS-IS" AND "WITH ALL FAULTS".
- (c) Lessee has inspected the premises prior to entering into this lease, and is relying solely on its own inspection and investigation in entering into the lease, and not on any representations of the Lessor, ALL WARRANTIES, EXPRESS OR IMPLIED, BEING WAIVED AND DISCLAIMED.

(d) Because this agreement covers multiple budget years of the Lessor, any obligation of the Lessor hereunder to pay for any item or perform any work at the Lessor's cost is subject to appropriation by the Somervell County Commissioners Court in each budget year of funds to cover such obligations. In the event of non-appropriation in a budget year, the Lessee may either terminate this lease or chose to continue the lease and pay for the obligation(s) itself.

(e) Venue of any action brought in a dispute or action under this lease or arising out of this lease shall be in a court of competent jurisdiction in Somervell County, Texas.

(f) Lessee shall not cause any lien to be placed on the premises.

(g) This lease agreement may not be assigned.

DATED this the _____ day of _____, 20_____.

THE PROMISE IN GLEN ROSE, INC.
LESSEE

By: _____
Phillip R. Hobson
President

ATTEST:

Corporate Secretary

SOMERVELL COUNTY, TEXAS
LESSOR

By: _____
Mike Ford, County Judge

ATTEST:

County Clerk