

THE STATE OF TEXAS  
COUNTY OF LAMPASAS

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LEASE AGREEMENT WITH OPTION  
FOR A PHASED/FUTURE  
ECONOMIC DEVELOPMENT PROJECT

This is a Lease Agreement with an Option for a Phased/Future Economic development Project ("Lease" or "Agreement") made this 20th day of JANUARY 2023 ("Effective Date"), by and between Brant Martin, Individually, and as the President of Connected Entities, which is a Lampasas, Texas entity (the "Company") with its principal place of business at 1010 McClean Street, Lampasas, Texas, 76550. Martin and the Company may be jointly referred to herein as "Martin" or "Lessee". In response to a "Request for Proposals" for the use/acquisition of unimproved property owned by the City of Lampasas, Texas (the "City" or Lessor"), Martin submitted his proposal for a phased use and development of the City's property located at 1310 McClean Street. (the "Property"), including an initial "Phase 1" use as a RV/Boat storage facility, and a subsequent Phase 2 development of the Property as a 'hot-rod business park' which will include on-site improvements and utilities, employment for the businesses operating thereon, and construction of numerous businesses that will operate on the Property. See Martin RFP, attached as Exhibit "A". The purpose of this Agreement is to set forth the terms and conditions applicable to the two (2) Phases of Martin's occupancy, use and development of the Property, and to detail the rights and obligations of the Parties during Phase 1 and Phase 2 of the work to be done by the Parties, as the Property is developed by Martin, over time. The City and Martin may be jointly referred to herein as "Parties" and singularly as "Party." The Property may be referred to herein as the "Leased Premises."

**RECITALS**

**WHEREAS**, Martin desires to immediately lease the Property from the City for use as Martin's RV and Boat Storage Rental business for a period of twelve (12) months, and undertake the planning, design, financing of the future construction work that will be necessary to acquire ownership of the Property during this lease period. ("Phase 1 Term"); and

**WHEREAS**, it is the intention of the Parties that the Property will be "leased for purchase" by Martin, from the City, pursuant to the terms noted herein for the Project, pursuant to the Economic Development Laws of the State of Texas; and

**WHEREAS**, it is the intention of the Parties that at the expiration of Phase 1 of the Lease, the City will assess Martin's use and compliance with the future development requirements set forth herein, pertaining to the Property's Phase 2 development and future operation and occupancy as a hot-rod related business park located on the Property, and if Martin has fully complied, and the City agrees that the plans and proposals for Martin's future development meet the expectations set by Martin's Proposal submitted to the City in October of 2021, and attached hereto as Exhibit "B," the City will agree to enter into a Phase 2 Economic Development Agreement that will include conveyance of the Property, in fee, to Martin, as well as the legally required claw-back

provisions should Martin fail to complete the agreed upon Phase 2 obligations: and

**WHEREAS**, the Parties acknowledge and agree that the purpose of this Agreement is, in part, to encourage and promote additional hot-rod related businesses on the Property and to enhance local employment of individuals from the Lampasas community, continuously, over a period of years, which will result in economic benefit to the Lampasas Community; and

**WHEREAS**, in addition, in recognition of the economic benefits which will accrue to the City and community through Martin's efforts to operate the Company and employee personnel in the City of Lampasas, the City has determined that it will provide certain economic development incentives to the Company, in the form of: (1) initial clearing of the Property, removing concrete barriers and concrete remnants on the Property; and (2) a defined purchase price for the real property upon which the company will operate, as set forth herein; and

**WHEREAS**, In order to accomplish the economic development goals of both Martin and the City, the Parties agree it is necessary to enter into this Agreement, which addresses the terms of the Phase 1 Lease of the Property by Martin from the City, and details the tasks and timeframes that will be prerequisite to the City's conveyance of the Property to Martin, for the Phase 2 component of the Economic Development Project and the subsequent documentation related to that Phase of the Project between the Parties.

**NOW THEREFORE**, for consideration acknowledged to be adequate and sufficient, the Parties hereby agree as follows:

## **THE LEASE**

### **ARTICLE I. LEASED PREMISES AND PRIVILEGES**

- 1.01 Leased Premises. For and in consideration of the term, conditions, and covenants of this Lease to be performed by Lessee, City hereby leases, demises and lets unto Lessee, Martin, beginning on the Lease Initiation Date noted in Sec. 3.01, below, certain real property physically located at 1310 McClean Street, Lampasas, Texas, as shown on attached Exhibit "B," which is incorporated herein for all purposes. (the "Property" or the Leased Premises") The Parties specifically agree and acknowledge that no other real property or improvements other than those specifically identified on Exhibit "B" are subject to this Lease. The Leased Premises is generally comprised of and approximately 5.61-acre tract of unimproved land, with various concrete remnants along the western boundary line adjacent to McClean Street.
- 1.02 Use of Premises. Beginning on the Lease Initiation Date, Lessee shall be entitled to occupy the Lease Premises for the sole purposes of: (1) performing work to prepare site for RV and Boat Storage, install signage, security, and lighting;

(2) operating and maintaining an RV and Boat Storage facility, as further detailed herein below; (3) preparing and operating the site for mobile food vendors. Martin shall not use the Leased Premises for any other purposes without obtaining prior permission for such additional uses from Lessor, the City. Lessee agrees that, at all times, the use of the Leased Premises shall be in conformity with all existing applicable ordinances, rules, and regulations of the City and in conformity with all statutes, ordinances, regulations or other requirements of any government authority having jurisdiction over the Leased Premises, if any. Lessee also acknowledges and agrees that no other storage activity, beyond the commercial storage of registered, operational RVs and Boats may be done or allowed on the Leased Premises, without the specific, advanced, written permission of the Lessor, the City, and that any attempt to do so shall automatically void the Lease without further notice or action by the City.

- 1.03 Access to Lessor: Authority and Quiet Possession. During all periods of this Lease, Lessee shall allow open and unfettered access to the Leased Premises by Lessor for inspection of the Leased Premises. The Parties acknowledge and agree that the City has the right to enter the Leased Premises and perform inspections thereon, provided, however, that such access and inspection work does not disrupt Martin's operations of the RV and Boat Storage on the Leased Premises.

City covenants that if Lessee shall discharge the obligations herein set forth to be performed by Lessee, Lessee shall have and enjoy, during the term hereof, and all extensions hereinafter provided, quiet and undisturbed possession of the Leased Premises and all appurtenances appertaining thereto, together with the right to occupy and use the Leased Premises as contemplated herein.

- 1.04 Ownership of Leased Premises and Improvements. The Parties acknowledge and agree that during the Phase 1 Term, and any extension agreed upon to it by the City, if any, the City shall have, at all times, the exclusive ownership right to the Leased Premises and all improvements thereon, and, further, that Lessee's rights under this Agreement are strictly limited to those of a tenant with temporary use and occupation rights as set forth herein.

## ARTICLE II. COMPENSATION FOR LEASE

- 2.01 Rent. Beginning on the Lease Initiation Date, Martin shall pay Rent in the sum of \$100/per month, for its use and occupation of the Leased Premises. Rental shall be paid monthly, and shall be due and payable on the 1<sup>st</sup> day of each month for the 12-month lease. Lessee agrees that all rental payments are due and payable and shall be paid by Lessee without demand or notice in writing from City. Failure of Lessee to pay any rental may, at the City's discretion, constitute Lessee's default of this Lease, unless expressly waived, in writing, by the City.

- 2.02 All payments made hereunder by Lessee shall be made to City, at Attention: Becky Sims, City Secretary, City Hall, 312 East Third Street, Lampasas, TX 76550, unless notified in writing to the contrary by City.

### **ARTICLE III. COMMENCEMENT, TERM AND TERMINATION OF LEASE**

- 3.01 Lease Initiation Date. The Lease Initiation Date shall be the last date upon which all of the Parties hereto have fully executed this Lease. ["Lease Initiation Date"]
- 3.02 Term of Lease. The term of this Lease for the Property described in Exhibit "A", shall commence on the Lease Initiation Date and shall continue on a month-to-month basis, for a term of 12 months after the City's initial clearing of the Property as described in 9.01. ("Phase 1 Term"). City may, at its sole discretion, approve (if requested in writing by Lessee), subsequent extensions of the Lease for up to twelve (12) additional months, if City and Martin agree that adequate progress toward completion of Phase 1 obligations, in preparation for Phase 2 of the Project has been made, and the Parties agree that Phase 2 will be implemented by Martin at the expiration of Phase 1 Term (and any extension thereto permitted by the City), for the completion of the Project, as proposed. ("Phase 1 Extension Term(s)"), which Extension Terms shall commence on the day following the expiration of the Phase 1 Term or the preceding Phase 1 Extension Term. Any Phase 1 Extension Term shall be based upon: (i) the conditions specified herein, (ii) any additional or amended requirements set by the Lessor for the Phase 1 Extension Term(s), and (iii) the rental schedule, as stated herein, unless otherwise agreed to by the Parties at the time of approval of an Extension hereto. Lessee shall give to City notice of its intention to request any Extension, in writing, on or before sixty (60) days prior to the end of the Phase 1 Term or any subsequently approved Extension Term(s).

The Parties acknowledge and agree that at the time of the initiation of the Lease, all permanent Improvements and appurtenances thereto located on the Leased Premises, as well as the Leased Premises itself, are owned exclusively by City.

- 3.03 Vacation on Expiration or Termination/Holding Over. The Parties agree that Lessee shall timely and peaceably vacate the Leased Premises within forty-five., (45) days of the termination or expiration of the applicable Lease period with any "holding over" to be with Lessee occupying merely as a 'holdover tenant at will' until such time as the Lessee vacates the Lease Premises. Any holding over by Lessee after the expiration or termination of this Lease, plus forty-five (45) days to vacate in whatever manner its termination may be brought about, shall not operate as a renewal of this Lease, but during the period of such holding over Lessee shall be a 'holdover tenant at will' of the City and shall pay to the City a Hold Over Rental of \$100 per day, for each day Lessee occupies the Leased Premises after the termination and/or expiration of this Lease.
- 3.04 Termination for Breach. In the event that Martin fails to meet any of its obligations as set forth in this Agreement and the Exhibits attached hereto, and made part of for all purposes, or shall Martin cease to operate the Leased Premises as a RV and Boat Storage business

on the Lease Premises during the Lease, then the Lease shall terminate and control of the Leased Premises and Lessor's Improvements thereon, if any, shall revert immediately and solely to the City.

#### ARTICLE IV. COVENANTS AND CONDITIONS

- 4.01 Non-Discrimination. The Lessee, for itself, its personal representatives, successors in interest, and approved assigns, if any, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:
- (A) No person on the grounds of race, color, sex, religion, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination under any program or activity that shall occur on the Leased Premises; and,
  - (B) That the Lessee shall at all times use the Leased Premises in compliance with all Non-Discrimination policies, laws and regulations either in effect at the present time or those promulgated in the future, of the United States of America, the State of Texas, the City of Lampasas, or their successors.
- 4.02 Abide by All Laws. Lessee agrees to abide by all laws, statutes, policies, ordinances, rules and regulations of the United States, the State of Texas, the City of Lampasas and of all other duly constituted public authorities having jurisdiction over any part or component of the operation on the Leased Property. No provision in this Lease Agreement shall be construed as being in conflict with same.
- 4.03 Non-Assignment/Subletting. Lessee may not assign this Lease or sublease any part or the entire Leased Premises or improvements without the prior written consent of City. Any attempt to do so without City's consent shall be null and void. Neither the acceptance of rent from any assignee or sub-lessee, nor the passage of time after any such assignment or sublease, shall constitute a waiver of this express prohibition. City's written approval to any particular such assignment or sublease shall not constitute City's approval of any subsequent assignment or sublease and shall not relieve Lessee from the performance of its obligations hereunder, including, but not limited to, the payment of Rent. City understands that during Phase 1, as herein described, Martin will rent/lease space to others for storage and/or food vendor operations; and will, under Phase 2 lease space for ancillary business operations.
- 4.04 Acceptance of Premises. With the sole exception of clearing, removal of the concrete barriers that will be done on the Property at the direction and cost of the City prior to Martin's entry onto the Leased Premises, Martin agrees to accept and occupy the Leased Premises and any improvements thereon on an "**AS IS**" basis and agrees to furnish any materials, labor and/or equipment necessary to use the Leased Premises and properly and continuously operate the RV/Boat Storage business thereon during the Phase 1 Term.

Further, Martin assumes full responsibility for any renovations, repairs and/or construction, at Lessee's sole expense, as may be necessary for the safe and/or efficient use of Leased Premises for the RV Boat Storage business proposed by Martin on the Leased Premises.

- 4.05 Martin's Obligations Regarding Improvements on Leased Premises. Martin shall be solely responsible for any construction deemed necessary, including utility taps, connections, utility deposits and landscaping, for the operation of the RV and Boat Storage business on the Leased Premises, but shall obtain the Lessors' written approval and consent prior to making any permanent improvements on the Property.

All permanent improvements and alterations made by Lessee on the Leased Premises are subject to approval by City, in writing, prior to construction to determine that such construction is in accordance with the various building ordinances, electrical codes and the uses and purposes contemplated by the Lease Agreement and approved by the City.

In the event that the Lease is terminated or expires prior to Lessee's purchase of the Property as currently envisioned by the Parties, all permanent improvements placed thereon by Lessee shall remain thereon and shall become the sole property of the Lessor, at no cost to, and with no reimbursement from the City to the Lessee.

- 4.06 Utilities. Lessee agrees to pay all charges for gas, water, wastewater, electricity, telephone, telecommunication services and other utilities used on or furnished to the Leased Premises.

- 4.07 Operation and Maintenance of Leased Premises and Improvements by Lessee. Lessee agrees to be responsible for all operations, maintenance and repair of all items on the Leased Premises including all of Lessee's improvements, buildings, structures, grounds, pavements, utilities, grass cutting, landscaping, trash collection and removal and all other maintenance requirements that may arise during Lessee's occupancy of the Leased Premises. Specifically, Lessee agrees that the Property, together with all improvements, shall be maintained by Lessor in a safe, clean and attractive condition at all times, which shall include, but is not limited to, the following mandatory contractual responsibilities for use and maintenance of the Leased Premises:

- (1) Lessee shall store only Recreational Vehicles ("RV"s) and Boats that are fully operational and that have/display current State of Texas registrations;
- (2) Lessee may provide space for food vendors/food trucks providing all food vendors/trucks are in compliance with all State and City regulations for their operation.
- (3) Lessee shall not store any other equipment, vehicles, items, trash, partial vehicles, trailers, or materials on the Leased Premises other than the operational and registered RVs and Boats noted in Item (1) above;
- (4) All RVs and Boats stored on the Leased Premises during the Phase 1 Term of this

Lease shall be stored in a planned, systematic and organized manner, which reflects a controlled and structured use of the Property to the passing public;

- (5) Lessee shall not allow trash, debris, parts, equipment or materials associated with the RVs and Boats stored on the Property to accumulate or be stored on property;
- (6) Lessee shall not allow vegetation, weeds, grass or other materials to grow or accumulate on the Property;
- (7) Lessee shall provide for commercial waste receptacles/disposal on the Leased Premises to handle and dispose of garbage and other refuse caused as a result of Lessee's activities;
- (8) Lessee shall ensure that no activities on the Property during the Phase 1 Term constitute any type of nuisance (including but not limited to light, noise, odor) to property owners or occupants that are located within 200 feet of the Leased Premises;
- (9) Lessee shall ensure that it operates its RV and Boat Storage on Days and during hours that do not pose a disturbance to adjacent property owners/occupants.
- (10) Lessee acknowledges and agrees that it shall not to utilize or permit others to utilize areas on the Leased Premises which are located, or on the right- of- ways along the boundaries of the Leased Premises, in any manner that would distract from the appearance of, access to, or utility of the Leased Premises and Improvements

4.08 Taxes. Lessee agrees to pay all taxes, including general and special assessments, *ad valorem* taxes and other charges of any kind levied on or assessed against the Leased Premises and all interests in the Premises and all improvements and other property on them during the Lease Term(s), whether belonging to Lessee or City, if any are assessed. Lessee indemnifies the City and holds it harmless from all such taxes, charges and assessments, if any. Lessee may, in good faith at its own expense, contest any such taxes, charges and assessments but must pay the contested amount, plus any penalties and interest imposed, if and when finally determined to be due.

4.09 No Liens. Lessee covenants and guarantees that it shall take no action that shall result in the imposition of any lien, including mechanic and materialmen's liens, upon the Leased Premise, Property or improvements, without the express, advanced, written permission of City.

4.10 Operation/Staffing. Lessee acknowledges and agrees that it shall be solely responsible for employing, compensating or otherwise obtaining (e.g., through hiring efforts) employed staff sufficient to professionally operate the RV and Boat Storage business, at all times during the Phase 1 Term of the Lease, including Extension Terms, if any.

- 4.11 Continuous Operation Required. The Lessee acknowledges that it is a contractual requirement of the Lease that Lessee shall operate the RV and Boat Storage business continuously during the Phase 1 Term and including Extension Terms, if any, and pursuant to the standard days and hours of operation set by the City of Lampasas. For purposes of this Lease, the terms "continuous" and "continuously" shall mean operation of the business without a ceasing the operation for a period of time exceeding 30 cumulative calendar days.
- 4.12 Signage. All signage related to the RV and Boat Storage business on the Leased Premises shall be in full conformance with City Code and cost for same shall be borne by the Lessee.
- 4.13 Inspection. City shall have the right to enter the Leased Premises at reasonable times during normal business hours, for inspection and to make repairs to the Leased Premises, as may be necessary for the safe and efficient use of the Leased Premises and Improvements. Should Lessee make alterations or repairs to the Leased Premises, without an agreement with the City, all costs related to same shall be borne strictly by Lessee, and shall not be subject to reimbursement by Lessor.
- 4.14 Security. The Lessee shall be solely responsible for the installation and operation of appropriate security devices, equipment and programs for the Leased Premises and all inventory of its customers located thereon and shall maintain same, in good repair throughout the term of the Lease.

#### ARTICLE V. INSURANCE

- 5.01 Insurance. Lessor shall be solely responsible for and shall continuously maintain in effect during the term of this Agreement and any extension thereof, at Lessor's sole expense, insurance coverage for the real property that comprises the Leased Premises, which is owned by the City during the Phase 1 Term of the Lease and any extensions thereto.

Lessee shall be responsible for continuously maintaining in effect during the term of this Agreement and any extension thereof, at Lessee's sole expense, insurance coverage for the Property and any improvements or property of Lessee located constructed or placed thereon by Lessee's customers.

- (A) Comprehensive General (Public) Liability Insurance. Covering the Leased Premises, the Lessee, and its activities at the Premises, including any construction performed thereon. Liability insurance limits shall be in the following minimum amounts:



- (B) Bodily Injury, including Death and Property Damage: \$1,000,000 combined single limit coverage on a per occurrence basis or on a 'claims made' basis with a \$1,000,000 aggregate limit.
- (C) Fire and extended coverage. In amounts sufficient to cover the replacement value of any building, appurtenances or other facilities erected by Lessee during this Lease or currently existing on the Property and the Leased Premises. In addition, the Lessee shall obtain insurance as appropriate to cover the Martin's liability on any RV or Boat or other equipment stored or present on the Leased Premises at any time. This coverage shall include theft, vandalism, malicious mischief, as well as damages caused from weather conditions, and acts of God.
- (D) Contents. Lessee is solely responsible for obtaining and maintaining insurance in amounts sufficient to cover liability on all contents, equipment and inventory owned by Lessee and present on the Property.
- (E) All policies shall name the City of Lampasas as an 'additional named insured' and provide for a minimum of thirty (30) days written notice to the City prior to the effective date of any cancellation, material change, or lapse of such policies.
- (F) All policies entered into by the Lessee must be approved by the City in writing prior to the execution of same to ensure that the provisions of this section are fully satisfied.
- (G) City shall be provided with a copy of any insurance policy existing on the Leased Premises, improvements and contents in the Leased Premises.
- (H) Any insurance policy herein required or procured by Lessor shall contain an express waiver of any right or subrogation by the insurance company against the City.
- (I) In the event of payment of any loss covered by any insurance policies, the respective policy holder shall be paid first by the insurance company for its loss.
- (J) The Parties agree and acknowledge that nothing herein shall act as Lessee's waiver of subrogation to Martin and its insurer.

5.02 Destruction of the Leased Premises.

If the Leased Premises, improvements or facilities located thereon, are partially damaged by any casualty insurable under Lessee's insurance policy, Lessee shall, upon receipt of the insurance proceeds, repair the same in a manner approved by the City.

If the Leased Premises or improvements are damaged as a result of a risk which is not fully covered by Lessee's insurance, Lessee shall either (a) repair or rebuild the damaged Improvements to the extent of available insurance proceeds, or (b) terminate this Lease and assign the insurance proceeds to City to cover any damages or losses incurred by the City, if any. If Lessee fails to repair or rebuild the damaged improvements to the extent of available insurance proceeds or terminate this Lease and assign insurance proceeds to the City, City, at its sole option, shall have the right to terminate this Lease and resume sole control of the Leased Premises and any improvements thereon.

**VI. INDEMNIFICATION, WAIVER AND HOLD HARMLESS**

6.01 **Indemnity, Waiver and Hold Harmless.** Lessee agrees to indemnify, waive and hold harmless the City and its agents, employees, and representatives from and against all liability for any and all claims, suits, demands, and/or actions arising from or based upon intentional or negligent acts or omissions which may arise out of or result from this Agreement and/or from Lessee's occupancy and/or use of the Leased Premises, Lessee's improvements and/or facilities, located upon the Leased Premises, including any and all activities arising out of or connected in anyway with or incidental to this Lease Agreement. Such indemnification shall include, but is not limited to, acts or omissions on the part of Lessee's contractors, subcontractors, employees, volunteers, invitees, customers, clients, trustees, patrons, visitors, agents and/or representatives. Lessee shall indemnify the City against any and all mechanic's and materialmen's liens or any other types of liens imposed upon the Leased Premises demised hereunder arising as a result of Lessee's conduct or activity.

This Indemnity, Waiver and Hold Harmless provision extends to any and all such claims, suits, demands, and/or actions regardless of the type of relief sought thereby, and whether such relief is in the form of damages, judgments, and costs and reasonable attorney's fees and expenses, or any other legal or equitable form of remedy. This Indemnity provision shall apply regardless of the nature of the injury or harm alleged, whether for injury or death to persons or damage to property, and whether such claims by alleged at common law, or statutory or constitutional claims, or otherwise. This Indemnity provision shall apply whether the basis for the claim, suit, demand, and/or action may be attributable in whole or in part to the Lessee, or to any of its agents, servants, representatives, employees, members, volunteers, clients, trustees, patrons, visitors, contractors, and subcontractors (if any) or to anyone directly or indirectly employed by any of them. However, this

**indemnity provision shall not apply if Lessor's percentage of the negligence exceed that of the City.**

**City assumes no responsibility or liability for harm, injury, or any damaging events which are directly or indirectly attributable to premise defects of conditions which may now exist or which may hereafter arise upon the Leased Premises or Improvements. Lessor understands and agrees that this Indemnity provision shall apply to any and all claims, suits, demands, and/or actions based upon or arising from any such claim asserted by or on behalf of Lessee or any of its members, patrons, visitors, clients, citizens, invitees, agents, board members, trustees, customers, employees, contractors and subcontractors (if any).**

**It is expressly understood and agreed that the City shall not be liable or responsible for the negligence of Lessee, its agents, servants, employees, volunteers, members, visitors, clients, patrons, customers, contractors and subcontractors. Lessee further agrees that it shall at all times exercise reasonable precautions for the safety of, and shall be solely responsible for the safety of its agents, servants, employees, volunteers, members, visitors, clients, patrons, board members, customers, contractors and subcontractors (if any), and/or other persons, as well as for the protection of supplies, fixtures and equipment and the property of Lessor or other persons. Lessee further agrees to comply with all applicable provisions of Federal, State, and municipal safety laws, regulations, and ordinances.**

**Provided further, that the Parties each agree to give the other Party prompt and timely notice of any claim made or suit instituted which in any way, directly or indirectly, contingently or otherwise, affects or might affect the Lessee or the Lessor. Lessee further agrees that this Indemnity Provision shall be considered as an additional remedy to the City and not an exclusive remedy.**

#### **ARTICLE VII. DEFAULT AND OPPORTUNITY TO CURE**

- 7.01 If Lessee does not timely pay all Rent sums when due, and after being given sufficient notice and opportunity to cure delinquent payment, or if Lessee abandons or materially neglects the Leased Premises for a period of thirty (30) consecutive days OR (45) cumulative days, or if Lessee is not performing or is in breach of any terms, provisions, covenants or conditions of this Lease, then, the same shall constitute a default by Lessee. In the event of a default or breach by the Lessee, City may immediately or any time thereafter, initiate termination of this Lease by giving Lessee thirty (30) days' notice in writing of the default(s). If default continues for more than thirty (30) days after notice was provided by the City, City shall have the right to terminate the Lease. Provided, however, that as to those actions or circumstances which Lessee should do or discontinue doing or correct which create a danger or are detrimental to the public health, safety and welfare, the

delinquency shall be cured by Lessee immediately, without need or obligation of notice by City. Conditions or circumstances creating a dangerous situation or that otherwise imperil the health, safety and welfare of the public shall be conclusive as to Lessee if the determination that they are such is made by the State or City. The terms danger and/or detrimental as herein used, shall mean those things which do or reasonably appear to pose health, safety or welfare concerns for the public, in the discretion of the City. In the event completion of a cure cannot be accomplished within the period noted herein, but Lessee is able to demonstrate a concerted effort and material progress to complete the cure, then City will agree to extension in the length of time to cure, as determined to be reasonable in the judgment of the City.

- 7.02 In case of any default which continues for more than (30) days after notice is given as herein required, City may, at its option, instead of canceling this Lease, take possession of the Leased Premises and any improvement thereon and re-let or otherwise use or devise all interest in the same.

**In the event that City is required, for whatever reason, to remove Lessee's improvements from the Leases Premises, City will maintain the improvements for Martin's repossession of same for a period of not less than 30 calendar days. Lessee hereby waives all claims for damages which may be caused by the re-entry by the City and the taking of possession of the Leased Premises or removal or storage of the furniture, fixtures, equipment and property as herein provided, and will save the City harmless from any loss, costs or damages occasioned by the City thereby, and no such re-entry shall be considered or construed to be a forcible entry. No such re-entry or taking possession of the Leased Premises by the City shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given Lessee or unless the termination thereof be decreed by a court of competent jurisdiction.**

- 7.03 Waiver of Statutory Notice to Quit. In the event the City exercises its option to cancel this Lease upon the happening of any or all of the events set forth herein, a notice of cancellation given pursuant to the Lease and sent to the address specified in Section 11.06, Notice, or subsequent address provided shall be sufficient to cancel this Lease; and upon such cancellation, Lessee hereby agrees that it will forthwith surrender possession of the Leased Premises and Improvements to the City.

- 7.04 Surrender of Premises. Lessee covenants and agrees that it will, at the termination or expiration of this Lease, in whatever manner such termination may be brought about, promptly surrender and deliver the Leased Premises and all improvements thereon to the City in good condition, ordinary wear and tear and damage by any insured casualty excepted. Lessee, having paid all rent and not in default of any term set forth in this Agreement, shall be given a reasonable time, not to exceed sixty (60) days after the termination or expiration of this Lease to remove all of Lessee's personal property,

including temporary/portable improvements and fixtures belonging solely to Lessee, from the Leased Premises.

- 7.05 Rights of Mortgagee. Any person, corporation or institution that lends money to Lessee for construction of any structure, building or improvement and retains a security interest in said structure, building or improvement shall, upon default of Lessee's obligations to said mortgagee, have no right to enter upon said Leased Premises or Improvements nor may it operate or manage the business on the Leased Premises, if any.
- 7.06 Effect of Condemnation. If the whole or any part of the Leased Premises shall be condemned or taken by eminent domain proceedings by any city, county, state, federal or other authority for any purpose, then the term of this Lease shall cease on the part so taken from the day the possession of that part shall be required for any purpose and the rent shall be paid up to that day, and from that day, Lessee shall have the right to continue in the possession of the remainder of the Leased Premises under the terms herein provided, except that the rent shall be adjusted to such amount as the Parties hereto shall negotiate. All damages awarded for such taking of land for any public purpose shall be apportioned between the parties based upon their proportionate financial contribution toward the part taken in the proceeding.
- 7.07 Non-Waiver for Breach. No acceptance of Rent by City after it is due, and no delay on the part of City in enforcing any obligation of the Lessee, shall be construed as a waiver or any default then, theretofore, or thereafter existing in the performance of any other obligation undertaken by Lessee. No lawful termination of this Lease shall release Lessee from responsibility or liability to the City for rents due and unpaid nor from the performance of any of the covenants, agreements, or stipulations by the Lessee herein undertaken to be kept and performed.
- 7.08 Attorney Fees. If it becomes necessary for City to secure and/or use the services of an attorney or agent in order to collect any amount due hereunder, or to enforce any of the provisions hereof, Lessee agrees and binds itself to pay to City a reasonable attorney's fee and court costs, which shall bear interest from the date of its accrual at the legal rate for judgments.

**ARTICLE VIII**  
**ACTIONS PRECEDENT TO PHASE 2**

**MARTIN'S PHASE 1 OBLIGATIONS TO PREPARE FOR OPTION TO PURCHASE  
PROPERTY AND DEVELOPMENT OF FUTURE ECONOMIC DEVELOPMENT AGREEMENT**

**[I.E. "PHASE 2" OF THE MARTIN PROJECT]**

- 8.01 Martin has proposed and the City agreed that, the initial Phase 1 Term of the Lease shall be 12 months commencing after the clearing of the Property by the City, with potential extensions thereto not to exceed a cumulative additional 12 month period, at the sole option of the City. The Parties also agree that Martin may request that the length of Phase 1 be shortened, in the event that Martin desires and is prepared to enter into the Phase 2 – 'Purchase of the Property and Development of the Project' prior to the end of initial 12-month period, provided that Martin has successfully completed all mandatory actions required by this Agreement, as set forth herein below in 8.03 – Phase 1 Lessee Obligations.
- 8.02 Lessee acknowledges and agrees that in order to achieve compliance with this Agreement's contractual requirements, during the Phase 1 Term (regardless of its eventual length of time) Martin shall successfully and timely perform various actions noted in Section 8.03, which are stipulated herein to assist Martin in preparing to successfully:
- (1) Acquire fee simple ownership of the Property, by no later than the end of the Phase 1 Term of the Lease; and
  - (2) Develop the Hot Rod Park, as the City's approved Economic Development Project, and as it is generally detailed by Martin in its Proposal attached as Exhibit "A" on the Property, and
  - (3) Initiate and complete construction on the Project's development within the timeframes set forth herein.

ACTION

DATE OF COMPLETION

1	Lease Agreement/Option for Economic Development Project approved and executed by both Parties	On or before January 20, 2023
2	City commences clearing of concrete structures at site, leveling with road base material	On or about November 15, 2022
3	Martin's site work and commencement of RV/Boat Storage, preparation for mobile food vendors. Commencement of 12 month lease term per 3.02.	On or about January 20, 2023
4	Negotiate terms of Phase 2 Economic Development Agreement for Project including capital improvements/investments, employment projections, milestones for performance	On or before June 30, 2023
5	Concurrently, approve and execute Economic Development Agreement for the Project with the City; and finalize sale, purchase and conveyance of Property at an agreed purchase price of one hundred sixty-five thousand dollars (\$165,000.00). In the event Phase 1 Lease Agreement/Option for Economic Development Project is extended beyond 18 months, in total, the City retains the right to renegotiate the purchase price of the Property.	On or before February 1, 2024, unless extended by City per 3.02
6	Submit, for permitting, all required site, utility and construction plans and specifications	On or before June 30, 2024
7	Commence construction on facilities by installation of utility taps, site access, and building pad	One or before November 30, 2024

The City Council, at its sole option, may grant an extension to the deadlines noted herein if the Lessee (i) makes a written request for an extension and delivers the written application for an extension to the City at least thirty (60) days before the expiration of the deadline(s) set forth above; and (ii) provides evidence that the Lessee has made

reasonable and demonstrable progress towards meeting the originally agreed upon deadline and documentation of the reasons that the extension(s) are necessary. The request for an extension shall be considered by the City Council, which shall render a final determination as to whether the request for extension should be granted and, if granted, for how long the extension will be approved.

- 8.03 The Parties agree that construction on Building #1 of Phase 2 of the Project will be initiated by Martin on the Property on or before the sixth month after Martin's purchase of the Property, under this agreement and shall be completed in stages as set forth in the Economic Development Agreement for Phase 2 of the Project, which will be negotiated and executed by the Parties prior to the expiration of this Agreement.

#### **ARTICLE IX CITY'S CONTRIBUTION**

- 9.01 City Contribution to Costs for Operation of the RV and Boat Storage Business. In preparation of the marketing and use of the Property the City agrees to provide and pay for the initial clearing of the Property. After execution of the lease, and before completion of the clearing by the City, Martin may commence work on the property providing it is not in conflict with the clearing work by the City.

#### **ARTICLE X. COMPLIANCE**

- 10.01 Acknowledgments.

Notwithstanding any other provisions or terms of the Lease, Lessee acknowledges that the Improvements may be subject to various Federal, State and local laws and regulations. ("Laws") Lessee further acknowledges that it is familiar with all applicable Laws and that it is aware that there are significant penalties for non-compliance with such Laws.

- 10.02 Permit/Law Compliance.

Lessee agrees to undertake, at its sole expense, unless otherwise agreed to in writing between Lessor and Lessee, all permit and other requirements necessary for full compliance with the Laws. Lessee warrants that it shall meet any and all deadlines that may be imposed or applicable. Lessee acknowledges that time is of the essence.



## ARTICLE XI. MISCELLANEOUS

- 11.01 No Assignment. This Lease is not assignable by either Party without the express prior written permission of the non-assigning Party.
- 11.02 Lease-Binding on Successors, Assigns, Etc. All covenants, agreements, provisions and conditions of this Lease shall be binding upon and inure to the benefit of the respective Parties hereto, that is both City and Lessee jointly and severally, and their legal representatives, successors, related business entities, or assigns (if approved), and/or grantee or assignees of the City and Lessee. No modification of this Lease shall be binding upon either Party unless it is in writing and is signed by both Parties.
- 11.02 Utilization/Protection of City Property. City reserves the right to take any action it considers necessary to utilize and protect City Property, structures or other facilities on or adjacent to the Leased Premises. City reserves the right to further develop City property adjacent to the Leased Premises, as it deems appropriate without any hindrance or interference from Lessee. City expressly reserves the right to grant to others additional Leases and privileges with respect to City property adjacent to the Leased Premises.
- 11.03 Expenses. The Parties agree that the expenses incident to this Lease shall be paid by the Party incurring same.
- 11.04 Parking. City reserves the right to restrict and designate parking areas for all surface vehicles on all areas of the Leased Premises and adjacent City Property, as the City determines necessary for the public health, welfare and safety, and in compliance with State and City regulations and laws.
- 11.05 Entire Agreement. This Lease constitutes the entire understanding between the Parties and as of its Effective Date supersedes all prior or independent agreements between the Parties covering the subject matter hereof. Any change or modification hereof shall be in writing signed by both Parties.
- 11.06 Notice. Any notice given to either party under the terms of this Lease shall be hand-delivered or sent by registered or certified mail, return receipt requested, postage prepaid, addressed to:

LESSOR:  
City of Lampasas  
Attn: Finley deGraffenried  
City Manager  
312 East 3<sup>rd</sup> Street  
Lampasas, TX 76550

LESSEE:  
Brant Martin  
Martin's Rod & Custom  
1010 McClean Street  
Lampasas, TX 76550

or to such other place as each Party may hereafter designate in writing forwarded in like manner for any other notice.

- 11.07 Headings. The headings and subtitles contained in the Lease are for the purpose of clarification and in way are determinative of the intent and purposes of the Lease or the conditions stated herein.
- 11.08 Severability. If any part, provision, term, condition, obligation or portion of this Lease is found to be illegal or void by a court of final jurisdiction, the entire Agreement shall not be void, but the void provision shall be struck and the remainder of the Agreement shall continue in full force and effect as nearly as possible in accordance with the original intent of the Parties.
- 11.09 Execution/Authority. It is agreed that this Lease may be executed in multiple copies each having the force and effect of an original. Further, each Party warrants that the individual executing this Lease on its behalf has express legal authority to bind the entity he/she represents.
- 11.10 Force Majeure. The Parties shall not be required to perform any term, condition, or covenant ("action") in the Agreement so long as such performance is delayed or prevented by Force Majeure, which shall include strikes, lock-outs, labor disputes, national, statewide or regional shortages of required labor, inability to procure required materials, failure of power not caused by the delaying Party, governmental moratorium or other governmental action or inaction (including failure, refusal or delay in issuing permits, approvals and/or authorizations not caused by the actions of the applying Party), government restrictions (including restrictions issued as a response to the COVID-19 pandemic or any other public health emergency so declared by governmental authority), injunctions or court orders, riots, insurrections, wars, and Acts of God such as fires, earthquakes, floods or other natural disasters, or other events of a like nature that are not the fault of or caused or contributed to by the delaying Party (herein collectively, "Force Majeure"). In the event of a Force Majeure delay, then the performance of any action required by the Agreement effected or prevented thereby shall be excused for the period of the Force Majeure event, and the 'period for the performance' required by the Agreement shall be extended for a period equivalent to the period of the Force Majeure event, provided that Force Majeure shall not apply to Tenant's obligations to pay Rent or any other charges, fees or costs pursuant to this Agreement.
- 11.11 Governing Law/Venue. This Lease shall be construed and interpreted under the laws of the State of Texas. All Parties agree this agreement is solely performable in Lampasas County, Texas. And venue shall be in Lampasas County, Texas.
- 11.12 Exhibits. All Exhibits hereto are incorporated herein for all purposes and the terms stated therein bind all Parties hereto.

EXECUTED in two counterparts, each of which shall have the force and effect of an original, this 20 day of JANUARY, 2023.

LESSOR  
CITY OF LAMPASAS, TEXAS

By: [Signature]  
Finley deGraffenried, City Manager

ATTEST: [Signature]  
Becky Sims, City Secretary  
City Secretary

LESSEE  
CONNECTED ENTITIES

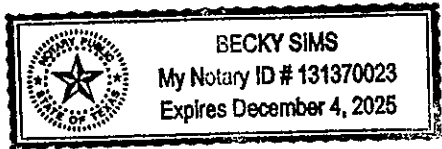
By: [Signature]  
Brant Martin, Individually and on Behalf of Connected Entities

STATE OF TEXAS §

§ CORPORATE ACKNOWLEDGMENT

COUNTY OF LAMPASAS §

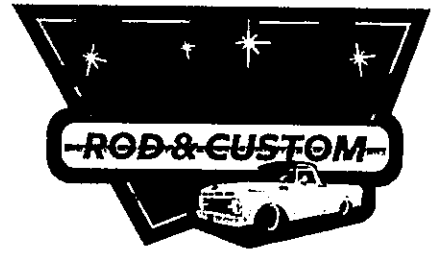
This instrument was acknowledged before me on this 20 day of January, 2023, by Brant Martin, an individual and in his capacity as Owner and President of Connected Entities



[Signature]  
Notary Public and for the  
State of TEXAS

EXHIBIT A

Martin's Response to RFP and Eco. Devo. Proposal to the City



## Martin's Rod & Custom

Response to RFP: 1203 McLean Street  
Lampasas Industrial Park

Brant Martin

October 15, 2021

RFP Form  
Company Information Form

Company Name Martin's Rod & Custom  
Company Address 1010 McKeon Street, Lampasas  
Company Phone Numbers 512-564-1117  
Contact Name Brant Martin

I have fully read and understand the contents of this Request for Proposal and certify I am authorized to execute this proposal on behalf of Martin's Rod & Custom (company name). I further certify I am willing, able and competent to complete the tasks as outlined.

  
Authorized Signature

Brant Martin  
Printed Name

Proposals should be delivered to the City of Lampasas, 312 East Third Street, Lampasas, Texas 76550, marked "Industrial Park Tract #5" no later than 12 p.m. on Friday, October 15, 2021.

## **Business Description**

### **Phase 1- Lease property for 2 years with the option to buy.**

- MR&C RV Storage (within the existing fenced area) will have boat, RV and vehicle storage, which will store vehicles for clients of Martin's Rod and Custom, as well as boats and RVs of the community of Lampasas County. This will provide income during the 2-year lease term in preparation for building out Phase 2.
- There are currently 5+ RV and boat storage facilities in town, these units are at greater than 90% capacity, making it frustrating for new families moving to town who are also in the market for RV and boat storage.
- Estimated investment to prepare the storage area for use is between \$15,000-\$20,000. This figure includes removal of existing concrete barriers, leveling out, gravelling, adding cameras for security, signage, website advertising, etc. The estimated monthly income is based on 50 units at \$50 per unit per month = \$2,500 per month. At this rate, it will take 12-24 months to recover the startup investment, depending on monthly lease payment.

### **Phase 2- The vision of the MR&C Business Park, putting Lampasas on the Texas Hot Rod Community map.**

- This will be done through advertising and events such as write ups and feature articles in Hot Rod Magazines, local Car Shows, Onsite Podcasts, Video segments and a local venue for specialized events and musical performances.
- The second part of the vision is to build a training facility for our students who are opting for careers in the Trades. These aspiring tradesmen and women will receive hands-on experience working with hot rods and the benefit of years of knowledge obtained and shared by our very experienced professionals. This will help take

the high school Ag Mechanics course to the next level by adding paint, bodywork, and upholstery.

- MR&C Business Park is a Hot Rod destination-themed Business Park that will include a manufacturing facility to house businesses such as a chassis shop, suspension manufacturers, body shop, upholstery shop and other custom stores and hot rod related trades. Additionally, we project to have locations available for other *entrepreneurial possibilities* like a cigar lounge, distillery, microbrewery, barber shop, food truck spots and a beautiful park. This will provide a location for our out-of-town customers and our local friends and neighbors to have a safe, clean, and fun destination to hang out or while they wait for their vehicle to complete services.
- According to Access Development Travel and Tourism statistics, travelers with *high incomes* (which defines 98% of our customers) are more likely to have taken many different types of trips each year and 78% of them travel for fun, excitement, and adventure *relating to their hobbies*.
- The Business Park facilities will *initially* produce an additional 20+ jobs with wages ranging between \$10-\$30 per hour.
- Martin's Rod and Custom currently resides in Lampasas on McLean Street, directly across from this proposed location, which will ultimately be a part of the Hot Rod Business Park facility.
- MR&C enjoys a great reputation and standing in the community including financial institutions, schools, and community organizations. Our employee base comes from Lampasas, Killeen, Copperas Cove and Kempner.



# MR&C Principals

## MR&C Camper Storage

Brant Martin, President

Residence: 202 N. Arnold Lampasas,  
Texas 76550

Phone: 512-734-0150

---

*100% Owner*

---

## MR&C Industrial Park

Martin's Rod & Custom / Open for  
investors

Residence: 202 N. Arnold Lampasas,  
Texas 76550

Phone: 512-734-0150

---

*100% Owner*

---

## Current Customer Base

Martin's Rod & Custom, over the course of twenty years; has built a large customer base. Our Hot Rod enthusiasts are generally in the upper income brackets and enjoy travelling to events and "fixing up" and adding features to their many vehicles.

We also continuously attract new clientele from word-of-mouth recommendations based on our reputation with our many, many existing and returning customers.

*We can happily supply references and recommendations from new customers as well as customers that we have worked with spanning decades.*

## **Current Supplier Base**

- Eagle Auto Parts 20+ year partnership.
- O'Reilly's Auto Parts 20+ year partnership.
- Lampasas Steel and Lampasas Hardware longstanding relationships.
- 20+ years' collaboration experience with vendors and suppliers outside our community as well, such as Summit Racing, Motor State Facility, Vintage Air, Air Ride Technologies, etc.

*References can be given upon request.*

# CORE VALUES



- **Family**
  - faith, community, priority
- **Team**
  - ownership, motivated, collaboration
- **Growth**
  - excellence, positive, hard work ethic
- **Speed**
  - productive, efficient, communication
- **Innovative**
  - creative, fun, driven
- **Safe**
  - quality control, clean, training
- **Reputation**
  - trust, integrity, transparency

## OUR MISSION

We are a reliable and efficient one stop shop, that has a reputation of creating and maintaining quality custom vehicles with speed.

## OUR VISION

We are a high-quality, family-based hot rod shop with a passion for growth. We strive to provide our team with a dependable, clean work environment, proper equipment, and training to enhance their passion for building, restoring and maintaining custom vehicles.

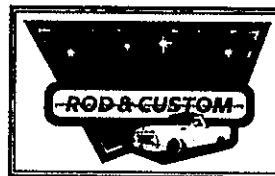
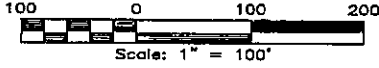


EXHIBIT B

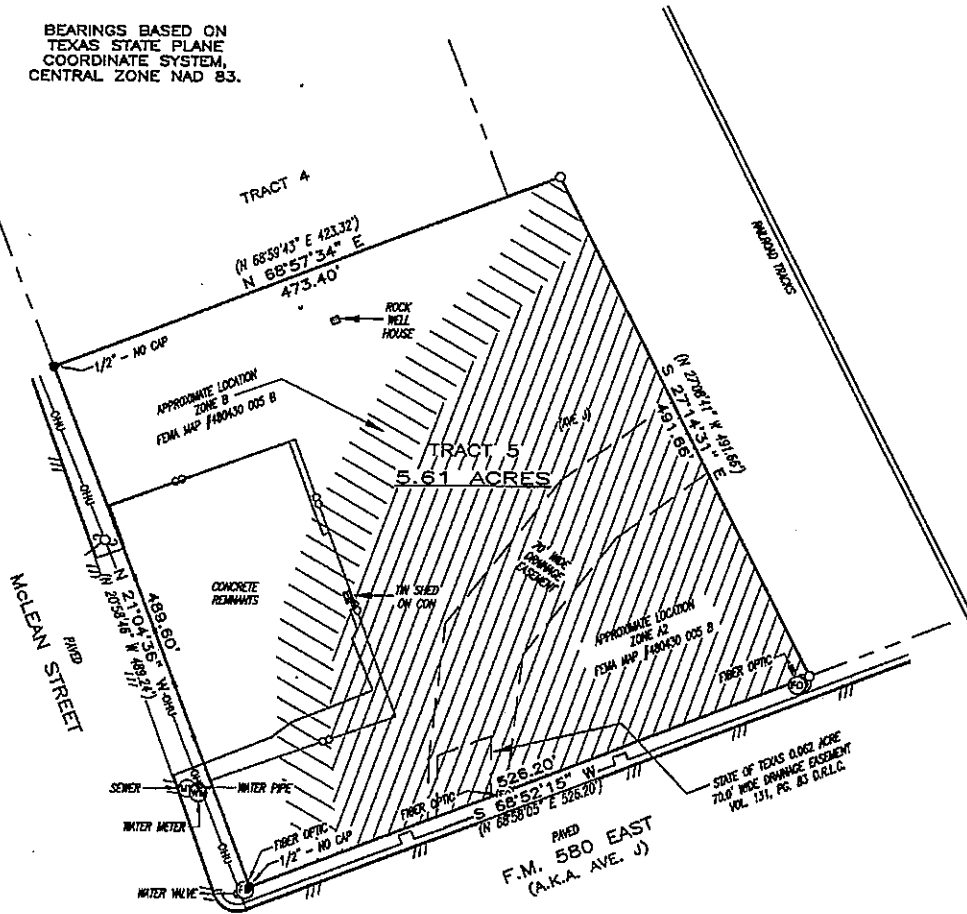
[Survey – site diagram of Leased Premises]

TRACT 5, LAMPASAS INDUSTRIAL PARK, A SUBDIVISION IN LAMPASAS COUNTY, TEXAS ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN CABINET 2, SLIDE 102, PLAT RECORDS, LAMPASAS COUNTY, TEXAS.

JOB No.: 210325  
 DRAWN: MCM  
 F.C.: DB/DDB/HB  
 PAGE 1 OF 1



BEARINGS BASED ON  
 TEXAS STATE PLANE  
 COORDINATE SYSTEM,  
 CENTRAL ZONE NAD 83.

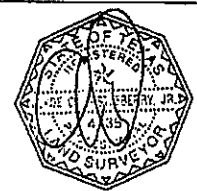


- LEGEND**
- 1/2" IRON PIN SET
  - w/YELLOW CAP "CCC 4835"
  - IRON PIN FOUND (As Noted)
  - CHAIN LINK FENCE
  - UTILITY POLE
  - OVERHEAD UTILITIES
  - (/) RECORD DATA
  - D.R.L.C. DEED RECORDS LAMPASAS CO.
  - P.R.L.C. PLAT RECORDS LAMPASAS CO.

THIS AREA IS SHOWN TO BE IN ZONE A2 & B PER FEMA'S FLOOD INSURANCE RATE MAP #480430 0005 B DATED JUNE 15, 1982; HOWEVER AT PRESENT TIME, NO ELEVATIONS, DRAINAGE OR FLOOD STUDIES HAVE BEEN PERFORMED AND THE INFORMATION IS BASED SOLELY ON SAID MAP/PLAT. THE SURVEYOR DOES NOT ASSUME RESPONSIBILITY AS TO ANY INFORMATION PROVIDED BY SAID MAP/PLAT. THIS FLOOD STATEMENT DOES NOT IMPLY THAT THIS PROPERTY AND/OR STRUCTURES THEREON WILL BE FREE FROM FLOODING OR FLOOD DAMAGE.

THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT. OTHER EASEMENTS OR RESTRICTIONS NOT SHOWN HEREIN MAY APPLY.

STATE OF TEXAS                    §  
 COUNTY OF LAMPASAS           §  
 I, CLYDE C. CASTLEBERRY, JR. FOR TRIPLE C SURVEYING CO. HAVE THIS DATE CAUSED TO BE PERFORMED AN ON-THE-GROUND SURVEY UNDER MY SUPERVISION OF THE FOREGOING PLATTED TRACT OF LAND AND TO THE BEST OF MY KNOWLEDGE AND BELIEF THERE ARE NO DISCREPANCIES, CONTACTS, SHORTAGES OF AREA, ENCROACHMENTS, VISIBLE UTILITY LINES OR ROADS IN PLACE AND THAT SAID PROPERTY HAS ACCESS TO AND FROM A DEDICATED ROADWAY EXCEPT AS SHOWN HEREON.



**TRIPLE C SURVEYING Co.**  
 P.O. Box 544 - Lampasas, Texas 76550  
 (812) 845-5440  
 email: admin@triplecsurveying.com  
 www.triplecsurveying.com    Firm No. 10193916

Witness my hand and seal this the 18th day of April, 2021

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