

ASSIGNMENT OF LEASE AGREEMENT
BETWEEN
SABINE COUNTY FIREFIGHTER ASSOCIATION, as Lessor
AND
SABINE COUNTY, TEXAS, as Lessee

DATED AS OF AND EFFECTIVE SEPTEMBER 24, 2020

ASSIGNMENT OF LEASE

This Assignment of Lease (the "Lease"), is dated as of and effective September 24, 2020 (the "Effective Date") is between SABINE COUNTY FIREFIGHTERS ASSOCIATION, ("Lessor"), and SABINE COUNTY, TEXAS ("Lessee"). This assignment is an assignment of that lease between Georgia-Pacific Wood Products LLC to Sabine County Firefighters Association dated and effective as of July 1, 2019. All capitalized terms used in this Lease and not defined in this Lease shall have the meanings given to them in **Appendix A** attached hereto and made a part hereof.

RECITALS

WHEREAS, Lessor, as Tenant, and Georgia Pacific Wood Products LLC, a Delaware limited liability company (collectively as "**Landlord**") entered into that certain Ground Lease Agreement dated July 1, 2019 (collectively the "**Lease**") pursuant to which Landlord agreed to lease to Lessor certain premises commonly known as 105 Yellow Pine Highway, Pineland, Texas 75968; and

WHEREAS, Landlord has specifically provided its written consent in that lease to an Assignment of said Lease by Lessor to Sabine County, Texas; and

WHEREAS, Lessor desires to assign all of its rights, title and interest in the Lease to Lessee and Lessee desires to assume Lessor's obligations under the Lease, save and except any indemnities which are not assumed by the Lessee, along with any other duties not allowed by law.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows:

ARTICLE I. PREMISES AND TERM

1.1 Premises. In consideration of the Rent to be paid and the agreements and obligations to be performed and observed by Lessee as herein provided, Lessor does hereby lease to Lessee, and Lessee does hereby take and hire, the Premises, including all easements and other rights and privileges appurtenant thereto and subject to all matters of record.

1.2 Term; Termination Option. The term of this Lease (the "**Initial Term**") shall be fifteen (15) years, commencing as of the Effective Date and shall expire on the last calendar day of the month in which the fifteenth (15th) anniversary of the Effective Date occurs (the "**Expiration Date**"). Upon not less than six (6) month's written notice to Lessee, Lessor shall have the right to terminate this Lease provided that Lessor pays for the cost (a) to relocate the Tower and any improvements erected or constructed pursuant to Article VII and (b) to acquire any land on which the Tower would be relocated which land shall be located no further than five (5) miles from the Premises and shall not contain any acreage that is lesser than that contained in the Premises. Notwithstanding the foregoing, Lessee shall use its reasonable, good faith efforts to identify land owned by Lessee on which the Tower and improvements may be relocated at no cost to Lessor.

1.3 Renewal Options. Lessee shall have three (3) options to renew this Lease, in each case, for an additional period of fifteen (15) years (each, a "**Renewal Term**"), upon the same terms and conditions that are applicable to the Initial Term. Lessee may exercise each of its options to renew by giving Lessor notice at least one hundred twenty (120) days prior to the expiration of the Initial Term or

then current Renewal Term, as the case may be. The "**Term**" of this Lease shall be deemed to include the Initial Term and, if any option to extend is exercised, each Renewal Term.

1.4 Delivery of Possession; Condition of Premises. Lessor shall deliver possession of the Premises to Lessee on the Effective Date. Lessee acknowledges that it is familiar with the condition of the Premises and that this Lease is made on an "AS IS," "WHERE IS" and "WITH ALL FAULTS" basis.

ARTICLE II. RENT PAYMENTS

2.1 Rent. For the Term, Lessee shall pay as rent for the Premises (the "**Base Rent**") the amount of One Hundred and No/100ths Dollars (\$100.00) per year payable in advance, due on the first day of each calendar year during the Term (prorated for any partial year).

2.2 Rent to Be Net to Lessor. It is the intention of the parties that the Base Rent payable hereunder shall be net to Lessor, so that this Lease shall yield to Lessor the net Base Rent specified herein during the Term of this Lease, and that all costs, expenses and obligations relating to the management, use, occupation, operation, maintenance, repair, removal and demolition of the Premises and any structure, building or fixture thereon shall be paid by Lessee.

2.3 Place and Time of Payment. All Base Rent and other sums due Lessor hereunder (collectively, the "**Rent**") shall be paid in lawful money of the United States of America to Lessor at such place or in such manner as Lessor may from time to time designate by notice to Lessee. Lessee's obligation to pay any Rent which has accrued during the Term hereof, but which remains unpaid as of the Expiration Date or earlier Termination Date, shall survive the Expiration Date or earlier Termination Date.

ARTICLE III. TAXES

3.1 Obligations to Pay Certain Taxes. Lessee shall pay when due any and all Taxes assumed, levied or imposed upon or becoming a lien on the Premises for any period during the Term of this Lease. However, in the event that, under applicable Governmental Requirements, such Taxes are imposed on and are payable only by Lessor, Lessee shall pay Lessor, as additional Rent, an amount equal to such Taxes paid by Lessor prorated to the Term promptly upon receipt of evidence that such Taxes have been paid.

3.2 Right to Contest Taxes. Either party shall have the right to contest the amount or validity of any Taxes by appropriate legal proceedings; provided, however, that this right shall not be deemed or construed in any way to relieve, modify or extend either party's obligation to pay any Taxes at the time and in the manner provided in this Article III, unless such proceedings shall also act as a stay of the sale of Lessee's Estate and Lessor's Estate, or any part of either thereof, and the foreclosure of any lien thereon to satisfy such Taxes prior to the final determination of such proceedings. The other party may, but is not required to, join in any such proceeding at its discretion. If such other party is required to join in any proceeding therefor in order to properly prosecute such proceeding, or if such contest may only be brought in such other party's name, such other party shall, upon the request of such first party (and at such first party's expense), join in such proceeding or bring such contest as such first party shall reasonably direct using counsel selected by such first party.

3.3 Tax Parcel Division. Promptly following the date hereof, Lessee, at its cost, may file such applications or other instruments with the applicable Governmental Authority as may be required in order to create a separate tax parcel for the Premises. Lessor shall execute such documents and, otherwise,

cooperate in all reasonable respects in filing applications or other instruments that are necessary to create such tax parcel.

3.4 Lessor's and Lessee's Separate Taxes. Nothing contained in this Lease shall require either party to pay any franchise, estate, inheritance, succession, capital levy, income, rent, sales, use, gross receipts, personal property or transfer tax imposed by law on the other party.

ARTICLE IV. THE PREMISES

4.1 Title to Premises. At no time during the Term of this Lease, shall Lessee hold title to the Premises, and Lessee hereby waives all right, title or claim as to any interest in the Premises.

4.2 Removal or Demolition of the Premises. Upon the Expiration Date or earlier Termination Date, the Premises shall automatically become the property of Lessor (except that Lessee shall remove any buildings, personal property, equipment and trade fixtures prior to the Expiration Date, filling all excavations and returning the surface to grade; provided, however, Lessee shall not be required to remove the Tower).

4.3 Right of Ingress and Egress. Lessee shall have the right of ingress to and egress from the Premises but shall only use such private roadways at the Facility that are immediately adjacent to the Premises and shall not have the right to use any other roadways at the Facility.

4.4 Additional Third Party Rights to Use Radio Tower. Lessee agrees to provide Lessor written notice of any potential third parties desiring to lease or otherwise utilize space on the Tower, and any such lease or similar agreement of space shall be subject to Lessor's written approval which may be given, conditioned or withheld in Lessor's sole and absolute discretion.

ARTICLE V. COMPLIANCE WITH LAW; MAINTENANCE AND REPAIR

5.1 Compliance with Applicable Law. Lessee shall, at its cost, use, operate, maintain, repair and replace the Premises in compliance with all applicable Governmental Requirements.

5.2 Maintenance and Repair of Premises. Lessor shall not be required to maintain the Premises, or any part thereof, to make any repairs, replacements or renewals of any nature or description to the same, or to make any expenditure or incur any obligation with respect to any of the foregoing. Notwithstanding the foregoing, Lessor shall, at its cost and expense, be responsible to make any repairs, replacements or renewals to the Premises to the extent caused by Lessor or Lessor's employees, contractors or agents.

ARTICLE VI. LIENS

6.1 Waiver of Right to Mechanics' Liens. Lessee shall not have any right, authority or power to bind Lessor for the payment of any claim for labor or material, or for any expense incurred by Lessee in the alteration, restoration, maintenance, repair, operation or management of the Premises by Lessee, nor to render Lessor's Estate liable for any lien or right of lien for any labor, material, services or any other charge for expenses incurred in connection therewith.

6.2 By Lessor. Lessor shall not have any right, authority or power to bind Lessee for the payment of any claim for labor or material or for engineering or architect's fees, or for any charge or expense incurred by Lessor in any construction, alteration, restoration, maintenance, repair, operation or management of the Premises or the Facility by Lessor, nor to render Lessee's Estate or the Facility liable for any lien or right of lien for any labor, material, services, or any other charge for expenses incurred in connection therewith.

6.3 Satisfaction and Release of Liens. If any lien shall be filed against Lessor's Estate by any person claiming by, through or under Lessee, including, but not limited to (a) the liens referred to in Section 6.1; (b) liens arising by reason of a non-payment by Lessee of any Taxes, debt or other obligation for which Lessee is liable hereunder; or (c) by reason of any judgment involving monetary damages against Lessee, then Lessee shall procure and deliver to Lessor a full and complete cancellation and discharge thereof (or if local law permits, replace such lien with a bond) within thirty (30) days after becoming aware of such filing. If any lien shall be filed against the Facility or Lessee's Estate by any person claiming by, through or under Lessor, including, but not limited to (x) liens referred to in Section 6.2; (y) liens arising by reason of non-payment by Lessor of any Taxes, debt or other obligation for which Lessor is liable hereunder or (z) by reason of any judgment involving monetary damages against Lessor, then Lessor shall procure and deliver to Lessee a full and complete cancellation and discharge thereof (or if local law permits, replace such lien with a bond) within thirty (30) days after becoming aware of such filing.

ARTICLE VII. CONDEMNATION

7.1 Total Taking. For purposes of this Lease, the term "**Taking**" shall mean appropriation, acquisition of any title by eminent domain or condemnation and any voluntary private conveyance in lieu thereof, covering all or any portion of the Premises, the Facility or any improvement or interest in the same, made as the result of or as settlement of any appropriation, condemnation or other eminent domain proceeding affecting the same (without regard to whether any such proceeding shall actually have been commenced). If, during the Term of this Lease, all of the Premises or the Facility shall be subject to a permanent Taking, or if so much of the Premises or the Facility shall be subject to a Taking that Lessee's continued use of that portion of the Premises or the Facility excluded from such Taking shall be economically, operationally or otherwise infeasible (in either case, a "**Total Taking**"), this Lease shall automatically terminate upon the date on which title to the Premises or the Facility (or such substantial portion thereof) shall vest in the condemning authority. Base Rent shall be abated as of the date of such termination. The condemnation award payable in consequence of such Total Taking, or the consideration payable in consideration for a private sale in lieu of condemnation, as the case may be, shall be awarded solely to Lessor. Lessee hereby assigns and releases to Lessor its right, title and interest in and to any and all proceeds and awards which may be available in consequence of any Total Taking.

7.2 Partial Taking. If, during the Term of this Lease, the Premises or the Facility shall be subject to a taking other than a Total Taking (and any Taking, whether permanent or temporary, other than a Total Taking, is referred to herein as a "**Partial Taking**"), this Lease shall not be terminated as a result of the same but shall continue in full force and effect as to the balance of the Premises or the Facility excluded from such Partial Taking. Base Rent shall not be abated in the event of a Partial Taking.

7.3 Waiver of Remedies. In the event of any Taking, Lessee waives any and all rights to participate in all proceedings with respect to any Taking, including the right to pursue any awards, damages and compensation payable in connection therewith.

**ARTICLE VIII.
DAMAGE AND RESTORATION**

8.1 Casualty to Premises. In the event of any damage or destruction to the Premises during the Term of this Lease by fire or other casualty (a "Casualty"), and this Lease is not terminated as provided below, such Casualty shall not operate to terminate this Lease. This Lease shall continue in full force and effect notwithstanding the occurrence of any such Casualty, and Lessee shall, at its election but in each case at no expense to Lessor: (a) restore, rebuild or replace (or cause to be restored, rebuilt or replaced) the affected portion of the Premises to a condition equal to or greater in value to that just prior to such Casualty; or (b) raze the affected portion of the Premises and remove all of the debris resulting therefrom from the Premises.

8.2 Casualty to Facility. In the event of any damage or destruction to the Facility during the Term of this Lease by fire or other casualty (a "Casualty"), and this Lease is not terminated as provided below, such Casualty shall not operate to terminate this Lease. This Lease shall continue in full force and effect notwithstanding the occurrence of any such Casualty, and Lessor shall, at its election but in each case at no expense to Lessee: (a) restore, rebuild or replace (or cause to be restored, rebuilt or replaced) the affected portion of the Facility to a condition equal to or greater in value to that just prior to such Casualty; or (b) raze the affected portion of the Facility and remove all of the debris resulting therefrom from the Facility.

8.3 Lessor's Option to Terminate. Lessor may, in its sole and absolute discretion, terminate the Lease if: (a) the Facility is substantially damaged or destroyed by fire or other casualty, or (b) the Premises is substantially damaged or destroyed by fire or other casualty. If Lessor elects to terminate the Lease pursuant to this Section 8.3 it shall notify Lessee as to its election, and this Lease shall terminate thirty (30) days after such notice.

**ARTICLE IX.
MODIFICATIONS TO THE PREMISES**

Subject to the requirements of Sections 5.1 and 5.2 hereof, Lessee shall be entitled to make the following improvements and modifications to the Premises, at its cost: (a) the construction of an 8 x 8 building to house equipment next to the Tower, (b) installation of a propane tank next to the Tower; (c) the erection of a fence around the Tower; and (d) installation of a new gate on the road leading to the Tower. Any and all other improvements and modifications shall be subject to Lessor's prior written approval. Lessee, at Lessee's cost, shall provide Lessor with a key to any locks placed on the gate from time to time. At any time that Lessee has failed to provide such key, Lessor shall have the right to cut any lock or similar device on the gate to access the Premises without claim of loss or damage by Lessee or claim of breach of Article XVII.

**ARTICLE X.
INSPECTION OF PREMISES AND ADJACENT PROPERTY BY THE PARTIES**

Lessee agrees to permit Lessor and the authorized representatives of Lessor, subject to reasonable prior notice (except in cases of imminent risk of injury to persons or property), to enter upon any portion of the Premises, or any part thereof at reasonable times for the purposes of inspecting the same, to assure Lessee's compliance with the provisions of this Lease and as may be required to permit Lessor to comply with its obligations under this Lease.

**ARTICLE XI.
DEFAULTS; REMEDIES**

11.1 Defaults by Lessee. The occurrence of any of the following shall constitute an “**Event of Default**” on the part of Lessee under this Lease:

(a) Lessee fails to perform any obligation under this Lease to pay money to Lessor, and such failure to perform remains uncured fifteen (15) days after notice of such failure has been given by Lessor; or

(b) Lessee fails to perform any obligation under this Lease, other than the matters covered by clause (a) above, and such failure remains uncured thirty (30) days after notice of such failure has been given by Lessor, unless such failure cannot be completely cured within such thirty (30) day period, in which case Lessee shall have a reasonable opportunity to cure such failure so long as it promptly commences appropriate steps to cure such failure within such thirty (30) day period and continues to prosecute such cure with reasonable diligence thereafter.

11.2 Lessor’s Remedies.

(a) **Termination.** Upon the occurrence of any Event of Default on the part of Lessee, then Lessor may, at its option, by giving a notice of such termination to Lessee, elect to terminate this Lease. In such event, the Termination Date shall be on the fifteenth (15th) day after delivery of such notice unless the default giving rise to such Event of Default has been cured by Lessee prior to such time, the date such notice of termination is given and, on or after the Termination Date, Lessor or Lessor’s agents, employees, servants and representatives may, subject to Lessee’s rights under Section 4.2 hereof, immediately or at any time thereafter reenter the Premises, remove all persons and all or any property therefrom and repossess and enjoy the Premises.

(b) **Damages, Right to Cure.** If any Event of Default on the part of Lessee shall occur, (i) Lessor shall be entitled to all remedies available at law or equity, with or without terminating this Lease, to take all actions to evict Lessee from the Premises or (ii) Lessor may, but shall have no obligation to, upon five (5) Business Days’ prior notice to Lessee, cure any such Event of Default, and all amounts expended by Lessor in connection therewith, together with interest thereon at the Late Payment Interest Rate from the date incurred or paid by Lessor to the date of payment by Lessee, shall be payable by Lessee upon demand.

**ARTICLE XII.
ESTOPPEL CERTIFICATES**

Lessee shall execute, acknowledge and deliver to Lessor, upon the reasonable request of Lessor made at least fifteen (15) days prior to the requested date for delivery, a statement in writing certifying to any assignee, mortgagee, sublessee or lender to Lessor, to any prospective such assignee, mortgagee, sublessee or lender, or to Lessor’s certified public accountants, in each case as designated in Lessor’s request (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified, stating the modifications); (ii) the date to which Base Rent has been paid; (iii) to the knowledge of the person signing for Lessee, whether any Event of Default on the part of Lessor has occurred under this Lease and if so, specifying each such known Event of Default; and (iv) to the knowledge of the person signing for Lessee, whether any event has occurred which with the lapse of time, or the giving of notice, or both, would constitute an Event of Default on the part of Lessor has occurred under this Lease and if so, specifying each such known event.

**ARTICLE XIII.
SURRENDER OF PREMISES**

Lessee shall, upon the Expiration Date or Termination Date, whichever shall first occur, surrender the Premises, as required by Section 4.2 (except for a Taking as described in Article VII), subject to Lessee's rights and obligations under Section 4.2 hereof, free and clear of all tenancies and occupancies and free of all liens and encumbrances other than those consented to by Lessor, those that existed on the date hereof and any acts of Lessor or any other Person claiming by, through or under Lessor.

**ARTICLE XIV.
QUIET ENJOYMENT**

Lessor covenants that Lessee, upon paying the Base Rent and all other charges required to be paid by Lessee hereunder and performing, observing and keeping all of the terms, covenants, conditions, agreements and obligations of this Lease on its part to be performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term of this Lease without hindrance or molestation of any Person claiming by, through or under Lessor, subject, however, to (a) the provisions of this Lease, (b) all matters of record as of the date hereof and (c) all matters that would be disclosed by an accurate survey and inspection of the Premises.

**ARTICLE XV.
NOTICES**

Any notice, request, demand or other communications desired or required to be given hereunder shall be in writing and shall be sent by overnight courier or deposited in the United States mail, postage prepaid, sent certified or registered, return receipt requested, and addressed to the address set forth below or to such other address as any party shall have previously designated by such a notice. Notice so sent by overnight courier shall be deemed to be given and received one (1) Business Day after the date sent and any notice so mailed shall be deemed to be given and received on the date shown on the return receipt (evidence of rejection of delivery or inability to deliver because of a changed address of which no notice was given pursuant to the provisions of this Lease shall be deemed to be a receipt).

If to Lessor:

SABINE COUNTY FIREFIGHTERS ASSOCIATION
PO Box 721
Hemphill, Texas 75948
Attention: President

With a copy to:

Georgia-Pacific Wood Products LLC
133 Peachtree Street NE
Atlanta, GA 30303
Attention: Law Department – Real Estate

If to Lessee:

SABINE COUNTY, TEXAS
PO Box 716
Hemphill, Texas 75948
Attention: County Judge

Each party may change the above address at any time by appropriate notice to the other party in writing.

**ARTICLE XVI.
ASSIGNMENT**

16.1 General. This Lease shall be binding upon and inure to the benefit of the respective successors and assigns of the parties and shall inure to the benefit of their respective assigns.

16.2 Transfer or Encumbrance by Lessor. Lessor may sell, encumber and otherwise transfer all or any portion of the Premises. Lessor may also assign, encumber and otherwise transfer all or any portion of its rights, obligations and interest under this Lease. Lessor shall give Lessee prompt notice of any sale, assignment, encumbrance or other transfer pursuant to this Section 16.2. Any assignee of any of Lessor's rights hereunder shall assume all of the obligations of Lessor under this Lease arising from and after the date of such assignment. If requested by any lender to Lessor which makes a loan secured by all or any portion of the Premises, Lessee shall enter into a subordination, non-disturbance and attornment agreement in a form reasonably approved by Lessee, which approval shall not be unreasonably withheld or delayed.

16.3 Transfer by Lessee. Lessee may not assign this Lease or sublet the Premises or any portion thereof to any individual or entity without Lessor's express prior written consent. Any assignment in violation of this provision will be void. Notwithstanding the foregoing, Lessee may assign this Lease to Sabine County, Texas, upon thirty (30) days advance written notice to Lessor provided such party expressly assumes all of Lessee's obligations under this Lease in writing.

**ARTICLE XVII.
MISCELLANEOUS PROVISIONS**

17.1 Partial Invalidity. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, but such remaining provisions shall be interpreted, applied and enforced so as to achieve, as near as may be, the purposes and intent of this Lease to the greatest extent not prohibited by law.

17.2 Remedies. Except as otherwise expressly provided in this Lease, the specific remedies to which Lessor or Lessee may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which they may be lawfully entitled in case of any breach or threatened breach by either of them or any provision of this Lease.

17.3 Consents, Amendments and Waivers. The failure of Lessor or Lessee to insist in any one or more cases upon the strict performance of any of the covenants of this Lease shall not be construed as a waiver for the future of such covenant. No waiver, change, amendment, modification or discharge by either party hereto of this Lease or of any provision in this Lease, no surrender of Lessee's Estate hereby created and no agreement to effect the same shall be deemed to have been made or shall be effective unless expressed in writing and signed by both Lessor and Lessee or by the party against whom enforcement of the same is sought.

17.4 Entire Agreement. There are no oral agreements between the parties affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, offers, agreements and understandings, oral or written, if any, between the parties or displayed by either party to the other party with respect to the subject matter of this Lease. There are no representations between the parties other than those expressly set forth in this Lease, and all reliance with respect to any representations

is solely upon representations expressly set forth in this Lease. This Lease (including **Appendix A** and all annexes hereto) constitutes the entire agreement between the parties with respect to the subject matter hereof.

17.5 No Merger. There shall be no merger of this Lease, nor of Lessee's Estate, with the ownership of any portion of or interest in the Facility or the Premises by reason of the fact that the same person or entity may acquire, own or hold, directly or indirectly, this Lease (or the rights and interests created by this Lease) together with an ownership, leasehold or other right or interest in the Premises or the Facility, and no such merger shall occur unless and until Lessee and all other persons or entities holding (a) the rights and interests created by this Lease and (b) the ownership, leasehold or other rights or interests in the Facility or Premises or any part thereof shall join in a written instrument expressly effecting such merger.

17.6 Article and Section Headings; Number; Advice of Counsel. The headings, titles and captions of this Lease are inserted only as a matter of convenience and reference and in no way define, extend, limit or describe the scope or intent of this Lease. Whenever herein the singular number is used, the same shall include the plural. No provision of this Lease shall be construed against or interpreted to the disadvantage of any party hereto by any court, other governmental or judicial authority or arbitrator by reason of such party having or being deemed to have structured, drafted or dictated such provision.

17.7 Executed Counterparts. This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. In making proofs of this Lease, it shall not be necessary to account for any other counterparts hereof.

17.8 Governing Law. This Lease shall be interpreted and enforced in accordance with the laws of the State of Texas.

17.9 Unavoidable Delays. If either party shall be unable to carry out any obligation under this Lease (other than an obligation to pay money) due to an Unavoidable Delay, this Lease shall remain in effect but such obligation shall be suspended for the period necessary as a result of the Unavoidable Delay. The party whose performance is affected by an Unavoidable Delay shall, so far as reasonably possible, attempt to avoid the Unavoidable Delay and to remedy the Unavoidable Delay with all reasonable dispatch. The settlement of strikes or lockouts or other labor disputes or disturbances shall be entirely within the discretion of the party having the difficulty, and the above requirement that any Unavoidable Delay shall be avoided and remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or labor disputes or disturbances. The party whose performance is affected or who has reason to believe such performance may be affected by reason of an Unavoidable Delay shall as promptly as possible give written notice thereof to the other party giving the particulars of the event, including supporting documentation, if available.

17.10 Lessor and Lessee Not Partners. Nothing contained in this Lease shall be construed to create a partnership or joint venture between Lessor and Lessee or between Lessor and/or Lessee and any other person or to cause Lessor or Lessee to be responsible in any way for the debts or obligations of the other or any other person. Under no provision of this Lease shall Lessor be considered to be a contractor, agent, servant, employee or Affiliate of, or a Person claiming by or through, Lessee or shall Lessee be considered to be a contractor, agent, servant, employee or Affiliate of, or a Person claiming by or through, Lessor.

17.11 No Recordation. This Lease shall not be filed for record.

[Signature pages follow]

IN WITNESS WHEREOF, each of Lessor and Lessee has caused this Lease to be executed by its duly authorized representative.

LESSOR:

SABINE COUNTY FIREFIGHTERS ASSOCIATION

By: Lennie Johnston
Name: Lennie & Judy
Title: President

LESSEE:

SABINE COUNTY, TEXAS

By: Dayl Mutton
Name: Dayl Mutton
Title: County Judge

APPENDIX A

DEFINITIONS

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such first Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, general partnership interests, by contract or otherwise.

“Base Rent” shall have the meaning set forth in Section 2.1 of this Lease.

“Business Day” means any day excluding Saturday, Sunday and any day on which banking institutions located in the States of New York or Texas are authorized by law or other governmental action to close.

“Claim” means any and all liabilities, obligations, losses, claims, penalties, interest, fines, demands, damages, punitive damages, settlements, judgments, causes of action, administrative proceedings (including informal proceedings), suits, claims for personal or bodily injury, death or property damage, claims for lien, costs, expenses and fees (including, without limitation, any Environmental Claim and reasonable attorneys’ fees and expenses), together with all other costs and expenses of any kind or nature imposed upon, made or asserted against or incurred by a party or any Lessee Protected Person or Lessor Protected Person.

“Effective Date” shall have the meaning set forth in the preamble of this Lease.

“Environmental Assessment” means any test, inspection or other investigation of the environmental condition of real property (including the soil, subsoil, surface water or groundwater of or beneath the real property and the air above the real property), including without limitation, a so-called “Phase I” environmental assessment, or any more invasive or comprehensive levels of testing, inspections or investigation undertaken for purposes of evaluating whether any Environmental Event has or is likely to have occurred, the nature or the extent of any Environmental Event that has occurred, the likely cost or nature of any required Remediation thereof or the appropriateness, completeness and status of any Remediation that has been or is being conducted.

“Environmental Claims” means any Claim imposed upon, asserted against or incurred, directly or indirectly, arising from, in connection with, as a result of or in any way related to any of the following: (i) the disposal, discharge, release or threatened release of any Regulated Substance on, in, over, under, from or affecting the Premises or the Facility, including the soil, subsoil, surface water or groundwater of or beneath the Premises and the air above the Premises or any portion thereof; (ii) any actual or alleged violation of, any actual or alleged failure to comply with, or any actual or alleged liability arising under or in connection with any Environmental Laws relating to or arising out of or affecting the Premises or the Facility; or (iii) any actual or alleged violation of, any actual or alleged failure to comply with, or any actual or alleged liability arising under or in connection with any order, Permits (including, without limitation, any Environmental Permits), decree, rule, regulation, requirement or demand of any Governmental Authority that is based upon or in any way related to the use, presence, suspected presence, disposal, discharge, storage, treatment, transportation, handling, generation, release or threatened release of any Regulated Substance on, in, over, under, from or affecting the Premises or the Facility (including the soil, subsoil, surface water or groundwater of or beneath the Premises and the air above the Premises or any

portion thereof), including the costs and expenses associated with the removal, cleanup or compliance with Environmental Laws and Environmental Permits.

“Environmental Event” means any act or omission resulting in actual or alleged liability arising under any Environmental Laws, or that requires Remediation, including, without limitation, any disposal, discharge, release, threatened release, or the presence or suspected presence of any Regulated Substance.

“Environmental Laws” means any Governmental Requirements pertaining to human health or the quality of, protection, clean-up, Remediation or damage of or to land, air, soil, subsoil, sediment, surface water and groundwater, including, without limitation, the following laws as the same may be from time to time amended: the Clean Air Act, as amended, 42 U.S.C. § 7401, et seq.; the Clean Water Act, 33 U.S.C. § 1251 et seq.; the Resource, Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Rivers and Harbors Act, 33 U.S.C. § 401, et seq.; the Transportation Safety Act of 1974, 49 U.S.C. § 1801 et seq.; and the Endangered Species Act, 16 U.S.C. § 1531, et seq.; together with any other foreign or domestic laws (federal, state, provincial or local), common law, local rule, regulation (including, without limitation, any future change in judicial or administrative decisions interpreting or applying any of the laws, rules or regulations referred to herein) relating to emissions, discharges, releases or threatened releases of any Regulated Substance into ambient air, land, soil, subsoil, sediment, surface water or groundwater.

“Environmental Permits” means any Permit issued by any Governmental Authority under any Environmental Law.

“Event of Default” shall have the meaning set forth in Sections 11.1 and 11.3 of this Lease.

“Expiration Date” shall have the meaning set forth in Section 1.2 of this Lease.

“Facility” shall have the meaning set forth in Recital A of this Lease.

“Governmental Authority” means any nation or government, any state, province or other political subdivision thereof or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Governmental Requirements” means any legal requirement of any Governmental Authority in effect from time to time, including any law, statute, code, act, ordinance, order, judgment, decree, injunction, rule, regulation, permit, license, authorization, certificate, order, franchise, determination, approval, notice, demand letter, direction and requirement of any Governmental Authority, whether unforeseen, ordinary or extraordinary and any change in any of the foregoing or in the interpretation of any of the foregoing by any Governmental Authority.

“Initial Term” shall have the meaning set forth in Section 1.2 of this Lease.

“Land” shall have the meaning set forth in Recital A of this Lease.

“Late Payment Interest Rate” means 2% plus the rate announced by Citibank N.A., a national banking association, as its “prime rate,” “reference rate” or similar rate in effect on the date interest first begins to accrue with respect to any sum that becomes payable pursuant to any provision of this Lease.

“Lease” means this Ground Lease, as the same may from time to time be amended.

“Lessee Protected Person” means any or all of Lessee’s agents, partners, officers, directors, employees, advisors, attorneys, consultants and Affiliates.

“Lessee’s Estate” means Lessee’s interest as tenant under this Lease.

“Lessee” means City of Pineland, Texas, a Texas municipal corporation.

“Lessor Protected Person” means any or all of Lessor’s agents, partners, officers, directors, employees, advisors, attorneys, consultants and Affiliates.

“Lessor’s Estate” means Lessor’s fee simple right, title and interest in and to the Premises, including Lessor’s reversionary interest or estate in or title to the Premises and Lessor’s interest as Lessor under this Lease, but does not include any interest in the Facility.

“Lessor” means SABINE COUNTY FIREFIGHTERS ASSOCIATION, a Delaware limited liability company.

“Partial Taking” shall have the meaning set forth in Section 7.2 of this Lease.

“Permits” means all Environmental Permits and all other authorizations, consents, approvals, waivers, exemptions, variances, franchises, permissions, permits and licenses of any Governmental Authority, including, without limitation, from all public utility commissions necessary or, in the opinion of counsel to either party, advisable for the operation or maintenance of the Facility.

“Person” means an individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or association or any governmental agency or political subdivision thereof.

“Premises” shall have the meaning set forth in Section 1.1 of this Lease.

“Regulated Substance” means and includes (a) any friable asbestos or asbestos-containing material, polychlorinated biphenyls, dioxins or urea formaldehyde foam insulation; (b) any petroleum product or crude oil or fraction thereof; (c) any chemical, pollutant, contaminant, toxic or hazardous substance, material, constituent or waste, as such terms are defined in or pursuant to any Environmental Laws; and (d) any other substance the emission, discharge, presence, release, threatened release, clean-up, removal or disposal of which is regulated by any applicable Environmental Laws.

“Remediation” means the planning, design and implementation of cleanup activity or other response action undertaken under any Environmental Laws or under the terms of this Lease, conducted to the extent required by any Environmental Laws.

“Renewal Term” shall have the meaning set forth in Section 1.3 of this Lease.

“Rent” shall have the meaning set forth in Section 2.3 of this Lease.

“Taking” shall have the meaning set forth in Section 7.1 of this Lease.

“Taxes” means and includes any and all real estate taxes and assessments (general and special), water and sewer charges, personal property taxes and similar taxes and other governmental charges that are assessed, levied, imposed upon or become a lien upon all or any portion of the Premises and/or the Facility.

“Term” shall have the meaning set forth in Section 1.3 of this Lease.

“Termination Date” means any date prior to the Expiration Date on which this Lease terminates.

“Total Taking” shall have the meaning set forth in Section 7.1 of this Lease.

“Unavoidable Delay” means any event beyond the reasonable control of a party, which either prevents or makes materially more difficult the timely performance by a party of its obligations hereunder, including, without limitation, acts of God or the public enemy; flood; earthquake; storm; lightning; ; explosion; war; riot; blockade; insurrection; epidemic; landslide; washout; civil disturbance; stoppage of any utility service; failure of the other party to perform any obligations of the other party under this Lease; and any other cause beyond the reasonable control of the party affected.